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If you have sold or otherwise transferred all of your Existing Ordinary Shares prior to the date on which the Ordinary Shares are marked “ex-entitlement to the Open Offer”, please forward this document but not the accompanying Application Form (if relevant), as soon as possible to the purchaser or transferee, or to the bank, stockbroker or other agent through or to whom the sale or transfer was effected, for transmission to the purchaser or transferee. However, these documents should not be forwarded or transmitted into any jurisdiction where such act would constitute a violation of the relevant laws of such jurisdiction. If you have sold or otherwise transferred only part of your Existing Ordinary Shares prior to such date, you should retain these documents and consult the 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 Application Form (if relevant).

The distribution of this document and/or any Application Form and/or any other documents issued by the Company in connection with the Open Offer in jurisdictions other than the United Kingdom may be restricted by law and, therefore, persons outside of the United Kingdom into whose possession this document and/or any Application Form and/or any accompanying documents comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute violation of the securities laws of any such jurisdiction. Subject to certain exceptions, this document and/or any Application Form and/or any documents issued by the Company in connection with the Open Offer should not be forwarded or distributed in whole or in part, directly or indirectly, in, into or within the United States or any other Restricted Jurisdiction.

This document is not and is not required to be a prospectus for the purposes of the Prospectus Regulation Rules and has not been prepared in accordance with the Prospectus Regulation Rules. Accordingly, this document has not been, and will not be, reviewed or approved by the Financial Conduct Authority pursuant to sections 85 and 87 of the FSMA, the London Stock Exchange or any other regulatory body. In addition, this document does not constitute an admission document drawn up in accordance with the AIM Rules.

The Existing Ordinary Shares in issue as at the date of this document are admitted to trading on AIM. Applications will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. It is expected that Admission in respect of the Open Offer Shares will become effective and dealings in the Open Offer Shares will commence on or around 9 November 2022.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the FCA. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Neither the London Stock Exchange nor the FCA have examined or approved the contents of this document. This document does not constitute a recommendation regarding securities of the Company.

AVACTA GROUP PLC

(Incorporated and registered in England and Wales with registered number 04748597)

Open Offer of up to 2,106,980 Open Offer Shares at an issue price of 95 pence per Ordinary Share

Your attention is drawn to the letter from the Chair of the Company which is set out in Part I of this document. That letter explains the background to, and reasons for, the Open Offer. You should read this document in its entirety and consider, if applicable, to participate in the Open Offer in light of all the information contained in this document.

The latest time and date for acceptance and payment in full under the Open Offer is 11.00 a.m. on 7 November 2022. The procedure for acceptance and payment is set out in Part III of this document and, where relevant and appropriate, in the Application Form.

Save as described in this document, if you are a Qualifying Non-CREST Shareholder and have received an Application Form and wish to accept the Open Offer, then complete and return the Application Form together with your appropriate remittance. Qualifying CREST Shareholders will not receive an Application Form, but will receive instead a credit to their appropriate stock accounts in CREST in respect of their Open Offer Entitlements and Excess CREST Open Offer Entitlements which will be enabled for settlement on or soon after 8.00 a.m. on 21 October 2022. If you do not wish to participate in the Open Offer then you should not return your Application Form or send a USE instruction through CREST.

Applications under the Open Offer may only be made by the Qualifying Shareholders originally entitled thereto, or by persons becoming so entitled by virtue of a *bona fide* market claim arising out of the sale or transfer of Existing Ordinary Shares prior to the date on which the relevant Existing Ordinary Shares are marked ‘ex’ the entitlement to the Open Offer by the London Stock Exchange. If the Open Offer Entitlements are for any reason not enabled by 6.00 p.m. on 21 October 2022 (or such later time as the Company may decide), an Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to their stock account in CREST. Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsor regarding the action to be taken in connection with this document and the Open Offer. Applications for Excess Open Offer Entitlements pursuant to the Excess Application Facility may be made by the Qualifying Shareholder provided that their Open Offer Entitlement has been taken up in full and is subject to being scaled back in accordance with the terms and conditions of the Open Offer in Part III of this document.

IMPORTANT NOTICE

Cautionary note regarding forward-looking statements

This document includes statements that are, or may be deemed to be, “forward-looking statements” which reflect the Directors’ current views, interpretations, beliefs or expectations with respect to the financial performance, business strategy and plans and objectives of management for future operations of the Group. These statements include forward-looking statements with respect to the Group and the sector and industry in which the business currently operates. Statements which include the words “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “aims”, “targets”, “will”, “should” or, “future”, “opportunity”, “potential” or, in each case, their negatives, and similar statements of a future or forward-looking nature identify forward-looking statements. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this document.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this document are based on certain factors and assumptions, including the Directors’ current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company’s operations, results of operations, growth strategy and liquidity. While the Directors consider these assumptions to be reasonable based upon information currently available, they may prove to be incorrect. Save as required by law or by the AIM Rules, the Company undertakes no obligation to release publicly the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Directors’ expectations or to reflect events or circumstances after the date of this document.

Notice to Overseas Shareholders

This document and the information contained in it does not contain or constitute an offer of securities for sale, or an invitation to subscribe for, or a solicitation of an offer to subscribe for or purchase Open Offer Shares and/or the Open Offer Entitlements and/or the Excess Open Offer Entitlements to any person with a registered address in, or who is located and/or resident in or is a citizen of, any jurisdiction outside of the United Kingdom. Accordingly, the Open Offer Shares and/or the Open Offer Entitlements and/or the Excess Open Offer Entitlements may not, subject to certain exemptions, be offered or sold, directly or indirectly, in, into or within the United States or any other Restricted Jurisdiction or to, or for the account or benefit of, any resident of such jurisdictions. The Open Offer Shares, the Open Offer Entitlements and the Excess Open Offer Entitlements have not been and will not be registered or qualified for distribution under the securities laws of the United States or any other Restricted Jurisdiction.

The Open Offer Shares, Open Offer Entitlements and Excess Open Offer Entitlements have not been and will not be registered under the US Securities Act or under the securities laws or with any securities regulatory authority of any state or other jurisdiction of the United States. The Open Offer Shares are being offered outside of the United States in “offshore transactions” within the meaning of, and in reliance on, Regulation S under the US Securities Act and neither the Open Offer Shares, the Open Offer Entitlements nor the Excess Open Offer Entitlements may be offered, sold, pledged, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, in or into the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no public offer of the Open Offer Shares, Open Offer Entitlements or Excess Open Offer Entitlements in the United States or any other Restricted Jurisdiction.

The Open Offer Shares, Open Offer Entitlements and Excess Open Offer Entitlements have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the US or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Open Offer Shares, Open Offer Entitlements and Excess Open Offer Entitlements or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the US.

The attention of Shareholders and any persons (including, without limitation, custodians, nominees and trustees) who have a contractual or other legal obligation to forward this document or an Application Form into a jurisdiction other than the UK is drawn to paragraph 7 of Part III of this document, which forms part of the terms and conditions of the Open Offer. It is the responsibility of persons receiving a copy of this document and/or the Application Form outside the United Kingdom to satisfy themselves as to the full observance of the laws and regulatory requirements of the relevant territory in connection therewith, including obtaining any governmental or other consents which may be required or observing any other formalities required to be observed in such territory and paying any other issue, transfer or other taxes due in such other territory. Persons (including, without limitation, nominees and trustees)

receiving this document and/or the Application Form should not, in connection with the Open Offer, distribute or send it into any jurisdiction when to do so would, or might contravene local securities laws or regulations.

In accordance with the AIM Rules, this document will be available on the Company's website (<http://www.avacta.com>) from the date of this document, free of charge.

References to defined terms

Certain terms used in this document are defined used in this document are explained in the sections of this document under the heading "Definitions".

Nominated adviser

Stifel Nicolaus Europe Limited ("**Stifel**"), which is authorised and regulated in the United Kingdom by the FCA, is acting as nominated adviser exclusively for the Company and no one else in connection with Admission. Stifel will not regard any other person (whether or not a recipient of this document) as its client in relation to Admission nor will it be responsible to anyone other than the Company for providing the protections afforded to its clients or for the giving of advice in relation to the contents of this document, Admission or any transaction, matter or arrangement referred to in this document. The responsibilities of Stifel as the Company's nominated adviser under the AIM Rules and the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to any Director, Shareholder or other person. Neither Stifel nor any of its affiliates accepts any responsibility whatsoever 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, the Open Offer Shares or Admission. Stifel accordingly disclaims all and any liability whatsoever, whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise be found to have in respect of the contents of this document or any such statement. No representation or warranty, express or implied, is made by Stifel or its affiliates as to the accuracy, completeness, verification or sufficiency of the information set out in this document and nothing in this document is or shall be relied upon as a promise or representation in this respect, whether as to the past or future.

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DIRECTORS, SECRETARY AND ADVISERS

Directors	Eliot Forster, <i>Non-Executive Chair</i> Dr Alastair Smith, <i>Chief Executive Officer</i> Tony Gardiner, <i>Chief Financial Officer</i> Trevor Nicholls, <i>Non-Executive Director</i> Paul Fry, <i>Non-Executive Director</i> Mark Goldberg, <i>Non-Executive Director</i> Christina Coughlin, <i>Non-Executive Director</i>
Company secretary	Tony Gardiner
Registered office	Unit 20 Ash Way Thorp Arch Estate Wetherby LS23 7FA
Nominated adviser and broker	Stifel Nicolaus Europe Limited 150 Cheapside London EC2V 6ET
Legal advisers to the Company	Walker Morris LLP 33 Wellington Street Leeds LS1 4DL
Registrars and Receiving Agent for the Open Offer	Link Group

OPEN OFFER STATISTICS

Closing Price per Ordinary Share ⁽¹⁾	99 pence
Issue Price per Open Offer Share	95 pence
Basis of the Open Offer ⁽²⁾	3 Open Offer Shares for every 365 Existing Ordinary Shares held on the Record Date
Discount to the Closing Price ⁽¹⁾	4 per cent.
Number of Existing Ordinary Shares as at the date of this document	256,349,232
Number of Placing Shares and Subscription Shares to be issued	7,383,427
Maximum number of Open Offer Shares to be issued	2,106,980
Maximum gross proceeds of the Open Offer	approximately £2 million
Enlarged Ordinary Share Capital following completion of the Open Offer ⁽³⁾	265,824,639
Percentage of Enlarged Ordinary Share Capital represented by the Open Offer Shares ⁽³⁾	0.79 per cent.
Ordinary Shares ISIN	GB00BYYW9G87
Open Offer Entitlements ISIN	GB00BPG7D999
Excess Open Offer Entitlements ISIN	GB00BPG7DB16
SEDOL	BYYW9G8
SEDOL Open Offer Entitlements	BPG7D99
SEDOL Excess Entitlements ISIN	BPG7DB1

Notes

- (1) Closing Price on 17 October 2022 (being the last practicable date before the announcement of the Fundraising).
- (2) Fractions of Open Offer Shares will not be allotted to Shareholders in the Open Offer and fractional entitlements under the Open Offer will be rounded down to the nearest whole number of Open Offer Shares.
- (3) Assuming that: (i) all the Placing Shares and the Subscription Shares are issued; (ii) there is a full take-up of the Open Offer by Qualifying Shareholders; and (iii) no further Ordinary Shares are issued under the Company's share schemes (or otherwise) between the date of this document and Admission.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS⁽¹⁾⁽²⁾

	<i>Date⁽¹⁾ 2022</i>
Record Date for entitlements under the Open Offer	6.00 p.m. on 14 October
Announcement of the Fundraising	9.15 a.m. on 18 October
Ex-Entitlement Date for the Open Offer	19 October
Posting of this document and, to certain Qualifying non-CREST Shareholders only, the Application Form	19 October
Admission and dealings in the Placing Shares and the Subscription Shares expected to commence on AIM	20 October
Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to stock accounts in CREST of Qualifying CREST Shareholders	21 October
Recommended last time and date for requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST	4.30 p.m. on 1 November
Latest time and date for depositing Open Offer Entitlements into CREST	3.00 p.m. on 2 November
Latest time and date for splitting Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 3 November
Latest time and date for receipt of completed Application Forms and payment in full from Qualifying Shareholders under the Open Offer or settlement of relevant CREST instruction (as appropriate)	11.00 a.m. on 7 November
Announcement of the results of the Open Offer	8 November
Admission effective and dealings in the Open Offer Shares expected to commence on AIM	9 November
Expected date for crediting of the Open Offer Shares in uncertificated form to CREST stock accounts	9 November
Expected date of dispatch of share certificates in respect of the Open Offer Shares	by 16 November

Notes

- (1) Each of the times and dates are indicative only and are subject to change at the absolute discretion of the Company. If any of the above times and/or dates change, the revised times and/or dates will be notified by the Company by announcement through a RIS.
- (2) References to times in this document are to London, UK times unless otherwise stated.

DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

“Act”	the Companies Act 2006;
“Acquisition”	the acquisition of Launch Diagnostics by the Company from John Twycross (and others) pursuant to a share sale and purchase agreement dated 18 October 2022 (as amended and/or restated from time to time), expected to complete on or about 21 October 2022;
“Admission”	the admission of the Open Offer Shares to trading on AIM becoming effective in accordance with the AIM Rules;
“AIM”	the market of that name operated by the London Stock Exchange;
“AIM Rules”	the rules for companies governing admission to and the operation of AIM, published by the London Stock Exchange;
“AIM Rules for Nominated Advisers”	the rules for nominated advisers, published by the London Stock Exchange;
“Application Form”	the application form accompanying this document on which Qualifying Non-CREST Shareholders may apply for Open Offer Shares in respect of the Open Offer;
“Articles”	the articles of association of the Company;
“Board”	the board of directors of the Company for the time being or a duly constituted committee of it;
“Business Days”	any day on which banks are open in London for normal banking business and the London Stock Exchange is open for trading;
“City Code”	the Takeover Code on Takeovers and Mergers published by the Panel;
“Closing Price”	the closing middle market price of an Existing Ordinary Share as derived from the AIM Appendix to the Daily Official List of the London Stock Exchange;
“Company” or “Avacta”	Avacta Group plc, registered number 04748597 whose registered office is at Unit 20 Ash Way, Thorp Arch Estate, Wetherby LS23 7FA;
“CREST”	the relevant system (as defined in the CREST Regulations) for the paperless settlement of share transfers and the holding of uncertificated shares operated by Euroclear;
“CREST Manual”	the compendium of documents entitled “CREST Manual” issued by Euroclear from time to time;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (S.I. 2001 No 3755);
“Directors”	the directors of the Company as at the date of this document whose names are set out on page 5 of this document and “Director” means any one of them;
“EEA”	the European Economic Area;
“EEA State”	a member state of the EEA;

“Enlarged Group”	the Group following completion of the Acquisition;
“Enlarged Ordinary Share Capital”	the entire issued share capital of the Company immediately following the issue and allotment of the Open Offer Shares (assuming: all the Placing Shares and the Subscription Shares are issued; (ii) there is a full take-up of the Open Offer by Qualifying Shareholders; and (iii) no further Ordinary Shares are issued under the Company’s share schemes (or otherwise) between the date of this document and Admission);
“Euroclear”	Euroclear UK & International Limited;
“Ex-entitlement Date”	the date on which the Existing Ordinary Shares are marked “ex” for entitlement under the Open Offer, being 19 October 2022;
“Excess Application Facility”	the arrangement pursuant to which Qualifying Shareholders may apply for Open Offer Shares in excess of their Open Offer Entitlement;
“Excess Open Offer Entitlements”	an entitlement for each Qualifying Shareholder to apply to subscribe for Open Offer Shares in addition to their Open Offer Entitlement pursuant to the Excess Application Facility which is conditional on them taking up their Open Offer Entitlement in full and which may be subject to scaling back in accordance with the provisions of this document;
“Excess Shares”	Open Offer Shares in addition to the Open Offer Entitlement for which Qualifying Shareholders may apply under the Excess Application Facility;
“Excess CREST Open Offer Entitlements”	in respect of each Qualifying CREST Shareholder, the entitlement to apply for Open Offer Shares in addition to such holder’s Open Offer Entitlement credited to their stock account in CREST, pursuant to the Excess Application Facility, which is conditional on them taking up their Open Offer Entitlement in full and which may be subject to scaling back in accordance with the provisions of this document;
“Existing Ordinary Shares”	the Ordinary Shares in issue;
“FCA”	the Financial Conduct Authority;
“FSMA”	the Financial Services and Markets Act 2000;
“Fundraise” and “Fundraising”	the Placing, the Subscription and the Open Offer;
“Group”	the Company and its subsidiaries;
“HMRC”	HM Revenue and Customs;
“ISIN”	the International Securities Identification Number;
“Issue Price”	95 pence per Open Offer Share;
“Latest Practicable Date”	17 October 2022, being the latest practicable date before the publication of this document;
“Launch Diagnostics”	Launch Diagnostics Holdings Limited;
“Link Group”	a trading name of Link Market Services Limited;
“London Stock Exchange”	London Stock Exchange plc;
“New Ordinary Shares”	the Placing Shares, the Subscription Shares and the Open Offer Shares;

“Official List”	the official list of the FCA;
“Open Offer”	the conditional offer being made by the Company to Qualifying Shareholders to apply to subscribe for the Open Offer Shares at the Issue Price on the terms and subject to the conditions set out in Part III of this document and, where relevant, in the Application Form;
“Open Offer Entitlements”	the entitlement for Qualifying Shareholders to apply to subscribe for 3 Open Offer Shares for every 365 Existing Ordinary Shares held by them on the Record Date pursuant to the terms of the Open Offer as set out in Part III of this document and, where relevant, in the Application Form;
“Open Offer Shares”	up to 2,106,980 new Ordinary Shares for which Qualifying Shareholders are being invited to apply for and which are available to be issued pursuant to the terms of the Open Offer as set out in Part III of this document and, where relevant, in the Application Form;
“Ordinary Shares”	ordinary shares of £0.10 each in the capital of the Company;
“Overseas Shareholders”	all Shareholders with a registered address in, or who are located and/or resident in or are citizens of, any jurisdiction outside of the United Kingdom;
“Panel”	the Panel on Takeovers and Mergers;
“Placing”	the placing of the Placing Shares by Stifel (as sole bookrunner and broker) as agent for the Company;
“Placing Shares”	7,368,427 new Ordinary Shares proposed to be issued pursuant to the Placing;
“Prospectus Regulation Rules”	the prospectus regulation rules of the FCA made pursuant to section 73A of the FSMA;
“Qualifying CREST Shareholder”	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 Shareholder”	Qualifying Shareholders whose Existing Ordinary Shares on the register of members of the Company on the Record Date are held in certificated form;
“Qualifying Shareholder”	all holders of Existing Ordinary Shares on the Record Date (whether or not such shares are held in uncertificated or certificated form) who are, subject to certain exceptions, not Overseas Shareholders;
“Receiving Agent”	Link Group;
“Record Date”	6.00 p.m. on 14 October 2022;
“Registrar”	Link Group;
“Restricted Jurisdiction”	any jurisdiction other than the United Kingdom;
“SEDOL”	the Stock Exchange Daily Official List Identification Number;
“Shareholder”	a holder of an Ordinary Share;
“Subscription”	the proposed subscription by the chair of the Company of the Subscription Shares;

“Subscription Shares”	15,000 new Ordinary Shares proposed to be issued pursuant to the Subscription;
“Takeover Code”	the City Code on Takeovers and Mergers;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“US” or “United States”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia; and
“US Securities Act”	the United States Securities Act of 1933.

PART I

LETTER FROM THE CHAIR OF AVACTA GROUP PLC

(Incorporated and registered in England and Wales with registered number 04748597)

Directors:

Eliot Forster, *Non-Executive Chair*
Dr Alastair Smith, *Chief Executive Officer*
Tony Gardiner, *Chief Financial Officer*
Trevor Nicholls, *Non-Executive Director*
Paul Fry, *Non-Executive Director*
Mark Goldberg, *Non-Executive Director*
Christina Coughlin, *Non-Executive Director*

Registered Office:

Unit 20 Ash Way
Thorp Arch Estate
Wetherby
LS23 7FA

19 October 2022

Dear Shareholder,

Open Offer of up to 2,106,980 Open Offer Shares at an issue price of 95 pence per Ordinary Share

1. INTRODUCTION

On 18 October 2022, the Company announced that it had raised approximately £7 million, before fees and expenses, through a firm placing and management subscription of, in aggregate, 7,383,427 new Ordinary Shares at the Issue Price of 95 pence per new Ordinary Share. The Company also announced that it had conditionally agreed to issue £55 million, in aggregate principal amount, of senior unsecured convertible bonds due 2027 to a fund advised by Heights Capital Ireland LLC, a global equity and equity-linked focused investor.

In addition, in order to provide Shareholders who have not taken part in the Placing or the Management Subscription with an opportunity to participate in the proposed Fundraising, the Company is providing all Qualifying Shareholders with the opportunity to subscribe for an aggregate of up to 2,106,980 Open Offer Shares at the Issue Price of 95 pence per Open Offer Share, to raise up to approximately £2 million, before fees and expenses, on the basis of 3 Open Offer Shares for every 365 Existing Ordinary Shares registered in their name on the Record Date.

The Issue Price is at a discount of 4 per cent. to the Closing Price of 99 pence on 17 October 2022 (being the last practicable date before the announcement of the Fundraising).

The purpose of this document is to explain the background to and reasons for the Fundraising as well as to provide the detailed terms and conditions of the Open Offer, so that Qualifying Shareholders can decide whether to apply for Open Offer Shares. Shareholders should also refer to the Company's regulatory announcements on 18 October 2022.

2. BACKGROUND ON THE COMPANY

The Group comprises two divisions: The Therapeutics Division based in London is developing novel cancer therapies based on its two proprietary platforms – Affimer[®] biologics and preCISION[™] tumour targeted chemotherapies. The Diagnostics Division based in Wetherby, West Yorkshire, is developing an in-house pipeline of Affimer-based diagnostic assays.

The Affimer[®] platform is an alternative to antibodies and has been designed to address many of the negative issues of antibodies, principally: the time taken to generate them, the reliance of the process on an animal's immune response; poor specificity in many cases; in addition to the complexity and high cost of manufacture.

Avacta's preCISION[™] targeted chemotherapy platform is designed to selectively release active chemotherapy in tumour tissue to limit the systemic exposure that causes damage to healthy tissues, and thereby aims to improve the overall safety and therapeutic potential of these powerful anti-cancer treatments.

In 2021 Avacta's Therapeutics Division transitioned to become a clinical stage oncology drug company, when it commenced a phase I, first-in-human, open label, dose-escalation and expansion study of the Group's lead preCISION[™] FAP-activated chemotherapy, AVA6000.

Avacta Therapeutics has also established drug development partnerships with pharma and biotech, including a multi-target deal with LG Chem worth up to \$400m, a joint venture in South Korea with Daewoong Pharmaceutical focused on cell and gene therapies incorporating Affimer® immune-modulators and a license agreement with Point Biopharma for it to develop radiopharmaceuticals based on the preCISION™ platform.

Avacta Diagnostics is developing immunodiagnostic products, focused primarily on lateral flow tests, for the diagnosis of disease and monitoring of health and well-being by healthcare professionals and consumers.

3. BACKGROUND TO AND REASONS FOR THE FUNDRAISING

On 18 October 2022, the Company announced that it had conditionally agreed to acquire Launch Diagnostics for an upfront cash consideration of £24 million (on a debt-free/cash-free basis and subject to customary working capital adjustments) with an earn-out based on future business performance capped at £13 million. The Company intends to use the net proceeds of the Fundraising to pay the initial consideration of up to £24 million for the Acquisition (on a debt-free/cash-free basis and subject to customary working capital adjustments), for general working capital purposes of the Enlarged Group and to support expected growth of the Group (as enlarged by the Acquisition and any future acquisitions).

Established in 1990 and headquartered in Longfield, Kent UK, with a French subsidiary and operational hubs in Ireland, Belgium and Luxembourg, Launch Diagnostics is a leading independent distributor in the IVD market within the UK. It provides immunodiagnostic and molecular test products, technical support and maintenance to healthcare providers. Launch Diagnostics serves private and public sector customers throughout the UK, France, Belgium, Luxembourg and Republic of Ireland, with approximately 95 per cent. repeat business. Launch Diagnostics generated £14.17 million of non-COVID-19 related revenue in FY21, with total revenues including COVID-19 related products of £32.75 million. Since FY19, the gross margin in total sales has consistently been in the range 44-50 per cent. across all products. The global IVD market is projected to reach sales of \$113.1 billion by 2026¹ which comprises a wide range of test products into multiple healthcare settings from hospitals to home testing.

Launch Diagnostics supplies a diverse portfolio of innovative, high-quality devices and equipment that diagnose disease, providing complete solutions from diagnostic tests to equipment, servicing, training and technical support. It develops bespoke solutions via long-standing relationships and exclusive supplier contracts with manufacturers globally, providing access to cutting edge products and equipment. Launch Diagnostics is able to provide expertise to key suppliers for new product development and innovation by offering customers access to a highly knowledgeable and technically qualified team. Revenue consists of tenders for new products to health trusts, contracts for reagent rentals where Launch Diagnostics provides both the physical equipment and the reagents used and annual quotations for the supply of diagnostic reagents.

Launch Diagnostics operates within a highly regulated market with high barriers to entry and low client churn driven by detailed and lengthy client on-boarding processes which ensure that its market position is well protected. Its customers include both public and private sector (e.g. hospitals, clinical trial units, cancer centres, and commercial laboratories) and it has a long-established and experienced team with an outstanding reputation in the industry for customer service. Launch Diagnostics has over 4,000 products from 31 suppliers, with 501 active customers and, typically, operates on 3-5 year contracts with c.95 per cent. repeat business.

In the financial year to 31 December 2021, Launch Diagnostics generated revenues related to sales of products for COVID-19 testing and products unrelated to COVID-19. Launch Diagnostics' core, non-COVID-19 revenues were £14.17 million and total revenues were £32.75 million with total Adjusted EBITDA of £8.52 million² and profit before tax of £9.32 million. As of 31 December 2021, Launch Diagnostics had net assets of £17.0 million. Launch Diagnostics' FY21 revenues were geographically split between the UK and France and the Benelux region, with the former accounting for £23.85 million and the latter £8.9 million. During FY20 and FY21, Launch Diagnostics' revenue growth was driven primarily by its COVID-19 testing products and, whilst these revenues have been discounted by 80 per cent. in Avacta's valuation of the business, the Company believes there is still potential for some sustainable ongoing COVID test revenues from symptomatic testing in hospitals. During the past two years, the focus on COVID-19 testing saw Launch Diagnostics' sales of non-COVID-19 products fall from £18.51 million

¹ <https://globenewswire.com/en/news-release/2022/06/23/2468227/0/en/In-Vitro-Diagnostics-Market-worth-113.1-billion-by-2026-Report-by-MarketsandMarkets.html>

² Adjusted EBITDA is defined as earnings before income tax, depreciation and amortisation, adjusted for a market rate Managing Director salary and the removal of non-recurring professional fees.

in FY19 to £14.17 million in FY21, but this business is now increasing as customers return to normal purchasing cycles.

The Acquisition provides Avacta with an established route to market in the UK and several European IVD markets for existing and future products that it distributes, develops or acquires. It is the first step in building an integrated IVD business with global reach that has the advantage of Avacta's proprietary Affimer® platform to differentiate its immunodiagnostic products in a competitive market. Avacta has been working for a year on this M&A-led growth strategy for its diagnostics division and the establishment of a pipeline of potential acquisitions in the European diagnostics sector.

Avacta intends to run Launch Diagnostics as a separate business, retaining the brand and culture that has driven its success, combined with the potential to benefit from synergies as Avacta's diagnostics division grows. In the UK, Launch Diagnostics will continue operating at its current site though, in the longer term, investment will be made to move to more modern premises. In the short term, there will also be investment in the business' team. In Europe, operations will also continue from their current location, with further investment in personnel and in a new facility in northern France.

On completion of the Acquisition, Avacta's enlarged Diagnostics division would be an IVD developer and distributor with a broad range of over 4,000 products covering immuno-diagnostics and molecular diagnostics for professional use, with potential for further growth and value creation. It would have control of key elements of the value chain from product IP to customer relationships and the Company's existing, unique Affimer® platform will help differentiate its immunodiagnostic products in a competitive market. This platform, and the combined experienced of the Avacta and Launch Diagnostics management teams, will put Avacta in a strong position to continue an M&A led growth strategy to build a leading European IVD business.

4. PRINCIPAL DETAILS OF THE OPEN OFFER

The Open Offer provides an opportunity for Qualifying Shareholders to participate in the Fundraising by being able to subscribe for Open Offer Shares pro rata to their current holdings of Existing Ordinary Shares as at the Record Date. Qualifying Shareholders are also being given the opportunity to apply for additional Open Offer Shares at the Issue Price through the Excess Application Facility. The Open Offer, which is subject to the terms and conditions set out in Part III of this document (and, in the case of Qualifying Non-CREST Shareholders, in the Application Form), enables Qualifying Shareholders to have the opportunity to apply for Open Offer Shares at the Issue Price, payable in full on application and free of expenses, pro rata to their existing shareholdings, on the basis of:

- (a) 3 Open Offer Shares for every 365 Existing Ordinary Shares held by Qualifying Shareholders and registered in their names on the Record Date and so on in proportion to any other number of Ordinary Shares then held, rounded down to the nearest whole number of Open Offer Shares; and
- (b) further Open Offer Shares in excess of their Open Offer Entitlement through the Excess Application Facility (although such Excess Shares will only be allotted to the extent that not all Qualifying Shareholders apply for their Open Offer Entitlement in full and shall be allotted at the sole discretion of the Directors).

Overseas Shareholders, subject to certain exceptions, will not be sent this document or the Application Form and are not able to accept the Open Offer.

The Open Offer is conditional on Admission of the Open Offer Shares and completion of the Placing but is not conditional on completion of the Acquisition. The Open Offer is not being underwritten. The Open Offer Shares will, upon issue, rank *pari passu* with the then Existing Ordinary Shares. The results of the Open Offer are expected to be announced on or around 8 November 2022.

The Open Offer will result in the issue of an aggregate of 2,106,980 Open Offer Shares, assuming full take up under the Open Offer (representing approximately 0.79 per cent. of the Enlarged Ordinary Share Capital). Following the issue of the Open Offer Shares pursuant to the Open Offer (and assuming that the Open Offer is taken up in full), Qualifying Shareholders who do not subscribe for any of their Open Offer Entitlements will suffer a dilution of approximately 0.80 per cent. to their interests in the Company, as a result of the Open Offer.

It should be noted that the Open Offer is not a rights issue. Accordingly, the Application Form is not a document of title and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to CREST, and be enabled for settlement, the Open Offer Entitlements and Excess Open Offer Entitlements will not be tradeable or

listed and applications in respect of 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. Open Offer Shares for which application has not been made under the Open Offer (including the Excess Application Facility) will not be sold in the market for the benefit of those who do not apply under the Open Offer (including the Excess Application Facility) and Qualifying Shareholders who do not apply to take up their entitlements will have no rights nor receive any benefit under the Open Offer.

Fractional entitlements

Fractions of Open Offer Shares will not be allotted. The terms of the Open Offer provide that each Qualifying Shareholder's entitlement under the Open Offer will be rounded down to the nearest whole number and fractions discarded. The aggregate number of Open Offer Shares available for subscription pursuant to the Open Offer (including any Open Offer Shares that may be issued under the Excess Application Facility) will not exceed 2,106,980 Open Offer Shares. Qualifying Shareholders with holdings of Existing Ordinary Shares in both certificated and uncertificated form will be treated as having separate holdings for the purpose of calculating the Open Offer Entitlements.

Excess Application Facility

The Excess Application Facility will enable Qualifying Shareholders, provided that they take up their Open Offer Entitlement in full, to apply for an Excess Open Offer Entitlement. Qualifying Non-CREST Shareholders who wish to apply to acquire more than their Open Offer Entitlement should complete the relevant sections on the Application Form. Qualifying CREST Shareholders will have Excess Open Offer Entitlements credited to their stock account in CREST and should refer to paragraph 4 of Part III of this document for information on how to apply for Excess Open Offer Entitlement pursuant to the Excess Application Facility.

Applications for Excess Open Offer Entitlements will be satisfied only and to the extent that corresponding applications by other Qualifying Shareholders are not made or are made for less than their Open Offer Entitlements. Once subscriptions by Qualifying Shareholders under their respective Open Offer Entitlements have been satisfied, the Directors shall, in their absolute discretion, determine whether to meet any excess applications and, if so, how they shall be met and whether they shall be met in full or in part and no assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full, in part or at all. Application will be made for the Open Offer Entitlements and Excess Open Offer Entitlements in respect of Qualifying CREST Shareholders to be admitted to CREST. It is expected that such Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to CREST on 21 October 2022. Applications through the means of the CREST system may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim.

Conditionality

The Open Offer is conditional upon (i) Admission of the Open Offer Shares occurring by no later than 8.00 a.m. on 9 November 2022 (or such later time and/or date as may be agreed by the Company, being no later than 8.00 a.m. on 16 November 2022); and (ii) completion of the Placing occurring by no later than 8.00 a.m. on 27 October 2022). The Open Offer is not conditional upon the completion of the Acquisition.

Accordingly, if these conditions are not satisfied, the Open Offer will not proceed and any applications made by Qualifying Shareholders will be rejected. In such circumstances, application monies will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable thereafter. Revocation of applications for Open Offer Shares cannot occur after dealings have begun.

Application for Admission

Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. Admission is expected to take place, and dealings on AIM are expected to commence, at 8.00 a.m. on 9 November 2022 (or such later time and/or date as may be agreed by the Company, being no later than 8.00 a.m. on 16 November 2022). No temporary document of title will be issued.

The Open Offer Shares will, following Admission, rank *pari passu* in all respects with the then Existing Ordinary Shares and will carry the right to receive all dividends and distributions declared, made or paid on or in respect of the Ordinary Shares after Admission.

Terms and conditions

Further information on the Open Offer and the terms and conditions on which it is made, including the procedure for application and payment, are set out in Part III of this document and, in the case of Qualifying Non-CREST Shareholders, on the Application Form.

5. ACTION TO BE TAKEN IN RESPECT OF THE OPEN OFFER

The distribution of this document and the Application Form and/or any documents issued by the Company in connection with the Open Offer in jurisdictions other than the United Kingdom may be restricted by law and, therefore, persons outside of the United Kingdom into whose possession this document and/or the Application Form and/or any accompanying documents comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws or regulations of such jurisdiction.

Qualifying Non-CREST Shareholders

If you are a Qualifying Non-CREST Shareholder you will have received an Application Form which gives details of your maximum entitlement under the Open Offer (as shown by the number of Open Offer Entitlements allocated to you). If you wish to apply for Open Offer Shares under the Open Offer (whether in respect of your Open Offer Entitlement or both your Open Offer Entitlement and any Excess Open Offer Entitlements), you should complete the accompanying Application Form in accordance with the procedure for application set out in paragraph 4 of Part III of this document and on the Application Form itself.

Qualifying CREST Shareholders

If you are a Qualifying CREST Shareholder and do not hold any Ordinary Shares in certificated form, no Application Form accompanies this document and you will instead receive a credit to your appropriate stock account in CREST in respect of the Open Offer Entitlements representing your maximum entitlement under the Open Offer except (subject to certain exceptions) if you are an Overseas Shareholder with a registered address in, or who is located and/or resident in or are a citizen of, any jurisdiction outside of the United Kingdom. Applications by Qualifying CREST Shareholders for Excess Open Offer Entitlements in excess of their Open Offer Entitlements should be made in accordance with the procedures set out in paragraph 4 of Part III of this document.

Applications and payment

The latest time for applications under the Open Offer to be received is 11.00 a.m. on 7 November 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.

The procedures for application and payment are set out in Part III of this document. Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Open Offer.

6. PRINCIPAL RISKS AND UNCERTAINTIES

The Company draws your attention to the principal risks and uncertainties for the Group on pages 40 to 42 of its annual report and accounts for the financial year end 31 December 2021, which remain relevant to the Group. The risks in the Company's annual report do not necessarily comprise all those faced by the Group and are not intended to be presented in any assumed order of priority. If you are in any doubt about the contents of this document, or what action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the FSMA if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser in the relevant jurisdiction.

7. FURTHER INFORMATION

Before deciding what action to take in respect of the Open Offer, you are advised to read the whole of this document and not merely rely on certain sections of this letter.

Yours faithfully

Eliot Forster

Non-Executive Chair

Avacta Group plc

PART II

QUESTIONS AND ANSWERS ABOUT THE OPEN OFFER

The questions and answers set out in this Part II are intended to be in general terms only and, as such, you should read Part III of this document for full details of what action you should take.

If you are in any doubt as to what 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 the FSMA if you are resident in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.

This Part III deals with general questions relating to the Open Offer and more specific questions relating principally to Qualifying Shareholders who hold their Existing Ordinary Shares in certificated form only.

If you are a Qualifying Shareholder who holds your Existing Ordinary Shares in uncertificated form (that is, through CREST) you should read Part III of this document for full details of what action you should take.

If you are an Overseas Shareholder, you should read paragraph 7 of Part III of this document.

If you are a CREST sponsored member, you should also consult your CREST sponsor. If you do not know whether your Ordinary Shares are in certificated or uncertificated form, you should contact the Receiving Agent, Link Group, on 0371 664 0321. 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 9.00 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

The contents of this document should not be construed as legal, business, accounting, tax, investment or other professional advice. 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 may do this by giving their existing shareholders a right to acquire further shares at a fixed price in proportion to their existing shareholdings (an open offer). The fixed price is normally at a discount to the market price of the existing ordinary shares prior to the announcement of the open offer.

2. What is the Company's Open Offer?

The Company's Open Offer, which is subject to the terms and conditions set out in Part III of this document (and, in the case of Qualifying Non-CREST Shareholders in the Application Form), enables Qualifying Shareholders to have the opportunity to apply for Open Offer Shares at the Issue Price, payable in full on application and free of expenses, pro-rata to their existing shareholdings, on the basis of:

- (a) 3 Open Offer Shares for every 365 Existing Ordinary Shares held by Qualifying Shareholders and registered in their names on the Record Date and so on in proportion to any other number of Ordinary Shares then held, rounded down to the nearest whole number of Open Offer Shares; and
- (b) further Open Offer Shares in excess of their Open Offer Entitlement through the Excess Application Facility (although such Excess Shares will only be allotted to the extent that not all Qualifying Shareholders apply for their Open Offer Entitlement in full and shall be allotted at the sole discretion of the Company).

Subject to the terms and conditions set out in Part III of this document (and, in the case of Qualifying Non-CREST Shareholders in the Application Form), Qualifying Shareholders may apply for any whole number of Open Offer Shares up to their Open Offer Entitlement and can also apply for Excess Shares under the Excess Application Facility.

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

Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying Non-CREST Shareholders should note that their Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements will be admitted to CREST, and be enabled for settlement, the Open Offer Entitlements will not be tradeable or listed and applications in respect of 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. Open Offer Shares for which application has not been made under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Shareholders who do not apply to take up their entitlements will have no rights nor receive any benefit under the Open Offer.

The attention of Shareholders and any persons (including, without limitation, custodians, nominees and trustees) who have a contractual or other legal obligation to forward this document or an Application Form into a jurisdiction other than the UK is drawn to paragraph 7 of Part III of this document, which forms part of the terms and conditions of the Open Offer.

3. When will the Open Offer take place?

The Open Offer will be open until 11.00 a.m. on 7 November 2022. It is currently anticipated that the results of the Open Offer will be announced on 8 November 2022.

4. I hold my Existing Ordinary Shares in certificated form. How do I know whether I am able to apply for Open Offer Shares under the Open Offer?

If you receive an Application Form and, subject to certain exceptions, are not an Overseas Shareholder, then you should be eligible to apply for Open Offer Shares under the Open Offer, as long as you have not sold all of your Existing Ordinary Shares before 8.00 a.m. on 19 October 2022 (the time when the Existing Ordinary Shares were marked “ex-entitlement” by the London Stock Exchange).

5. 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, are not an Overseas Shareholder, you have been sent an Application Form that shows:

- how many Existing Ordinary Shares you held at 6.00 p.m. on 14 October 2022 (the Record Date for the Open Offer);
- 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 of the Open Offer Shares comprised in your Open Offer Entitlement.

Subject to certain exceptions, if you have a registered address outside the United Kingdom, you will not receive an Application Form.

6. I am a Qualifying Shareholder and I hold my Existing Ordinary Shares in certificated form. What are my choices in relation to the Open Offer and what should I do with the Application Form?

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

If you want to take up all of the Open Offer Shares comprised in your Open Offer Entitlement, all you need to do is sign and send the Application Form, together with your cheque or banker’s draft for the full amount (as indicated in Box 8 of your Application Form), payable to “Link Market Services Ltd Re: Avacta Group Plc – Open Offer A/c” and crossed “A/C payee only”, in the reply-paid envelope provided (for use within the UK only), by post to the Receiving Agent, Link Group, to arrive by no later than 11.00 a.m. on 7 November 2022.

You should allow at least four Business Days for delivery if using first-class post within the United Kingdom. If posting from outside the United Kingdom postage will be payable when using the reply-paid envelope.

Full instructions are set out in the Application Form. 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 no later than 16 November 2022.

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

If you want to take up some but not all of the Open Offer Shares to which you are entitled, you should write the number of Open Offer Shares you want to take up in Box 2 and Box 4 of your Application Form; for example, if you are entitled to take up 20,000 shares but you only want to take up 1,000 shares, then you should write '1,000' in Box 2 and Box 4.

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 '1,000') by £0.95, which is the price in pounds Sterling of each Open Offer Share (giving you an amount of £9,500 in this example). You should write this amount in Box 5 rounding down to the nearest whole penny and this should be the amount your cheque or banker's draft is made out for. You should then sign and return your Application Form together with your cheque or duly endorsed banker's draft for that amount, payable to "Link Market Services Ltd Re: Avacta Group Plc – Open Offer A/c" and crossed "A/C payee only", in the reply-paid envelope provided (for use within the UK only), by post, to the Receiving Agent, Link Group, to arrive by no later than 11.00 a.m. on 7 November 2022 after which time the Application Form will not be valid.

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

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 16 November 2022.

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

Provided that you have agreed to take up your Open Offer Entitlement in full, you can apply for further Open Offer Shares using the Excess Application Facility. You should write the number of Open Offer Shares you wish to take up in Box 2, which must be the number of Open Offer Shares shown in Box 7. You should then write the number of Open Offer Shares you wish to apply for under the Excess Application Facility in Box 3 and then complete Box 4 by adding together the numbers you have entered in Boxes 2 and 3.

To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares shown in Box 4 by £0.95, which is the price of each Open Offer Share. You should write this amount in Box 5, rounding down to the nearest whole penny. You should then return your Application Form together with your cheque or banker's draft for that amount, payable to "Link Market Services Ltd Re: Avacta Group Plc – Open Offer A/c" and crossed "A/C payee only", in the reply-paid envelope provided (for use within the UK only), by post, to Link Group, to arrive by no later than 11.00 a.m. on 7 November 2022, after which time the Application Form will not be valid.

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

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take-up of Open Offer Entitlements, such applications will be scaled back on such basis as determined by the Company in its absolute discretion. Therefore, applications under the Excess Application Facility may not be satisfied in full, in part or at all. In this event, Qualifying CREST Shareholders will receive a refund for those Open Offer Shares applied and paid for but not allocated, not later than four Business Days following the date that the results of the Open Offer are announced. Qualifying Non-CREST Shareholders will receive the refund either as a cheque by first class post to the address set out on the Application Form or payment will be returned direct to the account of the bank or building society on which the relevant cheque or banker's draft was drawn, not later than 10 Business Days following the date that the results of the Open Offer are announced. Any refunds that are made will be at the investors' risk and without interest.

A definitive share certificate will be sent to you for the Open Offer Shares that you take up and otherwise successfully apply for using the Excess Application Facility. Your definitive share certificate for Open Offer Shares is expected to be despatched to you by 16 November 2022.

(d) ***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. Open Offer Shares not applied for will not be sold in the market or placed for the benefit of Qualifying Shareholders who do not apply under the Open Offer. However, other Qualifying Shareholders may apply for them as part of their Excess Entitlement through the Excess Application Facility.

If you do not take up your Open Offer Entitlement then, following completion of the Open Offer and the issue of the Open Offer Shares (including any Excess Shares that may be issued under the Excess Application Facility) pursuant to the terms of the Open Offer, your interest in the Company will be diluted by approximately 0.80 per cent. by virtue of the Open Offer (assuming the take-up in full of the Open Offer).

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

CREST members should follow the instructions set out in Part III of this document. Persons who hold Existing Ordinary Shares through a CREST member should be informed by such CREST member of the number of Open Offer Shares they are entitled to take up or apply for under their Open Offer Entitlement and their Excess CREST Open Offer Entitlement respectively, and should contact their CREST member should they not receive this information.

9. 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 but hold your Existing Ordinary Shares in certificated form, this probably means that you are not able to apply for Open Offer Shares under the terms of the Open Offer. Some Qualifying Non-CREST Shareholders, however, will not receive an Application Form but may still be eligible to apply for Open Offer Shares under the Open Offer, namely:

- Qualifying CREST Shareholders who held their Existing Ordinary Shares in uncertificated form on the Ex-entitlement Date and who have converted them to certificated form; and
- Qualifying Non-CREST Shareholders who bought Existing Ordinary Shares before the Ex-entitlement Date but were not registered as the holders of those Ordinary Shares on the Record Date. If you do not receive an Application Form but think that you should have received one or you have lost your Application Form, you should contact the Receiving Agent, Link Group, on 0371 664 0321. 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 9.00 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

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

If you bought Existing Ordinary Shares at or after the Record Date you are unlikely to be able to participate in the Open Offer unless you have a *bona fide* market claim. If you bought Existing Ordinary Shares at or after 8.00 a.m. on 19 October 2022 (the ex-entitlement date), you will not be eligible to participate in the Open Offer in respect of those Existing Ordinary Shares.

If you are in any doubt, please consult your stockbroker, bank or other appropriate financial adviser, or whoever arranged your share purchase, to ensure you claim your entitlement.

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

If you hold shares in the Company directly and you sold some or all of your Existing Ordinary Shares before 8.00 a.m. on 19 October 2022, you should contact the buyer or the person/company through whom you sell your shares. The buyer may be entitled to apply for Open Offer Shares under the Open Offer.

If you sell any of your Existing Ordinary Shares on or after 8.00 a.m. on 19 October 2022, you may still take up and apply for the Open Offer Shares as set out on your Application Form.

12. 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?

Your entitlement to Open Offer Shares will be calculated at the Record Date. If the result is not a whole number, you will not receive an Open Offer Share in respect of the fraction of each Existing Ordinary Share and your entitlement will be rounded down to the nearest whole number. Fractions will not be aggregated and will be ignored.

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

If you have received an Application Form, then you should return your Application Form with a cheque or a duly endorsed banker's draft drawn in pounds Sterling on a UK bank or building society account in the accompanying reply-paid envelope (for use within the UK only). You should allow at least four Business Days for delivery if using first-class post within the United Kingdom. If posting from outside the United Kingdom postage will be payable when using the reply-paid envelope. Cheques should be drawn on a personal account of the Qualifying Shareholder who is applying for the Open Offer Shares 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 or banker's drafts where the building society or bank has inserted the full name of the account holder and have either added the building society or bank branch stamp or have provided a supporting letter confirming the source of funds. The name of the account holder should be the same as that shown on the Application Form. You may be required to supply additional documentation to satisfy Money Laundering Regulations. The funds should be made payable to "Link Market Services Ltd Re: Avacta Group Plc – Open Offer A/c". In each case, the cheque should be crossed "A/C Payee only". Payments via CHAPS, BACS or electronic transfer will not be accepted. Post-dated cheques will also not be accepted.

14. 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.

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

The Receiving Agent must receive your completed Application Form and cheque or banker's draft by 11.00 a.m. on 7 November 2022. You should allow at least four Business Days for delivery if using first-class post or the reply-paid envelope included with the Application Form, within the United Kingdom. If posting from outside the United Kingdom postage will be payable when using the reply-paid envelope.

16. I hold my Existing Ordinary Shares in certificated form. If I take up my entitlements, when will I receive the certificate representing my Open Offer Shares?

It is expected that the Registrar will post all new share certificates by 16 November 2022.

17. What should I do if I live outside the United Kingdom?

Subject to certain exceptions, you are not able to participate in the Open Offer. Your attention is drawn to the information in paragraph 7 of Part III of this document.

18. What should I do if I think my holding of Existing Ordinary Shares (as shown in Box 6 on page 1 of the Application Form) is incorrect?

If you bought or sold Existing Ordinary Shares shortly before the Record Date, your transaction may not have been entered on the register of members before the Record Date for the Open Offer. If you bought Existing Ordinary Shares on or before 8.00 a.m. on 19 October 2022 but were not registered as the holder of those shares on the Record Date for the Open Offer you may still be eligible to participate in the Open Offer. If you are in any doubt, please contact your stockbroker, bank or other appropriate financial adviser, or whoever arranged your share purchase, to ensure that you claim your entitlement.

You will not be entitled to Open Offer Entitlements in respect of any Existing Ordinary Shares acquired on or after 8.00 a.m. on 19 October 2022.

19. 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 (Box 13 on page 4 of the Application Form), and ensure they are delivered to CCSS to be received by 3.00 p.m. on 2 November 2022 at the latest. CREST sponsored members should arrange for their CREST sponsors to do this.

If you have transferred your rights into the CREST system, you should refer to Part III of this document for details on how to pay for the Open Offer Shares.

20. Do I need to comply with the Money Laundering Regulations (as set out in paragraph 5 of Part III of this document)?

If you are a Qualifying Non-CREST Shareholder, you may not need to follow these procedures if the value of the Open Offer Shares you are acquiring is less than €15,000 (or its pounds Sterling equivalent) or if you pay for them by a cheque drawn on an account in your own name and that account is one which is held with an EU or United Kingdom regulated bank or building society. If you are a Qualifying CREST Shareholder, you will not generally need to comply with the Money Laundering Regulations unless you apply to take up all or some of your entitlement to Open Offer Entitlements as agent for one or more persons and you are not an EU or United Kingdom regulated financial institution.

Qualifying Non-CREST Shareholders should refer to paragraph 5(i) of Part III of this document and Qualifying CREST Shareholders should refer to paragraph 5(ii) of Part III of this document for a fuller description of the requirements of the Money Laundering Regulations.

21. What if I change my mind?

Once you have sent your Application Form and payment to the Receiving Agent, you cannot withdraw your application or change the number of Open Offer Shares you have applied for.

22. Further assistance

Should you require further assistance, you should contact the Receiving Agent, Link Group, on 0371 664 0321. 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 9.00 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

PART III

TERMS AND CONDITIONS OF THE OPEN OFFER

1. Introduction

The Company is proposing to issue up to 2,106,980 Open Offer Shares to raise up to approximately £2 million (before fees and expenses) by way of the Open Offer. Upon completion of the Open Offer, assuming a full take-up, the Open Offer Shares will represent approximately 0.79 per cent. of the Enlarged Ordinary Share Capital. Under the terms and conditions of the Open Offer, Qualifying Shareholders are being offered the opportunity to apply for Open Offer Shares at the Issue Price.

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

A summary of the arrangements relating to the Open Offer is set out below. This document and, for Qualifying Non-CREST Shareholders, the Application Form contain the formal terms and conditions of the Open Offer. Your attention is drawn to paragraph 4 of this Part III which gives details of the procedure for application and payment for the Open Offer Shares. The attention of Overseas Shareholders is drawn to paragraph 7 of this Part III.

The latest time for applications under the Open Offer to be received is 11.00 a.m. on 7 November 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. The procedures for application and payment are further set out below in this Part III.

2. The Open Offer

Subject to the terms and conditions referred to in this Part III (and, in the case of Qualifying Non-CREST Shareholders, in the Application Form), Qualifying Shareholders have the opportunity under the Open Offer to apply for Open Offer Shares at the Issue Price, payable in full on application and free of all expenses, pro rata to their existing shareholdings on the basis of:

- (a) 3 Open Offer Shares for every 365 Existing Ordinary Shares held by Qualifying Shareholders and registered in their names on the Record Date and so on in proportion to any other number of Ordinary Shares then held, rounded down to the nearest whole number of Open Offer Shares; and
- (b) further Open Offer Shares in excess of their Open Offer Entitlement through the Excess Application Facility (although such Excess Shares will only be allotted to the extent that not all Qualifying Shareholders apply for their Open Offer Entitlement in full and shall be allotted at the sole discretion of the Directors).

Holdings of Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer. Fractions of Open Offer Shares will not be allotted, each Qualifying Shareholder's entitlement being rounded down to the nearest whole number. The fractional entitlements will be disregarded.

Qualifying Shareholders may apply for any whole number of Open Offer Shares up to their Open Offer Entitlement which, in the case of Qualifying Non-CREST Shareholders, is equal to the number of Open Offer Entitlements as shown on their Application Form or, in the case of Qualifying CREST Shareholders, is equal to the number of Open Offer Entitlements standing to the credit of their stock account in CREST and, if they so wish, may apply for Open Offer Shares in excess of their Open Offer Entitlement.

In addition to their Open Offer Entitlements, the Excess Application Facility will enable Qualifying Shareholders, provided that they take up their Open Offer Entitlement in full, to apply for Excess Open Offer Entitlements. Qualifying Non-CREST Shareholders who wish to apply to subscribe for more than their Open Offer Entitlement should complete the relevant sections on the Application Form. Qualifying CREST Shareholders will have Excess CREST Open Offer Entitlements credited to their stock account in CREST.

Applications for Excess Open Offer Entitlements will be satisfied only to the extent that corresponding applications by other Qualifying Shareholders are not made or are made for less than their Open Offer Entitlements. Once subscriptions by Qualifying Shareholders under their respective Open Offer Entitlements have been satisfied, the Directors shall, in their absolute discretion, determine whether to meet any excess applications in full or in part and no assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full, in part or at all.

Any monies paid for applications in excess of their Open Offer Entitlements which are not so satisfied will be returned to the applicant (at the applicant's risk) without interest not later than four Business Days following the date that the results of the Open Offer are announced. Qualifying Non-CREST Shareholders will receive the refund either as a cheque by first class post to the address set out on the Application Form or payment will be returned direct to the account of the bank or building society on which the relevant cheque or banker's draft was drawn, not later than 10 Business Days following the date that the results of the Open Offer are announced. The action to be taken in relation to the Open Offer 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.

Overseas Shareholders will, subject to certain exceptions, not be able to participate in the Open Offer. The attention of Overseas Shareholders or any person (including, without limitation, a custodian, nominee or trustee) who has a contractual or other legal obligation to forward this document into a jurisdiction other than the United Kingdom is drawn to paragraph 7 of this Part III.

If you have received an Application Form with this document, please refer to paragraph 4(i) and paragraphs 5 to 12 of this Part III.

If you hold your Ordinary Shares in CREST and have received a credit of Open Offer Entitlements to your CREST stock account, please refer to paragraph 4(ii) and paragraphs 5 to 11 of this Part III and also to the CREST Manual for further information on the CREST procedures referred to below.

The Existing Ordinary Shares in issue as at the date of this document are admitted to trading on AIM. Application will be made to the London Stock Exchange for the new Open Offer Shares to be admitted to trading on AIM. It is expected that Admission of the Open Offer Shares will become effective and that dealings for normal settlement in the Open Offer Shares on AIM will commence at 8.00 a.m. on 9 November 2022.

The Existing Ordinary Shares in issue as at the date of this document are already admitted to CREST. No further application for admission to CREST is accordingly required for the Open Offer Shares; all of such shares, when issued and fully paid, may be held and transferred by means of CREST.

It is expected that Open Offer Entitlements and Excess Open Offer Entitlements will be enabled for settlement in CREST at 8.00 a.m. on 21 October 2022. Applications through the means of the CREST system may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim.

Qualifying Non-CREST Shareholders will have received an Application Form with this document which sets out their entitlement to Open Offer Shares as shown by the number of Open Offer Entitlements allocated to them. Qualifying CREST Shareholders will receive a credit to their appropriate stock accounts in CREST in respect of their Open Offer Entitlements on 21 October 2022. Qualifying Shareholders with holdings of Existing Ordinary Shares in both certificated and uncertificated form will be treated as having separate holdings for the purposes of calculating their entitlements under the Open Offer.

The Open Offer Shares will be issued fully paid and will be identical to, and rank *pari passu* in all respects with, the Existing Ordinary Shares and will rank for all dividends or other distributions declared, made or paid after the date of issue of the Open Offer Shares. No temporary documents of title will be issued.

Qualifying Shareholders should note that the Open Offer is not a rights issue. 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 the Open Offer Entitlements and Excess CREST Open Offer Entitlements will be credited 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 raised by Euroclear's Claims Processing Unit. Qualifying Shareholders should be aware that in the Open Offer,

unlike with a rights issue, any Open Offer Shares not applied for by Qualifying Shareholders under their Open Offer Entitlements will not be sold in the market on behalf of, or placed for the benefit of, Qualifying Shareholders who do not apply under the Open Offer, but may be allotted to Qualifying Shareholders to meet any valid applications under the Excess Application Facility. Qualifying Shareholders who do not apply to take up Open Offer Shares will have no rights under the Open Offer.

Any Qualifying Shareholder who has sold or transferred all or part of his registered holding(s) of Existing Ordinary Shares prior to 8.00 a.m. on 19 October 2022 is advised to consult his stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for Open Offer Shares under the Open Offer may be a benefit which may be claimed from him by the purchaser(s) under the rules of the London Stock Exchange.

Before making any decision to acquire Open Offer Shares, you are asked to read and carefully consider all of the information in this document, including in particular the important information set out in the letter from the Chair of the Company in Part I of this document. The Open Offer is not underwritten.

3. Conditions of the Open Offer

The Open Offer is conditional upon (i) Admission of the Open Offer Shares occurring by no later than 8.00 a.m. on 9 November 2022 (or such later time and/or date as may be agreed by the Company, being no later than 8.00 a.m. on 16 November 2022); and (ii) completion of the Placing occurring by no later than 8.00 a.m. on 27 October 2022).

Accordingly, if the conditions are not satisfied, the Open Offer will not proceed and any applications made by Qualifying Shareholders will be rejected. In such circumstances, application monies will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable thereafter. Revocation of applications for Open Offer Shares cannot occur after dealings have begun.

Application will be made for the Open Offer Shares to be admitted to trading on AIM. Admission is expected to occur on 9 November 2022, when dealings in the Open Offer Shares are expected to begin.

No temporary documents of title will be issued in respect of Open Offer Shares held in uncertificated form. Definitive certificates in respect of Open Offer Shares taken up are expected to be posted to those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in certificated form no later than 16 November 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 on 9 November 2022.

All monies received by the Receiving Agent in respect of Open Offer Shares will be held in a separate non-interest bearing bank account opened solely for the Open Offer.

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

4. Procedure for application and payment

If you are in any doubt about the contents of this document and any accompanying documents or the action you should take, you are recommended to seek your own financial advice immediately from an appropriately authorised stockbroker, bank manager, solicitor, accountant or other independent financial adviser who, if you are taking advice in the United Kingdom, is duly authorised under the FSMA, or, if not, from another appropriately authorised independent financial adviser.

Save as provided in paragraph 7 of this Part III in relation to certain Overseas Shareholders, the action to be taken by you in respect of the Open Offer depends on whether at the relevant time you have an Application Form in respect of your entitlement under the Open Offer, including the Excess Application Facility, or you have Open Offer Entitlements and Excess Open Offer Entitlements credited to your CREST stock account in respect of such entitlement.

Qualifying Shareholders who hold part of their Existing Ordinary Shares in uncertificated form on the Record Date and who take up Open Offer Shares under their entitlement 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. Further information on deposit into CREST is set out in paragraph 4(ii)(f) of this Part III.

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.

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

Qualifying Shareholders who do not want to take up or apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form.

(i) ***If you have an Application Form in respect of your entitlement under the Open Offer***

(a) *General*

Save as provided in paragraph 7 of this Part III in relation to Overseas Shareholders, each Qualifying Non-CREST Shareholder will have received an Application Form accompanying this document. The Application Form shows the number of Existing Ordinary Shares registered in the relevant Qualifying Non-CREST Shareholder's name on the Record Date. It also shows the number of Open Offer Shares for which such relevant Qualifying Non-CREST Shareholder is entitled to apply under the Open Offer, calculated on the basis set out in paragraph 2 of this Part III and provides instructions regarding acceptance and payment, consolidation and splitting in respect of their Open Offer Entitlements and Excess Open Offer Entitlements. Qualifying Non-CREST Shareholders may also apply for less than their Open Offer Entitlements.

The instructions and other terms set out in the Application Form form part of the terms of the Open Offer.

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

Fractions (if any) of Open Offer Shares will be disregarded.

Definitive share certificates for Open Offer Shares validly taken up are expected to be despatched by no later than 16 November 2022.

(b) *Bona fide market claims*

Applications for 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 the Open Offer by the London Stock Exchange, being 8.00 a.m. on 19 October 2022. Application Forms may not be assigned, transferred or split, except to satisfy *bona fide* market claims prior to 3.00 p.m. on 3 November 2022.

The Application Form is not a negotiable document and cannot be separately traded. A Qualifying Non-CREST Shareholder who has sold or transferred all or part of its holding of Existing Ordinary Shares prior to 19 October 2022, being the date upon which the Existing Ordinary Shares were marked "ex" the entitlement to the Open Offer by the London Stock Exchange, should consult his broker or other professional adviser as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer (including under the Excess Application Facility) may be a benefit which may be claimed by the transferee from his counterparty pursuant to the rules of the London Stock Exchange.

Qualifying Non-CREST Shareholders who have sold all of their registered holdings prior to 19 October 2022 should, if the market claim is to be settled outside CREST, complete Box 10 on the Application

Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Application Form should not, however, be forwarded to or transmitted in or into any of the Restricted Jurisdictions or to US Persons. If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedures set out in paragraph 4(ii)(b) of this Part III.

Qualifying Non-CREST Shareholders who have sold or otherwise transferred part only of their Existing Ordinary Shares shown on Box 6 of their Application Form prior to 19 October 2022 should, if the market claim is to be settled outside CREST, complete Box 10 on the Application Form and immediately send it, together with a letter stating the number of Application Forms required (being one for the Qualifying Non-CREST Shareholder in question and one for each of the purchasers or transferees), the total number of Existing Ordinary Shares to be included in each Application Form (the aggregate of which must equal the number shown in Box 6 of the original Application Form) and the total number of Open Offer Entitlements to be included in each Application Form (the aggregate of which must equal the number shown in Box 7), to the stockbroker, bank or other agent through whom the sale or transfer was effected or return it by post to the Receiving Agent so as to be received by no later than 3.00 p.m. on 3 November 2022. The Receiving Agent will then create new Application Forms, mark the Application Forms “Declaration of sale or transfer duly made” and send them by post to the person submitting the original Application Form for appropriate distribution. The Application Form should not, however, be forwarded to or transmitted in or into any of the Restricted Jurisdictions or to US Persons.

(c) *Application procedures*

Applications for Open Offer Shares (including under the Excess Application Facility) by Qualifying Non-CREST Shareholders who have received an Application Form, may only be made on the Application Form, which is personal to the Qualifying Non-CREST Shareholder(s) named on it and is not capable of being split, assigned or transferred except in the circumstances described in paragraph 4(i)(b) of this Part III.

Qualifying Non-CREST Shareholders may also apply for Excess Shares in excess of their pro rata entitlement to Open Offer Shares by completing Boxes 2, 3, 4 and 5 of the Application Form for the total number of Open Offer Shares for which they wish to make application (including their pro rata entitlement) and submitting the amount payable on such application. Further details on the Excess Application Facility are set out in paragraph 4(i)(g) of this Part III.

A Qualifying Non-CREST Shareholder who does not wish to apply for any of the Open Offer Shares to which it is entitled should not return a completed Application Form to the Receiving Agent.

If you are a Qualifying Non-CREST Shareholder and wish to apply for all or some of your entitlement to Open Offer Shares under the Open Offer (including any application for any Excess Shares under the Excess Application Facility) you should complete and sign the Application Form in accordance with the instructions on it and send it, together with the appropriate remittance, by post (during normal business hours only) to the Receiving Agent, Link Group, so as to arrive no later than 11.00 a.m. on 7 November 2022. A reply paid envelope is enclosed for use by Qualifying Non-CREST Shareholders (for use within the UK only) in connection with the Open Offer. Your Application Form will not be valid unless you sign it. If posting from outside the United Kingdom postage will be payable when using the reply-paid envelope.

The Application Form represents a right personal to the Qualifying Non-CREST Shareholder to apply to subscribe for Open Offer Shares (including under the Excess Application Facility); it is not a document of title and it cannot be traded.

Multiple applications will not be accepted. All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant’s own risk.

(d) *Payments*

All payments must be in pounds Sterling and cheques or duly endorsed banker’s drafts should be made payable to “Link Market Services Ltd Re: Avacta Group Plc – Open Offer A/c” and crossed “AC payee only”. Cheques or banker’s drafts must be drawn on the personal account of the individual investor to

which they have sole or joint title to the funds and must be drawn on an account at a branch or a bank or building society in the United Kingdom, the Channel Islands or the Isle of Man which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which is a member of either of the Committees of Scottish or Belfast clearing houses or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right hand corner. Third party cheques may not be accepted except Building Society cheques or bankers' drafts where the Building Society or bank has confirmed the name of the account holder by stamping and endorsing the Building Society cheque or bankers' draft on the reverse to such effect.

Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be allowed on payments made before they are due and any interest earned on such payments will accrue for the benefit of the Company. It is a term of the Open Offer that cheques shall be honoured on first presentation, and the Company may elect in its absolute discretion to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques and banker's drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted. Post-dated cheques will also not be accepted. Return of the Application Form with a cheque will constitute a warranty that the cheque will be honoured on first presentation.

If Open Offer Shares have already been allotted to a Qualifying Non-CREST Shareholder and such Qualifying Non-CREST Shareholder's cheque or a duly endorsed banker's draft is not honoured upon first presentation or such Qualifying Non-CREST Shareholder's application is subsequently otherwise deemed to be invalid, the Receiving Agent shall be authorised (in its absolute discretion as to manner, timing and terms) to make arrangements, on behalf of the Company, for the sale of such Qualifying Non-CREST Shareholder's Open Offer Shares and the Company shall hold the proceeds of sale (net of the Company's reasonable estimate of any loss that it has suffered as a result of the acceptance being treated as invalid and of the expenses of sale including, any stamp duty or SDRT payable on the transfer of such shares, and of all amounts payable by such Qualifying Shareholder pursuant to the provisions of this Part III in respect of the acquisition of such shares) on behalf of such Qualifying Shareholder. None of the Registrar, the Receiving Agent, the Company or any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying Non-CREST Shareholders.

If cheques or banker's drafts are presented for payment before the conditions of the Open Offer are fulfilled, the application monies will be kept in an interest-bearing account retained for the Company until all conditions are met. If the Open Offer does not become unconditional, no Open Offer Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable, following the lapse of the Open Offer. The interest earned on such monies, if any, will be retained for the benefit of the Company.

If you have any queries in relation to the Application Forms, you should contact the Receiving Agent, Link Group, on 0371 664 0321. 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 9.00 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

(e) *Discretion as to validity of acceptances*

If payment is not received in full by 11.00 a.m. on 7 November 2022, the offer to apply for Open Offer Shares will be deemed to have been declined and will lapse. However, the Company may, but shall not be obliged to, treat as valid: (a) Application Forms and accompanying remittances that are received through the post not later than 5.00 p.m. on 7 November 2022 (the cover bearing a legible postmark not later than 11.00 a.m. on 7 November 2022); and (b) acceptances in respect of which a remittance is received prior to 5.00 p.m. on 7 November 2022 from an authorised person (as defined in section 31(2) of the FSMA) specifying the number of Open Offer Shares (and any Excess Shares) to be acquired and undertaking to lodge the relevant Application Form, duly completed, in due course.

The Company may also treat an Application Form as valid and binding on the person(s) by whom or on whose behalf it is lodged even if it is not completed in accordance with the relevant instructions or is not accompanied by a valid power of attorney where required.

The Company reserves the right to treat as invalid any application or purported application for Open Offer Shares pursuant to the Open Offer that appears to the Company to have been executed in, despatched from, or that provides an address for delivery of definitive share certificates for the Open Offer Shares, in a Restricted Jurisdiction, including the United States.

(f) *Effect of application*

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

- (A) represent and warrant to the Company that you have the right, power and authority, and have taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise your rights, and perform your obligations under any contracts resulting therefrom and that you are not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (B) agree with the Company that all applications under the Open Offer and contracts resulting therefrom, and any non-contractual obligations related thereto, shall be governed by and construed in accordance with the laws of England;
- (C) confirm to the Company that in making the application you are not relying on any information or representation in relation to the Company 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 of it, or involved in the preparation of it, shall have any liability for any such information or representation not so contained and further agree that, having had the opportunity to read this document, you will be deemed to have had notice of all information in relation to the Company contained in this document (including information incorporated by reference);
- (D) represent and warrant to the Company that you are the Qualifying Shareholder originally entitled to the Open Offer Entitlement;
- (E) represent and warrant to the Company that if you have received some or all of your Basic Entitlement from a person other than the Company you are entitled to apply under the Open Offer in relation to such Open Offer Entitlement by virtue of a *bona fide* market claim;
- (F) request that the Open Offer Shares, to which you will become entitled to have issued to you on the terms set out in this document and the Application Form;
- (G) represent and warrant to the Company that you are not, nor are you applying on behalf of any person who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of the United States or any other Restricted Jurisdiction and you are not applying with a view to re-offering, re-selling, taking-up, pledging, transferring, delivering or distributing any of the Open Offer Shares which are the subject of your application in any Restricted Jurisdiction 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 (except where proof satisfactory to the Company has been provided to the Company that you are able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- (H) represent and warrant to the Company that you are not, and nor are you 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
- (I) confirm that in making the application you are not relying and have not relied on the Company or any person affiliated with the Company in connection with any investigation of the accuracy of any information contained in this document or your investment decision.

If you are unable to provide such representations and warranties you will be deemed not to have validly submitted an application for Open Offer Shares, save in the discretion of the Company and subject to certain conditions.

If you are in doubt whether or not you should apply for any of the Open Offer Shares under the Open Offer, you should consult your independent financial adviser immediately.

If you have any queries in relation to the procedure for application for Qualifying Non-CREST Shareholders, you should contact the Receiving Agent, Link Group, on 0371 664 0321. 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 9.00 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

(g) *Excess Application Facility*

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

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

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take-up of Open Offer Entitlements, such applications will be scaled back on such basis as determined by the Company. Therefore, applications under the Excess Application Facility may not be satisfied in full, in part or at all. In this event, Qualifying Non-CREST Shareholders will receive a refund for those Open Offer Shares applied and paid for but not allocated either as a cheque by first class post to the address set out on the Application Form or payment will be returned direct to the account of the bank or building society on which the relevant cheque or banker's draft was drawn, not later than 10 Business Days following the date that the results of the Open Offer are announced.

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

(ii) ***If you have Open Offer Entitlements and Excess Open Offer Entitlement credited to your stock account in CREST in respect of your entitlement under the Open Offer***

(a) *General*

Save as provided in paragraph 7 of this Part III in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST in respect of his Open Offer Entitlement together with a credit for their Excess CREST Open Offer Entitlements. Any fractional entitlements to Open Offer Shares will be rounded down in calculating entitlements to Open Offer Shares and such fractional entitlements shall not be allotted. Any Qualifying CREST Shareholders with fewer than 365 Existing Ordinary Shares will not receive any Open Offer Entitlement. Any Qualifying Non-CREST Shareholder with fewer than 365 Existing Ordinary Shares will not be able to apply for Excess Shares pursuant to the Excess Application Facility. Further details of Excess Offer Entitlements can be found in paragraph 4(ii)(j) of this Part III.

If for any reason the Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by, 6.00 p.m. on 21 October 2022 or such later time as the Company may decide, an Application Form will, save where the Company determines otherwise, be sent out to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements and Excess Open Offer Entitlements 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 Application Forms.

Qualifying CREST Shareholders who wish to apply for some or all of their entitlements to Open Offer Shares (including any applications for Excess CREST Open Offer Entitlements) should refer to the CREST Manual for further information on the CREST procedures referred to below. If you have any questions relating to the procedure for acceptance, you should contact the Receiving Agent, Link Group, on 0371 664 0321. 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 9.00 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

(b) *Bona fide market claims*

The Open Offer Entitlements and Excess Open Offer Entitlements will have separate ISIN/SEDOL numbers and will constitute separate securities for the purposes of CREST. Although Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements and Excess Open Offer Entitlements may only be made by the Qualifying CREST Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Transactions identified by the CREST Claims Processing Unit as “cum” the Open Offer entitlement will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) will thereafter be transferred accordingly. The Excess Open Offer Entitlements will not be subject to Euroclear’s market claims process and will not transfer with the Open Offer Entitlement(s) claim. Please note that an additional USE Instruction must be sent in respect of any application under the Excess Open Offer Entitlement.

(c) *USE Instructions*

Qualifying CREST Shareholders who wish to apply for Open Offer Shares in respect of all or some of their Open Offer Entitlements and Excess Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) an Unmatched Stock Event (“USE”) instruction to Euroclear which, on its settlement, will have the following effect:

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

(d) *Content of USE instructions 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:-

- (A) the number of Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to the Receiving Agent);
- (B) the ISIN of the Open Offer Entitlement. This is GB00BPG7D999;
- (C) the participant ID of the accepting CREST member;
- (D) the member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (E) the participant ID of the Receiving Agent, in its capacity as a CREST receiving agent. This is 7RA33;
- (F) the member account ID of the Receiving Agent, in its capacity as CREST receiving agent. This is 21880AVA;

- (G) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph (d)(A) above;
- (H) the intended settlement date. This must be on or before 11.00 a.m. on 7 November 2022; and
- (I) 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 7 November 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:

- (a) a contact name and telephone number (in the free format shared note field); and
- (b) 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 in order to be valid is 11.00 a.m. on 7 November 2022.

(e) *Content of USE instructions 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:

- (A) the number of Open Offer Shares for which application is being made (and hence the number of Excess CREST Open Offer Entitlement(s) being delivered to the Receiving Agent);
- (B) the ISIN of the Excess CREST Open Offer Entitlement. This is GB00BPG7DB16;
- (C) the CREST participant ID of the accepting CREST member;
- (D) the CREST member account ID of the accepting CREST member from which the Excess CREST Open Offer Entitlements are to be debited;
- (E) the participant ID of the Receiving Agent in its capacity as a CREST receiving agent, which is 7RA33;
- (F) the member account ID of the Receiving Agent in its capacity as CREST receiving agent, which is 21880AVA;
- (G) the amount payable by means of a CREST payment on settlement of the USE instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in (e)(A) above;
- (H) the intended settlement date, which must be before 11.00 a.m. on 7 November 2022; and
- (I) the Corporate Action Number for the Open Offer, which 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 7 November 2022.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) should add the following non-mandatory fields to their USE instruction:

- (a) a contact name and telephone number (in the free format shared note field); and
- (b) 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 in order to be valid is 11.00 a.m. on 7 November

2022. Please note that automated CREST generated claims and buyer protection will not be offered on the Excess CREST Open Offer Entitlement security.

(f) *Deposit of Open Offer Entitlements 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 its Application Form may be deposited into CREST (either into the account of the Qualifying Shareholder named in the Application Form or into the name of a person entitled by virtue of a *bona fide* market claim). Similarly, Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing so to deposit the entitlement set out in such form is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements and Excess Open Offer Entitlements following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 7 November 2022. After depositing their Open Offer Entitlement into their CREST account, CREST holders will, shortly after that, receive a credit for their Excess CREST Open Offer Entitlement.

In particular, having regard to normal processing times in CREST and on the part of the Receiving Agent, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Open Offer Entitlements or Excess CREST Open Offer Entitlements in CREST, is 3.00 p.m. on 2 November 2022 and the recommended latest time for receipt by Euroclear of dematerialized instruction requesting withdrawal of Open Offer Entitlements or Excess CREST Open Offer Entitlements from CREST is 4.30 p.m. on 1 November 2022, in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements and the Excess CREST Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements or in respect of the Excess CREST Open Offer Entitlements, as the case may be, prior to 11.00 a.m. on 7 November 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 the Receiving Agent by the relevant CREST member(s) that it is/they are not in breach of the provisions of the notes under the paragraph headed "Instructions for depositing entitlements under the Open Offer into CREST" on page 3 of the Application Form, and a declaration to the Company and the Receiving Agent from the relevant CREST member(s) that it is/they are not in the United States or citizen(s) or resident(s) of any other Restricted Jurisdiction or any 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 7 November 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 7 November 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) *Incorrect or incomplete applications*

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

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

(j) *Excess Application Facility*

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

Applications for Excess Open Offer Entitlements will be satisfied only and to the extent that corresponding applications by other Qualifying Shareholders are not made or are made for less than their Open Offer Entitlements. Once subscriptions by Qualifying Shareholders under their respective Open Offer Entitlements have been satisfied, the Company shall, in its absolute discretion, determine whether to meet any excess applications in full or in part and no assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full, in part or at all.

An Excess CREST Open Offer Entitlement may not be sold or otherwise transferred. Subject as provided in paragraph 7 of this Part III in relation to certain Overseas Shareholders, the CREST accounts of Qualifying CREST Shareholders will be credited with an Excess CREST Open Offer Entitlement in order for any applications for Excess Shares to be settled through CREST. The credit of such Excess CREST Open Offer Entitlement does not in any way give Qualifying CREST Shareholders a right to the Open Offer Shares attributable to the Excess CREST Open Offer Entitlement as an Excess CREST Open Offer Entitlement is subject to scaling back in accordance with the terms of this document.

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

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

(k) *Effect of valid application*

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

- (A) represent and warrant to the Company and the Receiving Agent that it 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 it is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;

- (B) agree to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Receiving Agent's payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);
 - (C) agree with the Company and the Receiving Agent that all applications under the Open Offer and contracts resulting therefrom, and only non-contractual obligations related thereto, under the Open Offer shall be governed by, and construed in accordance with, the laws of England;
 - (D) confirm to the Company and the Receiving Agent that in making the application it is not relying on any information or representation in relation to the Company 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 agree that, having had the opportunity to read this document, it will be deemed to have had notice of all the information in relation to the Company contained in this document (including information incorporated by reference);
 - (E) represent and warrant that it is the Qualifying Shareholder originally entitled to the Open Offer Entitlements;
 - (F) represent and warrant to the Company and the Receiving Agent that if it has received some or all of his Open Offer Entitlements from a person other than the Company, it is entitled to apply under the Open Offer in relation to such Open Offer Entitlement by virtue of a *bona fide* market claim;
 - (G) request that the Open Offer Shares to which it will become entitled be issued to him on the terms set out in this document, subject to the memorandum of incorporation and articles of incorporation of the Company from time to time;
 - (H) represent and warrant to the Company and the Receiving Agent that it is not, nor is it 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 the United States or any other Restricted Jurisdiction and it is not applying with a view to re-offering, re-selling, taking-up, pledging, transferring, delivering or distributing any of the Open Offer Shares which are the subject of his application in any Restricted Jurisdiction 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 (except where proof satisfactory to the Company has been provided to the Company that it is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
 - (I) represent and warrant that it is not, and nor is it 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
 - (J) confirm that in making the application it is not relying and has not relied on the Receiving Agent or any person affiliated with the Company or the Receiving Agent in connection with any investigation of the accuracy of any information contained in this document or his investment decision.
- (l) *Company's discretion as to rejection and validity of applications*
The Company may in its sole discretion:
- (A) reject any acceptance constituted by a USE instruction, which is otherwise valid, in the event of a breach of any of the representations, warranties and undertakings set out or referred to in this paragraph of this Part III. Where an acceptance is made as described in this paragraph which is otherwise valid, and the USE instruction concerned fails to settle by 11.00 a.m. on 7 November 2022 (or by such later time and date as the Company may determine), the Company shall be entitled to assume, for the purposes of their right to reject an acceptance as described in this paragraph that there has been a breach of the representations, warranties and undertakings set out or referred to in the paragraph above unless the Company is aware of any reason outside the control

of the Qualifying CREST Shareholder of CREST sponsor (as appropriate) concerned for the failure of the USE Instruction to settle;

- (B) 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 paragraph;
- (C) 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;
- (D) treat a properly authenticated dematerialised instruction (in this sub-paragraph the “first instruction”) as not constituting a valid application if, at the time at which the Receiving Agent receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Receiving Agent have received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- (E) accept an alternative instruction or notification from a 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 Registrar and/or Receiving Agent in connection with CREST.

5. Money Laundering Regulations

(i) *Holders of Application Forms*

To ensure compliance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (the “**Money Laundering Regulations**”), the Receiving Agent may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf the Application Form is lodged with payment (which requirements are referred to below as the “verification of identity requirements”). If the Application Form is submitted by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Receiving Agent. In such case, the lodging agent’s stamp should be inserted on the Application Form.

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

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

If the verification of identity requirements apply, failure to provide the necessary evidence of identity and address within a reasonable time may result in delays in the despatch of share certificates or in crediting CREST accounts. If, within a reasonable time following a request for verification of identity, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion,

treat the relevant application as invalid, in which event the monies payable on acceptance of the Open Offer will be returned (at the acceptor's risk) without interest to the account of the bank or building society on which the relevant cheque or banker's draft was drawn.

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

The verification of identity requirements will not usually apply:

- (A) if the applicant is an organisation required to comply with the Money Laundering Directive (2015/859/EU);
- (B) if the applicant is a regulated UK broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations;
- (C) 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
- (D) if the aggregate subscription price for the Open Offer Shares is less than €15,000 (approximately £13,000 as at the Latest Practicable Date).

In order to avoid this, payment should be made by means of a cheque drawn by and in the name of the applicant named on the accompanying Application Form or, where an Application Form has been transferred and/or split to satisfy *bona fide* market claims in relation to transfers of Existing Ordinary Shares through the market prior to 3.00 p.m. on 3 November October 2022, by the person(s) named in Box 11 on the Application Form. If this is not practicable and the applicant uses a cheque drawn on a building society or a banker's draft, the applicant should:

- (A) ask the building society or bank to endorse on the cheque or draft or provide a supporting letter the name and account number of the person whose building society or bank account is being debited which must be the same name as that printed on the Application Form, such endorsement being validated by a stamp and authorised signature by the building society or bank on the reverse of the cheque or banker's draft;
- (B) if the applicant is making the application as agent for one or more persons, indicate on the Application Form whether it is a United Kingdom or European Union regulated person or institution (e.g. a bank or broker), and specify its status. If you have any questions relating to the procedure for acceptance, you should contact the Receiving Agent, Link Group, on 0371 664 0321. 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 9.00 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice; and
- (C) third party cheques may not be accepted unless covered by (A) or (B) above.

If the Application Form(s) is/are in respect of Open Offer Shares with an aggregate subscription price of €15,000 (approximately £13,000 as at the Latest Practicable Date) or more or if the Application Form(s) in respect of Open Offer Shares is/are lodged by the applicant and the accompanying payment is not the applicant's own cheque, it should ensure that it has with him evidence of identity bearing his photograph (for example, his passport) and separate evidence of his address.

If within a reasonable period of time following a request, for verification of identity, but in any event by no later than 11.00 a.m. on 7 November 2022, the Receiving Agent has not received evidence satisfactory to it, the Receiving Agent may, in its absolute discretion as agent of the Company, elect not to treat as valid the relevant application, in which event the money payable or paid in respect of the application will be returned (without interest and at the applicant's risk) to the account of the drawee bank or building society from which sums were originally debited (but in each case without prejudice to any rights the Company may have to take proceedings in respect of loss or damage suffered or incurred by it as a result of the failure to produce satisfactory evidence as aforesaid).

In any event, if it appears to the Receiving Agent that an applicant is acting on behalf of some other person, further verification of the identity of any person on whose behalf the applicant appears to be acting will be required.

Neither the Receiving Agent nor the Company will be liable to any person for any loss suffered or incurred as a result of the exercise of any discretion to require verification.

(ii) ***Open Offer Entitlements and Excess Open Offer Entitlements in CREST***

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

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

6. Taxation

Shareholders who are in any doubt as to their tax position in relation to taking up their entitlements under the Open Offer should immediately consult a suitable professional adviser.

7. Overseas Shareholders

(i) ***General***

No action has been or will be taken in any jurisdiction that would permit a public offering of the Open Offer Shares, or possession or distribution of this document (or any other offering or publicity materials or Application Form(s)) in any jurisdiction outside the United Kingdom. Accordingly, the Open Offer Shares may not be offered or sold, directly or indirectly, and this document and the Application Form may not be distributed or published in or from any country or jurisdiction other than the United Kingdom, except under circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Persons into whose possession this document and/or the Application Form comes should inform themselves about and observe any restrictions on the distribution of this document and/or the Application Form and the offer of the Open Offer Shares contained in this document. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

The distribution of this document and the Application Form and the making or acceptance of the Open Offer to 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. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirement or other formalities to enable them to apply for Open Offer Shares under the Open Offer. **The comments set out in this paragraph 7 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.**

Subject to limited exceptions, Application Forms have not been, and will not be, sent to and Open Offer Entitlements and Excess Open Offer Entitlements will not be credited to a stock account in CREST of persons with registered addresses in 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 and/or a credit of Excess 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 it nor should it in any event use any such Application Form and/or credit of Open Offer Entitlements and/or credit of Excess Open Offer Entitlements to a stock account in CREST unless, in the relevant territory, such an invitation or offer could lawfully be made to it and such Application Form and/or credit of Open Offer Entitlements and/or credit of Excess Open Offer Entitlements to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected, without contravention 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 himself or herself as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory. Neither the Company nor any of its 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 and/or a credit of Excess Open Offer Entitlements to a stock account in CREST in connection with the Open Offer or otherwise, should not distribute or send either of those documents nor transfer Open Offer Entitlements or Excess Open Offer Entitlements in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements and/or a credit of Excess Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by its custodian, agent, nominee or trustee, it must not seek to apply for Open Offer Shares in respect of the Open Offer unless the Company determines that such action would not violate applicable legal or regulatory requirements.

Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this document and/or an Application Form and/or transfers Open Offer Entitlements and/or Excess Open Offer Entitlements into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this Part III and specifically the contents of this paragraph 7.

The Company reserves the right, but shall not be obliged, 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 dispatched from the United States or another 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 if it provides an address for delivery of the share certificates of Open Offer Shares or, in the case of a credit of an Open Offer Entitlement and/or an Excess Open Offer Entitlement to a stock account in CREST, to a member whose registered address would be in the United States or another 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.

The attention of Overseas Shareholders is drawn to paragraphs 7(ii) and 7(iii) of this Part III.

Notwithstanding any other provision of this document or the Application Form, the Company reserves the right to permit any Overseas Shareholder 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. If the Company is so satisfied, the Company will arrange for the relevant Overseas Shareholder to be sent an Application Form if it is reasonably believed to be a Qualifying Non-CREST Shareholder or, if it is reasonably believed to be a Qualifying CREST Shareholder, arrange for the CREST Open Offer Entitlements and Excess CREST Open Offer Entitlements to be credited to the relevant CREST stock account.

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 banker's drafts. 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, transferred, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who are located and/or resident in or are citizens of, any Restricted Jurisdiction except pursuant to an applicable exemption.

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

(ii) ***United States***

None of the Open Offer Shares, the Open Offer Entitlements or the Excess Open Offer Entitlements has been, or will be, registered under the US Securities Act or the laws of any state or other jurisdiction of the United States. The Open Offer Shares, the Open Offer Entitlements and the Excess Open Offer Entitlements will be distributed, offered or sold, as the case may be, outside the United States in "offshore transactions" within the meaning of, and in reliance on, Regulation S under the US Securities Act. The Open Offer Shares, the Open Offer Entitlements and the Excess Open Offer Entitlements may not be offered, sold, taken up, delivered, renounced or transferred, directly or indirectly, in or into the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

The Company is not extending the Open Offer into the United States and, subject to certain exceptions, none of this document, the Application Forms or the crediting of Open Offer Entitlements or Excess Open Offer Entitlements to a stock account in CREST constitutes, or will constitute, an offer or an invitation to apply for an offer or an invitation to subscribe for any Open Offer Shares in the United States. Subject to certain exceptions, neither this document nor the Application Forms will (unless an address within the United Kingdom for services of notices has been notified to the Company) be sent to, and no Open Offer Entitlements or Excess Open Offer Entitlements 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 post-marked in, the United States will be deemed to be invalid and all persons subscribing for 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 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 and/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 in 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 reserves the right to reject any USE instruction sent by or on behalf of any CREST member with a registered address in the United States in respect of the Open Offer Shares. In addition, until 40 days after the commencement of the Open Offer, an offer or sale of the Open Offer Shares within the United States by any dealer (whether or not participating in the Open Offer) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an exemption from, or a transaction not subject to, the registration requirements of the US Securities Act.

(iii) **Representations and warranties**

(a) *Qualifying Non-CREST Shareholders*

Any person completing and returning an Application Form or requesting registration of the Open Offer Shares comprised therein represents and warrants to the Company and/or the Receiving Agent 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 or will not require the Company to take any action or consideration which the Company (in its absolute discretion) regards as unduly burdensome:

- (A) such person is not requesting registration of the relevant Open Offer Shares from a Restricted Jurisdiction;
- (B) such person is not in the United States or a resident of a Restricted Jurisdiction;
- (C) such person is not acting on a non-discretionary basis on behalf of, a person located within a Restricted Jurisdiction at the time the instruction to accept was given; and
- (D) such person is not subscribing for Open Offer Shares with a view to the offer, sale, re-sale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into a Restricted Jurisdiction.

The Company and/or the Receiving Agent may treat as invalid any acceptance or purported acceptance of the allotment of Open Offer Shares comprised in an Application Form if it:

- (A) appears to the Company or its agents to have been executed, effected or despatched from the United States or any other 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;
- (B) provides an address in the United States or any other Restricted Jurisdiction for delivery of the share certificates of Open Offer Shares; or
- (C) purports to exclude the warranty required by this paragraph 7(iii)(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 represents and warrants to the Company 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:

- (A) neither it nor its client is within the United States or any other Restricted Jurisdiction;
- (B) neither it nor its client is in any territory in which it is unlawful to make or accept an offer to subscribe for Open Offer Shares;
- (C) it is not accepting on a non-discretionary basis on behalf of, or for the account or benefit of, a person located within a Restricted Jurisdiction at the time the instruction to accept was given; and
- (D) neither it nor its client is subscribing for any Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into a Restricted Jurisdiction.

The Company reserves the right to reject any USE instruction from a jurisdiction other than the United Kingdom or by a CREST participant who is acting on a non-discretionary basis on behalf of a person located within a Restricted Jurisdiction.

8. Waiver

The provisions of paragraph 7 of this Part III 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 in its absolute discretion. Subject to this, the provisions of paragraph 7 of this Part III supersede any terms of the Open Offer inconsistent herewith. References in paragraph 7 of this Part III 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 paragraph 7 of this Part III shall apply to them jointly and to each of them.

9. Admission, settlement and dealings

Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. It is expected that Admission of the Open Offer Shares will become effective and that dealings in the Open Offer Shares will commence at 8.00 a.m. on 9 November 2022.

Open Offer Entitlements and Excess Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 7 November 2022 (the latest date for applications under the Open Offer). 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 7 November 2022. On this day, the Receiving Agent will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Open Offer Shares with effect from Admission (expected to be 9 November 2022). The stock accounts to be credited will be accounts under the same participant IDs and 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 an Application Form instead of crediting the relevant stock account with Open Offer Entitlements and Excess Open Offer Entitlements, and to allot and/or issue any Open Offer Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of 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 the Registrar and/or Receiving Agent in connection with CREST.

For Qualifying Non-CREST Shareholders who have applied by using an Application Form, share certificates in respect of the Open Offer Shares validly applied for are expected to be despatched by post by 16 November 2022. No temporary documents of title will be issued and, pending the issue of definitive certificates, transfers will be certified against the register. All documents or remittances sent by or to applicants or as they may direct, will be sent through the post at their own risk. For more information as to the procedure for application, Qualifying Non-CREST Shareholders are referred to the Application Form.

10. Times and dates

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

11. Governing law and jurisdiction

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

12. Further information

Qualifying Non-CREST Shareholders' attention is drawn to the terms and conditions set out in the enclosed Application Form.

Dated: 19 October 2022

