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If you have sold or transferred all of your registered holding of Existing Ordinary Shares please forward this document, but not the personalised Form of Proxy, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other party through whom the sale or transfer was effected, for transmission to the purchaser or transferee. If you have sold or transferred only part of your registered holding of Existing Ordinary Shares, you are advised to consult your stockbroker, bank or other party through whom the sale or transfer was effected.

**THE WHOLE TEXT OF THIS DOCUMENT SHOULD BE READ.**

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# **AVACTA GROUP PLC**

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

**Proposed Placing of 59,577,013 Ordinary Shares at 15p per Ordinary Share**  
**Proposed Subscription for 200,000 Ordinary Shares at 15p per Ordinary Share**  
**and**  
**Notice of General Meeting**

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A notice convening a General Meeting of the Company to be held at the offices of Walker Morris LLP, 33 Wellington Street, Leeds LS1 4DL at 10.00 a.m. on 4 November 2019 is set out in Part II of this document. A Form of Proxy accompanies this document. To be valid, the Form of Proxy for use at the General Meeting must be completed and returned so as to be received at the offices of the Company's registrars, Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not later than 10.00 a.m. on 31 October 2019.

The Existing Ordinary Shares are admitted to trading on AIM. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority (being the FCA acting as competent authority for the purposes of Part VI of FSMA) (“UKLA”). 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 UKLA has examined or approved the contents of this document. The AIM Rules are less demanding than those of the Official List of the UKLA. It is emphasised that no application is being made for admission of the Existing Ordinary Shares or the New Ordinary Shares to the Official List of the UKLA.

finnCap Ltd (“finnCap”), which is authorised and regulated in the United Kingdom by the FCA, is acting as nominated adviser and joint broker to the Company in connection with the Fundraising. Persons receiving this document should note that finnCap will not be responsible to anyone other than the Company for providing the protections afforded to customers of finnCap or for advising any other person on the arrangements described in this document. No representation or warranty, expressed or implied, is made by finnCap as to any of the contents of this document and finnCap has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by finnCap for the accuracy of any information or opinions contained in this document or for the omission of any information. finnCap, as nominated adviser and joint broker to the Company, owes certain responsibilities to the London Stock Exchange which are not owed to the Company or the Directors.

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Turner Pope Investments (TPI) Limited ("Turner Pope"), which is authorised and regulated in the United Kingdom by the FCA, is acting as joint broker to the Company in connection with the Fundraising. Persons receiving this document should note that Turner Pope will not be responsible to anyone other than the Company for providing the protections afforded to customers of Turner Pope or for advising any other person on the arrangements described in this document. No representation or warranty, expressed or implied, is made by Turner Pope as to any of the contents of this document and Turner Pope has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Turner Pope for the accuracy of any information or opinions contained in this document or for the omission of any information. Turner Pope, as joint broker to the Company, owes certain responsibilities to the London Stock Exchange which are not owed to the Company or the Directors.

This document does not constitute an offer to sell or an invitation to subscribe for, or solicitation of an offer to subscribe for or buy New Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make such an offer or solicitation. In particular, this document must not be taken, transmitted, distributed or sent, directly or indirectly, in, or into, the United States of America, Canada, New Zealand, Australia, Japan or the Republic of South Africa, or transmitted, distributed or sent to, or by, any national, resident or citizen of such countries. Accordingly, the New Ordinary Shares may not, subject to certain exceptions, be offered or sold, directly or indirectly, in, or into, the United States of America, Canada, New Zealand, Australia, Japan or the Republic of South Africa, or in any other country, territory or jurisdiction where to do so may contravene local securities laws or regulations. The Ordinary Shares have not been, and will not be, registered under the United States Securities Act of 1933 as amended (the "Securities Act") or qualified for sale under the laws of any state of the United States or under the applicable laws of any of Canada, New Zealand, Australia, Japan or the Republic of South Africa and, subject to certain exceptions, may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) or to any national, resident or citizen of Canada, New Zealand, Australia, Japan or the Republic of South Africa.

Copies of this document will be available free of charge to the public during normal business hours on any day (Saturdays, Sundays and public holidays excepted) at the offices of Avacta Group Plc at Unit 20, Ash Way, Thorp Arch Estate, Wetherby, LS23 7FA for a period of one month from the date of this document and available on the Company's website [www.avacta.com](http://www.avacta.com).

## **FORWARD LOOKING STATEMENTS**

This document includes "forward-looking statements" which include all statements other than statements of historical facts, including, without limitation, those regarding the Group's financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "would", "could" or similar expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance or achievements of the Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. These forward-looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules.

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## DIRECTORS AND ADVISERS

<b>Directors</b>	Eliot Forster Alastair Smith Tony Gardiner Trevor Nicholls Sam Williams Mike Owen	<i>Non-executive Chairman</i> <i>Chief Executive Officer</i> <i>Chief Financial Officer</i> <i>Non-executive Director</i> <i>Non-executive Director</i> <i>Senior Independent Director &amp; Scientific Advisory Board Chairman</i>
<b>Registered Office</b>	Unit 20 Ash Way Thorp Arch Estate Wetherby LS23 7FA	
<b>Company Secretary</b>	Tony Gardiner	
<b>Nominated Adviser and Joint Broker</b>	finnCap Ltd 60 New Broad Street London EC2M 1JJ	
<b>Joint Broker</b>	WG Partners LLP 85 Gresham Street London EC2V 7NQ	
<b>Joint Broker</b>	Turner Pope Investments (TPI) Ltd 8 Frederick's Place London EC2R 8AB	
<b>Solicitors to the Company</b>	Walker Morris LLP 33 Wellington Street Leeds LS1 4DL	
<b>Solicitors to the Nominated Adviser and Joint Brokers</b>	Fieldfisher LLP Riverbank House 2 Swan Lane London EC4R 3TT	
<b>Registrars</b>	Link Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU	

## PLACING AND SUBSCRIPTION STATISTICS

Number of Existing Ordinary Shares in issue on the date of this document	116,158,123
Number of First Placing Shares	16,196,663
Number of Second Placing Shares <sup>(3)</sup>	43,380,350
Number of Subscription Shares	200,000
Aggregate number of New Ordinary Shares to be issued pursuant to the Fundraising	59,777,013
Issue Price <sup>(3)</sup>	15p
Number of Ordinary Shares in issue immediately following the First Admission <sup>(1), (3)</sup>	132,354,786
Number of Ordinary Shares in issue immediately following the Second Admission <sup>(1)</sup>	175,935,136
Percentage of the Enlarged Share Capital represented by the New Ordinary Shares immediately following the Second Admission <sup>(1), (2), (3)</sup>	33.98 per cent
Gross Proceeds from the Fundraising <sup>(2), (3)</sup>	Up to £9 million

(1) Assuming no Ordinary Shares are issued between the date of this document and First Admission or Second Admission (as the case may be) other than the relevant New Ordinary Shares.

(2) Assuming completion of the Fundraising at the Issue Price.

(3) Assuming the maximum number of Second Placing Shares are issued.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of the Fundraising	18 October 2019
Publication and posting of this document and the Form of Proxy	18 October 2019
<b>Latest time and date for receipt of Forms of Proxy</b>	10.00 a.m. on 31 October 2019
General Meeting	10.00 a.m. on 4 November 2019
First Admission	8.00 a.m. on 5 November 2019
First Placing Shares credited to CREST members' accounts in uncertified form	5 November 2019
Second Admission	8.00 a.m. on 6 November 2019
Second Placing Shares and Subscription Shares credited to CREST members' accounts in uncertificated form	6 November 2019
Dispatch of definitive share certificates for New Ordinary Shares in certificated form	no later than 19 November 2019

If any of the details contained in the timetable above should change, the revised times and dates will be notified by means of an announcement through a Regulatory Information Service (as such term is defined in the AIM Rules).

All references are to London, UK time unless stated otherwise.

## DEFINITIONS

<b>“Act”</b>	the Companies Act 2006, as amended
<b>“Admission”</b>	as the context requires, First Admission and/or Second Admission
<b>“AIM”</b>	the market of that name, operated by the London Stock Exchange, as amended
<b>“AIM Rules”</b>	the AIM Rules for Companies published by the London Stock Exchange, as amended
<b>“Board” or “Directors”</b>	the directors of the Company as at the date of this document, whose names appear on page 4 of this document
<b>“Business Day”</b>	a day (other than a Saturday or Sunday or public holidays in England) on which commercial banks are open for business in London
<b>“certificated form” or “in certificated form”</b>	an Ordinary Share recorded on the Company’s share register as being held in certificated form (namely, not in CREST)
<b>“Company” or “Avacta”</b>	Avacta Group Plc, a company incorporated in England and Wales with registered number 04748597
<b>“CREST”</b>	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear UK & Ireland is the operator (as defined in the CREST Regulations)
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended
<b>“Doxorubicin”</b>	a chemotherapy medication used to treat cancer
<b>“EIS”</b>	Enterprise Investment Scheme
<b>“EIS Clearance”</b>	the clearance dated 19 July 2019 received from HMRC confirming that the Company satisfied the relevant EIS criteria so as to enable investors in the Company to potentially be able to benefit from EIS tax reliefs
<b>“Enlarged Share Capital”</b>	the issued share capital of the Company as enlarged by the issue of the New Ordinary Shares
<b>“Euroclear UK &amp; Ireland”</b>	Euroclear UK & Ireland Limited, the operator of CREST
<b>“Existing Ordinary Shares”</b>	the 116,158,123 Ordinary Shares in issue on the date of this document
<b>“FCA”</b>	the Financial Conduct Authority of the UK
<b>“finnCap”</b>	finnCap Ltd, the Company’s nominated adviser and joint broker to the Company
<b>“First Admission”</b>	the admission First Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules
<b>“First Placing”</b>	the placing of the First Placing Shares at the Issue Price by the Joint Brokers, pursuant to the Placing Agreement

<b>“First Placing Shares”</b>	the 16,196,663 new Ordinary Shares to be allotted and issued pursuant to the first Placing to VCTs and certain persons seeking to invest in “eligible shares” for the purpose of EIS pursuant to the EIS Clearance
<b>“Form of Proxy”</b>	the form of proxy for use in connection with the General Meeting
<b>“FSMA”</b>	the Financial Services and Markets Act 2000, as amended
<b>“Fundraising”</b>	together the Placing and the Subscription
<b>“General Meeting”</b>	the general meeting of the Company convened for 10.00 a.m. on 4 November 2019 to approve the Resolutions, or any adjourned thereof, notice of which is set out at the end of this document
<b>“Group”</b>	the Company and its subsidiaries as at the date of this document
<b>“HMRC”</b>	Her Majesty’s Revenue and Customs
<b>“IND/CTA”</b>	an investigational new drug application or clinical trial application
<b>“Independent Directors”</b>	Mike Owen and Tony Gardiner
<b>“Issue Price”</b>	the issue price of the New Ordinary Shares, being 15p per New Ordinary Share
<b>“ITA 2007”</b>	Income Taxes Act 2007
<b>“Joint Brokers”</b>	finnCap, WG Partners and Turner Pope
<b>“Link Asset Services”</b>	a trading name of Link Market Services Limited
<b>“London Stock Exchange”</b>	London Stock Exchange plc
<b>“New Ordinary Shares”</b>	the Placing Shares and the Subscription Shares
<b>“Notice of General Meeting”</b>	the notice convening the General Meeting which is set out at Part II of this document
<b>“Ordinary Shares”</b>	ordinary shares of 10p each in the capital of the Company
<b>“Placees”</b>	subscribers for the Placing Shares pursuant to the Placing
<b>“Placing”</b>	the conditional placing of the Placing Shares at the Issue Price by the Joint Brokers to the Company, pursuant to the Placing Agreement
<b>“Placing Agreement”</b>	the conditional agreement dated 18 October 2019 between the Company, finnCap, WG Partners and Turner Pope in relation to the Placing
<b>“Placing Shares”</b>	the First Placing Shares and Second Placing Shares to be issued in connection with the Placing
<b>“Registrar”</b>	Link Asset Services, the Company’s registrar
<b>“Regulatory Information Service”</b>	has the meaning given to it in the AIM Rules
<b>“Resolutions”</b>	the resolutions to be proposed at the General Meeting, details of which are set out in the Notice of General Meeting, and each a <b>“Resolution”</b>



<b>“Second Admission”</b>	the admission of the Second Placing Shares and the Subscription Shares to trading on AIM becoming effective in accordance with the AIM Rules
<b>“Second Placing”</b>	the placing of the Second Placing Shares at the Issue Price by the Joint Brokers, pursuant to the Placing Agreement
<b>“Second Placing Shares”</b>	the 43,380,350 new Ordinary Shares to be allotted and issued pursuant to the Second Placing
<b>“Securities Act”</b>	US Securities Act of 1933, as amended
<b>“Selexis”</b>	Selexis SA, a company headquartered in Chemin des Aulx, 14, 1228 Plan-les-Ouates, Switzerland
<b>“Shareholders”</b>	holders of Ordinary Shares
<b>“Subscribers”</b>	subscribers for the Subscription Shares pursuant to the Subscription
<b>“Subscription”</b>	the conditional subscription for the Subscription Shares by the Subscribers pursuant to the Subscription Letters
<b>“Subscription Letters”</b>	the conditional subscription letters to be entered into by the Company and each Subscriber in connection with the Subscription
<b>“Subscription Shares”</b>	the 200,000 new Ordinary Shares to be issued pursuant to the Subscription
<b>“subsidiary”, “subsidiary undertaking”, “associated undertaking” and “undertaking”</b>	have the meanings ascribed to them in the Act
<b>“Turner Pope”</b>	Turner Pope Investments (TPI) Ltd, acting as Joint Broker of the Company
<b>“United Kingdom” or “UK”</b>	United Kingdom of Great Britain and Northern Ireland
<b>“United States”, “United States of America” or “US”</b>	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all areas subject to its jurisdiction
<b>“uncertificated” or “in uncertificated form”</b>	recorded on the relevant register or other record of the Ordinary Shares or other security concerned as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
<b>“VCT”</b>	Venture Capital Trust
<b>“WG Partners”</b>	WG Partners LLP, acting as joint broker to the Company

## PART I

### LETTER FROM THE CHAIRMAN OF

# AVACTA GROUP PLC

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

*Directors:*

Eliot Forster	<i>Non-Executive Chairman</i>
Alastair Smith	<i>Chief Executive Officer</i>
Tony Gardiner	<i>Chief Financial Officer</i>
Trevor Nicholls	<i>Non-executive Director</i>
Sam Williams	<i>Non-executive Director</i>
Mike Owen	<i>Senior Independent Director &amp; Scientific Advisory Board Chairman</i>

*Registered Office:*

Unit 20  
Ash Way  
Thorp Arch Estate  
Wetherby  
LS23 7FA

18 October 2019

*To holders of Ordinary Shares and, for information purposes, to holders of options over Ordinary Shares*

Dear Shareholder,

**Proposed Placing of 59,577,013 Ordinary Shares at 15p per Ordinary Share**  
**Proposed Subscription for 200,000 Ordinary Shares at 15p per Ordinary Share**  
**and**  
**Notice of General Meeting**

### 1. INTRODUCTION

The Company today announced the proposed Fundraising comprising the Placing and the Subscription to raise up to £9 million for the Company (before expenses) to help to deliver the next key value inflection points, being:

- the phase 1 clinical trial of AVA6000 pro-doxorubicin;
- continuing to advance Affirmer immunotherapy pipeline with partners; and
- delivering further commercial progress for therapeutics and diagnostics.

On 19 July 2019, the Company obtained advance assurance from HMRC that a subscription for New Ordinary Shares was capable of qualifying for EIS tax reliefs. Further details as regards EIS relief are set out in paragraph 10 below.

The Issue Price is at a discount of approximately 11.8 per cent. to the closing price of the Ordinary Shares on AIM to 17 October 2019, being 17 pence per Ordinary Share.

The Fundraising is, amongst other things, subject to Shareholder approval of Resolution 1, which will be proposed at the General Meeting.

**The purpose of this document is to provide you with information about the background to and the reasons for the Fundraising and to explain why the Board considers the Fundraising to be in the best interests of the Company and its Shareholders as a whole.**

Brief details of the Fundraising can be found in paragraphs 4, 5, 7, and 8 of this Part I.

## 2. BACKGROUND ON THE COMPANY

Avacta is developing novel cancer immunotherapies combining its two proprietary platforms – Affimer® biotherapeutics and tumour targeted chemotherapy. With this approach, the Company aims to address the lack of a durable response to current immunotherapies experienced by most patients. The Company is also generating near-term revenues from Affimer® reagents for diagnostics, bioprocessing and research, through a separate business unit.

The Affimer® platform is an alternative to antibodies derived from a small human protein. Affimer® technology has been designed to address many of the negative performance issues of antibodies, principally: the time taken, and the reliance on an animal's immune response, to generate new antibodies; poor specificity in many cases; large size and cost. The Board believes that the Affimer® technology has significant commercial and technical benefits that provide major competitive advantages in both drug development and diagnostics.

Avacta's lead targeted chemotherapy programme, AVA6000 Pro-doxorubicin, is seeking to address the significant toxicity of a well established cancer drug, Doxorubicin, which limits the duration of dosing and eligible patient population. Doxorubicin has been the standard of care treatment for over 40 years for patients with advanced soft tissue sarcomas ("ASTS"). However, patients are taken off the treatment due to irreversible heart failure once the cumulative dose reaches 450 mg/m<sup>2</sup>, even if they are experiencing clinical benefit. As a result, median progression free survival for ASTS patients is approximately six months, with median overall survival of 12 to 15 months. This severe cardiotoxicity limits the size of the Doxorubicin market, but it is still nearly \$1bn. AVA6000 Pro-doxorubicin is inert when given to the patient until activated in the tumour by an enzyme called fibroblast activation protein ("FAP"). This tumour-targeted activation reduces the exposure of the heart and other healthy tissues to the active chemotherapy drug and concentrates the active drug in the tumour. The improved safety and efficacy of AVA6000 compared with standard Doxorubicin has been demonstrated in mouse models of cancer. Avacta is looking to initiate phase I clinical trials in patients with soft tissue sarcomas with AVA6000 Pro-doxorubicin in mid-2020.

The growing *in vitro* and *in vivo* Affimer® therapeutics data packages are improving the potential for substantial deal-making. The Group has established a significant drug development partnership with LG Chem Life Sciences ("LG Chem"), part of the South Korean LG Group, to develop Affimer® therapeutics in several disease areas. Following a research collaboration with Moderna Therapeutics Inc, ("**Moderna**"), the two companies also entered into an exclusive licensing agreement with respect to certain Affimers® against a potential therapeutic target. Moderna was granted exclusive access to Avacta's Affimer® technology for certain collaboration targets and the option to enter into exclusive licence agreements on pre-agreed terms to further research, develop and commercialise Affimers® selected by Moderna. Most recently Avacta has entered into a collaboration and licence option agreement with ADC Therapeutics SA ("**ADC Therapeutics**") to combine Affimer® proteins that bind to certain cancer biomarkers with ADC Therapeutics' PBD warheads in Affimer® drug conjugates. Each of these collaborations and commercial agreements is fully funded by the partner.

The Avacta reagents business unit works with partners world-wide to develop Affimers® for evaluation by those third parties with the objective of establishing royalty bearing license deals with a particular focus on the diagnostics sector. The Company is also developing a small in-house pipeline of Affimer-based diagnostic tests for licensing. The Group has made good progress in establishing a revenue stream based on the non-therapeutic applications of Affimer® technology and is aiming to establish a significant number of license and supply deals for Affimer® reagents as quickly as possible that could generate recurring royalty-based revenue such as the deal announced recently with New England Biolabs.

## 3. CURRENT TRADING AND OUTLOOK

Recently the Company entered a collaboration and option agreement with ADC Therapeutics, a clinical-stage oncology-focused biotechnology company pioneering the development of highly potent and targeted antibody-drug conjugates for patients suffering from haematological malignancies and solid tumours. Under the terms of the agreement, ADC Therapeutics will cover all Avacta's costs during the collaboration. Upon ADC Therapeutics entering into each of the commercialisation licences and successfully bringing new Affimer® drug conjugates to market, Avacta will receive option fees, development and commercialisation milestones, as well as a single-digit royalty on sales.

## **AVA6000**

Avacta expects to file an IND/CTA application by the end of 1Q2020, to dose first patients with AVA6000 Pro-doxorubicin by the end of 2Q2020 with initial read-out expected in 3Q/4Q2020. A positive outcome to this phase I study would require only an improved safety profile compared with standard Doxorubicin since the efficacy of this existing chemotherapy is well known. Positive data could lead to a significant licensing opportunity for AVA6000 with companies currently marketing existing Doxorubicin products or with companies that are currently carrying out clinical studies combining Doxorubicin with their checkpoint inhibitors. A successful outcome to the study would also open the potential to using the FAP targeting technology developed at Tufts University and exclusively licensed by Avacta to improve the safety profile of many other chemotherapies.

## **AVA004**

The Group has remained on track to enter the clinic for first-time-in-human trials of the Affimer® platform in 2020 and has selected a specific Affimer® molecule (AVA004-251Fc) as its clinical candidate because of its excellent *in vitro* and *in vivo* pharmacological properties. This Affimer® has been shown to have equivalent tumour growth inhibition to three approved monoclonal antibody inhibitors of PD-L1 (Tecentriq, Imfinzi and Bavencio) in several *in vivo* animal efficacy models. The Group is now close to completing cell line development, the first stage in the manufacturing process, with its partner Selexis. The next step of GMP manufacturing of AVA004-251 with a partner that has been identified and is expected to cost the Group approximately £5 million and therefore, following completion of the Fundraising, this will be paused whilst the Group focuses on the nearest major value inflection point of delivering phase I data for AVA6000.

## **Research and Diagnostics Reagents**

The combined revenue plus order intake figure for the research and diagnostics business unit for the 12 months ending 31 July 2019 of £1.2 million shows strong growth of 130 per cent. compared with previous 12 months and the Board believes that this provides a solid platform to deliver on full year revenues.

There is a pipeline of ongoing paid-for technology evaluations and custom Affimer® services projects with global commercial partners:

- 7 diagnostics evaluations including 4 with top ten global *in vitro* diagnostic companies, all of which could lead to licensing deals;
- 14 projects with pharma and biotech companies including 4 out of the top 10 largest pharmaceutical companies; and
- 2 evaluations with bioprocessing companies, one being a global leader in affinity purification, and both with the potential to deliver licensing deals.

Having identified the diagnostics market as the main area of opportunity for Affimer® reagents, the Group will now focus its resources on business development and research activities in this market, and continue to develop a small pipeline of Affimer® based diagnostic tests for licensing. This focus on the diagnostics market will also enable the Company to reduce the cost base associated with its research and diagnostics reagents activities but with the objective of maintaining good revenue growth.

The Company confirms that following the Fundraising it has sufficient working capital in place for at least the next 12 months.

## **4. REASONS FOR THE FUNDRAISING AND USE OF PROCEEDS**

The Fundraising will raise up to £9 million (before expenses). As referred to above, the Company intends to utilise the net proceeds of the Fundraising to enter the clinic with its first programme, to secure further significant drug development partnerships that help progress the Company's technology platforms, and to continue to grow revenues and secure licensing partnerships for Affimer® diagnostics reagents.

*It is proposed that approximately £6.5 million of the proceeds will be:*

- deployed into generating phase I data for AVA6000 pro-doxorubicin; and
- used to continue business development activities to generate additional therapeutic partnerships and licensing agreements.

The Company will continue its collaborations and commercial partnerships with LG Chem and ADC Therapeutics that are fully paid for by the partners.

*In addition, the balance of proceeds will be invested:*

- to continue to grow the custom Affimer® reagents revenue stream with a strong focus on diagnostics; and
- to continue to develop a small pipeline of Affimer® based diagnostic tests for licensing.

## 5. DIRECTORS' PARTICIPATION

The Directors will invest a total of £15,000 in the Fundraising as follows:

Alastair Smith, CEO, has agreed to subscribe for 33,334 Subscription Shares at the Issue Price for a total of £5,000. His resultant holding will be 679,643 Ordinary Shares representing approximately 0.39 per cent. of the Enlarged Share Capital as set out below.

Eliot Forster, Chairman, has agreed to subscribe for 33,333 Subscription Shares at the Issue Price for a total of £5,000. His resultant holding will be 153,333 Ordinary Shares representing approximately 0.09 per cent. of the Enlarged Share Capital as set out below.

Trevor Nicholls, Non-Executive Director, has agreed to subscribe for 33,333 Subscription Shares at the Issue Price for a total of £5,000. His resultant holding will be 108,333 Ordinary Shares representing approximately 0.06 per cent. of the Enlarged Share Capital as set out below.

The participating Directors' interests as at the date of this document and immediately following completion of the Fundraising are as follows:

<i>Name</i>	<i>Existing beneficial interest in Ordinary Shares</i>	<i>Shares subscribed for</i>	<i>Interest in Enlarged Share Capital</i>	<i>% of Enlarged Share Capital</i>
Alastair Smith*	646,309	33,334	679,643	0.39%
Eliot Forster	120,000	33,333	153,333	0.09%
Trevor Nicholls	75,000	33,333	108,333	0.06%

\*In addition, Alastair Smith has a joint interest in 1,640,000 Ordinary Shares. Such Ordinary Shares are jointly held by Mr Smith individually and Avacta Group Trustee Limited in its capacity as trustee of The Avacta Employees' Share Trust. The precise nature of the joint interest is described within Joint Share Ownership Agreements between Alastair Smith (dated 9 January 2012 and 15 February 2016), and Avacta Group Trustee Limited and Avacta Group Plc.

## 6. RELATED PARTY TRANSACTIONS

The participation of Alastair Smith, Eliot Forster and Trevor Nicholls in the Fundraising is deemed a related party transaction pursuant to the AIM Rules. The Independent Directors consider, having consulted with the Company's nominated adviser, finnCap, that the terms of such Directors' participation in the Fundraising is fair and reasonable insofar as the Shareholders are concerned.

The participation of IP Group and JO Hambro in the Placing are deemed related party transactions pursuant to the AIM Rules. The Independent Directors consider, having consulted with the Company's nominated adviser, finnCap, that the terms of IP Group's and JO Hambro's participation in the Placing is fair and reasonable insofar as the Shareholders are concerned.

## 7. THE PLACING AND THE PLACING AGREEMENT

The Company has raised up to £9 million (before expenses) through the Placing, conditional on (*inter alia*) First Admission and Second Admission, at the Issue Price. The Issue Price represents a discount of approximately 11.8 per cent. to the closing price of the Ordinary Shares on AIM to 17 October 2019, being 17 pence per share.

First Admission is conditional, *inter alia*, on:

- the relevant conditions in the Placing Agreement being satisfied or (if applicable) waived and the Placing Agreement not having been terminated in accordance with its terms prior to First Admission;
- the passing of Resolution 1;
- the Subscription Letters having been duly executed by all parties thereto; and
- First Admission becoming effective by no later than 8.00 a.m. on 5 November 2019 (or such later time and/or date as the Company and the Joint Brokers may agree, not being later than 8.00 a.m. on 19 November 2019).

Second Admission is conditional, *inter alia*, on:

- the relevant conditions in the Placing Agreement being satisfied or (if applicable) waived and the Placing Agreement not having been terminated in accordance with its terms prior to Second Admission;
- First Admission becoming effective; and
- Second Admission becoming effective by no later than 8.00 a.m. on 6 November 2019 (or such later time and/or date as the Company and the Joint Brokers may agree, not being later than 8.00 a.m. on 19 November 2019).

First and Second Admission are structured as two separate admissions to seek to enable certain investors in the Company to potentially be able to benefit from EIS/VCT tax reliefs.

It is expected that dealing in the First Placing Shares will commence at 8.00 a.m. on 5 November 2019, or in any case, by such later time and/or date as the Company and the Joint Brokers may agree, being not later than 8:00 a.m. on 19 November 2019 (the “**Long Stop Date**”).

It is expected that dealing in the Second Placing Shares will commence at 8.00 a.m. on 6 November 2019, or in any case, by such later time and/or date as the Company and the Joint Broker may agree, being not later than the Long Stop Date.

In connection with the Fundraising, the Company has entered into the Placing Agreement pursuant to which the Joint Brokers have each agreed, in accordance with its terms, to use their respective reasonable endeavours to procure subscribers for the Placing Shares at the Issue Price.

The Placing Agreement contains customary undertakings and warranties given by the Company to the Joint Brokers including as to the accuracy of information contained in this document, to matters relating to the Group and its business and a customary indemnity given by the Company to the Joint Brokers in respect of liabilities arising out of or in connection with the Fundraising. Each of finnCap and WG Partners may, in its absolute discretion, terminate the Placing Agreement in certain circumstances including, among other things, following a material breach of the Placing Agreement by the Company or the occurrence of certain force majeure events.

The New Ordinary Shares will be issued credited as fully paid and will rank in full for all dividends and other distributions declared, made or paid after each of First Admission or Second Admission (as applicable) and will otherwise rank on each of First Admission or Second Admission (as applicable) *pari passu* in all respects with the Ordinary Shares then in issue. The New Ordinary Shares are not being made available to the public and are not being offered or sold in any jurisdiction where it would be unlawful to do so.

The Fundraising is not underwritten (in whole or in part).

## **8. THE SUBSCRIPTIONS**

Pursuant to the Subscription Letters, the Subscribers have conditionally agreed to subscribe for the Subscription Shares at the Issue Price, raising approximately £30,000 in aggregate.

The Subscriptions are conditional upon (i) the Placing Agreement not being terminated in accordance with its terms and (ii) First Admission becoming effective and Second Admission taking place at 8:00 a.m. on 6 November 2019 or such later time and/or date (being not later than the Long Stop Date) as the Company and the Joint Brokers may agree.

## 9. GENERAL MEETING

Set out in Part II of this document is a notice convening the General Meeting to be held at the offices of Walker Morris LLP at 33 Wellington Street, Leeds LS1 4DL at 10.00 a.m. on 4 November 2019, at which the following Resolutions will be proposed:

- Resolution 1: a special resolution authorising the directors of the Company to allot the New Ordinary Shares on a non-pre-emptive basis;
- Resolution 2: an ordinary resolution granting the Directors the authority to allot shares for general purposes (pursuant to section 551 of the Act) and to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal value of £5,805,860 (which would represent approximately one third of the Enlarged Share Capital). If passed, this authority will be in addition to the authority to allot the New Ordinary Shares pursuant to Resolution 1, but in substitution for any other like authority; and
- Resolution 3: a special resolution to disapply statutory pre-emption rights in respect of the issue of Ordinary Shares up to an aggregate nominal value of £3,518,705 (which would represent approximately 20 per cent. of the Enlarged Share Capital). If passed, this power will be in addition to the power granted pursuant to Resolution 1, but in substitution for any other like powers.

The Fundraising is conditional upon, *inter alia*, the passing of Resolution 1, but it is not conditional on the passing of Resolution 2 or Resolution 3. The Company is seeking the general authority to allot shares in Resolution 2 and the power to dis-apply pre-emption rights in Resolution 3 in order to provide it with the flexibility to take advantage of new opportunities as they arise. The Directors have no current intention to utilise, if granted, either the authority that would be conferred by Resolution 2 or the power that would be conferred by Resolution 3, save for (if required) the granting of options to subscribe for Ordinary Shares in manner consistent with past practice.

**The Directors believe the Fundraising to be the most appropriate way to provide the capital necessary to meet the Company's future requirements. Should the Fundraising not proceed for any reason, the Company would need to find alternative funding or else face future uncertainty. The Directors urge Shareholders to vote in favour of Resolution 1.**

## 10. EIS

On issue, the New Ordinary Shares will not be treated as either "listed" or "quoted" securities for relevant tax purposes. Provided that the Company remains one which does not have any of its shares quoted on a recognised stock exchange (which for these purposes does not include AIM), the New Ordinary Shares should continue to be treated as unquoted securities.

**The following information is based upon the laws and practice currently in force in the UK and may not apply to persons who do not hold their Ordinary Shares as investments.**

The Company has received advance assurance from HMRC that the New Ordinary Shares to be issued pursuant to the Fundraising will be able to rank as 'eligible shares' for the purposes of EIS. HMRC will no longer provide advance assurance regarding the eligibility of VCTs unless a specific investor is identified.

The EIS assurance was sought based on qualification under 'Condition C' (as set out in section 175A of ITA 2007) being follow-on funding to a successful qualification under 'Condition B' (as set out in section 175A of ITA 2007). Assurance was previously received by the Company in respect of 'Condition B' in March 2018 and funds raised in respect of that round of funding were utilised in the Affimer® Therapeutics Business.

The Directors consider that the Company has received no investments under EIS in the 12 months immediately prior to the date of this document. Accordingly, the Fundraising will limit funds up to £10 million from VCTs, investors seeking EIS reliefs and any other State aid risk capital investors in order not to exceed the maximum amount of £10 million (for 'knowledge-intensive companies') that can be raised annually through risk capital schemes. Based on previous assurances received from HMRC, the Directors believe that the Company is a 'knowledge-intensive company' for purposes of EIS.

Potential shareholders or Shareholders of the Company who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK are strongly advised to consult their own independent financial adviser immediately.

## **EIS**

These details are intended only as a general guide to the current tax position under UK taxation law and are not intended to be exhaustive. Investors who are in any doubt as to their tax position or who are subject to a tax jurisdiction other than the UK, are strongly advised to consult their professional advisers. Companies can raise up to £10 million for 'knowledge-intensive companies' (£5 million otherwise) under the combined VCT, EIS, Seed Enterprise Investment Scheme, social investment tax relief or any other State aid risk capital investment in any 12 month period. Shares issued to a VCT using "protected money" do not count towards the total. "Protected money" is funds raised by VCTs prior to 5 April 2007 or derived from the investment of such money by the VCT.

Provided that the investor and the Company comply with the EIS legislation (Part 5 of the Income Tax Act 2007 and sections 150A-C and schedule 5B of the Taxation of Chargeable Gains Act 1992), which includes a requirement that the Ordinary Shares are held by investors for not less than three years, UK taxpayers should be able to qualify for EIS relief on their investment in newly issued shares in the Company.

The Directors have received advance assurance from HMRC, that subject to a form EIS1 being submitted, the Company is to be treated as carrying on a qualifying trade for EIS purposes. The Directors intend to manage the Company so as to maintain (as far as they are able) the status of the Company as a qualifying company although no guarantee can be given in this regard.

Shareholders who wish to apply for EIS relief should contact Tony Gardiner, the Company Secretary at the registered office of the Company.

There are four EIS tax reliefs being:

(i) *Income tax relief*

Individuals can obtain income tax relief on the amount subscribed for ordinary shares (to a maximum of £2,000,000 for 'knowledge-intensive companies') in one or more qualifying companies, which are retained for a period of three years, provided the individuals are not connected to the issuing company. A tax credit of 30 per cent. of the eligible amount subscribed is given. The credit is given against the individual's income tax liability for the tax year in which the ordinary shares are issued although it is possible to carry back the relief to the preceding tax year. The relief will be limited to an individual's tax liability before EIS relief and cannot create a loss. EIS income tax relief is not available for individuals who, very broadly, own more than 30 per cent. of the ordinary share capital of the Company or certain other connected individuals.

(ii) *Capital Gains Tax ("CGT") exemption*

Any capital gains realised on the disposal, after three years, of ordinary shares on which EIS income tax relief has been given and not withdrawn are tax-free. This exemption is not available for individuals who, very broadly, own more than 30 per cent. of the ordinary share capital of the Company or certain other connected individuals.

(iii) *Loss relief*

Subject to certain conditions, tax relief is available for a qualifying shareholder who realises a loss on a disposal of ordinary shares on which EIS income tax relief (see (i) above) has been given and not withdrawn. The amount of the loss (after taking account of the income tax relief initially obtained) can be set against a capital gain in the year of loss or following years or offset against taxable income in the tax year in which the disposal occurs or the preceding year.

(iv) *CGT deferral*

To the extent that a UK resident (which includes individuals and certain trustees) subscribes for qualifying ordinary shares a claim can be made to defer all or part of a chargeable gain arising on the disposal of any asset. Although there is a limit of £2,000,000 for investments to qualify for income tax relief and a proportionate reduction in the exemption from CGT for subscriptions exceeding this limit



(see (i) and (ii) above), there is no limit on the amount of gains that can be deferred in this way. The subscription must have been made within one year before or three years after the date of the disposal which gave rise to the gain or the date when a previously deferred gain crystallises. The gain is deferred until there is a “chargeable event”, such as the disposal of ordinary shares.

If the investing ordinary shareholder does not retain the ordinary shares or the EIS rules are otherwise breached, the CGT deferral originally granted will be withdrawn and tax will be charged on the basis of a taxable event occurring at the date the rules cease to be met.

Although the Company currently expects to satisfy the relevant conditions for EIS investment, neither the Directors nor the Company gives any warranty or undertaking that relief will be available in respect of any investment in New Ordinary Shares pursuant to this document, nor do they warrant or undertake that the Company will conduct its activities in a way that qualifies for or preserves its status.

**As the rules governing EIS relief are complex and interrelated with other legislation, if Shareholders and potential Shareholders are in any doubt as to their tax position, require more detailed information that the general outline above, or are subject to tax in a jurisdiction other than the United Kingdom, they should consult their professional adviser.**

## **11. ADMISSION, DEALINGS AND SETTLEMENT ON AIM**

The New Ordinary Shares will be allotted and issued fully paid and will, on issue, rank *pari passu* with the Ordinary Shares then in issue, including the right to receive, in full, all dividends and other distributions thereafter declared, made or paid after the date of issue together with all rights attaching to them and free from all liens, charges and encumbrances of any kind.

Applications will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM and it is expected that First Admission will become effective and trading in the First Placing Shares will commence at 8.00 a.m. on 5 November 2019 and that Second Admission will become effective and trading in the Second Placing Shares and the Subscription Shares will commence at 8:00 a.m. on 6 November 2019.

## **12. ACTION TO BE TAKEN BY SHAREHOLDERS**

Shareholders will find enclosed with this document a Form of Proxy for use at the General Meeting. Whether or not you propose to attend the General Meeting in person, you are strongly encouraged to complete, sign and return your Form of Proxy in accordance with the instructions printed on it as soon as possible, but in any event so as to be received, by post or, during normal business hours only, by hand, at Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU by no later than 10.00 a.m. on 31 October 2019 (or, in the case of an adjournment, not less than 48 hours before the time fixed for the holding of the adjourned meeting (at the discretion of the Directors, excluding any part of a day that is not a Business Day)).

If you hold your Ordinary Shares in uncertificated form (that is, in CREST) you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the Notice of the General Meeting set out in Part II of this document). Proxies submitted via CREST must be received by the Company’s agent (ID RA10) by no later than 10.00 a.m. on 31 October 2019 (or, in the case of an adjournment, not less than 48 hours before the time fixed for the holding of the adjourned meeting (at the discretion of the Directors, excluding any part of a day that is not a Business Day)).

Appointing a proxy in accordance with the instructions set out above will enable your vote to be counted at the General Meeting in the event of your absence. The completion and return of the Form of Proxy or the use of the CREST Proxy Voting service will not prevent you from attending and voting at the General Meeting, or any adjournment of it, in person should you wish to do so.

### **13. DIRECTORS' RECOMMENDATION AND VOTING INTENTIONS**

The Directors believe that Resolutions 1 to 3 inclusive are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of Resolutions 1 to 3 inclusive, as they have undertaken to do in respect of their own beneficial holdings amounting, in aggregate, to 849,072 Ordinary Shares and representing approximately 0.73 per cent. of the Company's current issued share capital.

**Dr. Eliot Forster**

*Non-executive Chairman*

## PART II

# Avacta Group Plc

(Registered in England and Wales with company number 04748597)

### NOTICE OF A GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a general meeting of Avacta Group plc (the “**Company**”) will be held at the offices of Walker Morris LLP, 33 Wellington Street, Leeds LS1 4DL at 10.00 a.m. on 4 November 2019 for the purposes of considering and, if thought fit, passing resolutions 1 and 3 below as special resolutions and resolution 2 as an ordinary resolution (in which capitalised terms shall have the meanings given in the circular to shareholders issued by the Company dated 18 October 2019, containing this Notice of General Meeting (the “**Circular**”), save where otherwise specified):

1. **THAT:**

- (a) the directors of the Company from time to time (the “**Directors**”) be authorised pursuant to section 551 of the Act (in addition and without prejudice to any subsisting like authority to allot shares in the Company (“**Shares**”)) generally and unconditionally to exercise all powers of the Company to allot Shares up to an aggregate nominal amount of £5,977,702 in connection with the Fundraising, provided that the authority conferred on the Directors by this part of this resolution shall expire on 31 December 2019, save that under this authority the Company may before such expiry make an offer or agreement which would or might require the Shares to be allotted after such expiry and the Directors may allot Shares in pursuance of such an offer or agreement as if the authority conferred by this part of this resolution had not expired; and
- (b) the Directors be empowered in accordance with section 571 of the Act (in addition and without prejudice to any subsisting like power) to allot equity securities (within the meaning of section 560 of the Act) for cash, pursuant to the authority conferred on them by part (a) of this resolution, as if section 561(1) and subsections (1) – (6) of section 562 of the Act did not apply to such allotment, provided that the power conferred by this part of this resolution shall be limited to the allotment of equity securities for cash up to a maximum nominal amount of £5,977,702 in connection with the Fundraising and shall expire on 31 December 2019, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred by this part of the resolution had not expired.

2. **THAT** subject to and conditional upon First Admission becoming effective, the Directors be authorised pursuant to section 551 of the Act (in substitution for all subsisting like authorities to allot Shares and to grant rights to subscribe for, or convert securities into, Shares (“**Rights**”) (other than that granted by resolution 1(a)) which are revoked from the time of this resolution becoming effective but without prejudice to any allotments made or entered into or Rights granted prior to the time of this resolution becoming effective), generally and unconditionally to exercise all powers of the Company to allot Shares and to grant Rights up to an aggregate nominal amount of £5,805,860 (being approximately one third of the Enlarged Share Capital), provided that this authority shall expire on the earlier of: (i) the date falling six months from the expiry of the Company’s current financial year, being the 30 June 2020, and (ii) the conclusion of the next annual general meeting of the Company after the passing of this resolution unless previously varied, revoked or renewed by the Company in general meeting, save that the Company may before such expiry make an offer or agreement which would or might require Shares to be allotted or Rights granted after such expiry and the Directors may allot Shares and grant Rights in pursuance of such an offer or agreement as if the authority conferred by this part of this resolution had not expired.

3. **THAT** subject to and conditional upon First Admission becoming effective (in substitution for all subsisting like powers granted to the Directors to allot equity securities (other than those granted by resolution 1(b)) which are revoked from the time of this resolution becoming effective but without prejudice to any allotments made or entered into prior to the time of this resolution becoming effective), the Directors be empowered pursuant to section 570 and 573 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred upon them by

resolution 2 or where the allotment constitutes an allotment of equity securities by virtue of section 560(3) of the Act as if section 561(1) of the Act and sub-sections (1) – (6) of section 562 of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

- (a) in connection with or pursuant to an offer of such securities by way of a pre-emptive offer (as defined below); and
- (b) (otherwise than pursuant to sub-paragraph (a) of this resolution) up to an aggregate nominal amount of £3,518,705 (being approximately 20 per cent. of the Enlarged Share Capital),

and shall expire on the earlier of: (i) the date falling six months from the end of the current financial year of the Company, being 30 June 2020, and (ii) the conclusion of the next annual general meeting after the passing of this resolution, save that the Company may, before the expiry of any power contained in this resolution make a further offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred by this resolution had not expired.

For the purposes of this resolution 3 “**pre-emptive offer**” means a rights issue, open offer or other pre-emptive issue or offer to (i) holders of Shares in proportion (as nearly as may be practicable) to the respective numbers of Shares held by them on the record date(s) for such allotment; and (ii) persons who are holders of other classes of equity securities if this is required by the rights of such securities (if any) or, if the Directors consider necessary, as permitted by the rights of those securities, but subject in both cases to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, treasury shares, record dates or legal, regulatory or practical difficulties which may arise under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory or any other matter whatever.

By order of the Board

**Tony Gardiner**

*Company Secretary*

18 October 2019

*Notes:*

- (i) If you are not able to attend the General Meeting in person, you can still vote by:
  - logging on to [www.signalshares.com](http://www.signalshares.com) and following the instructions;
  - completing and returning the form of proxy as explained in note (ii) below; or
  - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in note (iii) below.

- (ii) Appointment of proxy using hard copy proxy form:

The notes to the proxy form explain how to direct your proxy how to vote on each resolution or to withhold your vote. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If you do not indicate on the proxy form how your proxy should vote, they will vote or abstain from voting at their discretion. They will also vote (or abstain from voting) at they think fit in relation to any other matter which is put before the meeting.

To appoint a proxy using the proxy form, the form must be completed, signed and received by the Company’s registrars by 10.00 a.m. on 31 October 2019 (or, in the case of an adjournment of the General Meeting, not less than 48 hours before the time fixed for the holding of the adjourned meeting (at the discretion of the Directors, excluding any part of a day that is not a Business Day)). Any proxy forms (including any amended proxy forms) received after the deadline will be disregarded. A form of proxy may be returned by post, by courier or by hand to the Company’s registrars, Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

If the shareholder is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer or attorney. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

- (iii) CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a “CREST

Proxy Instruction”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer’s agent (ID RA10), by 10.00 a.m. on 31 October 2019 (or, in the case of an adjournment of the General Meeting, not less than 48 hours before the time fixed for the holding of the adjourned meeting (at the discretion of the Directors, excluding any part of a day that is not a Business Day)). For this purpose, the time of receipt will be taken to be the time determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

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

- (iv) Completion of the Form of Proxy or appointment or a proxy through CREST will not prevent a member from attending and voting in person.
- (v) Any member or his proxy attending the General Meeting has the right to ask any question at the General Meeting relating to the business of the General Meeting.
- (vi) Pursuant to Regulation 41 of the CREST Regulations, only Shareholders registered in the register of members of the Company as at close of business on 31 October 2019 (being not more than 48 hours before the time fixed for the holding of the General Meeting (at the discretion of the Directors, excluding any part of a day that is not a Business Day)) shall be entitled to attend and vote at the General Meeting in respect of the number of shares registered in their name at such time. If the General Meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned General Meeting is close of business on the day which falls two days prior to the date fixed for the adjourned General Meeting. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the General Meeting.
- (vii) In the case of joint holders, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
- (viii) As at 17 October 2019 (being the last Business Day prior to the publication of this Notice of General Meeting) the Company’s issued share capital consisted of 116,158,123 Ordinary Shares, carrying one vote each. Therefore, the total voting rights in the Company as at 17 October 2019 were 116,158,123.