

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or about what action to take, you should consult your stockbroker, bank manager, solicitor, accountant or other appropriate independent professional adviser authorised under FSMA (as amended) if resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser in the relevant jurisdiction.

If you have sold or otherwise transferred all of your shares in Solid State plc, prior to the Ex-Entitlement Date please forward this document, together with the accompanying Form of Proxy and, if relevant, the Application Form, to the person through whom the sale or transfer was effected, for transmission to the purchaser or transferee. If you have sold or otherwise transferred only part of your shares in Solid State plc, please immediately contact the person through whom the sale or transfer was effected.

However, the distribution of this document and/or any accompanying documents into a jurisdiction other than the United Kingdom may be restricted by law or regulation and therefore such documents should not be distributed, forwarded to or transmitted in or into the United States of America, Canada, Australia, the Republic of Ireland, Japan or the Republic of South Africa, or into any other jurisdiction where the extension of the Open Offer would breach any applicable law or regulation. If you have sold or transferred part of your holding of Existing Ordinary Shares prior to the Ex-entitlement Date, you are advised to consult your stockbroker, bank or other agent through whom the sale or transfer was effected and refer to the instructions regarding split applications set out in the accompanying Application Form.

The total consideration under the Open Offer shall be less than €8 million (or an equivalent amount) in aggregate and the Placing Shares shall only be available to qualified investors for the purposes of the Prospectus Rules or otherwise in circumstances not resulting in an offer of transferable securities to the public under section 102B of FSMA. Neither the Placing nor the Open Offer constitute an offer to the public requiring an approved prospectus under section 85 of FSMA and accordingly this document does not constitute a prospectus for the purposes of the Prospectus Rules made by the Financial Conduct Authority of the United Kingdom ("FCA") pursuant to sections 73A(1) and (4) of FSMA and has not been pre-approved by the FCA pursuant to sections 85 and 87 of FSMA, the London Stock Exchange, any securities commission or any other authority or regulatory body. In addition this document does not constitute an admission document drawn up in accordance with the AIM Rules for Companies.

The Company and the Directors, whose names are set out on page 14, accept responsibility, both collectively and individually, for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. AIM securities are not admitted to the Official List of the Financial Conduct Authority.

Solid State plc

(incorporated and registered in England and Wales under number 00771335)

Proposed Acquisition of Custom Power LLC.

Proposed Placing of 2,561,048 New Ordinary Shares

and

**Proposed Open Offer of up to 194,498 New Ordinary Shares
in each case at an issue price of 1,025p per share**

Notice of General Meeting

Your attention is drawn to the letter from the Chairman of Solid State plc (the "Company") set out in this document in which the Directors unanimously recommend that you vote in favour of the Resolution to be proposed at the General Meeting. The action to be taken in respect of the General Meeting is set out in the letter from the Chairman of the Company.

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. Subject, *inter alia*, to the Resolution being passed, it is expected that Admission will become effective and that dealings in the New Ordinary Shares will commence on AIM on 2 August 2022. The New Ordinary Shares will rank *pari passu* in all respects with the Existing Ordinary Shares.

A notice convening a General Meeting of the Company to be held at the offices of WH Ireland, 24 Martin Lane, London EC4R 0DR at 11.00 a.m. on 29 July 2022 is set out at the end of this document.

No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied on as having been so authorised. The delivery of this document shall not, under any circumstances, create any implication that there has not been any change in the affairs of the Company since the date of this document or that the information is correct as of any subsequent time.

This document does not constitute an offer to sell or an invitation to subscribe for, or solicitation of an offer to subscribe for or buy New Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation. Accordingly, the New Ordinary Shares may not, subject to certain exceptions, be offered or sold, directly or indirectly, in, or into, the United States of America, Canada, Australia, Japan, the Republic of Ireland or the Republic of South Africa, or in any other country, territory or possession where to do so may contravene local securities laws or regulations. The Ordinary Shares have not been, and will not be, registered under the

Securities Act or qualified for sale under the laws of any state of the United States or under the applicable laws of any of Canada, Australia, the Republic of Ireland, Japan or the Republic of South Africa and, subject to certain exceptions, may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) or to any national, resident or citizen of Canada, Australia, the Republic of Ireland, Japan or Republic of South Africa.

WH Ireland, which is authorised and regulated in the United Kingdom by the FCA, is acting as Nominated Adviser and Joint Bookrunner exclusively for the Company and no one else in connection with the contents of this document and will not regard any other person (whether or not a recipient of this document) as its client in relation to the contents of this document nor will it be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the contents of this document. Apart from the responsibilities and liabilities, if any, which may be imposed on WH Ireland by FSMA or the regulatory regime established thereunder, WH Ireland accepts no responsibility whatsoever, and makes no representation or warranty, express or implied, for the contents of this document including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on behalf of it, the Company or any other person, in connection with the Company and the contents of this document, whether as to the past or the future. WH Ireland accordingly disclaims all and any liability whatsoever, whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of the contents of this document or any such statement. The responsibilities of WH Ireland as the Company's nominated adviser under the AIM Rules for Companies and the AIM Rules for Nominated Advisers are owed solely to London Stock Exchange and are not owed to the Company or to any director or shareholder of the Company or any other person, in respect of its decision to acquire shares in the capital of the Company in reliance on any part of this document, or otherwise.

finnCap, which is authorised and regulated in the United Kingdom by the FCA, is acting solely as Joint Bookrunner exclusively for the Company and no one else in connection with the contents of this document and will not regard any other person (whether or not a recipient of this document) as its client in relation to the contents of this document nor will it be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the contents of this document. Apart from the responsibilities and liabilities, if any, which may be imposed on finnCap by FSMA or the regulatory regime established thereunder, finnCap accepts no responsibility whatsoever, and makes no representation or warranty, express or implied, for the contents of this document including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on behalf of it, the Company or any other person, in connection with the Company and the contents of this document, whether as to the past or the future. finnCap accordingly disclaims all and any liability whatsoever, whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of the contents of this document or any such statement.

No representation, responsibility or warranty, expressed or implied, is made by WH Ireland, finnCap, Solid State plc or any of their respective directors, officers, employees or agents as to any of the contents of this document in connection with the Acquisition, the Placing, the Open Offer or any other matter referred to in this document. WH Ireland will not be offering advice and will not otherwise be responsible for providing customer protections to recipients of this document or for advising them on the contents of this document or any other matter.

The New Ordinary Shares will not be registered under the United States Securities Act of 1933 (as amended) or under the securities laws of any state of the United States and, absent registration or an exemption therefrom, may not be offered or sold in the United States. The New Ordinary Shares will not be registered under any of the relevant securities laws of Canada, Australia, the Republic of Ireland, Japan or the Republic of South Africa. Accordingly, unless otherwise determined by the Company and permitted by the applicable law and regulations, the New Ordinary Shares may not be, directly or indirectly, offered, sold, taken up, delivered or transferred in or into the United States, Canada, Australia, Republic of Ireland, Japan or the Republic of South Africa.

Copies of this document will be available free of charge to the public during normal business hours on any day (Saturdays, Sundays and public holidays excepted) at the offices of the Company, Solid State, 2 Ravensbank Business Park, Hedera Road, Redditch, B98 9EY and on the Company's website solidstate.com for a period of one month from the date of this document.

This document is dated 13 July 2022.

IMPORTANT INFORMATION

Notice to overseas persons

The Open Offer Shares have not been and will not be registered under the United States Securities Act of 1933, as amended, or under the applicable securities laws of any state or other jurisdiction of the United States or qualified for distribution under any applicable securities laws in any other Restricted Jurisdiction. The Open Offer Shares may not be offered, sold, taken up, resold, transferred or delivered, directly or indirectly, within, into or in the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. The Open Offer Shares are being offered and sold either: (i) outside the United States in offshore transactions within the meaning of, and in accordance with, the safe harbour from the registration requirements in Regulation S under the Securities Act; or (ii) in the United States in private placement transactions not involving any public offering in reliance on the exemption from the registration requirements of Section 5 of the Securities Act provided by Section 4(2) under the Securities Act or another applicable exemption therefrom. There will be no public offer of the Open Offer Shares in the United States.

None of the Open Offer Shares, the Application Form, this document nor any other document connected with the Open Offer have been or will be approved or disapproved by the United States Securities and Exchange Commission or by the securities commissions of any state or other jurisdiction of the United States or any other regulatory authority, nor have any of the foregoing authorities or any securities commission passed upon or endorsed the merits of the offering of the Open Offer Shares, the Application Form or the accuracy or adequacy of this document or any other document connected with the Open Offer. Any representation to the contrary is a criminal offence.

The ability of Qualifying Shareholders to participate in the Open Offer may be restricted in certain jurisdictions. The attention of Overseas Shareholders is drawn to paragraph 6 of Part III "*Terms and conditions of the Open Offer*" of this document.

Cautionary note regarding forward-looking statements

This document may contain statements about the Company that are or may be "forward-looking statements". All statements, other than statements of historical facts, included in this document may be forward-looking statements and are subject to, *inter alia*, the risk factors described in Part II ("*Risk factors*") of this document. Without limitation, any statements preceded or followed by, or that include, the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "may", "should", "anticipates", "estimates", "projects", "would", "could", "continue", "potential" or words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects and (ii) business and management strategies and the expansion and growth of the operations of the Company. These forward-looking statements are not guarantees of future performance and have not been reviewed by the auditors of the Company. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of any such person, or industry results, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. Investors should not place undue reliance on such forward-looking statements and, save as is required by law or regulation (including to meet the requirements of the AIM Rules), the Company does not undertake any obligation to update publicly or revise any forward-looking statements (including to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based). All subsequent oral or written forward-looking statements attributed to the Company or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements contained in this document are based on information available to the Directors of the Company at the date of this document, unless some other time is specified in relation to them, and the posting or receipt of this document shall not give rise to any implication that there has been no change in the facts set forth herein since such date.

Rounding

Certain data in this document, including financial, statistical and operational information has been rounded. As a result of the rounding, data presented in this document may vary slightly from the actual arithmetical totals of such data. Percentages have also been rounded.

Currency presentation

In this document, references to “pounds sterling”, “£”, “pence”, “penny” and “p” are to the lawful currency of the United Kingdom and references to “dollars” and “\$” are to the lawful currency of the United States. Unless otherwise stated, the basis of translation of dollars into pounds sterling for the purposes of inclusion in this document is \$1.25/£1.00.

Presentation of market, economic and industry data

Where information contained in this document originates from a third party source, it is identified where it appears in this document together with the name of its source. Such third party information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

No incorporation of website information

The contents of the Company’s website or any hyperlinks accessible from the Company’s website do not form part of this document and Shareholders should not rely on them.

Interpretation

Certain terms used in this document are defined and certain technical and other terms used in this document are explained at the section of this document under the heading “Definitions”.

All times referred to in this document, the Form of Proxy and the Application Form are, unless otherwise stated, references to London time.

All references to legislation in this document, the Form of Proxy and the Application Form are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of any legislation or regulation shall include any amendment, modification, re-enactment or extension thereof.

Words importing the singular shall include the plural and *vice versa*, and words importing the masculine gender shall include the feminine or neutral gender.

Shareholders should not construe the contents of this document as legal, tax or financial advice, and should consult with their own advisers as to the matters described herein.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2022
Record Date for the Open Offer	6.00 p.m. on 12 July
Announcement of the Acquisition and Fundraising	4.35 p.m. on 12 July
Announcement of the results of the Placing	on 13 July
Existing Ordinary Shares marked “ex” by the London Stock Exchange	8.00 a.m. on 13 July
Publication and posting of this document, Form of Proxy and, in respect of Qualifying Non-CREST Shareholders, the Application Form	13 July
Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to CREST stock accounts of Qualifying CREST Shareholders or as soon as 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 document 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 and in the rest of this document is indicative only.*
- (iv) *In order to subscribe for Open Offer Shares under the Open Offer, Qualifying Shareholders will need to follow the procedure set out in Part III “Terms and conditions of the Open Offer” of this document and, where relevant, complete the accompanying Application Form. If Qualifying Shareholders have any queries on the procedure for acceptance and payment, or wish to request another Application Form, they should contact Neville Registrars on 0121 585 1131 or if calling from outside the UK on +44 121 585 1131. Calls to the Neville Registrars’ help lines are charged at your provider’s standard rates for national or, as the case may be, international calls. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Neville Registrars cannot provide advice on the merits of the Fundraising nor give any financial, legal or tax advice.*

PLACING AND OPEN OFFER STATISTICS

Closing mid-market price per Existing Ordinary Share on 11 July 2022	1,145 pence
Issue Price	1,025 pence
Discount to market price of 1,145 pence per Existing Ordinary Share ¹	10.5 per cent.
Number of Existing Ordinary Shares in issue (excluding shares held in treasury)	8,557,932
Number of Placing Shares to be issued pursuant to the Placing	2,561,048
Number of Open Offer Shares to be offered for subscription by Qualifying Shareholders	194,498
Expected number of Director Subscription Shares	14,146
Estimated number of New Ordinary Shares subject to the Fundraising ²	2,769,692
Expected proceeds of the Fundraising (before expenses) ²	£28.4 million
Enlarged Issued Share Capital following Admission ^{2,3}	11,327,624
Percentage of Enlarged Issued Share Capital represented by the Placing Shares ^{2,3}	22.6 per cent.
Estimated net proceeds of the Fundraising ²	up to £27.2 million

Open Offer statistics

Basic Entitlement under the Open Offer	1 Open Offer Share for every 44 Existing Ordinary Shares
Percentage of Enlarged Issued Share Capital represented by the Open Offer Shares ²	1.7 per cent.
Open Offer Basic Entitlements ISIN	GB00BQ5J5D13
Open Offer Excess Entitlements ISIN	GB00BQ5J5F37
LEI	213800QUHS9QTN5T1P62

Notes:

1. *Based on the closing mid-market price on 11 July 2022, being the last practicable date prior to the publication of this document*
2. *Assuming full subscription under the Open Offer and the issue of the maximum number of Directors' Subscription Shares*
3. *6,946 Ordinary Shares are held in treasury*

DEFINITIONS

The following definitions apply throughout this document and the accompanying Form of Proxy and Application Form, 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”	the announcement of the Acquisition and Fundraising made by the Company on 12 July 2022
“Application Form”	the personalised application form accompanying this document (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
“Basic Entitlement”	the entitlement of Qualifying Shareholders to apply for Open Offer Shares on the basis of 1 Open Offer Share for every 44 Existing Ordinary Share held and registered in their names on the Record Date
“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)
“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 Manual”	the compendium of documents entitled “CREST Manual” issued by Euroclear from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, the CREST Rules, the CSS Operations Manual and the CREST Glossary of Terms
“CREST Member”	a person who has been admitted by Euroclear as a system participant (as defined in the CREST Regulations)

“CREST Member account ID”	the identification code or number attached to a member account in CREST
“CREST Participant”	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations)
“CREST participant ID”	shall have the meaning given in the CREST Manual issued by Euroclear
“CREST payment”	shall have the meaning given in the CREST Manual issued by Euroclear
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI2001/3755)
“CREST sponsor”	a CREST Participant admitted to CREST as a CREST sponsor
“CREST sponsored member”	a CREST Member admitted to CREST as a sponsored member (which includes all CREST personal members)
“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 Applications”	any applications for Excess Shares pursuant to the Excess Application Facility
“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 set out in Part III <i>“Terms and conditions of the Open Offer”</i> of this document

“Excess CREST Open Offer Entitlements”	in respect of each Qualifying CREST Shareholder who has taken up his Basic Entitlement in full, the entitlement (in addition to the Basic Entitlement) to apply for Excess Shares up to the number of Open Offer Shares credited to his stock account in CREST pursuant to the Excess Application Facility, which may be scaled back in accordance with the provisions of this document
“Excess Shares”	Open Offer Shares which a Qualifying Shareholder is entitled to apply for in addition to the Basic Entitlement by virtue of the Excess Application Facility
“Ex-entitlement Date”	the date on which the Existing Ordinary Shares are marked “ex” for entitlement under the Open Offer, expected to be 8.00 a.m. on 13 July 2022
“Existing Ordinary Shares”	the 8,557,932 Ordinary Shares (excluding 6,946 Ordinary Shares held in treasury) in issue as at the Record Date
“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 which accompanies this document
“Fundraise” or “Fundraising”	the proposed Placing, Open Offer and Directors’ Subscription
“General Meeting”	the general meeting of the Company convened for 11.00 a.m. on 29 July 2022 (or any adjournment thereof) notice of which is set out at the end of this document
“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
“Member Account ID”	the identification code or number attached to any member account in CREST

“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
“Notice of General Meeting”	the notice convening the General Meeting set out at the end of this document
“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 set out in this document and, in the case of Qualifying Non-CREST Shareholders, in the Application Form that will accompany this document
“Open Offer Entitlement”	the <i>pro rata</i> 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
“Participant ID”	the identification code or membership number used in CREST to identify a particular CREST Member or other CREST Participant
“Placing Shares”	the 2,561,048 new Ordinary Shares to be issued and allotted pursuant to the Placing
“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 Rules”	the Prospectus Regulation Rules made in accordance with the EU Prospectus Directive 2003/71/EC as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 in relation to offers of securities to the public an admission of securities to trading on a regulated market
“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 document is 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
“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
“USE”	unmatched stock event

“USE Instruction”

unmatched stock event instruction which, on its settlement, will have the effect of crediting a stock account of the Registrars under the participant ID and member account ID specified in paragraph 3 of Part III of this document, with a number of Open Offer Entitlements or Excess CREST Open Offer Entitlements corresponding to the number of Open Offer Shares applied for /has the meaning given in paragraph 3.2 of Part III *“Terms and conditions of the Open Offer”* of this document

“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

PART I

LETTER FROM THE CHAIRMAN OF SOLID STATE PLC

(incorporated and registered in England and Wales under number 00771335)

Directors:

Nigel Foster Rogers, *Non-Executive Chairman*
Gary Stephen Marsh, *Chief Executive Officer*
Peter Owen James, *Group Finance Director*
John Lawford Macmichael, *Director*
Matthew Thomas Richards, *Director*
Peter Haining, *Non-Executive Director*
Peter John Magowan, *Non-Executive Director*

Registered Office:

2 Ravensbank Business Park,
Hedera Road
Redditch
B98 9EY

13 July 2022

Dear Shareholder

**PROPOSED ACQUISITION OF CUSTOM POWER LLC
PROPOSED PLACING OF 2,561,048 NEW ORDINARY SHARES
PROPOSED OPEN OFFER OF UP TO 194,498 NEW ORDINARY SHARES AND
NOTICE OF GENERAL MEETING**

1. Introduction

On 12 July 2022, the Company announced that 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 consideration of \$30.0 million (c.£24.0 million) less a non-refundable deposit of \$1.0 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 cash in two equal tranches at six and 12 months post Completion. Further earn-out consideration of up to \$5.0 million (c.£4.0 million) subject to a revenue performance target, is payable in cash.

The Initial Consideration is to be funded through a combination of the Placing of approximately £26.25 million before expenses and new loan facilities totalling £13 million with Lloyds Bank, both of which were announced in conjunction with the Acquisition. The Deferred Consideration will be funded from the Group's cash and debt facilities prevailing at the time and is secured by two standby letters of credit from Lloyds Bank and Export Finance UK. The Earn-out Consideration is expected to be funded by the cash generation of the Enlarged Group.

The Fundraising, comprises a Placing to raise £26.25 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 2,561,048 Placing Shares, up to 194,498 Open Offer Shares and up to 14,146 Directors' Subscription Shares, in each case at an issue price of 1,025 pence per New Ordinary Share. 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 the Announcement. The Issue Price was set by the Directors after consultation with the Joint Bookrunners, following their assessment of market conditions and discussions with a number of institutional investors.

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 Open Offer, Placing and Directors' Subscription include the approval by the Company's Shareholders at a general meeting of the Resolution granting authority to the Directors to allot the New Ordinary Shares on a non-pre-emptive basis.

The purpose of this document is to set out the background to and reasons for the Acquisition and the Fundraising and to give details of the Acquisition, Placing, Open Offer and Directors Subscription and to

recommend that you vote in favour of the Resolution, required to be passed to implement them. The Fundraise is expected to complete at 8.00 a.m. on 2 August 2022, being the expected date of Admission. The notice of General Meeting is set out at the end of this document.

2. Background and reason 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 a 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 circa \$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.

3. 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 \$3.1 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 \$8.9 million (c.£7.1 million). The Directors consider the underlying net assets being acquired amount to \$6.8 million (c.£5.4 million) 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).

4. 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 \$5.0 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 Custom 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 (£30.0 million) 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.

5. 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.

6. Details of the Fundraising

The Company is raising £26.25 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 the Announcement.

The Fundraising comprises the Placing, the Open Offer and the Directors' Subscription. The Placing, Open Offer and 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.

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 the 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.

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings will commence at 8.00 a.m. on 2 August 2022. Further information in respect of settlement and dealings in the Open Offer Shares is set out in Part III "*Terms and conditions of the Open Offer*" of this document.

7. 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 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 set out in Part III "*Terms and conditions of the Open Offer*" of this document (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 enables Qualifying Shareholders to apply for further Open Offer Shares in excess of their Open Offer Entitlement 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 certain overseas jurisdictions will not qualify to participate in the Open Offer. The attention of Overseas Shareholders is drawn to paragraph 6 of Part III "*Terms and conditions of the Open Offer*" of this document.

Valid applications by Qualifying Non-CREST Shareholders will be satisfied in full up to their Open Offer Entitlements as shown on the Application Form. 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. If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, the Excess Shares will be scaled back in such manner as the Directors may determine in their absolute discretion 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.

Application has been made for the Open Offer Entitlements to be admitted to CREST. It is expected that such Open Offer Entitlements will be credited to CREST on 14 July 2022. The Open Offer Entitlements will be enabled for settlement in CREST until 11.00 a.m. on 28 July 2022. Applications through the CREST system may only be made by the Qualifying CREST Shareholder originally entitled or by a person entitled by virtue of *bona fide* market claims. The Open Offer Shares must be paid in full on application. The latest time and date for receipt of completed Application Forms or CREST applications and payment in respect of the Open Offer is 11.00 a.m. on 28 July 2022.

The Open Offer is subject to the satisfaction, *inter alia*, of the following conditions on or before 2 August 2022 (or such later date (being no later than the Long Stop Date) as the Joint Bookrunners and the Company may agree):

- i. completion of the Acquisition being unconditional, save for any conditions regarding completion of the Placing;
- ii. the passing of the Resolution to grant authority to the Directors at a General Meeting, to allot the New Ordinary Shares and to disapply statutory pre-emption rights;
- iii. the Placing and Open Offer Agreement not having been terminated prior to Admission;
- iv. the Placing becoming unconditional in all respects (save for any condition relating to Admission); and
- v. Admission becoming effective by 8.00 a.m. on or around 2 August 2022 (or such later time and/or date (being no later than 8.00 a.m. on the Long Stop Date) as the Joint Bookrunners and the Company may agree).

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.

The Open Offer Shares will be fully paid and shall rank *pari passu* in all respects with all other Ordinary Shares then in issue, including the right to receive all dividends and other distributions declared, made or paid after the date of their allotment.

Further details of the Open Offer and the terms and conditions on which it is being made, including the procedure for application and payment, are contained in Part III "*Terms and conditions of the Open Offer*" of this document and on the accompanying Application Form.

8. Effect of the Fundraising

Upon Admission, and assuming full take up of the Open Offer Shares and the issue of the maximum number of Directors' Subscription Shares, the Enlarged Issued Share Capital is expected to be 11,327,624 Ordinary Shares (excluding treasury shares). On this basis, the New Ordinary Shares will represent approximately 24.5 per cent. of the Enlarged Issued Share Capital.

Following the issue of the New Ordinary Shares, assuming full take up of the Open Offer Shares and the issue of the maximum number of Directors' Subscription Shares, Qualifying Shareholders who do not take up any of their Open Offer entitlements or participate in the Placing will suffer a dilution of approximately 24.5 per cent. to their interests in the Company. If a Qualifying Shareholder takes up his Open Offer Entitlement in full, and does not participate in the Placing, he will suffer a dilution of approximately 22.7 per cent. to his interest in the Company.

9. 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 not 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.

10. General Meeting

Set out at the end of this document is a notice convening a General Meeting of the Company to be held at the offices of WH Ireland at 24 Martin Lane, London EC4R 0DR at 11.00 a.m. on 29 July 2022. The Notice of General Meeting sets out the proposed Resolution upon which Shareholders will be asked to vote. The Resolution is a special resolution to issue and allot the New Ordinary Shares and to be passed will require a majority of 75 per cent. of those shareholders voting.

11. Action to be taken

In respect of the General Meeting

Shareholders will find accompanying this document a Form of Proxy for use in connection with the General Meeting. The Form of Proxy should be completed and returned in accordance with the instructions thereon so as to be received by Neville Registrars Limited at Neville House, Steelpark Road, Halesowen, West Midlands, United Kingdom, B62 8HD as soon as possible and in any event not later than 48 hours before the time of the General Meeting. Completion and return of the Form of Proxy will not prevent a Shareholder from attending and voting at the General Meeting should he/she/it so wish.

In respect of the Open Offer

The latest time for applications under the Open Offer to be received is 11.00 a.m. on 28 July 2022. The procedure for application and payment depends on whether, at the time at which application and payment is made, you have an Application Form in respect of your entitlement under the Open Offer or have Open Offer Entitlements credited to your stock account in CREST in respect of such entitlement.

If you are a Qualifying Non-CREST Shareholder you will have received an Application Form which gives details of your Basic Entitlement under the Open Offer (as shown by the number of the Open Offer Entitlements allocated to you). If you wish to apply for Open Offer Shares under the Open Offer, you should complete the accompanying Application Form in accordance with the procedure for application set out in Part III "*Terms and conditions of the Open Offer*" of this document and on the Application Form itself. The completed Application Form, accompanied by full payment, should be returned by post or by hand (during normal business hours only) Neville Registrars Limited at Neville House, Steelpark Road, Halesowen, West Midlands, United Kingdom, B62 8HD so as to arrive as soon as possible and in any event no later than 11.00 a.m. on 28 July 2022.

If you are a Qualifying CREST Shareholder, no Application Form is enclosed but you will receive a credit to your appropriate stock account in CREST in respect of the Open Offer Entitlements representing your Basic and Excess Entitlements under the Open Offer. You should refer to the procedure for application set out in Part III "*Terms and conditions of the Open Offer*" of this document. The relevant CREST instruction must have settled by no later than 11.00 a.m. on 28 July 2022.

If you are in any doubt as to what action you should take, you should immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent professional adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

12. Overseas Shareholders

Information for Shareholders who have registered addresses outside the United Kingdom, who are citizens or residents of countries other than the United Kingdom or who are US persons, appears in paragraph 6 of

Part III “*Terms and conditions of the Open Offer*” of this document, which sets out the restrictions applicable to such persons. If you are an Overseas Shareholder, it is important that you read that part of this document.

13. Risk factors and additional information

Shareholders are advised to read the whole of this document and not rely solely on the summary information presented in this letter. The attention of Shareholders is drawn to the risk factors set out in Part II (“*Risk factors*”) and the information contained in Part III “*Terms and conditions of the Open Offer*” of this document, which provide additional information on the Open Offer and details of the action to be taken if you wish to subscribe for Open Offer Shares.

14. Recommendation

The Directors believe the Acquisition and Fundraising to be in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors unanimously recommend Shareholders to vote in favour of the Resolution required to implement them, as they intend so to do in respect of their beneficial shareholdings amounting to 5.6 per cent. of the Existing Ordinary Shares.

Yours faithfully
Nigel Rogers
Non-Executive Chairman

PART II

RISK FACTORS

An investment in the Company is subject to a number of risks and uncertainties. Accordingly, in evaluating whether to make an investment in the Company potential investors should consider carefully all of the information set out in this document and the risks attaching to an investment in the Company, including (but not limited to) the risk factors described below, before making any investment decision with respect to the shares. The risk factors described below do not purport to be an exhaustive list and do not necessarily comprise all of the risks to which the Company is exposed or all those associated with an investment in the Company. In particular, the Company's performance is likely to be affected by changes in market and/or economic conditions and in legal, accounting, regulatory and tax requirements. The risk factors described below are not intended to be presented in any assumed order of priority. Additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, may also have an adverse effect upon the Company. If any of the following risks were to materialise, the Group's business, financial condition, results, prospects and/or future operations may be materially adversely affected. In such case, the value of the shares may decline and an investor may lose all or part of their investment.

RISKS RELATING SPECIFICALLY TO THE EXISTING GROUP AND ENLARGED GROUP

The Acquisition will not proceed if Shareholders do not approve the Resolution at the General Meeting

The implementation of the Acquisition is subject to the approval of Shareholders of the Resolution at the General Meeting.

If the Acquisition does not proceed to Completion, the anticipated financial and commercial benefits to the Group of acquiring Custom Power will not be achieved and there may be an adverse impact on the reputation and brand of the Group, for example, as a result of negative media scrutiny arising in connection with the failure to complete.

The due diligence conducted in connection with the Acquisition may not have revealed all relevant considerations, liabilities or regulatory or conduct issues

The due diligence conducted by the Group in connection with the Acquisition may not have revealed all relevant considerations, liabilities or regulatory or conduct rules in relation to the Acquisition, including the existence of facts that may otherwise have impacted the decision to proceed with the Acquisition, the determination of the consideration payable or the formulation of the business strategy of the Group, Custom Power or the Enlarged Group. In addition, information provided during the due diligence process may have been incomplete, inadequate or inaccurate. The Group and following Completion, the Enlarged Group may also be subject to legacy conduct and other exposures with respect to the Custom Power's business which were not identified through due diligence. If any of the aforementioned occur, the Group could suffer reputation damage and may be liable for losses suffered by an affected party, each of whom could have a material adverse effect on the business, reputation and brand sales, results of operations, financial condition and/or prospects of the Group and, following Completion, the Enlarged Group.

The Group may fail to integrate Custom Power effectively and/or in a timely manner

The Group may experience difficulties integrating Custom Power within the existing business carried on by the Group and the Enlarged Group may not realise, or it might take the Enlarged Group longer than expected to realise, certain or all of the anticipated benefits of the Acquisition.

The benefits of the Acquisition may fail to materialise or be lower than expected

There is a risk that the benefits of the Acquisition anticipated by the Directors fail to materialise, that they are materially lower than have been estimated, take longer or cost more to achieve, or that Custom Power fails to perform as expected. If the Enlarged Group is unable to realise expected benefits, or these benefits

take longer to achieve or cost more than planned, this could have a significant impact on the profitability of the Enlarged Group going forward and a material adverse effect on the Enlarged Group's business, financial condition, prospects and/or results of operation.

The Acquisition and the integration of its business could cause disruption to management and operations

The Acquisition and integration of Custom Power into the Group could divert management's and other key staff's time, focus and resources from operating the business of the Group and the Acquisition, and following Completion, the Enlarged Group, and the integration process may lead to an increase in the level of operational risk events such as administrative errors. As such any negative impact on management's ability to focus and running the respective businesses, or an increase in the level of operational risk events could have a material adverse effect on the business reputation and brand, sales, results of operations, financial condition and or prospects of the Enlarged Group.

Trading

The Group's and, following Completion, the Enlarged Group's trading expectations are based on assumptions which the Directors consider to be reasonable but which are inherently subject to variation and uncertainty. There can be no assurance or guarantee that any element of those plans will be fulfilled, that the outcome of the Enlarged Group's strategy will be achieved or that the Enlarged Group will achieve revenue or be profitable.

Management of growth

The Enlarged Group's growth plans will place additional demand on its management, customer support, marketing and administrative resources. If the Enlarged Group is unable to manage its growth effectively, its business, operations or financial condition may deteriorate. If the Enlarged Group is unable to successfully integrate the Acquisition it could lead to disruptions to the Enlarged Group's business.

Supply chain maintenance, development and loss of key suppliers

The Group's, and following Completion, the Enlarged Group's, success depends on its ability and future ability to secure raw materials and components (in particular semiconductors) on commercially acceptable terms; however, this ability may be impacted by numerous factors, including global demand or other factors limiting the availability, cost or quality of supply, which would impact upon the Group's performance. In addition, the Group and following Completion, the Enlarged Group, is reliant on third parties to ship its products to end customers. Both suppliers and other third-party relationships are subject to operational risks, including, among other things, mechanical and IT system failure, work stoppages, increases in transportation costs, further COVID-19 lockdowns and the impact of global shortages and supply chain issues. Such disruption could have an adverse effect on the ability of the Group, and following Completion, the Enlarged Group, to manufacture its products and meet the contractual timescales required by end customers. Manufacturing the Enlarged Group's products is dependent on the timely delivery of components by third parties, including the transportation of those components to and from the Enlarged Group's facilities. If the Enlarged Group encounters problems with its supply chain or loses key suppliers, its ability to meet customer expectations, manage inventory, complete sales and achieve operating efficiencies could be adversely affected. If any of these events occur, the Enlarged Group could incur significantly higher costs and longer lead times to the dissatisfaction of its customers, which could have a material adverse effect on its business, financial condition, results of operations and prospects.

Dependence on retaining existing and winning new clients

The Group's, and following Completion, the Enlarged Group's, success is partly dependent on retaining existing customers and winning new customers. Were a material number of customers or key customers cease to use the Enlarged Group's products and services then this could have a material adverse effect on the Enlarged Group's business, revenue, financial condition, profitability, prospects and results of operations.

Failure to innovate

To ensure its long-term success, the Group's, and following Completion, the Enlarged Group's, products need to remain relevant in regards to the markets in which it operates. It is therefore imperative that the Enlarged Group can innovate to produce products which adhere to the future requirements of its customers. If the Enlarged Group fails to meet the changing needs of its customers, there is a risk that its revenues will suffer as a result. Products and technologies used within the Enlarged Group's current market place are constantly evolving and improving and the Enlarged Group may not possess the adequate technology or technical know-how to meet customer demand. Therefore, there is a risk that the Enlarged Group's current product offering may become outdated or obsolete as improvements in products and technology are made.

Any failure of the Enlarged Group to ensure that its products and other technologies remain up to date with the latest technology may have a material adverse effect on the Enlarged Group's business, prospects, results of operation and financial condition. The Enlarged Group's success will depend, in part, on its ability to develop and adapt to any technological changes and industry trends.

Dependence on key executives, managers and technical personnel

The Group, and following Completion, the Enlarged Group, is highly dependent upon key senior management personnel who have extensive experience and knowledge of the Enlarged Group, its solutions, its customers, its target markets and its business generally. The successful implementation of the Enlarged Group's growth strategy depends on the continuing availability of senior management and the Enlarged Group's ability to continue to attract, motivate and retain other highly qualified employees. If members of the Enlarged Group's senior management depart and adequate succession plans are not put in place, the Enlarged Group may not be able to find effective replacements in a timely manner, or at all and the Enlarged Group's business may be disrupted or damaged. In addition, the loss of key members of senior management to competitors may have a material adverse effect on the Enlarged Group's reputation, business, prospects, results of operation and financial condition.

Dependence on ability to attract highly skilled personnel and production staff

Attracting and retaining highly qualified management and staff, and their know how, is a critical component of the future success of the Group's business as is the continued training of such individuals. The Enlarged Group is also dependent on skilled and unskilled personnel to meet production targets. Competition for such people is high. If the Enlarged Group fails to attract, develop and retain suitable personnel it may be unable to satisfy customer demand, which may have a material adverse effect on the Enlarged Group's reputation, business, prospects, results of operation and financial condition.

Insurance

Some of the Group's, and following Completion, the Enlarged Group's, activities may expose it to potential professional indemnity and product liability risks, as well as litigation and reputational risks, which are inherent in the provision of certain of its products and services. Any claim brought against the Enlarged Group, with or without merit, could result in the increase of the Enlarged Group's insurance premiums or the inability to secure coverage in the future. There can be no assurance that the necessary insurance cover will be available to the Enlarged Group at a commercially acceptable cost or that, in the event of any claim, the level or extent of insurance carried by the Enlarged Group now or in the future will be adequate, or that a professional indemnity or other claim would not materially and/or adversely affect the business of the Enlarged Group.

Contravention of environmental, safety and other laws and regulations could have an adverse impact on the Group

The Group's, and following Completion, the Enlarged Group's, operations, including its manufacturing facilities, are subject to environmental, safety and other laws, permits and regulations, including those governing the use of hazardous materials and the nature of the Enlarged Group's operations expose it to the risk of liabilities or claims with respect to such matters. Any breach of such requirements could result in fines or other substantial costs and/or constrain the Enlarged Group's ability to operate its business, which could have a material adverse effect on its business, prospects, financial results and results of operations. In addition, irrespective of the adequacy of insurance cover, the Enlarged Group could experience disruption and claims related to incidents regardless of cause which could have a material adverse effect on the

Enlarged Group's business and financial condition. Similarly, many of the Enlarged Group's suppliers and customers are subject to similar laws and regulations. Contravention of these laws and regulations by any such parties, as well as the costs to be paid in order to comply with such laws and regulations, could also have an adverse impact on the Enlarged Group.

A major fault occurring in a key product

The Group's, and following Completion, the Enlarged Group's, business involves providing customers with reliable products. If a product contains undetected defects when first introduced or when upgraded or enhanced, the Enlarged Group may fail to meet its customers' performance requirements or otherwise satisfy contract specifications. As a result, it may lose customers and/or become liable to its customers for damages and this may, amongst other things, damage the Enlarged Group's reputation and financial condition. The Enlarged Group endeavours to negotiate limitations on its liability in its customer contracts where possible, however, defects in its solutions could result in the loss of a customer, a reduction in business from any particular customer, negative publicity, reduced prospects and/or a distraction to the management team. A successful claim by a customer to recover such losses may have a material adverse effect on the Enlarged Group's reputation, business, prospects, results of operation and financial condition. Any damage to reputation could have a material adverse effect on the Enlarged Group's business, financial condition, results of operations, future prospects and/or the price of the Ordinary Shares.

The use of increased borrowing may expose the Group to interest rate risks and refinance risks

The Group anticipates incurring increased borrowings in connection with the Acquisition with security over the Group's assets being granted to support such debt. Such facilities have repayment schedules and the Group will be entering into certain covenants with the lenders. Any breach of such covenants or repayment terms may result in the facilities required to be repaid early and/or security being enforced. In such instance the Group may have to repay such debt from cash reserves or refinance such debt on the terms available in the market at such time. Accordingly, there is no certainty that the terms of any refinance will be the same as those of the original facility, if refinance is available at all, and may result in increased costs, which may adversely affect the Enlarged Group's business and financial condition. Further the increased borrowings are at an interest rate that is tied to the base rate from time to time therefore subject to the risk such interest rates will increase.

Risk of fluctuations in foreign currency rates on operations

Due to its international operations, the Enlarged Group will both generate revenue and incur costs in foreign currencies. As a result, the Enlarged Group is exposed to the risk that adverse exchange rate movements cause the value of certain of its revenues to decrease, or certain costs to increase, resulting in reduced profitability.

At the Group's stage of development, the Group adopts a policy to look to naturally hedge its profit by matching its sales and purchases in a given currency, however it is not always possible to establish a perfect natural hedge. The Group believes the cost of hedging such risks with financial products outweighs the benefits of the hedges. The Enlarged Group may seek to alter this strategy in the future, but it may not be able to put such hedges in place and these hedges may not always be entirely effective to prevent the Enlarged Group suffering losses due to foreign exchange movements, therefore residual currency risk may exist.

GENERAL RISKS

An investment in the Company is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss that may result from the investment. A prospective investor should consider with care whether an investment in the Company is suitable for him in the light of his personal circumstances and the financial resources available to him. The investment opportunity offered in this document may not be suitable for all recipients of this document. Investors are therefore strongly recommended to consult an investment adviser authorised under FSMA, or such other similar body in their jurisdiction, who specialises in advising on investments of this nature before making their decision to invest.

Investment in the Company should not be regarded as short-term in nature. There can be no guarantee that any appreciation in the value of the Company's investments will occur or that the commercial objectives of the Company will be achieved. Investors may not get back the full amount initially invested.

The prices of shares and the income derived from them can go down as well as up. Past performance is not necessarily a guide to the future.

RISKS RELATING TO THE ORDINARY SHARES

Dilution of ownership of Ordinary Shares

Upon Admission, and assuming full take up of the Open Offer Shares and the issue of the maximum number of the Directors' Subscription Shares, the Enlarged Issued Share Capital is expected to be 11,327,624 Ordinary Shares. On this basis, the New Ordinary Shares will represent approximately 24.5 per cent. of the Enlarged Issued Share Capital.

Following Admission, assuming full take up of the Open Offer Shares, Qualifying Shareholders who do not take up any of their Open Offer entitlements nor participate in the Placing will suffer a dilution of approximately 24.5 per cent. to their interests in the Company. If a Qualifying Shareholder takes up his Open Offer Entitlement in full, and does not participate in the Placing, he will suffer a dilution of approximately 22.7 per cent. to his interest in the Company.

Investment risk and AIM

The New Ordinary Shares will be admitted to AIM and it is emphasised that no application is being made for admission of the New Ordinary Shares to the Official List or to any other stock exchange at this time. An investment in shares quoted on AIM may be less liquid and may carry a higher risk than an investment in shares quoted on the Official List. The rules of AIM are less demanding than those of the Official List. Further, London Stock Exchange has not itself examined or approved the contents of this document. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

Suitability

An investment in the Ordinary Shares is only appropriate for investors capable of evaluating the risks (including the risk of capital loss) and merits of such investment and who have sufficient resources to sustain a total loss of their investment. An investment in the Ordinary Shares should be seen as long-term in nature and complementary to investments in a range of other financial assets and should only constitute part of a diversified investment portfolio. Potential investors should consider carefully whether investment in the Ordinary Shares is suitable for them in the light of the information in this document and their personal circumstances. Before making any final decision, potential investors in any doubt should consult with an investment adviser authorised by the Financial Conduct Authority who specialises in advising on investments of this nature.

Trading market for the Ordinary Shares

The share price of publicly traded companies, particularly those listed on AIM, can be highly volatile and shareholdings illiquid. The Issue Price may not be indicative of the market price for the New Ordinary Shares following Admission. The market price of the Ordinary Shares will be influenced by a large number of factors, which could include, but not limited to, the performance of both the Enlarged Group's and its competitors' businesses, variations in the operating results of the Enlarged Group, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, large purchases or sales of Ordinary Shares, legislative changes and general economic, political and regulatory conditions. Prospective investors should be aware that the value of an investment in the Company may go down as well as up. Investors may therefore realise less than, or lose all of, their investment. The volume of shares traded on AIM can be limited and this may restrict the ability of Shareholders to dispose of Ordinary Shares at any particular time. It may be more difficult for an investor to realise his investment in the Group than in a company whose shares are quoted on the Official List.

Substantial sales of Ordinary Shares

There can be no assurance that certain Directors or other Shareholders will not elect to sell their Ordinary Shares. The market price of Ordinary Shares could decline as a result of any such sales of Ordinary Shares or as a result of the perception that these sales may occur. In addition, if these or any other sales were to occur, the Enlarged Group may in the future have difficulty in offering Ordinary Shares at a time or at a price it deems appropriate.

Additional capital and dilution

It is possible that the Enlarged Group will need or choose to raise extra capital in the future to finance the development of new products or services, to develop fully the Enlarged Group's business, to take advantage of acquisition opportunities or respond to new competitive pressures. If the Enlarged Group is unable to obtain this financing on terms acceptable to it then it may be forced to curtail its development. If additional funds are raised through the issue of new equity or equity-linked securities of the Company other than on a *pro rata* basis to existing Shareholders, the percentage ownership of such Shareholders may be substantially diluted. There is no guarantee that the then prevailing market conditions will allow for such a fundraising or that new investors will be prepared to subscribe for Ordinary Shares at the same price as the Issue Price or higher.

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

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

PART III

TERMS AND CONDITIONS OF THE OPEN OFFER

Introduction

As explained in the letter from the Chairman set out in Part I "*Letter from the Chairman of Solid State plc*" of this document, on 12 July 2022, the Company announced that pursuant to the terms of the Acquisition, the Company has agreed to acquire the equity interest in Custom Power for an Initial Consideration of \$30.0 million (c.£24.0 million), on a debt free, cash free and normalised working capital basis. 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 \$5.0 million (c.£4.0 million) subject to a revenue performance target, is payable in cash.

The Initial Consideration is to be funded by way of the Placing of approximately £26.25 million before expenses, which was announced in conjunction with the Acquisition and a new term loan facilities totalling £13 million with Lloyds Bank. Up to £2 million will be raised from the offer of the Open Offer Shares at the Issue Price to Qualifying Shareholders under the Open Offer.

The purpose of this Part III "*Terms and conditions of the Open Offer*" is to set out the terms and conditions of the Open Offer. Up to 194,498 new Ordinary Shares will be issued through the Open Offer. Qualifying Shareholders are being offered the right to subscribe for Open Offer Shares in accordance with the terms of the Open Offer. The Open Offer has not been underwritten and none of the Open Offer Shares have been conditionally placed with institutional or other investors.

The Record Date for entitlements under the Open Offer for Qualifying CREST Shareholders and Qualifying Non-CREST Shareholders is 6.00 p.m. on 12 July 2022. Application Forms are expected to be posted to Qualifying Non-CREST Shareholders on or around 13 July 2022 and Open Offer Entitlements are expected to be credited to stock accounts of Qualifying CREST Shareholders in CREST by 14 July 2022.

Subject to availability, the Excess Application Facility will enable Qualifying Shareholders to apply for Excess Shares. Further details in relation to the Excess Application Facility are set out in Part IV "*Questions and answers about the Open Offer*" in this document and, for Qualifying Non-CREST Shareholders, the Application Form.

The latest time and date for receipt of a completed Application Form and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate) is expected to be 11.00 a.m. on 28 July 2022 with Admission and commencement of dealings in Open Offer Shares expected to take place at 8.00 a.m. on 2 August 2022.

This document and, for Qualifying Non-CREST Shareholders only, the Application Form contains the formal terms and conditions of the Open Offer. Your attention is drawn to paragraph 3 of this Part III "*Terms and conditions of the Open Offer*" which gives details of the procedure for application and payment for the Open Offer Shares and any Excess Shares applied for pursuant to the Excess Application Facility. The attention of Overseas Shareholders is drawn to paragraph 6 of this Part III "*Terms and conditions of the Open Offer*".

The Open Offer Shares will, when issued and fully paid, rank equally in all respects with Existing Ordinary Shares, including the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.

The Open Offer is an opportunity for Qualifying Shareholders to apply for up to 194,498 Open Offer Shares *pro rata* (excepting fractional entitlements) to their current holdings at the Issue Price in accordance with the terms of the Open Offer.

Qualifying Shareholders are also being offered the opportunity to apply for additional Open Offer Shares in excess of their Open Offer Entitlement to the extent that other Qualifying Shareholders do not take up their Open Offer Entitlement in full. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement as at the Record Date.

The Open Offer Shares have not been placed subject to clawback nor have they been underwritten.

Consequently, there may be fewer than 194,498 Open Offer Shares issued pursuant to the Open Offer.

Any Qualifying Shareholder who has sold or transferred all or part of his/her registered holding(s) of Ordinary Shares prior to the Ex-Entitlement Date is advised to consult his or her stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for Open Offer Shares under the Open Offer may be a benefit which may be claimed from him/her by the purchasers under the rules of the London Stock Exchange.

1. The Open Offer

Subject to the terms and conditions set out below (and, in the case of Qualifying Non-CREST Shareholders, in the Application Form), Qualifying Shareholders are being given the opportunity under the Open Offer to apply for Open Offer Shares at the Issue Price *pro rata* to their holdings as at the Record Date, payable in full on application. The Issue Price represents a discount of 10.5 per cent. to the closing middle market price of 1,145 pence per Existing Ordinary Share on 11 July 2022 (being the last practicable date before publication of this document).

Qualifying Shareholders have Basic Entitlements of:

1 Open Offer Share for every 44 Existing Ordinary Shares

registered in their name on the Record Date. Entitlements under the Open Offer 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.

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

If you are a Qualifying Non-CREST Shareholder, the Application Form shows the number of Existing Ordinary Shares registered in your name on the Record Date (in Box 3), your Open Offer Entitlements (in Box 4), and how much you will need to pay to take up your full Open Offer Entitlement (in Box 5).

If you are a Qualifying CREST Shareholder, application will be made for your Open Offer Entitlement and Excess CREST Open Offer Entitlement to be credited to your CREST account. Open Offer Entitlements and Excess CREST Open Offer Entitlements are expected to be credited to CREST accounts on 14 July 2022. The Existing Ordinary Shares are already admitted to CREST. Accordingly, no further application for admission to CREST is required for the New Ordinary Shares. All such shares, when issued and fully paid, may be held and transferred by means of CREST.

Subject to availability, the Excess Application Facility will enable Qualifying Shareholders, provided they have taken up their Open Offer Entitlement in full, to apply for further Open Offer Shares in excess of their Open Offer Entitlement. Further details in relation to the Excess Application Facility are set out in Part IV "*Questions and answers about the Open Offer*" and, for Qualifying Non-CREST Shareholders, the Application Form. Qualifying CREST Shareholders will have their Open Offer Entitlement and Excess CREST Open Offer Entitlement credited to their stock accounts in CREST and should refer to paragraph 3.2 of this Part III "*Terms and conditions of the Open Offer*" for information on the relevant CREST procedures and further details on the Excess Application Facility. Qualifying CREST Shareholders can also refer to the CREST Manual for further information on the relevant CREST procedures. Any Shareholder with less than 44 Existing Ordinary Shares will not be able to apply under the Excess Application Facility.

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

Please refer to paragraphs 3.1(f) and 3.2(k) of this Part III "*Terms and conditions of the Open Offer*" for further details of the Excess Application Facility.

Holders of Existing Ordinary shares will suffer immediate dilution in their proportionate ownership and voting interests in the Company on Admission. Assuming there are no other changes to the Company's share capital between the date of this document and Admission and there is full take up of the Open Offer Shares and the issue of the maximum number of Directors' Subscription Shares, holders of Existing Ordinary Shares who do not participate in the Placing will be diluted by 22.7 per cent. if they take up their Open Offer Entitlements in full and by 24.5 per cent. if they do not participate in the Open Offer.

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. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements and Excess CREST Open Offer Entitlements will be credited through CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. 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 attention of Overseas Shareholders is drawn to paragraph 6 of this Part III "*Terms and conditions of the Open Offer*".

The Open Offer Shares will, when issued and fully paid, rank in full for all dividends and other distributions declared, made or paid after the date of this document and otherwise *pari passu* in all respects with the Existing Ordinary Shares. The Open Offer Shares are not being made available in whole or in part to the public except under the terms of the Open Offer.

2. Conditions and further terms of the Open Offer

The Open Offer is conditional on the Placing becoming or being declared unconditional in all respects and not being terminated before Admission. The principal conditions to the Placing are:

- (a) the Resolution to be proposed at the General Meeting being passed without amendment;
- (b) completion of the Acquisition being unconditional, save for any conditions regarding completion of the Placing;
- (c) compliance by the Company in all material respects with its obligations under the Placing Agreement; and
- (d) Admission having become effective by not later than 8.00 a.m. on 2 August 2022 or such later date as the Joint Bookrunners and the Company may, agree being not later than 8.00 a.m. on 16 August 2022.

Accordingly, if these conditions are not satisfied or waived (where capable of waiver), the Open Offer will not proceed and any applications made by Qualifying Shareholders will be rejected. In such circumstances, application monies will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable thereafter. Any Open Offer Entitlements admitted to CREST will thereafter be disabled.

No temporary documents of title will be issued in respect of Open Offer Shares held in uncertificated form. Definitive certificates in respect of Open Offer Shares taken up are expected to be posted to those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in certificated form by 12 August 2022.

In respect of those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in uncertificated form, the Open Offer Shares are expected to be credited to their stock accounts maintained in CREST by 2 August 2022.

Application will be made for the Open Offer Shares to be admitted to trading on AIM. Admission is expected to occur on 2 August 2022, when dealings in the Open Offer Shares are expected to begin.

All monies received by the Receiving Agent in respect of Open Offer Shares will be credited to a non-interest-bearing account by the Receiving Agent.

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

3. Procedure for application and payment

The action to be taken by you in respect of the Open Offer depends on whether, at the relevant time, you are sent an Application Form in respect of your Open Offer Entitlement under the Open Offer or your Open Offer Entitlement and Excess CREST Open Offer Entitlement is credited to your CREST stock account.

Qualifying Shareholders who hold all or part of their Existing Ordinary Shares in certificated form will receive the Application Form, enclosed with this document. The Application Form shows the number of Existing Ordinary Shares held in certified form at the Record Date. It will also show Qualifying Shareholders their Open Offer Entitlement that can be allotted in certificated form and how much you will need to pay to take up your full Open Offer Entitlement. Qualifying Shareholders who hold all their Existing Ordinary Shares in CREST will be allotted Open Offer Shares in CREST.

Qualifying Shareholders who hold part of their Existing Ordinary Shares in uncertificated form will be allotted Open Offer Shares in uncertificated form to the extent that their entitlement to Open Offer Shares arises as a result of holding Existing Ordinary Shares in uncertificated form. However, it will be possible for Qualifying Shareholders to deposit Open Offer Entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 3.2(f) of this Part III "*Terms and conditions of the Open Offer*".

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

Qualifying Shareholders who do not want to apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form, or send a USE message through CREST.

3.1 If you have an Application Form in respect of your Open Offer Entitlement under the Open Offer

(a) General

Subject to paragraph 6 of Part III "*Terms and conditions of the Open Offer*" in relation to Overseas Shareholders, Qualifying Non-CREST Shareholders will receive an Application Form. The Application Form shows the number of Existing Ordinary Shares registered in their name on the Record Date in Box 3. It also shows the Open Offer Entitlement allocated to them set out in Box 4. Entitlements to Open Offer Shares are rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will be aggregated and made available under the Excess Application Facility. Box 5 shows how much they would need to pay if they wish to take up their Open Offer Entitlement in full. Qualifying Non-CREST Shareholders may apply for less than their entitlement should they wish to do so. Qualifying Non-CREST Shareholders may also hold such an Application Form by virtue of a *bona fide* market claim.

Under the Excess Application Facility, provided they have agreed to take up their Open Offer Entitlement in full, Qualifying Non-CREST Shareholders may apply for more than the amount of their Open Offer Entitlement should they wish to do so. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement at the Record Date. The Excess Shares may be allocated in such manner as the Directors may determine in their absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

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

(b) *Bona fide market claims*

Applications to acquire Open Offer Shares may only be made on the Application Form and may only be made by the Qualifying Non-CREST Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Existing Ordinary Shares through the market prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer. Application Forms may not be sold, assigned, transferred or split, except to satisfy *bona fide* market claims up to 3.00 p.m. on 26 July 2022. The Application Form is not a negotiable document and cannot be separately traded. A Qualifying Non-CREST Shareholder who has sold or otherwise transferred all or part of his holding of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer, should contact his broker or other professional adviser authorised under FSMA through whom the sale or purchase was effected as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed by the purchaser(s) or transferee(s).

Qualifying Non-CREST Shareholders who have sold all or part of their registered holding should, if the market claim is to be settled outside CREST, complete Box 10 on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Application Form should not, however be forwarded to or transmitted in or into the United States of America, any Restricted Jurisdiction, nor in or into any other jurisdiction where the extension of the Open Offer would breach any applicable law or regulation. If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedure set out in paragraph 3.2 below.

(c) *Application procedures*

Qualifying Non-CREST Shareholders wishing to apply to acquire Open Offer Shares (whether in respect of all or part of their Open Offer Entitlement or in addition to their Open Offer Entitlement under the Excess Application Facility) should complete the Application Form in accordance with the instructions printed on it. Qualifying Non-CREST Shareholders may only apply for Excess Shares if they have agreed to take up their Open Offer Entitlements in full. The Excess Shares may be allocated in such manner as the Directors may determine in their absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all. Excess monies in respect of applications by Qualifying Shareholders will be returned to the applicant (at the applicant’s risk), without payment of interest, as soon as practicable thereafter.

Completed Application Forms should be posted to Neville Registrars Limited at Neville House, Steelpark Road, Halesowen, West Midlands, United Kingdom, B62 8HD, or returned by hand (during normal business hours only) so as to be received by Neville Registrars Limited by no later than 11.00 a.m. on 28 July 2022. The Company reserves the right to treat any application not strictly complying with the terms and conditions of application as nevertheless valid. The Company further reserves the right (but shall not be obliged) to accept either Application Forms or remittances received after 11.00 a.m. on 28 July 2022. Qualifying Non-CREST Shareholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged. Multiple applications will not be accepted. If an Application Form is being sent by first-class post in the UK, Qualifying Shareholders are recommended to allow at least four Business Days for delivery.

The Company may in its sole discretion, but shall not be obliged to, treat an Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney

where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. The Company further reserves the right (but shall not be obliged) to accept either:

- (i) Application Forms received after 11.00 a.m. on 28 July 2022; or
- (ii) Applications in respect of which remittances are received before 11.00 a.m. on 28 July 2022 from authorised persons (as defined in FSMA) specifying the Open Offer Shares applied for and undertaking to lodge the Application Form in due course but, in any event, within two Business Days.

All documents and remittances sent by post by, to, from or on behalf of an applicant (or as the applicant may direct) will be sent entirely at the applicant's own risk.

(d) *Payments*

All payments must be in Sterling and made by cheque made payable to Neville Registrars Limited Re clients account" and crossed "A/C Payee Only". Cheques must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or the British Isles which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third party cheques may not be accepted with the exception of building society cheques where the building society or bank has confirmed the name of the account holder by stamping or endorsing the back of the cheque to confirm that the relevant Qualifying Shareholder has title to the underlying funds. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted.

Cheques will be presented for payment upon receipt. The Company reserves the right to instruct Neville Registrars Limited to seek special clearance of cheques to allow the Company to obtain value for remittances at the earliest opportunity (and withhold definitive share certificates (or crediting to the relevant member account, as applicable) pending clearance thereof). No interest will be paid on payments. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents and cheques sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted. If the Open Offer does not become unconditional, no Open Offer Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable following the lapse of the Open Offer.

If Open Offer Shares have already been allotted to a Qualifying Non-CREST Shareholder and such Qualifying Non-CREST Shareholder's cheque is not honoured upon first presentation or such Qualifying Non-CREST Shareholder's application is subsequently otherwise deemed to be invalid, Neville Registrars Limited shall be authorised (in its absolute discretion as to manner, timing and terms) to make arrangements, on behalf of the Company, for the sale of such Qualifying Non-CREST Shareholder's Open Offer Shares and for the proceeds of sale (which for these purposes shall be deemed to be payments in respect of successful applications) to be paid to and retained by the Company. None of Neville Registrars Limited, the Joint Bookrunners or the Company nor any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying Non-CREST Shareholders.

(e) *Incorrect Sums*

If an Application Form encloses a payment for an incorrect sum, the Company through Neville Registrars Limited reserves the right:

- (i) to reject the application in full and return the cheque or refund the payment to the Qualifying Non-CREST Shareholder in question without interest; or
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the Qualifying Non-CREST

Shareholder in question without interest, save that any sums of less than £1 will be retained for the benefit of the Company; or

- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all of the Open Offer Shares referred to in the Application Form, refunding any unutilised sums to the Qualifying Non-CREST Shareholder in question without interest, save that any sums of less than £1 will be retained for the benefit of the Company.

All monies received by Neville Registrars Limited in respect of Open Offer Shares will be held in a separate non-interest bearing account.

(f) *The Excess Application Facility*

Provided they choose to take up their Open Offer Entitlement in full, the Excess Application Facility enables a Qualifying Non-CREST Shareholder to apply for Excess Shares. Qualifying Non-CREST Shareholders wishing to apply for Excess Shares may do so by completing Boxes 6, 7, 8 and 9 of the Application Form.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, the Excess Shares will be scaled back in such manner as the Directors may determine in their absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all. Qualifying Non-CREST Shareholders who wish to apply for Excess Shares must complete the Application Form in accordance with the instructions set out on the Application Form.

Should the Open Offer become unconditional and applications for Open Offer Shares exceed 194,498 Open Offer Shares, resulting in a scale back of applications, each Qualifying Non-CREST Shareholder who has made a valid application for Excess Shares and from whom payment in full for the Excess Shares has been received will receive a Sterling amount equal to the number of Excess Shares applied and paid for but not allocated to the relevant Qualifying Non-CREST Shareholder multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable thereafter, without payment of interest and at the applicant's sole risk.

(g) *Effect of application*

All documents and remittances sent by post by, to, from, or on behalf of or to an applicant (or as the applicant may direct) will be sent entirely at the applicant's own risk. By completing and delivering an Application Form the applicant:

- i. represents and warrants to the Company and the Joint Bookrunners that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- ii. agrees with the Company and the Joint Bookrunners that all applications under the Open Offer and contracts resulting therefrom, and any non-contractual obligations related thereto, shall be governed by and construed in accordance with the laws of England;
- iii. confirms to the Company and the Joint Bookrunners that in making the application he is not relying on any information or representation in relation to the Group or the Enlarged Group other than that contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all information in relation to the Group or the Enlarged Group contained in this document (including information incorporated by reference);
- iv. represents and warrants to the Company and the Joint Bookrunners that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlement;

- v. represents and warrants to the Company and the Joint Bookrunners that if he has received some or all of his Open Offer Entitlement from a person other than the Company he is entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;
- vi. requests that the Open Offer Shares to which he will become entitled shall be issued to him on the terms set out in this document and the Application Form subject to the articles of association of the Company;
- vii. represents and warrants to the Company and the Joint Bookrunners that he is not, nor is he applying on behalf of any person who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of the United States of America, any Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application to a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of the United States of America, any Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that application in the United States or to, or for the benefit of, a person who is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- viii. represents and warrants to the Company and the Joint Bookrunners that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986; and
- ix. confirms that in making the application he is not relying and has not relied on the Company, or the Joint Bookrunners or any person affiliated with the Company or the Joint Bookrunners in connection with any investigation of the accuracy of any information contained in this document or his investment decision.

All enquiries in connection with the procedure for application and completion of the Application Form should be addressed to Neville Registrars Limited at Neville House, Steelpark Road, Halesowen, West Midlands, United Kingdom, B62 8HD or you can contact them on +44(0) 121 585 1131. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.00 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Neville Registrars Limited cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

(h) *Proxy*

Qualifying Non-CREST Shareholders who do not want to take up or apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form. However, you are encouraged to vote at the General Meeting by following the instructions in the Notice of General Meeting.

A Qualifying Non-CREST Shareholder who is also a CREST Member may elect to receive the Open Offer Shares to which he is entitled in uncertificated form in CREST. Please see paragraph 3.2(f) below for more information.

3.2 ***If you have an Open Offer Entitlement and an Excess CREST Open Offer Entitlement credited to your stock account in CREST in respect of your entitlement under the Open Offer***

(a) *General*

Subject to paragraph 6 of Part III “*Terms and conditions of the Open Offer*” in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his Open Offer Entitlement equal to the maximum number of Open Offer Shares for which he is entitled to apply under the Open Offer plus the number of Excess Shares for which he is entitled to apply for under the Excess CREST Open Offer Entitlement. Entitlements to Open Offer Shares will be rounded down to the nearest whole number and any Open Offer Entitlements have therefore also been rounded down. Any fractional entitlements to Open Offer Shares arising will be aggregated and made available under the Excess Application Facility.

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

If for any reason Open Offer Entitlements and/or the Excess CREST Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by, 11.00 a.m. on 14 July 2022, or such later time and/or date as the Company may decide, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlement and Excess CREST Open Offer Entitlement which should have been credited to his stock account in CREST. In these circumstances the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying Non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive an Application Form.

CREST Members who wish to apply to acquire some or all of their entitlements to Open Offer Shares and their Excess CREST Open Offer Entitlements should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact Neville Registrars Limited on +44(0) 121 585 1131. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.00 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Neville Registrars Limited cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

(b) *Market claims*

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

(c) *Unmatched Stock Event (“USE”) instructions*

Qualifying CREST Shareholders who are CREST Members and who want to apply for Open Offer Shares in respect of all or some of their Open Offer Entitlements and their Excess CREST Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that

their CREST sponsor sends) an USE instruction to Euroclear (“USE Instruction”) which, on its settlement, will have the following effect:

- i. the crediting of a stock account of Neville Registrars Limited under the participant ID and member account ID specified below, with a number of Open Offer Entitlements or Excess CREST Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and
- ii. the creation of a CREST payment, in accordance with the CREST payment arrangements in favour of the payment bank of Neville Registrars Limited in respect of the amount specified in the USE Instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph 3.2(c)(i) above.

(d) *Content of USE instruction in respect of Open Offer Entitlements*

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

- i. the number of Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to Neville Registrars Limited);
- ii. the ISIN of the Open Offer Entitlement. This is GB00BQ5J5D13;
- iii. the CREST participant ID of the accepting CREST Member;
- iv. the CREST Member account ID of the accepting CREST Member from which the Open Offer Entitlements are to be debited;
- v. the participant ID of Neville Registrars Limited in its capacity as a CREST receiving agent. This is 7RA11;
- vi. the member account ID of Neville Registrars Limited in its capacity as a CREST receiving agent. This is BASIC;
- vii. the amount payable by means of a CREST payment on settlement of the USE Instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above;
- viii. the intended settlement date. This must be on or before 11.00 a.m. on 28 July 2022; and
- ix. the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE Instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 28 July 2022. In order to assist prompt settlement of the USE Instruction, CREST Members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE Instruction:

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

CREST Members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE Instruction may settle on 28 July 2022 in order to be valid is 11.00 a.m. on that day. In the event that the Placing and Open Offer do not become unconditional by 8.00 a.m. on 2 August 2022 (or such later time and date as the Company and the Joint Bookrunners determine being no later than 8.00 a.m. on 16 August 2022), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and Neville Registrars Limited will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

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

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

- i. the number of Excess Shares for which application is being made (and hence being delivered to Neville Registrars Limited);
- ii. the ISIN of the Excess CREST Open Offer Entitlement. This is GB00BQ5J5F37;
- iii. the CREST participant ID of the accepting CREST Member;
- iv. the CREST Member account ID of the accepting CREST Member from which the Excess CREST Open Offer Entitlements are to be debited;
- v. the participant ID of Neville Registrars Limited in its capacity as a CREST receiving agent. This is 7RA11;
- vi. the member account ID of Neville Registrars Limited in its capacity as a CREST receiving agent. This is EXCESS;
- vii. the amount payable by means of a CREST payment on settlement of the USE Instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above;
- viii. the intended settlement date. This must be on or before 11.00 a.m. on 28 July 2022; and
- ix. the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application in respect of an Excess CREST Open Offer Entitlement under the Open Offer to be valid, the USE Instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 28 July 2022.

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

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

CREST Members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE Instruction may settle on 28 July 2022 in order to be valid is 11.00 a.m. on that day.

In the event that the Placing and Open Offer do not become unconditional by 8.00 a.m. on 2 August 2022 (or such later time and date as the Company and the Joint Bookrunners determine being no later than 8.00 a.m. on 16 August 2022), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and Neville Registrars Limited will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

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

A Qualifying Non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements set out in his Application Form may be deposited into CREST (either into the account of the Qualifying Shareholder named in the Application Form or into the name of a person entitled by virtue of a *bona fide* market claim), provided that such Qualifying Non-CREST Shareholder is also a CREST Member. Similarly, Open Offer Entitlements and Excess CREST Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer and entitlement to apply under the Excess Application Facility is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing to deposit the entitlement set out in such form into CREST is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 28 July 2022. After depositing their Open Offer Entitlement into their CREST account, CREST holders will shortly thereafter receive a credit for their Excess CREST Open Offer Entitlement, which will be managed by Neville Registrars Limited.

If you have received your Application Form by virtue of a *bona fide* market claim, the declaration below Box 10 must be made or (in the case of an Application Form which has been split) marked 'Declaration of sale or transfer duly made'. If you wish to take up your Open Offer Entitlement, the CREST Deposit Form in Box 13 of your Application Form must be completed and deposited with the CREST Courier and Sorting Service in accordance with the instructions above. A holder of more than one Application Form who wishes to deposit Open Offer Entitlements shown on those Application Forms into CREST must complete Box 13 of each Application Form.

In particular, having regard to normal processing times in CREST and on the part of Neville Registrars Limited, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST, is 3.00 p.m. on 25 July 2022 and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST is 4.30 p.m. on 22 July 2022 in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility, as the case may be, prior to 11.00 a.m. on 28 July 2022.

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

(g) *Validity of application*

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 28 July 2022 will constitute a valid application under the Open Offer.

(h) *CREST procedures and timings*

CREST Members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST Member concerned to take (or, if the CREST Member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 28 July 2022. In this connection CREST Members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(i) *Proxy*

If a Qualifying CREST Shareholder does not wish to apply for the Open Offer Shares under the Open Offer, they should take no action. They are however, encouraged to vote at the General Meeting by following the instructions in the Notice of General Meeting.

(j) *Incorrect or incomplete applications*

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

(k) *The Excess Application Facility*

The Excess Application Facility enables Qualifying CREST Shareholders, who have taken up their Open Offer Entitlement in full, to apply for Excess Shares in excess of their Open Offer Entitlement as at the Record Date. If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, the Excess Shares will be scaled back in such manner as the Directors may determine in their absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all. Excess CREST Open Offer Entitlements may not be sold or otherwise transferred. Subject as provided in paragraph 6 of this Part III "*Terms and conditions of the Open Offer*" in relation to Overseas Shareholders, the CREST accounts of Qualifying CREST Shareholders will be credited with Excess CREST Open Offer Entitlements to enable applications for Excess Shares to be settled through CREST. Qualifying CREST Shareholders should note that, although the Open Offer Entitlement and the Excess CREST Open Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities. Neither the Open Offer Entitlement nor the Excess CREST Open Offer Entitlements will be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

To apply for Excess Shares pursuant to the Open Offer, Qualifying CREST Shareholders should follow the instructions above and must not return a paper form and cheque.

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

Should the Open Offer become unconditional and applications for Open Offer Shares by Qualifying Shareholders under the Open Offer exceed 194,498 Open Offer Shares, resulting in a scale back of applications under the Excess Application Facility, each Qualifying CREST Shareholder who has made a valid application pursuant to his Excess CREST Open Offer Entitlement and from whom payment in full for the excess Open Offer Shares has been received, will receive a Sterling amount equal to the number of Open Offer Shares validly applied and paid for but which are not allocated to the relevant Qualifying CREST Shareholder multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable following the completion of the scale back, without payment of interest and at the applicant's sole risk by way of cheque or CREST payment, as appropriate. Fractions of Open Offer Shares will be aggregated and made available under the Excess Application Facility.

All enquiries in connection with the procedure for applications under the Excess Application Facility and your Excess CREST Open Offer Entitlement should be addressed to Neville Registrars Limited at Neville House, Steelpark Road, Halesowen, West Midlands, United Kingdom, B62 8HD or can be contacted on +44(0) 121 585 1131. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.00 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Neville Registrars Limited cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

(l) *Effect of valid application*

A CREST Member who makes or is treated as making a valid application for some or all of his *pro rata* entitlement to the Open Offer Shares in accordance with the above procedures thereby:

- i. represents and warrants to the Company and the Joint Bookrunners that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations, under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- ii. agrees to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to Neville Registrars Limited's payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST Member to pay to the Company the amount payable on application);
- iii. agrees with the Company and the Joint Bookrunners that all applications under the Open Offer and contracts resulting therefrom, and any non-contractual obligations related thereto, under the Open Offer shall be governed by, and construed in accordance with, the laws of England;
- iv. confirms to the Company and the Joint Bookrunners that in making the application he is not relying on any information or representation in relation to the Group or the Enlarged Group other than that contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all the information in relation to the Group or the Enlarged Group contained in this document (including information incorporated by reference);
- v. represents and warrants that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlement;
- vi. represents and warrants to the Company and the Joint Bookrunners that if he has received some or all of his Open Offer Entitlements from a person other than the Company, he is entitled to apply under the Open Offer in relation to such Open Offer Entitlement by virtue of a *bona fide* market claim;
- vii. requests that the Open Offer Shares to which he will become entitled shall be issued to him on the terms set out in this document subject to the articles of association of the Company;
- viii. represents and warrants to the Company and the Joint Bookrunners that he is not, nor is he applying on behalf of any Shareholder who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application in the United States or to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any other jurisdiction in

which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non discretionary basis nor person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;

- ix. represents and warrants that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986; and
- x. confirms that in making the application he is not relying and has not relied on the Joint Bookrunners or any person affiliated with the Company or the Joint Bookrunners in connection with any investigation of the accuracy of any information contained in this document or his investment decision.

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

The Company may in its sole discretion:

- i. treat as valid (and binding on the CREST Member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part III "*Terms and conditions of the Open Offer*";
- ii. accept an alternative properly authenticated dematerialised instruction from a CREST Member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE Instruction and subject to such further terms and conditions as the Company may determine;
- iii. treat a properly authenticated dematerialised instruction (in this sub-paragraph the "first instruction") as not constituting a valid application if, at the time at which Neville Registrars Limited receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or Neville Registrars Limited has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- iv. accept an alternative instruction or notification from a CREST Member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE Instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST Member or CREST sponsored member or (where applicable) CREST sponsor, the CREST Member or CREST sponsored member is unable validly to apply for Open Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by Neville Registrars Limited in connection with CREST.

(n) *Lapse of the Open Offer*

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 2 August 2022 or such later time and date as the Company and the Joint Bookrunners may agree (being no later than 8.00 a.m. on 16 August 2022), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and Neville Registrars Limited will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

4. Money Laundering Regulations

4.1 Holders of Application Forms

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

The person lodging the Application Form with payment and in accordance with the other terms as described above (the “acceptor”), including any person who appears to Neville Registrars Limited to be acting on behalf of some other person, accepts the Open Offer in respect of such number of Open Offer Shares as is referred to therein (for the purposes of this paragraph 4 the “relevant Open Offer Shares”) shall thereby be deemed to agree to provide Neville Registrars Limited with such information and other evidence as they may require to satisfy the verification of identity requirements.

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

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays in the despatch of share certificates or in crediting CREST accounts. If, within a reasonable time following a request for verification of identity, Neville Registrars Limited has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant application as invalid, in which event the monies payable on acceptance of the Open Offer will be returned (at the acceptor’s risk) without interest to the account of the bank or building society on which the relevant cheque was drawn.

Submission of an Application Form with the appropriate remittance will constitute a warranty to each of the Company, Neville Registrars Limited and the Joint Bookrunners from the applicant that the Money Laundering Regulations will not be breached by application of such remittance.

The verification of identity requirements will not usually apply:

- i. if the applicant is an organisation required to comply with the Money Laundering Directive (the Council Directive on prevention of the use of the financial system for the purpose of money laundering (no.91/308/EEC));
- ii. if the acceptor is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations;
- iii. if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the applicant’s name; or
- iv. if the aggregate subscription price for the Open Offer Shares is less than €15,000 (approximately £13,000).

In other cases the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:

- (a) if payment is made by cheque in Sterling drawn on a branch in the United Kingdom of a bank or building society which bears a UK bank sort code number in the top right hand corner the following applies. Cheques should be made payable to “Neville Registrars Limited Re clients account” and crossed “A/C Payee Only”. Third party cheques may not be accepted with the exception of building society cheques where the building society or bank has confirmed the name

of the account holder by stamping or endorsing the back of the cheque to such effect. The account name should be the same as that shown on the Application Form; or

- (b) if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in (i) above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force, the agent should provide with the Application Form written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to Neville Registrars Limited. If the agent is not such an organisation, it should contact Neville Registrars Limited at Neville House, Steelpark Road, Halesowen, West Midlands, United Kingdom, B62 8HD.

To confirm the acceptability of any written assurance referred to in (b) above, or in any other case, the acceptor should contact Neville Registrars Limited on +44(0) 121 585 1131. Calls to the helpline number are typically charged at your service provider's standard rate. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note Neville Registrars Limited cannot provide financial or taxation advice or comment on the merits of the Open Offer or as to whether applicants should take up their Open Offer Entitlement.

If the Application Form(s) is/are in respect of Open Offer Shares and is/are lodged by hand by the acceptor in person, or if the Application Form(s) in respect of Open Offer Shares is/are lodged by hand by the acceptor and the accompanying payment is not the acceptor's own cheque, he or she should ensure that he or she has with him or her evidence of identity bearing his or her photograph (for example, his or her passport) and separate evidence of his or her address.

If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 11.00 a.m. on 28 July 2022, Neville Registrars Limited has not received evidence satisfactory to it as aforesaid, Neville Registrars Limited may, at its discretion, as agent of the Company, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the account at the payee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

4.2 Open Offer Entitlements in CREST

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

Submission of a USE Instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the applicant to provide promptly to Neville Registrars Limited such information as may be specified by Neville Registrars Limited as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to Neville Registrars Limited as to identity, who may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay the issue of the Open Offer Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Open Offer Shares represented by the USE instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence.

5. Admission, settlement and dealings

The result of the Open Offer is expected to be announced on 29 July 2022. Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. Subject to the Placing and Open Offer becoming unconditional in all respects (save only as to Admission), it is expected

that Admission will become effective and that dealings in the Open Offer Shares, fully paid, will commence at 8.00 a.m. on 2 August 2022.

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

Open Offer Entitlements and Excess CREST Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 28 July 2022 (the latest date for applications under the Open Offer). If the condition(s) to the Open Offer described above are satisfied, Open Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by the Company.

On 14 July 2022, Neville Registrars Limited will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Open Offer Shares with effect from Admission. The stock accounts to be credited will be accounts under the same CREST participant IDs and CREST Member account IDs in respect of which the USE Instruction was given. Notwithstanding any other provision of this document, the Company reserves the right to send Qualifying CREST Shareholders an Application Form instead of crediting the relevant stock account with Open Offer Entitlements and Excess CREST Open Offer Entitlements, and to allot and/or issue any Open Offer Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by Neville Registrars Limited in connection with CREST.

No temporary documents of title will be issued and, transfers will be certified against the UK share register of the Company. All documents or remittances sent by, to, from or on behalf of applicants, or as they may direct, will (in the latter case) be sent through the post and will (in both cases) be at the risk of the applicant. For more information as to the procedure for application, Qualifying Non-CREST Shareholders are referred to paragraph 3.1 above and their respective Application Form.

6. Overseas Shareholders

The comments set out in this paragraph 6 are intended as a general guide only and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisers without delay.

6.1 General

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

No action has been or will be taken by the Company, the Joint Bookrunners, or any other person, to permit a public offering or distribution of this document (or any other offering or publicity materials or application form(s) relating to the Open Offer Shares) in any jurisdiction where action for that purpose may be required, other than in the United Kingdom. Receipt of this document and/or an Application Form and/or a credit of an Open Offer Entitlement or an Excess CREST Open Offer Entitlement to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in any jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

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

No person receiving a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use any such Application Form and/or credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her and such Application Form and/or credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

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

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

Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, in connection with the Open Offer or otherwise, should not distribute or send either of those documents nor transfer Open Offer Entitlements or Excess CREST Open Offer Entitlements in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by his or her custodian, agent, nominee or trustee, he or she must not seek to apply for Open Offer Shares in respect of the Open Offer unless the Company and the Joint Bookrunners determine that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this document and/or an Application Form and/or transfers Open Offer Entitlements or Excess CREST Open Offer Entitlements into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this Part III "*Terms and conditions of the Open Offer*" and specifically the contents of this paragraph 6.

The Company reserves the right to treat as invalid any application or purported application for Open Offer Shares that appears to the Company or its agents to have been executed, effected or despatched from the United States or a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any other jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates of Open Offer Shares or in the case of a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, to a CREST Member whose registered address would be, in the United States or a Restricted Jurisdiction or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates or make such a credit.

Notwithstanding any other provision of this document or the relevant Application Form, the Company and the Joint Bookrunners reserve the right to permit any person to apply for Open Offer Shares in

respect of the Open Offer if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Overseas Shareholders who wish, and are permitted, to apply for Open Offer Shares should note that payment must be made in Sterling denominated cheques or, where such Overseas Shareholder is a Qualifying CREST Shareholder, through CREST. Due to restrictions under the securities laws of the United States and the Restricted Jurisdictions, and subject to certain exceptions, Qualifying Shareholders in the United States or who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements. No public offer of Open Offer Shares is being made by virtue of this document or the Application Forms into the United States or any Restricted Jurisdiction. Receipt of this document and/or an Application Form and/or a credit of an Open Offer Entitlement to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

6.2 **United States**

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

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

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

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

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

within the United States by a dealer (whether or not participating in the and Open Offer) may violate the registration requirements of the Securities Act.

6.3 ***Restricted Jurisdictions***

Due to restrictions under the securities laws of the Restricted Jurisdictions and subject to certain exemptions, Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements or Excess CREST Open Offer Entitlements. The Open Offer Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption.

No offer or invitation to apply for Open Offer Shares is being made by virtue of this document or the Application Form into any Restricted Jurisdiction.

6.4 ***Other overseas territories***

Application Forms will be sent to Qualifying Non-CREST Shareholders and Open Offer Entitlements and Excess CREST Open Offer Entitlements will be credited to the stock account in CREST of Qualifying CREST Shareholders. Qualifying Shareholders in jurisdictions other than the United States or the Restricted Jurisdictions may, subject to the laws of their relevant jurisdiction, take up Open Offer Shares under the Open Offer in accordance with the instructions set out in this document and the Application Form.

Qualifying Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, countries other than the United Kingdom should, however, consult appropriate professional advisers as to whether they require any governmental or other consents or need to observe any further formalities to enable them to apply for any Open Offer Shares in respect of the Open Offer.

6.5 ***Representations and warranties relating to Overseas Shareholders***

(a) *Qualifying Non-CREST Shareholders*

Any person completing and returning an Application Form or requesting registration of the Open Offer Shares comprised therein represents and warrants to the Company, the Joint Bookrunners and Neville Registrars Limited that, except where proof has been provided to the Company's satisfaction that such person's use of the Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction: (i) such person is not requesting registration of the relevant Open Offer Shares from within the United States or any Restricted Jurisdiction; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares in respect of the Open Offer or to use the Application Form in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) such person is not acquiring Open Offer Shares with a view to offer, sale, resale, transfer, deliver or distribute, directly or indirectly, any such Open Offer Shares into any of the above territories. The Company and/or Neville Registrars Limited may treat as invalid any acceptance or purported acceptance of the allotment of Open Offer Shares comprised in an Application Form if it: (i) appears to the Company or its agents to have been executed, effected or despatched from the United States or a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or (ii) provides an address in the United States or a Restricted Jurisdiction for delivery of the share certificates of Open Offer Shares (or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates); or (iii) purports to exclude the warranty required by this sub-paragraph (a).

(b) *Qualifying CREST Shareholders*

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

6.6 Waiver

The provisions of this paragraph 6 and of any other terms of the Open Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company and the Joint Bookrunners in their absolute discretion. Subject to this, the provisions of this paragraph 6 supersede any terms of the Open Offer inconsistent herewith. References in this paragraph 6 to Shareholders shall include references to the person or persons executing an Application Form and, in the event of more than one person executing an Application Form, the provisions of this paragraph 6 shall apply to them jointly and to each of them.

7. Option holders

The Open Offer is not being extended to the holders of share options, save to the extent that any such share options are or have been validly exercised and Ordinary Shares have been allotted in consequence of such exercise prior to the Record Date.

8. Times and dates

The Company shall, in agreement with the Joint Bookrunners and after consultation with its financial and legal advisers, be entitled to amend the dates that Application Forms are despatched or amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this document and in such circumstances shall notify the London Stock Exchange, and make an announcement on a Regulatory Information Service but Qualifying Shareholders may not receive any further written communication.

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

9. Taxation

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

10. Further information

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

11. Governing law and jurisdiction

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

The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this document or the Application Form. By taking up Open Offer Shares, by way of their Open Offer Entitlement and the Excess Application Facility (as applicable), in accordance with the instructions set out in this document and, where applicable, the Application Form, Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

PART IV

QUESTIONS AND ANSWERS ABOUT THE OPEN OFFER

The questions and answers set out in this Part IV “*Questions and answers about the Open Offer*” are intended to be in general terms only and, as such, you should read Part III “*Terms and conditions of the Open Offer*” of this document for full details of what action to take. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank, fund manager, solicitor, accountant or other appropriate independent financial adviser, who is authorised under FSMA if you are in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser. **For certainty, the Open Offer is not being extended into the United States or in any other Restricted Jurisdiction where such offer is not permitted pursuant to applicable securities laws.**

This Part IV “*Questions and answers about the Open Offer*” deals with general questions relating to the Open Offer and more specific questions relating principally to persons resident in the United Kingdom who hold their Existing Ordinary Shares in certificated form only. If you are an Overseas Shareholder, you should read paragraph 6 of Part III “*Terms and conditions of the Open Offer*” of this document and you should take professional advice as to whether you are eligible and/or you need to observe any formalities to enable you to take up your Open Offer Entitlement. If you hold your Existing Ordinary Shares in uncertificated form (that is, through CREST) you should read Part III “*Terms and conditions of the Open Offer*” of this document for full details of what action you should take.

If you are a CREST sponsored member, you should also consult your CREST sponsor. If you do not know whether your Existing Ordinary Shares are in certificated or uncertificated form, please call the Shareholder helpline on +44(0) 121 585 1131. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.00 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Neville Registrars Limited cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

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

1. What is an open offer?

An open offer is a way for companies to raise money. Companies usually do this by giving their existing shareholders a right to acquire further shares at a fixed price in proportion to their existing shareholdings. The open offer price is normally at a discount to the market price of the shares prior to the announcement of the open offer.

In this instance Shareholders will also be offered the opportunity to apply for additional Ordinary Shares in excess of their entitlement to the extent that other Qualifying Shareholders do not take up their entitlement under the Open Offer in full.

This Open Offer is an invitation by the Company to Qualifying Shareholders to apply to acquire up to an aggregate of 194,498 New Ordinary Shares at a price of 1,025 pence per share. If you hold Existing Ordinary Shares on the Record Date or have a *bona fide* market claim, other than, subject to certain exceptions, where you are a Shareholder with a registered address or located in the United States, or any other Restricted Jurisdiction, you should be entitled to buy Open Offer Shares under the Open Offer.

The Open Offer is being made on the basis of 1 Open Offer Share for every 44 Existing Ordinary Shares held by Qualifying Shareholders on the Record Date. If your entitlement to Open Offer Shares is not a whole number, you will not be entitled to buy a fraction of an Offer Share and your entitlement will be rounded down to the nearest whole number. The Issue Price of 1,025 pence per Open Offer Share represents discount of 10.5 per cent. to the closing middle-market price of 1,145 pence per Ordinary Share on 11 July 2022 (being the latest practicable date prior to the date of this document).

The Excess Application Facility allows Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement. 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.

Unlike in a rights issue, Application Forms are not negotiable documents and neither they nor Open Offer Entitlements can themselves be traded.

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

If you receive an Application Form and, subject to certain exceptions, are not a holder with a registered address or located in the United States of America or any other Restricted Jurisdiction, then you should be eligible to participate in the Open Offer as long as you have not sold all of your Existing Ordinary Shares before 8.00 a.m. on 13 July 2022 (the time when the Existing Ordinary Shares are expected to be marked “ex-entitlement” by the London Stock Exchange).

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

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

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

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

If you would like to apply for any of or all of the Open Offer Shares comprised in your Open Offer Entitlement you should complete the Application Form in accordance with the instructions printed on it and the information provided in this document. Completed Application Forms should be returned, along with a cheque drawn in the appropriate form, by post to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands, United Kingdom, B62 8HD or by hand (during normal office hours only) so as to be received by them by no later than 11.00 a.m. on 28 July 2022, after which time Application Forms will not be valid.

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

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

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

You cannot sell your Application Form or your Open Offer Entitlement to anyone else. If you do not return your Application Form subscribing for the Open Offer Shares to which you are entitled by 11.00 a.m. on 28 July 2022, the Company has made arrangements under which the Company has agreed to issue the Open Offer Shares to other Qualifying Shareholders under the Excess Application Facility.

If you do not take up your Open Offer Entitlement then following the issue of the Open Offer Shares pursuant to Open Offer, your interest in the Company will be diluted. Even if a Qualifying Shareholder

subscribes for the Basic Entitlement under the Open Offer, their proportionate economic interest will be diluted by the issue of Placing Shares and the Directors' Subscription Shares.

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

If you want to take up some but not all of the Open Offer Shares to which you are entitled, you should write the number of Open Offer Shares you want to take up in Boxes 6 and 8 of your Application Form; for example, if you are entitled to take up 50 shares but you only want to take up 25 shares, then you should write '25' in Boxes 6 and 8. To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares you want (in this example, '25') by £10.25, which is the price in Sterling of each Open Offer Share (giving you an amount of £256.25 in this example). You should write this amount in Box 9, rounding up to the nearest whole pence and this should be the amount your cheque is made out for. You should then return the completed Application Form, together with a cheque for that amount, by post to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands, United Kingdom, B62 8HD or by hand (during normal office hours only) so as to be received by them by no later than 11.00 a.m. on 28 July 2022, after which time Application Forms will not be valid. If you post your Application Form by first class post, you should allow at least four Business Days for delivery.

All payments must be in Sterling and made by cheque made payable to "to Neville Registrars Limited Re clients account" and crossed "A/C Payee Only". Cheques must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third party cheques may not be accepted with the exception of building society cheques where the building society or bank has confirmed the name of the account holder and the number of an account held in the applicant's name at the building society or bank by stamping or endorsing the cheque to such effect. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted. Third party cheques (other than building society cheques where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds) will not be accepted (see paragraph 3.1(d) of Part III "*Terms and conditions of the Open Offer*").

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

A definitive share certificate will then be sent to you for the Open Offer Shares that you take up. Your definitive share certificate for Open Offer Shares is expected to be despatched to you by 12 August 2022.

(c) ***If you want to take up all of your Open Offer Entitlement***

If you want to take up all of the Open Offer Shares to which you are entitled, all you need to do is send the Application Form (ensuring that all joint holders sign (if applicable)), together with your cheque for the amount (as indicated in Box 5 of your Application Form), by post to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands, United Kingdom, B62 8HD or by hand (during normal office hours only) so as to be received by them by no later than 11.00 a.m. on 28 July 2022, after which time Application Forms will not be valid. If you post your Application Form by first-class post, you should allow at least four Business Days for delivery.

All payments must be in Sterling and made by cheque made payable to "Neville Registrars Limited Re clients account" and crossed "A/C Payee Only". Cheques must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing

Company Limited or which has arranged for its cheques to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner. Third party cheques may not be accepted with the exception of building society cheques where the building society or bank has confirmed the name of the account holder and the number of an account held in the applicant's name at the building society or bank by stamping or endorsing the back of the cheque to such effect. The account name should be the same as that shown on the application.

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

A definitive share certificate will then be sent to you for the Open Offer Shares that you take up. Your definitive share certificate for Open Offer Shares is expected to be despatched to you by 12 August 2022.

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

Provided you have agreed to take up your Open Offer Entitlement in full, you can apply for further Open Offer Shares under the Excess Application Facility. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement as at the Record Date. You should write the number of Open Offer Shares comprised in your Open Offer Entitlement (as indicated in Box 4 of the Application Form) in Box 6 and write the number of Excess Shares for which you would like to apply in Box 7. You should then add the totals in Boxes 6 and 7 and insert the total number of Open Offer Shares for which you would like to apply in Box 8.

For example, if you have an Open Offer Entitlement for 50 Open Offer Shares but you want to apply for 75 Open Offer Shares in total, then you should write '50' in Box 6, '25' in Box 7 and '75' in Box 8. To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares you want (in this example, '75') by £10.25, which is the price in pounds sterling of each Open Offer Share (giving you an amount of £768.75 in this example). You should write this amount in Box 9. You should then return your Application Form by post to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands, United Kingdom, B62 8HD or by hand (during normal office hours only) so as to be received by them by no later than 11.00 a.m. on 28 July 2022, after which time Application Forms will not be valid. If you post your application form by first class post, you should allow at least four Business Days for delivery.

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

A definitive share certificate will then be sent to you for the Open Offer Shares that you take up and otherwise successfully apply for using the Excess Application Facility. Your definitive share certificate for Open Offer Shares is expected to be despatched to you, at your own risk, by no later than 12 August 2022.

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

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

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

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

- Qualifying CREST Shareholders who held their Existing Ordinary Shares in uncertificated form on 12 July 2022 and who have converted them to certificated form;
- Qualifying Non-CREST Shareholders who bought Existing Ordinary Shares before 13 July 2022 but were not registered as the holders of those shares at the close of business on 12 July 2022; and
- certain Overseas Shareholders.

If you do not receive an Application Form but think that you should have received one or you have lost your Application Form, please contact the Shareholder helpline on +44(0) 121 585 1131. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.00 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Neville Registrars Limited cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

7. Can I trade my Open Offer Entitlement?

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

8. What if I change my mind?

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

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

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

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

If you hold Existing Ordinary Shares in the Company directly and you have sold some or all of your Existing Ordinary Shares before 13 July 2022, you should contact the buyer or the person/company through whom you sold your shares. The buyer may be entitled to apply for Open Offer Shares under the Open Offer. If you sell any of your Existing Ordinary Shares on or after 6.00 p.m. on 12 July 2022, and before the Ex-Entitlement Date, you may still take up and apply for the Open Offer Shares as set out on your Application Form.

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

Completed Application Forms should be returned with a cheque drawn in the appropriate form. All payments must be in Sterling and made by cheque made payable to Neville Registrars Limited Re clients account”

and crossed "A/C Payee Only". Cheques must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner. Third party cheques may not be accepted with the exception of building society cheques where the building society or bank has confirmed the name of the account holder and the number of an account held in the applicant's name at the building society or bank by stamping or endorsing the back of the cheque to such effect. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted. Third party cheques (other than building society cheques where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds) will not be accepted.

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

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

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

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

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

Neville Registrars Limited must receive the Application Form by no later than 11.00 a.m. on 28 July 2022, after which time Application Forms will not be valid. If an Application Form is being sent by first class post in the UK, Qualifying Shareholders are recommended to allow at least four Business Days for delivery.

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

If you are a Qualifying Non-CREST Shareholder, but are a CREST Member and want your Open Offer Shares to be in uncertificated form, you should complete the CREST deposit form (contained in the Application Form), and ensure it is delivered to the CREST Courier and Sorting Services in accordance with the instructions in the Application Form. CREST sponsored members should arrange for their CREST sponsors to do this.

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

It is expected that Neville Registrars Limited will post all new share certificates by 12 August 2022.

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

If you bought your Existing Ordinary Shares on or after the Ex-Entitlement Date, you are unlikely to be able to participate in the Open Offer in respect of such Ordinary Shares. If you do not receive an Application Form but think you should have received one please contact the receiving agent Neville Registrars Limited on +44(0) 121 585 1131. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.00 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Neville Registrars Limited cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

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

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

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

Your ability to apply to acquire Open Offer Shares may be affected by the laws of the country in which you live or are located and you should take professional advice as to whether you require any governmental or other consents or need to observe any other formalities to enable you to take up your Open Offer Entitlement. Shareholders with registered addresses or who are located or resident in the United States or any other Restricted Jurisdiction are, subject to certain exceptions, not eligible to participate in the Open Offer. Your attention is drawn to the information in paragraph 6 of Part III "*Terms and Conditions of the Open Offer*" of this document.

20. Further assistance

Should you require further assistance please call the Shareholder helpline on +44(0) 121 585 1131. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.00 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Neville Registrars Limited cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

NOTICE OF GENERAL MEETING

SOLID STATE PLC (the "Company")

(Registered in England and Wales under the Companies Act 1985 with company number: 00771335)

NOTICE IS HEREBY GIVEN that a General Meeting of Solid State Plc ("the Company") will be held at the offices of WH Ireland, 24 Martin Lane, London EC4R 0DR on 29 July 2022 at 11.00 a.m. for the following purposes:

To consider, and if thought fit pass, the following resolution will be proposed as special resolution.

SPECIAL RESOLUTION

(1) That the directors of the Company ("the Directors") shall:

- (a) have general and unconditional authority for the purpose of section 551 of the Companies Act 2006 ("**the 2006 Act**") to exercise all powers of the Company to allot up to 2,769,692 ordinary shares of 5 pence each with an aggregate nominal value of up to £138,484.60 ("**the New Ordinary Shares**"); and
- (b) be and are hereby empowered pursuant to section 570 of the 2006 Act to allot up to 2,769,692 ordinary shares of 5 pence each with an aggregate nominal value of up to £138,484.60 pursuant to the authority conferred by part a) of this resolution for cash, as if section 561(1) of the 2006 Act did not apply to such allotment

provided that such authority shall expire on the conclusion of the Annual General Meeting of the Company to be held in 2022 or 30 September 2023, unless previously renewed, varied or revoked by the Company in General Meeting and the Directors shall be entitled under the authority hereby conferred or under any renewal thereof to make at any time prior to the expiry of such authority any offer or agreement, which would or might require such shares to be allotted after such expiry, and the Board may allot shares in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired. This authority shall be in addition to, and not in replacement of, any unexercised authority granted to the Directors to allot relevant securities.

BY ORDER OF THE BOARD

Peter Haining
(Company Secretary)

Registered office:
2 Ravensbank Business Park
Hedera Road
Redditch
B98 9EY
Company Number: 00771335

Dated: 13 July 2022

Notes:

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register at 6.00 p.m. on 27 July 2022 shall be entitled to attend and vote at the Meeting.
2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the Company's registrars at the address set out in note 5 below.

5. The notes to the proxy form explain how to direct your proxy how to vote on the Resolution or withhold their vote. To appoint a proxy using the proxy form, the form must be:
 - (a) completed and signed;
 - (b) sent or delivered to the Company's Registrar at Neville Registrars Limited at Neville House, Steelpark Road, Halesowen, West Midlands, United Kingdom, B62 8HD; and
 - (c) received by the Company's Registrar on or prior to 11.00 a.m. on 27 July 2022 or not less than 48 hours before the time of any adjourned meeting.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

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

6. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
7. As at 6.00 p.m. on the day immediately prior to the date of posting this notice of General Meeting, the Company's issued share capital comprised 8,557,932 ordinary shares of 5p each (excluding shares held in treasury). Each Ordinary Share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 6.00 p.m. on the day immediately prior to the date of posting of this notice of General Meeting is 8,557,932.
8. CREST members who wish to appoint a proxy or proxies for the meeting, including any adjournments of the meeting, through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual (available via www.euroclear.com). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & International Limited's ("Euroclear") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Neville Registrars Limited (ID 7RA11) on or prior to 11.00 a.m. on 27 July 2022 or not less than 48 hours before the time of any adjourned meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Neville Registrars is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular message. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member, or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat a CREST Proxy Instruction as invalid in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

