

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. It contains the Resolutions to be voted on at the General Meeting of the Company to be held at Taylor Vinters LLP, Tower 42, 33rd Floor, 25 Old Broad Street, London EC2N 1HQ at 9.15 a.m., or as soon as possible after the AGM, on 24 July 2017. If you are in any doubt about what action you should take, you should consult your stockbroker, bank manager, solicitor or other independent financial adviser authorised under the Financial Services and Markets Act 2000 immediately.

If you have sold or otherwise transferred all of your Ordinary Shares, please forward this document and any accompanying documents as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. However, this document and any accompanying documents should not be forwarded or sent in, into or from a Restricted Jurisdiction or any other jurisdiction that may be restricted by law and therefore persons into whose possession this document and any accompanying documents come should inform themselves about and observe any applicable requirements.

The Directors, whose names appear on page 5 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.



(Incorporated and registered in England and Wales with registered no. 06458458)

**Placing of 5,000,000,000 New Ordinary Shares at
0.03 pence per share to raise £1.5 million**

and

**Open Offer of up to 13,652,877,197 New Ordinary Shares
to raise up to £4.1 million**

Settlement of revolving credit facility with Barclays Bank plc

**Conversion of Loan Notes into 1,000,000,000 New Ordinary Shares
at 0.03 pence per share and cancellation of remaining Loan Notes**

and

Notice of General Meeting

Nominated Adviser and Broker:

PEEL HUNT

Application will be made to the London Stock Exchange plc for the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in all of the New Ordinary Shares will have commenced by 8.00 a.m. on 26 July 2017.

Your attention is drawn to the letter from the Chairman of the Company which recommends that you vote in favour of the Resolutions to be proposed at the General Meeting.

Notice of a General Meeting of Proxama plc to be held at **Taylor Vinters LLP, Tower 42, 33rd Floor, 25 Old Broad Street, London EC2N 1HQ** at 9.15 a.m., or as soon as possible after the AGM, on 24 July 2017 is set out at the end of this document. A Form of Proxy for use in connection with the General Meeting is also enclosed with this document. The Form of Proxy should be completed and returned to the Company's Registrars, Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS99 6AH or, during normal business hours only, by hand, to Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS13 8AE in accordance with the instructions printed on it as soon as possible and, in any event, so as to be received no later than 48 hours prior to the General Meeting. Completion and return of a Form of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting should they so wish.

Qualifying Shareholders who hold their Ordinary Shares in certificated form will be sent an Application Form. Qualifying CREST Shareholders (who will not receive an Application Form) will receive a credit to their appropriate stock accounts in CREST in respect of the Open Offer Entitlements and Excess CREST Open Offer Entitlements which will be enabled for settlement on 3 July 2017. Applications under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a bona fide market claim arising out of a sale or transfer of Ordinary Shares prior to the date on which the Ordinary Shares were marked “ex” the entitlement by the London Stock Exchange.

If the Open Offer Entitlements or Excess CREST Open Offer Entitlements are for any reason not enabled by 8.00 a.m. on 3 July 2017 or such later time and/or date as the Company may decide, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to its stock account in CREST. 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. The Application Form is personal to the relevant Qualifying Shareholder and cannot be transferred, sold or assigned except to satisfy *bona fide* market claims.

AIM is a market designed primarily for emerging and 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 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, consulting with an independent financial adviser. The London Stock Exchange has not itself examined or approved the contents of this document.

This document does not constitute an offer of securities and accordingly is not a prospectus and neither does it constitute an admission document drawn up in accordance with the AIM Rules.

The information contained in this document has been prepared solely for the purposes of the Placing and Open Offer and is not intended to inform or be relied upon by any subsequent purchasers of Ordinary Shares (whether on or off exchange) and accordingly no duty of care is accepted in relation to them.

Peel Hunt LLP (“**Peel Hunt**”), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as nominated adviser and broker to the Company. The responsibilities of Peel Hunt as the Company’s nominated adviser under the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange plc and are not owed to the Company or to any Director, shareholder or any other person, in respect of his decision to acquire shares in the Company in reliance on any part of this document, or otherwise. Peel Hunt makes no representation or warranty, express or implied, as to the contents of this document. Peel Hunt will not be offering advice and will not be responsible for treating as its clients recipients of this document in respect of the Placing, Open Offer, Conversion or any acquisition of shares in the Company. Peel Hunt has not authorised the contents of any part of this document. No liability whatsoever is accepted by the Peel Hunt for the accuracy of any information or opinions contained in this document, for which the Directors are solely responsible, or for the omission of any information from this document.

None of the Open Offer Entitlements, the Application Form or this document may be published, distributed or transmitted by any means or media, directly or indirectly, in whole or in part, in or into the United States or to any US Person. None of the Open Offer Entitlements, the Application Form or this document constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to any US Person. Securities may not be offered or sold in the United States absent: (i) registration under the Securities Act; or (ii) an available exemption from registration under the Securities Act. The securities mentioned herein have not been, and will not be, registered under the Securities Act and will not be offered to the public in the United States.

This document does not constitute an offer to buy or to subscribe for, or the solicitation of an offer to buy or subscribe for, New Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. The Ordinary Shares have not been, and the New Ordinary Shares will not be, qualified for sale under the laws of any of Canada, Australia, the Republic of South Africa or Japan and may not be offered or sold in Canada, Australia, the Republic of South Africa, or Japan or to any national, resident or citizen of Canada, Australia, the Republic of South Africa or Japan. Neither this document nor any copy of it may be sent to or taken into the United States, Canada, Australia, the Republic of South Africa, or Japan. In addition, the securities to which this document relates must not be marketed into any jurisdiction where to do so would be unlawful.

The distribution of this document in other jurisdictions may be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. By accepting this document you agree to be bound by the foregoing instructions and limitations.

Copies of this document will be available free of charge until 24 July 2017 at the Company’s registered office, 27/28 Eastcastle Street, London W1W 8DH, during normal business hours.

Cautionary note regarding forward-looking statements

This document contains statements about the Company that are or may be deemed to be “forward-looking statements”.

All statements, other than statements of historical facts, included in this document may be forward-looking statements. Without limitation, any statements preceded or followed by, or that include, the words “targets”, “plans”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “should”, “anticipates”, “estimates”, “projects”, or words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements may include, without limitation, statements relating to future capital expenditures, expenses, revenues, earnings, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects, etc.

These forward-looking statements are not guarantees of future performance. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual result, performance or achievements of any such person, or industry, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. Investors should not place undue reliance on such forward-looking statements and, save as is required by law or regulation (including to meet the requirements of the AIM Rules, the City Code on Takeovers and Mergers, the Prospectus Rules made by the UK Listing Authority and/or the Financial Services and Markets Act 2000), the Company does not undertake any obligation to update publicly or revise any forward-looking statements (including to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based). All subsequent oral or written forward-looking statements attributed to the Company or any persons acting on its behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements contained in this document are based on information available to the Directors at the date of this document, unless some other time is specified in relation to them, and the posting or receipt of this document shall not give rise to any implication that there has been no change in the facts set forth herein since such date.

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DIRECTORS, COMPANY SECRETARY AND ADVISERS

Directors	Kelvin Harrison, <i>Chairman</i> John Kennedy, <i>Chief Executive Officer</i> Shaun Gregory, <i>Non-Executive Director</i>
Company Secretary	Cargil Management Services Limited
Registered Office	Proxama plc 27/28 Eastcastle Street London W1W 8DH
Nominated Adviser and Broker	Peel Hunt LLP Moor House 120 London Wall London EC2Y 5ET
Legal Advisers to the Company	Taylor Vinters LLP Tower 42, 33rd Floor 25 Old Broad Street London EC2N 1HQ
Registrars	Computershare Investor Services plc The Pavilions Bridgwater Road Bristol BS13 8AE

EXPECTED TIMETABLE OF EVENTS

Record date for entitlement under the Open Offer	6.00 p.m. on 28 June 2017
Announcement of the Proposals	7.00 a.m. on 30 June 2017
Ex-entitlement date of the Open Offer	8.00 a.m. on 30 June 2017
Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to stock accounts of Qualifying CREST Shareholders	8.00 a.m. on 3 July 2017
Recommended latest time for requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST	4.30 p.m. on 17 July 2017
Latest time and date for depositing Open Offer Entitlements Excess and CREST Open Offer Entitlements into CREST	3.00 p.m. on 18 July 2017
Latest time and date for splitting Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 19 July 2017
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate)	11.00 a.m. on 21 July 2017
Latest time for receipt of Forms of Proxy	9.15 a.m. on 22 July 2017
General Meeting	9.15 a.m., or as soon as possible after the AGM, on 24 July 2017
Admission and commencement of dealings in the EIS Open Offer Shares, EIS Placing Shares and the VCT Placing Shares expected to commence on AIM	8.00 a.m. on 25 July 2017
CREST accounts expected to be credited in respect of the EIS Placing Shares and the VCT Placing Shares	25 July 2017
Admission and commencement of dealings in the Conversion Shares, General Placing Shares and the Open Offer Shares (save for the EIS Open Offer Shares) expected to commence on AIM	8.00 a.m. on 26 July 2017
CREST accounts expected to be credited in respect of the Conversion Shares, General Placing Shares and the Open Offer Shares	26 July 2017
Definitive share certificates in respect of the EIS Open Offer Shares, EIS Placing Shares and the VCT Placing Shares to be dispatched by	8 August 2017
Definitive share certificates in respect of the Conversion Shares, General Placing Shares and the Open Offer Shares (save for the EIS Open Offer Shares) to be dispatched by	9 August 2017

The ability to participate in the Open Offer is subject to certain restrictions relating to Shareholders with registered addresses outside the UK, details of which are set out in Part 3: “Terms and Conditions of the Open Offer” of this document.

Each of the times and dates above is subject to change. Any such change will be notified by an announcement on a Regulatory Information Service.

If you have any queries on the procedure for acceptance and payment, you should contact Computershare Investor Services plc, whose address is The Pavilions, Bridgwater Road, Bristol BS13 8AE on 0370 707 1701 between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (except UK public holidays) from within the UK or +44 370 707 1701 if calling from outside the UK. Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer or the Fundraising nor give any legal or tax advice.

ADMISSION AND FUNDRAISING STATISTICS

Total number of Existing Ordinary Shares	2,409,331,270
Issue Price	0.03 pence
Number of EIS Placing Shares	166,666,666
Number of VCT Placing Shares	181,800,000
Number of General Placing Shares	4,651,533,334
Total Placing Shares	5,000,000,000
Basis of Open Offer	17 Open Offer Share for every 3 Existing Ordinary Shares
Maximum number of Open Offer Shares	13,652,877,197
Number of Conversion Shares	1,000,000,000
Maximum number of New Ordinary Shares*	19,652,877,197
Maximum number of New Ordinary Shares as a percentage of the Enlarged Share Capital**	89.1 per cent.
Maximum number of Barclays Warrants issued pursuant to the settlement of the Barclays Facility	8,599,551,121
Enlarged Share Capital**	22,062,208,467
Gross proceeds of the Placing and Open Offer*	£5.6 million
Net proceeds of the Placing and Open Offer*	£5.2 million
Market capitalisation of the Company on Admission at the Issue Price**	£6.6 million
ISIN of the Ordinary Shares	GB00B2PKZ581
ISIN of the Open Offer Shares issued under the Open Offer Entitlement	GB00BF0Z6R81
ISIN of the Open Offer Shares issued under the Excess Application Facility	GB00BF0Z6S98
SEDOL of the Ordinary Shares	B2PKZ58

* Assuming full exercise of the Open Offer

** Assuming full exercise of the Open Offer and no Ordinary Shares are issued prior to the date of the General Meeting

DEFINITIONS

The following definitions apply throughout this document and in the accompanying Form of Proxy unless the context requires otherwise:

“Admission”	admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules;
“AGM”	the Company’s annual general meeting to be held at Taylor Vinters LLP, Tower 42, 33rd Floor, 25 Old Broad Street, London EC2N 1HQ on 24 July 2017;
“AIM”	the market of that name operated by the London Stock Exchange;
“AIM Rules”	together, the AIM Rules for Companies and the AIM Rules for Nominated Advisers;
“Application Form”	the personalised application form on which Qualifying Non-CREST Shareholders may apply for Open Offer Shares under the Open Offer;
“Barclays”	Barclays Bank plc;
“Barclays Facility”	the Company’s £2.5 million revolving credit facility with Barclays of 14 September 2015;
“Barclays Warrants”	the warrants to be issued to Barclays under the terms of the proposed settlement of the Barclays Facility;
“Board” or “Directors”	the directors of the Company whose names are set out on page 5 of this document;
“Business Day”	any day on which banks are usually open in England and Wales for the transaction of business, other than a Saturday, Sunday or public holiday;
“Cancellation”	the cancellation of 200,000 Loan Notes;
“Certificate”	a certificate issued under section 204 of the Income Tax Act 2007 by the Company to certain investors who have requested EIS relief;
“Companies Act”	the Companies Act 2006 (as amended);
“Company”	Proxama plc, a company incorporated and registered in England and Wales with company number 06458458;
“Conversion”	the conversion of 600,000 Loan Notes into New Ordinary Shares;
“Conversion Shares”	the 1,000,000,000 New Ordinary Shares to be issued and allotted pursuant to the Conversion;
“CREST”	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear UK & Ireland Limited;
“Darwin”	Darwin Capital Limited;

“Darwin Warrants”	the warrants issued to Darwin in connection to subscribe for 75,675,676 Ordinary Shares pursuant to the Darwin Warrant Instrument;
“Darwin Warrant Holder”	the holder of the Darwin Warrants;
“Darwin Warrant Instrument”	the warrant instrument dated 12 December 2016 entered into by the Company in respect of the Darwin Warrants;
“Digital Payments Division”	the Company’s digital payments division which provides end-to-end software solutions for card issuers with the ability to migrate customers from magnetic stripe to chip-and-pin card and from contactless cards to mobile devices;
“EIS”	Enterprise Investment Scheme under the provisions of Part 5 of the UK Income Tax Act 2007 (as amended);
“EIS Eligible Shares”	those New Ordinary Shares which Qualifying Shareholders have elected to claim taxation relief pursuant to the EIS Legislation, including (where relevant) the EIS Placing Shares and EIS Open Offer Shares;
“EIS Legislation”	Part 7 of the Income Taxes Act 2007;
“EIS Open Offer Shares”	those Open Offer Shares that are EIS Eligible Shares;
“EIS Placing”	the conditional placing of those New Ordinary Shares that are EIS Eligible Shares pursuant to, amongst other things, the terms and conditions set out in the Placing Agreement;
“EIS Placing Shares”	the 166,666,666 New Ordinary Shares to be issued by the Company pursuant to the EIS Placing;
“Enlarged Share Capital”	the Company’s issued share capital immediately after the completion of the Proposals, assuming full take up under the Open Offer;
“Excess Application Facility”	the arrangement pursuant to which Qualifying Shareholders may apply for any number of Open Offer Shares in excess of their Open Offer Entitlement provided they have agreed to take up their Open Offer Entitlement in full;
“Excess CREST Open Offer Entitlements”	in respect of each Qualifying CREST Shareholder, the entitlement (in addition to his Open Offer Entitlement) to apply for Open Offer Shares pursuant to the Excess Application Facility, which is conditional on him taking up his Open Offer Entitlement in full;
“Existing Ordinary Shares”	the existing ordinary shares of 0.01 pence each in the capital of the Company at the date of this document;
“FCA”	the Financial Conduct Authority, acting in its capacity as competent authority in the United Kingdom pursuant to Part VI of FSMA;
“Fundraising”	the Placing and the Open Offer;

“Form of Proxy”	the form of proxy accompanying this document for use by Shareholders in connection with the GM;
“FSMA”	the Financial Services and Markets Act 2000;
“GM” or “General Meeting”	the general meeting of the Company to be held at Taylor Vinters LLP, Tower 42, 33rd Floor, 25 Old Broad Street, London EC2N 1HQ at 9.15 a.m., or as soon as possible after the AGM, on 24 July 2017, notice of which is set out in Part 2 of this document;
“General Placing”	the conditional placing of General Placing Shares pursuant to, amongst other things, the terms and conditions set out in the Placing Agreement;
“General Placing Shares”	the 4,651,533,334 New Ordinary Shares (not being issued under the EIS Placing or the VCT Placing) to be issued by the Company pursuant to the General Placing;
“Group”	the Company and its subsidiaries;
“Issue Price”	0.03 pence per New Ordinary Share;
“Loan Notes”	the 800,000 convertible loan notes of £0.50 each constituted by a loan note instrument dated 23 August 2013 issued by the Company to White Angle Limited;
“London Stock Exchange”	London Stock Exchange plc;
“Mobile Data and Location Intelligence Division”	the Company’s mobile data and intelligence business. The primary focus is the attribution of data in order to make advertising smarter. The Company uses mobile location intelligence to precisely attribute advertising activities combining geo-location and Bluetooth beacon technology to provide unrivalled coverage and accuracy for advertisers;
“Money Laundering Regulations”	The Money Laundering Regulations 2007, as amended from time to time;
“New Ordinary Shares”	the new Ordinary Shares to be issued in connection with the Placing, Conversion and the Open Offer;
“Open Offer”	the conditional offer made by the Company to Qualifying Shareholders inviting them to apply to subscribe for the Open Offer Shares on the terms and subject to the conditions set out in this document and, in the case of Qualifying Non-CREST Shareholders, in the Application Form;
“Open Offer Entitlement”	an entitlement of a Qualifying Shareholder, pursuant to the Open Offer, to apply for 17 Open Offer Shares for every 3 Existing Ordinary Shares held by the Qualifying Shareholder at the Open Offer Record Date;
“Open Offer Record Date”	28 June 2017;

“Open Offer Shares”	up to 13,652,877,197 New Ordinary Shares which are subject to the Open Offer;
“Ordinary Shares”	ordinary shares of 0.01 pence each in the capital of the Company;
“Overseas Shareholders”	Shareholders who are resident in or a citizen or national of any country outside the United Kingdom;
“Peel Hunt”	the Company’s Nominated Adviser and Broker, Peel Hunt LLP, Moor House, 120 London Wall, London EC2Y 5ET;
“Placees”	investors in the Placing;
“Placing Agreement”	the conditional placing agreement dated 30 June 2017 between Peel Hunt and the Company, details of which are set out in the letter from the Chairman;
“Placing”	the placing by Peel Hunt, as agents for the Company, of the Placing Shares at the Issue Price on the terms of the Placing Agreement;
“Placing Shares”	5,000,000,000 New Ordinary Shares issued and allotted pursuant to the General Placing, the EIS Placing and the VCT Placing;
“Prospectus Rules”	the rules made for the purposes of Part VI of FSMA in relation to offers of securities to the public and admission of securities to trading on a regulated market;
“Proposals”	together the Placing, Open Offer, Conversion, and Cancellation;
“Qualifying CREST Shareholders”	Qualifying Shareholders whose Existing Ordinary Shares are held in uncertificated form;
“Qualifying Non-CREST Shareholders”	Qualifying Shareholders whose Existing Ordinary Shares are held in certificated form;
“Qualifying Placee Shareholders”	Qualifying Shareholders who are Placees under the Placing;
“Qualifying Shareholder”	Shareholders whose Ordinary Shares are on the register of members of the Company at 6.00 p.m. on the Open Offer Record Date with the exclusion of any such Shareholder (subject to exceptions) with a registered address or located or resident in the Restricted Jurisdictions;
“Registrars” or “Receiving Agent”	Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS13 8AE;
“Regulation S”	Regulation S of the Securities Act;
“Regulatory Information Service”	one of the regulatory information services authorised by the London Stock Exchange to receive process and disseminate regulatory information in respect of AIM quoted companies;

“Resolutions”	the resolutions to be proposed at the GM, as set out in the notice of GM contained in Part 6 of this document;
“Restricted Jurisdictions”	each and any of Australia, Canada, Japan, the Republic of South Africa and the United States;
“Securities Act”	U.S. Securities Act of 1933, as amended;
“Shareholders”	holders of Existing Ordinary Shares at the date of this document;
“UK” or “the United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“US Person”	has the meaning set out in Regulation S of the Securities Act;
“VCT Placing”	the conditional placing of the VCT Placing Shares pursuant to, amongst other things, the terms and conditions set out in the Placing Agreement;
“VCT Placing Shares”	the 181,800,000 New Ordinary Shares to be issued by the Company pursuant to the VCT Placing; and
“VCT Scheme”	Venture Capital Trust scheme under the provisions of Part 6 of the Income Tax Act 2007.

PART 1

LETTER FROM THE CHAIRMAN

Proxama plc

(Incorporated and registered in England and Wales with registered no. 6458458)

Directors:

Kelvin Harrison, *Chairman*
John Kennedy, *Chief Executive Officer*
Shaun Gregory, *Non-Executive Director*

Registered office:

27/28 Eastcastle Street,
London W1W 8DH

30 June 2017

To all Shareholders and, for information only to the Darwin Warrant Holder

Dear Shareholder

**Placing of 5,000,000,000 New Ordinary Shares at 0.03 pence
per New Ordinary Share, Open Offer, Settlement of Barclays Facility,
Conversion and Cancellation of the Loan Notes,
and Notice of General Meeting**

1 Introduction

The Company has announced today that it is proposing to raise £1.5 million (before the deduction of fees and expenses) through a conditional Placing comprising the issue of 5,000,000,000 New Ordinary Shares at 0.03 pence per New Ordinary Share.

In addition, the Company is seeking to raise up to £4.1 million by way of a conditional Open Offer of up to 13,652,877,197 Open Offer Shares to Qualifying Shareholders. The Issue Price represents a discount of 79.31 per cent. to the 0.145 pence closing middle market price of an Ordinary Share on 29 June 2017, being the last trading day prior to the publication of this document.

The Board is also pleased to announce that Barclays has irrevocably agreed to the settlement of the Barclays Facility upon the Company raising a minimum of £3.1 million under the Fundraising and receiving from the Company a cash payment of between £375,000 and £1.25 million (depending upon the total monies raised under the Fundraising) and the Barclays Warrants (the number of New Ordinary Shares in respect thereof depending upon the total monies raised under the Fundraising).

The Board also announces the agreement to the settlement of the Loan Notes and the Company will, conditional upon completion of the Fundraising convert 600,000 Loan Notes into New Ordinary Shares. The remaining 200,000 Loan Notes will be cancelled and all outstanding interest accrued upon the Loan Notes will be waived.

The Placing, Open Offer, settlement of the Barclays Facility, Conversion, and Cancellation are conditional, *inter alia*, on the passing of the Resolutions at the General Meeting, the Company raising a minimum aggregate amount of £3.1 million under the Fundraising, Admission becoming effective by no later than 8.00 a.m. on 26 July 2017 (or such other time and/or date, being no later than 31 July 2017, as the Company and Peel Hunt may agree) and the Placing Agreement between the Company and Peel Hunt becoming unconditional and not being terminated prior to Admission (in accordance with its terms). It is expected that the EIS Open Offer Shares, EIS Placing Shares and the VCT Placing

Shares will be admitted to trading on AIM on or around 8.00 a.m. on 25 July 2017 and that the General Placing Shares, Open Offer Shares (save for the EIS Open Offer Shares), and Conversion Shares will be admitted to trading on AIM on or around 8.00 a.m. on 26 July 2017.

The Board believes that raising equity finance by way of the Placing and Open Offer is the most appropriate method of financing for the Company at this time. This allows both existing and new institutional investors to be targeted and to participate in the Placing and Open Offer in order to provide additional working capital for the Company. The Board believes that the potential value creation for the benefit of Shareholders arising from the Proposals outweighs the dilutive effects of the Proposals.

The purpose of this document is to set out the reasons for, and provide further information on, the Proposals, to explain why the Board considers the Proposals to be in the best interests of the Company and its Shareholders as a whole and why the Directors unanimously recommend that you vote in favour of the Resolutions as they have irrevocably undertaken to do so in respect of their own beneficial holdings of Existing Ordinary Shares.

In aggregate, the Directors aggregate beneficial holding of Existing Ordinary Shares represents approximately 0.03% per cent. of the Existing Ordinary Shares on 29 June 2017 (being the last Business Day prior to publication of this document).

At the end of this document you will find a notice convening the General Meeting at which the Resolutions will be proposed by the Directors. The General Meeting has been convened for 9.15 a.m., or as soon as possible after the AGM, on 24 July 2017 and will take place at **Taylor Vinters LLP, Tower 42, 33rd Floor, 25 Old Broad Street, London EC2N 1HQ.**

2 Background to the Placing and Open Offer

As announced on 17 May 2017, the Board concluded that the Company remains the best owner for the Digital Payments Division and that retaining the Digital Payments Division as part of the Group, with an updated strategy, best maximises value creation for Shareholders. As such the Company decided to terminate its plans to sell the Digital Payments Division and conclude the strategic review.

The Company has reduced the Digital Payments Division's cost base and the high margin cash flow that it then generates to contribute toward the working capital requirements of the increasingly established Mobile Data and Location Intelligence Division. The Company has reduced the annualised operating costs of the business by £1.2 million through this restructuring.

With the absence of sale proceeds from the Digital Payments Division, and in order to support the working capital requirements and remove debt from the business, the Company is today announcing the Fundraising, settlement of the Barclays Facility, the Conversion and Cancellation, allowing Proxima to be debt free, and further strengthening the Group's financial position.

In the event that the Company does not raise a minimum of £3.1 million through the Placing and Open Offer it will pursue other financing options, including a loan note instrument with an Alternative Investment Manager.

In 2017, the Company plans to continue to scale the business primarily through data products, both existing and new.

It is this extension to the entire value chain of marketing that has led the Company to its decision to build on the existing platform and data products and refocus as a location data business, supplying SaaS based data products that service the whole marketing chain – and according to the Internet Advertising Bureau UK (“**IAB**”), in 2016 is now worth over £3.8 billion in the UK for mobile ads alone.

Furthermore, the Company's data product and services now also extend to other marketing sectors, notably where there are existing relationships and contracts such as the Out of Home (“**OOH**”) media businesses (£1 billion UK ad spend) and the city and transit planning consultancies and financial services sectors, where in 2017 the Company is already monetising its location data and expertise by supplying to a major UK city transport planning project.

Since making the decision to retain the Digital Payments Division, the Company has been pleased to announce a further revenue generating contract win with a major US provider of financial services and payment card technology. The contract is to licence the Company's digital enablement platform in North America and the agreement will generate incremental fees as clients are on-boarded, as well as recurring support and maintenance revenues over the longer term.

3 Details of the Placing

It was announced today that the Company proposes to raise, in aggregate, £1.5 million (before expenses) by way of a Placing of 5,000,000,000 Placing Shares with certain new and existing investors representing in aggregate 22.7 per cent of the Enlarged Share Capital, at an Issue Price of 0.03 pence per New Ordinary Share.

The net proceeds of the Placing shall be used for partial settlement of the Barclays Facility and for working capital purposes. The net proceeds of the issue of EIS Placing Shares and EIS Open Offer Shares will not be used for the settlement of the Barclays Facility. As a result, the Company will both strengthen its balance sheet and preserve its existing free cash resources, enabling it to commit further capital over the next 12 months towards the delivery of its stated strategy.

The Issue Price of 0.03 pence per New Ordinary Share represents a discount of 79.31 per cent. to the closing mid-market price of 0.145 pence on 29 June 2017, being the last Business Day prior to the publication of this document. The Board unanimously agrees that the level of discount and method of issue are appropriate to secure the investment necessary in order to undertake the Fundraising.

In connection with the Placing, the Company has entered into the Placing Agreement with Peel Hunt, pursuant to which Peel Hunt has agreed to use its reasonable endeavours, as agent on behalf of the Company, to procure places for the Placing Shares at the Issue Price and has agreed to conditionally place the Placing Shares with certain new and existing investors. The Placing is conditional, *inter alia*, on:

- the passing of the Resolutions at the General Meeting;
- the 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 Admission;
- a minimum amount of £3.1 million being raised under the Fundraising; and
- Admission becoming effective by no later than 8.00 a.m. on 26 July 2017 (or such later time and/or date, being no later than 8.30 a.m. on 31 July 2017, as the Company and Peel Hunt may agree).

Accordingly, if any of these conditions are not satisfied or, if applicable, waived, the Placing will not proceed.

The Placing has not been underwritten by Peel Hunt or any other party.

The Placing Agreement contains customary warranties given by the Company to Peel Hunt in relation to, *inter alia*, the accuracy of the information in this document, certain financial information and other matters relating to the Group and its business. In addition the Company has agreed to indemnify Peel Hunt and any other Peel Hunt Person (as such term is defined in the Placing Agreement) in respect of certain liabilities that Peel Hunt and any other Peel Hunt Person may incur in connection with the Placing.

Peel Hunt is entitled to terminate the Placing Agreement in certain customary circumstances prior to Admission, including:

- the occurrence of certain *force majeure* events or a material adverse change in (amongst other things) the financial or political conditions in the United Kingdom (which in the opinion of Peel Hunt, materially adversely affects the Placing);

- any warranty in the Placing Agreement being untrue, inaccurate or misleading;
- the failure of the Company to comply with any of its obligations under the Placing Agreement.

If this right is exercised, the Placing will not proceed.

The Placing Agreement is not subject to any right of termination after Admission.

The Placing Agreement provides for payment by the Company to Peel Hunt of certain commissions relating to the Placing Shares.

4 Details of the Open Offer

The Board considers it important to provide the Company's loyal and supportive Shareholders with an opportunity to participate in the Open Offer in recognition of their continued support to the Company.

Qualifying Shareholders can therefore subscribe for, in aggregate, up to £4.1 million (before expenses) in Open Offer Shares without the Company having to produce a prospectus (in accordance with the Prospectus Rules) which would have both cost and timing implications for the Company.

Qualifying Shareholders, on and subject to the terms and conditions of the Open Offer, will be given the opportunity under the Open Offer to apply for any number of Open Offer Shares at the Issue Price *pro rata* to their holdings on the following basis:

17 Open Offer Shares for every 3 Existing Ordinary Shares.

The Open Offer Shares will rank *pari passu* in all respects with the Existing Ordinary Shares. Fractions of Open Offer Shares will not be allotted to Qualifying Shareholders in the Open Offer and entitlements under the Open Offer will be rounded down to the nearest whole number of Open Offer Shares. The Issue Price represents a discount of 79.31 per cent. to the 0.145 pence closing middle market price of an Ordinary Share on 29 June 2017, being the last trading day prior to the publication of this document.

There will be up to 13,652,877,197 New Ordinary Shares available to Qualifying Shareholders under the Open Offer. A full take up of the Open Offer Shares would represent approximately 566.7 per cent. of the Existing Ordinary Shares.

Qualifying Shareholders (excluding Qualifying Placee Shareholders) are being offered the opportunity to apply for additional Open Offer Shares in excess of their Open Offer Entitlement to the extent that other Qualifying Shareholders (excluding Qualifying Placee Shareholders) do not take up their Open Offer Entitlements in full.

Qualifying Placee Shareholders are also being offered the opportunity to apply for additional Open Offer Shares in excess of their Open Offer Entitlement to the extent that other Qualifying Shareholders do not take up their Open Offer Entitlements in full.

The Open Offer is not underwritten and therefore there is no certainty that any funds will be raised under the Open Offer.

A Qualifying Shareholder may only apply for additional Open Offer Shares if they have themselves agreed to take up their Open Offer Entitlement in full.

Qualifying Shareholders are referred to Part 3 "Terms and Conditions of the Open Offer" and in particular to the dilutive effect of the Placing and Open Offer on Shareholders.

In the event that Qualifying Shareholders apply, in aggregate, for an amount that is greater than £4.1 million, the Directors will use their discretion to scale back such applications such that this threshold is not exceeded.

In the event that applications are received from Qualifying Shareholders (excluding Qualifying Placee Shareholders) for in excess of 13,652,877,197 Open Offer Shares, it is intended excess applications will be scaled back *pro rata* to such Qualifying Shareholders' (excluding Qualifying Placee Shareholders') subscriptions under the Open Offer.

Applications for Open Offer Shares received from Qualifying Placee Shareholders will only be satisfied to the extent that all applications for Open Offer Shares received from Qualifying Shareholders (excluding Qualifying Placee Shareholders) have been satisfied in full. In circumstances where Qualifying Shareholders (excluding Qualifying Placee Shareholders) apply for, in aggregate, less than 13,652,877,197 Open Offer Shares (the "Shortfall") and applications are received from Qualifying Placee Shareholders for Open Offer Shares, in aggregate, in excess of the Shortfall (so that aggregate applications from Qualifying Shareholders (including Qualifying Placee Shareholders) exceeds 13,652,877,197 Open Offer Shares), applications received from Qualifying Placee Shareholders will be scaled back *pro rata* to Qualifying Placee Shareholders' subscriptions under the Open Offer.

The Open Offer Shares have not been placed under the Placing subject to clawback under the Open Offer nor have they been underwritten. Consequently, there may be no or fewer than 13,652,877,197 Open Offer Shares issued pursuant to the Open Offer.

The Directors believe that the Ordinary Shares are qualifying shares for the purposes of the EIS Legislation and that the Company is a qualifying company for the purposes of the EIS Legislation.

Qualifying CREST Shareholders who intend to claim EIS relief in respect of their investment under the Open Offer should request a Certificate in respect of some or all of their Open Offer Shares by indicating that their intention is to claim EIS in respect of such number of their Open Offer Shares as they shall specify. Please refer to paragraph 4.2 of Part 3 for further information.

Application has been made for the Open Offer Entitlements and Excess CREST Open Offer Entitlements to be admitted to CREST. It is expected that the Open Offer Entitlements and Excess CREST Open Offer Entitlements will be admitted to CREST on 3 July 2017. The Open Offer Entitlements and Excess CREST Open Offer Entitlements will also be enabled for settlement in CREST on 3 July 2017. Applications through the CREST system may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim.

The latest time and date for acceptance and payment in full under the Open Offer will be 11.00 a.m. on 21 July 2017, unless otherwise announced by the Company via a Regulatory Information Service.

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

The Open Offer is conditional, *inter alia*, on the approval of the Resolutions by the Shareholders at the General Meeting, the proceeds of the Fundraising being at least £3.1 million, and upon the Placing Agreement becoming unconditional in all respects (other than as to Admission) and Admission of the Open Offer Shares becoming effective by not later than 8.00 a.m. on 26 July 2017 (or such later time and/or date as the Company and Peel Hunt may determine, not being later than 8.30 a.m. on 31 July 2017).

If Admission does not take place on or before 8.00 a.m. on 26 July 2017 (or such later time and/or date as the Company and Peel Hunt may determine, not being later than 8.30 a.m. on 31 July 2017), the Open Offer will lapse, any Open Offer Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will thereafter be disabled and application monies under the Open Offer will be refunded to the applicants, by cheque (at the applicant's risk) in the case of Qualifying Non-CREST Shareholders and

by way of a CREST payment in the case of Qualifying CREST Shareholders, without interest as soon as practicable thereafter.

5 Settlement of the Barclays Facility

The Barclays Facility has been in place since 14 September 2015 and is currently fully drawn at £2.5 million. The Barclays Facility is secured by way of a debenture granted by the Company and is guaranteed by each of the Company's five subsidiary undertakings.

The Company has received the Barclays Letter, dated 30 June 2017 in which Barclays agrees to the terms of settlement of the Barclays Facility (the "Barclays Letter"). Under the terms of the Barclays Letter, Barclays has agreed, conditional upon the Company raising a minimum of £3.1 million under the Fundraising, paying to Barclays certain cash amounts and granting to Barclays certain warrants, as detailed in the table below, to release the Company and its Group from all liabilities and obligations under the Barclays Facility, including release of the debenture and Group guarantees. Such releases are subject in each case to the entry into definitive legal documents on terms to be agreed between Barclays and the Company.

The Barclays Warrants will be exercisable at the Issue Price per New Ordinary Share with the debt previously owed to Barclays being applied towards satisfaction of such Issue Price on exercise. The Barclays Warrants will be exercisable over a period of twenty years from the date of the Barclays Letter with lock-in provisions applying for a period of six months following Admission, and a further six months orderly market restriction thereafter.

(1) <i>Fundraising proceeds</i>	(2) <i>Proxama cash</i>	(3) <i>Barclays cash</i>	(4) <i>Warrants</i>	(5) <i>Debt applied to Issue Price on exercise</i>
£4,350,000	£3,100,000	£1,250,000	0%	£1,250,000
£4,100,000	£3,025,000	£1,075,000	15%	£1,425,000
£3,850,000	£2,950,000	£900,000	18%	£1,600,000
£3,600,000	£2,875,000	£725,000	21%	£1,775,000
£3,350,000	£2,800,000	£550,000	25%	£1,950,000
£3,100,000	£2,725,000	£375,000	29.9%	£2,125,000

The settlement of the Barclays Facility on the terms set out above is conditional upon the Company receiving proceeds of the Fundraising of at least £3.1 million. Should such amount not be raised, the Barclays Facility will remain in place and the Company will need to consider alternative means of settling the £2.5 million outstanding under the Barclays Facility. In the event that the Company does not raise a minimum of £3.1 million through the Placing and Open Offer then it will pursue other financing options, including a loan note instrument with an Alternative Investment Manager. Further, the Company has been informed by Barclays that it may seek to proceed with an accelerated sale process should it fail to raise the minimum amount of £3.1 million.

6 Details of the Conversion and Cancellation

The Loan Notes have been in place since 23 August 2013 and all principal and interest amounts are repayable on demand following settlement of the Barclays Facility. The Company has agreed with the holder of the Loan Notes to settle the Loan Notes as follows:

1. 600,000 of the Loan Notes, equal to £300,000 of the principal, shall be converted into 1,000,000,000 New Ordinary Shares at the Issue Price;
2. 200,000 Loan Notes, equal to £100,000 of the principal, shall be cancelled; and
3. all of the interest currently outstanding in respect of the Loan Notes shall be waived.

The Board believes the Conversion and Cancellation to be the best option for the Company in order to preserve the Company's cash reserves and remove the Loan Notes and accrued interest as a liability of the Company.

The Conversion and Cancellation constitutes a related party transaction for the purposes of the AIM Rules. The directors, having consulted with the Company's nominated adviser, Peel Hunt, consider that the terms of the related party transaction are fair and reasonable insofar as the Company's Shareholders are concerned.

The Conversion and Cancellation are conditional, *inter alia*, upon the passing of Resolutions 1 and 2. If such Resolutions are not passed, the Loan Notes and all accrued interest thereon shall be repayable upon demand in cash and the Company will need to consider alternative means of satisfying such amount.

The Conversion Shares (assuming all of the Open Offer Shares are issued), will, when issued, represent approximately 4.5 per cent. of the Enlarged Share Capital (assuming full exercise of the Open Offer).

Following the completion of the Conversion, the Cancellation, and the issue and allotment of the Conversion Shares, Gavin Breeze will hold, directly or indirectly, 1,254,000,462 Ordinary Shares, representing in aggregate 5.7 per cent of the Enlarged Share Capital (assuming full exercise of the Open Offer).

7 The Darwin Warrants

In conjunction with the loan note arrangements entered into between the Company and Darwin as announced on 13 December 2016, the Company entered into the Darwin Warrant Instrument dated 12 December 2016 under which the Company agreed to issue in aggregate 75,675,676 Darwin Warrants. Each Darwin Warrant confers the right to subscribe for one Ordinary Share per warrant. The Darwin Warrants are exercisable at a price of £0.012488 per Ordinary Share (subject to adjustment) (the "**Subscription Price**") for the period up to 19 December 2021.

Pursuant to the Darwin Warrant Instrument and as a consequence of the Fundraising and the issue of the Barclays Warrants, it has been agreed between the Company and Darwin that the exercise price of the Darwin Warrants shall be revised downwards to £0.001617 and the number of Darwin Warrants shall increase to 584,287,897 (the "**Additional Darwin Warrants**"), in each case effective from Admission. These adjustments to the Additional Darwin Warrants assume that the maximum amount of Open Offer Shares are issued and the final adjustments will be notified in the closing of the Open Offer.

8 Board composition

The Board is delighted to report the appointment of Mark Slade and Dan Francis, who will join the Board as Managing Director and Chief Strategic Officer, respectively, upon Admission.

David Bailey stood down as a non-executive director on 29 June 2017. The Directors thank David for all of his service to the Company and wish him the best in the future.

Mark Slade, Managing Director

Mark Slade (aged 41) is the Managing Director of the Company. Mark is one of the advertising industry's leading figures with senior relationships across many ad tech and media companies. He joins from Opera Mediaworks, where he was Managing Director, EMEA. Mark founded and sold his mobile advertising business 4th Screen to Opera, and then helped grow the business to over \$100 million in revenues. Mark is currently a director of Fourth Screen Consulting Limited and is a previous director of 4th Screen Advertising Limited. Mark's expertise is in executing in a high growth ad tech sector as well as European acquisitions.

Dan Francis, Chief Strategic Officer

Daniel Paul Francis (aged 43) is currently the Chief Strategic Officer of the Company. He has over 20 years' experience in creating and developing new products and businesses, specialising in commercialising new technologies such as mobile, data and AI. He has worked in senior positions in the retail, loyalty & marketing and financial services for and with brands such as American Express, Aimia and Barclays. Dan joined the Company in August 2016 to lead the scaling of our Proximity Marketing Division, building on similar programmes of work from his experience with major brands such as Barclaycard, Nectar & Sainsbury's.

9 Settlement and dealings

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. The New Ordinary Shares will rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid in respect of the New Ordinary Shares following Admission. It is expected that Admission will become effective, and that dealings on AIM in respect of all of the New Ordinary Shares will have commenced, by 26 July 2017.

10 Current trading and outlook

The Company has continued to make good progress and made the following update in its full year results for the year ended 31 December 2016 on 30 June 2017:

Location data has never been so abundant. However, the premium value within comes from the level of precision of that data. The more precise the data, the higher the value, and the Company specialise in precise location data.

The Company acquires the rights to using the precise location data through paying their mobile app partners. The Company then applies a level of analysis and intelligence to that data in order to create premium audience and attribution products. In simplistic terms the business model shows that for every £1.00 the Company spends on gaining the data rights, it can then charge between £1.00 and £4.00 across a range of products to multiple customers. The more value added by the Company to the data, the higher the rates that can be charged.

2016 was a further period of change for the Company, however the Board is of the single view that the Company ended 2016 in a strong position regarding the Mobile Data and Location Intelligence Division and certainty for the future of the Digital Payment Division. The Board would like to acknowledge the Company's wider team for their hard work during the year and thank them for their dedication and support as we reposition the business for extended growth.

2016 operating losses were £5.0 million (2015: £6.0 million) mainly due to a reduction in cost base, with a further reduction in 2017 expected. Overall revenue and other income was £2.4 million for the full year (2015: £2.8 million). Trading revenue was £1.8m (2015: £2.5 million) and Grant income £0.6 million (2015: £0.3 million). 2016 EBITDA before impairment shows a year to date loss of £3.6 million which is a £1.4 million (28%) year on year improvement (2015 EBITDA before impairment and exceptional items of £5.0 million).

The Company looks forward to an exciting and dynamic 2017, the opportunities ahead and the chance to reward its patient and supportive shareholders.

11 VCT Scheme

The Company has applied for and obtained provisional advance assurance from HMRC that the VCT Placing Shares may constitute a qualifying holding for VCT Scheme purposes. However, none of the EIS Eligible Shares or General Placing Shares will satisfy such requirements. Eligibility is also dependent on a Shareholder's own position and not just that of the Company. Accordingly, you should take your own independent advice.

The status of the Ordinary Shares as a qualifying holding for VCT Scheme purposes will be conditional, *inter alia*, upon the Company continuing to satisfy the relevant requirements.

It is the Directors' intention that the Company will continue to meet the VCT Scheme provisions so that it continues to be a qualifying company for these purposes. However, the Directors cannot give any warranty or undertaking that the Company will continue to meet the conditions, including in the event that the Directors believe that the interests of the Company are not best served by preserving the VCT Scheme status, or as a result of changes in legislation.

12 Enterprise Investment Scheme

The following paragraphs are intended as a general guide only for Shareholders who are resident and ordinarily resident in the United Kingdom for tax purposes, holding Ordinary Shares as investments and not in the course of a trade, and are based on current legislation and UK HM Revenue & Customs practice. Any prospective subscriber of Ordinary Shares who is in any doubt about his tax position or who is subject to taxation in a jurisdiction other than the UK, should consult his own professional adviser immediately. This summary is relevant to those Shareholders who will be seeking to claim EIS relief in respect of EIS Eligible Shares.

The Company intends to issue shares which are qualifying shares for the purposes of the EIS Legislation although there is no guarantee of this.

Please note that the EIS rules are complex and this is not a comprehensive explanation of the rules. Any prospective subscriber of Ordinary Shares who requires further information about his EIS position or the EIS rules generally should consult his own professional adviser immediately. Some key points of EIS are as follows:

- (i) Individuals can claim a tax relief of 30 per cent. of the amount subscribed for qualifying EIS shares against their UK income tax liability, (provided they have a sufficient tax liability to reclaim this amount), thus reducing the effective cost of their investment to 70 pence for each £1 invested. However, there is an EIS subscription limit per individual of £1,000,000 in each tax year although it is possible to carry back an investment to the previous tax year if there is any unused limit in that year.
- (ii) In order to retain the EIS relief, the relevant shares must be held for at least three years and certain EIS conditions must continue to be met for that period (including that the Company must carry on a qualifying activity for that period and that the Company must not be under the control of another company). There are also rules which can result in the clawback of EIS relief for an EIS investor if that investor receives value from the Company (or any subsidiary) or if there is a buyback of any shares from a non-EIS investor. The EIS rules are complex and the conditions must be satisfied for the relevant three year period so qualification on subscription is no guarantee of qualification for the three year period.
- (iii) UK investors (individuals or certain trustees) may defer a chargeable gain by subscribing the amount of the gain for qualifying EIS shares in the Company. There is no limit to the level of investment and, therefore, to the amount of gain which may be deferred in this way. Note that the deferred gain will come back into charge when the EIS shares are disposed of, or if the Company ceases to qualify as an EIS company within the three year qualifying period.
- (iv) There is no tax on capital gains made upon disposal after the three year period ("Qualifying Period") of shares in an EIS qualifying company on which income tax relief has been given and not withdrawn.
- (v) If a loss is made on disposal of the Ordinary Shares in respect of which EIS relief has been claimed at any time, the amount of the loss (after allowing for any income tax relief initially obtained) can be set off against either the individual's income of the tax year of the disposal or

of the previous tax year (or against gains for the tax year in which the disposal occurs, or, if not so used, against capital gains of a subsequent tax year).

(vi) Please note that the reorganisation rules referred to in Part 5 are not relevant to EIS shares.

The amount of relief an investor may gain from an EIS investment in the Company will depend on the investor's individual circumstances. Please note if an investor already holds shares in respect of which EIS relief has not been claimed, he will not qualify for EIS on any subsequent subscription.

Advance Assurance of EIS Status

In order for investors to claim EIS reliefs relating to their Ordinary Shares in the Company, the Company has to meet a number of rules regarding the kind of company it is, the amount of money it can raise, how and when that money must be employed for the purposes of the trade, and the trading activities carried on. The Company must satisfy HMRC that it meets these requirements and is therefore a qualifying company.

The Company received advance assurance from HMRC on 23 March 2017 that it would be able to issue Ordinary Shares that are eligible for the EIS regime.

The Directors do not give any warranty or other assurance as to the availability of EIS relief – prospective investors who may be eligible for relief are strongly recommended to consult their own professional advisers particularly on the conditions which must be satisfied to obtain such relief, the nature of the tax advantages which may be obtained, and the circumstances in which relief may be forfeited.

Inheritance tax

Provided a Shareholder has owned Ordinary Shares in the Company for at least two years and certain conditions are met at the time of transfer, 100 per cent. business property relief will be available, which reduces the inheritance tax liability on the transfer of such shares to nil.

13 General Meeting

A notice convening the GM to be held at **Taylor Vinters LLP, Tower 42, 33rd Floor, 25 Old Broad Street, London EC2N 1HQ** at 9.15 a.m., or as soon as possible after the AGM, on 24 July 2017 is set out at the end of this document.

Set out below is an explanation of the Resolutions to be considered at the GM. Resolutions 1 and 3 will be proposed as ordinary Resolutions. This means that for each of those Resolutions to be passed, more than half of the votes cast must be in favour of the Resolution. Resolutions 2 and 4 will be proposed as special Resolutions. This means that for each of those Resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

- ***Resolutions 1 and 2 – non pre-emptive allotment of the Placing Shares, Conversion Shares and Open Offer Shares***

Resolutions 1 and 2 empower the Directors to allot the Placing Shares, Open Offer Shares and Conversion Shares and to grant the Barclays Warrants and the Additional Darwin Warrants for cash otherwise than in accordance with the statutory pre-emption provisions set out in the Companies Act.

- ***Resolutions 3 and 4 – non pre-emptive allotment of shares in the capital of the Company (general authority)***

Resolutions 3 and 4 empower the Directors to allot Ordinary Shares for cash otherwise than in accordance with the statutory pre-emption provisions set out in the Companies Act.

14 Directors' and prospective directors' shareholdings

Each of Kelvin Harrison, John Kennedy, Mark Slade, Dan Francis and Shaun Gregory are intending to participate in the Placing as set out below and the beneficial and non-beneficial interests of the Directors in Existing Ordinary Shares as at the date of this document and following the Proposals are set out below:

	<i>Date of this document</i>		<i>Participation in the Placing</i>		<i>Immediately following the Proposals</i>	
	<i>Number of Existing Ordinary Shares</i>	<i>Percentage of issued Existing Ordinary Shares</i>	<i>Number of Placing Shares</i>	<i>Participation £</i>	<i>Total Number of Ordinary Shares</i>	<i>Percentage of Enlarged Share Capital</i>
<i>Current, Proposed and Past Directors</i>						
Kelvin Harrison <i>(Non-Executive Chairman)</i>	—	—	66,666,666	£20,000	66,666,666	0.32%
John Kennedy <i>(Chief Executive Officer)</i>	800,000	0.03%	83,333,333	£25,000	84,133,333	0.40%
Shaun Gregory <i>(Non-Executive Director)</i>	—	—	166,666,666	£50,000	166,666,666	0.79%
Mark Slade <i>(Proposed Managing Director)</i>	—	—	100,000,000	£30,000	100,000,000	0.47%
Dan Francis <i>(Proposed Chief Strategic Officer)</i>	—	—	83,333,333	£25,000	83,333,333	0.40%
David Bailey <i>(Previous Deputy Chairman)</i>	33,342,125	1.38%	166,666,666	£50,000	200,008,791	0.95%
Total	34,142,125	1.42%	666,666,664	£200,000	700,808,789	3.33%

**assuming a full take up under the Open Offer*

In addition, a total of 4,938,271 options over Existing Ordinary Shares are granted to John Kennedy, representing approximately 0.21 per cent. of the Existing Ordinary Shares as at the date of this document.

The participation by Kelvin Harrison, John Kennedy, Dan Francis, Shaun Gregory, and Mark Slade, in the Placing constitutes a related party transaction for the purposes of the AIM Rules. In the absence of any independent directors in connection with the Placing, the Company's nominated adviser, Peel Hunt, consider that the terms of the related party transactions are fair and reasonable insofar as the Company's shareholders are concerned.

15 Working capital

The Company is of the opinion that, taking into account existing cash resources and the minimum net proceeds of the Fundraising of £3.1 million, the Group has sufficient working capital for its present requirements; that is for at least a twelve month period from the date of this document.

16 Importance of Vote

Shareholders should be aware that, if the Resolutions are not approved at the General Meeting, the net proceeds of the Fundraising will not be received by the Company. If the Company does not raise at least £3.1 million in the Fundraising, the Company will be unable to settle the Barclays Facility, and therefore the Board would need to seek alternative financing which may or may not be forthcoming. The Company has been informed by Barclays that should alternative financing not be forthcoming it may seek to proceed with an accelerated sale process. Further, if the Company does not receive the proceeds of the Fundraising, the Company would still need to meet certain costs associated with the Fundraising and would only have sufficient working capital to trade through to the middle of August 2017, without taking any mitigating action and therefore the Board would need to seek alternative financing which may or may not be forthcoming. The Directors consider that these scenarios would not be in the best

interests of the Company or its Shareholders and that any alternative financing, if available, could be on less favourable terms and could risk leading to substantial dilution for Shareholders. If such alternative financing were not available to the Company in a reasonable timeframe, then the only other option for the Company would be to consider the requirements for appointing a provisional liquidator.

Furthermore, given the importance of the Fundraising, even if certain Qualifying Shareholders decide not to participate in the Open Offer, the Board encourages those Shareholders to vote in favour of the Resolutions nonetheless. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Resolutions.

17 Risk Factors

Your attention is drawn to the risk factors set out in Part 2 of this document. Prospective investors should, in addition to all other information set out in this document, carefully consider the risks described in those sections before making a decision as to whether to invest in the Company.

18 Irrevocable undertakings

The Directors and certain shareholders have irrevocably undertaken to vote in favour of the Resolutions in respect of their own beneficial holdings of 288,142,587 Existing Ordinary Shares, in aggregate representing approximately 11.96 per cent. of the Company's issued share capital on 29 June 2017 (being the last Business Day prior to publication of this Circular).

19 Action to be taken in respect of the General Meeting

Please check that you have received with this document:

- a Form of Proxy for use in respect of the General Meeting; and
- if you are a Shareholder based in the United Kingdom, a reply-paid envelope for use in conjunction with the return of the Form of Proxy.

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 thereon as soon as possible, but in any event so as to be received, by post to the Receiving Agent, Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS99 6AH or, during normal business hours only, by hand, to Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS13 8AE, by no later than 9.15 a.m. on 22 July 2017 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting).

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 will not prevent you from attending and voting at the General Meeting, or any adjournment thereof, in person should you wish to do so.

20 Recommendation

The Directors believe that the Resolutions to be proposed at the General Meeting are in the best interests of the Company and Shareholders as a whole and unanimously recommend that you vote in favour of the Resolutions. Each of the Directors plus certain shareholders have irrevocably undertaken to vote in favour of the Resolutions in respect of, in aggregate, 288,142,587 Existing Ordinary Shares, representing approximately 11.96 per cent. of the Existing Ordinary Shares in issue as at the date of this letter.

Yours faithfully

Kelvin Harrison
Chairman

PART 2

RISK FACTORS

An investment in New Ordinary Shares may not be suitable for all recipients of this document and involves a number of risks. All the information set out in this document and, in particular, those risks relating to the Fundraising (which includes the Placing and the Open Offer) described below, should be carefully considered prior to making any investment decision. Accordingly, you are strongly recommended to consult an investment adviser authorised under the FSMA if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser, who specialises in the acquisition of shares and other securities before making a decision to invest. In addition to all the other information contained in this document, potential investors should carefully consider the following risk factors which the Directors consider to be all the known material risks in respect of the business of the Company and its securities, but are not set out in any particular order of priority.

If any of the circumstances identified in the risk factors were to materialise the Company's business, financial condition and operating results could be materially affected. In particular, the Company's performance is likely to be affected by changes to the market and/or economic conditions and/or legal, accounting, regulatory and tax requirements currently unknown by the Company. Investors should note that the trading price of the Ordinary Shares could decline due to any of these risks and investors may lose all or part of their investment.

Additional risks which are not presently known to the Board, or that the Board currently deems to be immaterial, may also have an effect on the Company's business, financial condition and operating results.

1 Risks relating to the Fundraising

1.1 The Fundraising may not complete

The Fundraising is conditional on, amongst other things, the passing of the Resolutions to be proposed at the General Meeting. Shareholders should be aware that, if the Resolutions are not approved at the General Meeting, the Fundraising will not complete and the net proceeds of the Fundraising will not be received by the Company. In the event that the Company does not raise a minimum of £3.1 million under the Placing and Open Offer then it will pursue other financing options, including a loan note instrument with an Alternative Investment Manager. The Company has been informed by Barclays that in this scenario it may seek to proceed with an accelerated sale process. Further, if the Company does not receive the proceeds of the Fundraising, the Company would still need to meet certain costs associated with the Fundraising and would only have sufficient working capital to trade through to the middle of August 2017, without taking any mitigating action and therefore the Board would need to seek alternative financing which may or may not be forthcoming. The Directors consider that these scenarios would not be in the best interests of the Company or its Shareholders and that any alternative financing, if available, could be on less favourable terms and could risk leading to substantial dilution for Shareholders. If such alternative financing were not available to the Company in a reasonable timeframe, then the only other option for the Company would be to consider the requirements for appointing a provisional liquidator.

1.2 The Barclays Warrants

If the Company raises more than £3.1 million or less than £4.35 million pursuant to the Placing and the Open Offer, the Company will pay Barclays a proportion of the funds raised and issue warrants to Barclays in accordance with the table set out at Paragraph 5 of Part 1 of this document. The maximum number of Barclays Warrants that could be issued is such number of New Ordinary Shares as amounts to approximately, but not more than 29.9 per cent. of the Enlarged Share Capital plus the Barclays Warrants.

2 Risks relating to the Company and its business

2.1 *Technological innovation*

The market for the Company's services is characterised by rapid technological change, evolving industry standards, frequent device and service introductions and short life cycles. The Group's success depends on its ability to enhance its current solutions and to develop and introduce new solutions and enhanced performance features and functionality on a timely basis at competitive prices. The Group's inability, for technological or other reasons, to enhance, develop, introduce or deliver compelling services in a timely manner, or at all, in response to changing market conditions, technologies or consumer expectations could harm operating results or could result in its services becoming obsolete. The Group's ability to compete successfully will depend to a great extent on its ability to adapt to technological changes and advances in the industry, including providing for the continued compatibility of its technology platform with evolving industry standards and protocols.

2.2 *The Company is at an early stage of development*

The Group is an early stage technology group operating in the mobile location and digital intelligence industry whose business must be considered in light of the risks, expenses and cash flow problems often encountered by early stage companies. Typically, a majority of such companies fail to achieve their business plan and their projections, through a failure to estimate the speed of completing a commercially saleable product, speed of market penetration, and the cash costs associated with penetrating international markets. Such companies also often fail to provide and maintain adequate investment in product development and marketing and fail to provide adequate managerial, operational and financial resources. There can be no assurance that the Company will be successful in executing its business plan or that shareholder value will be created.

2.3 *Profitability depends on the success and market acceptance of current and new products and on the terms of any commercial partnership and on timing of commercialisation*

Whilst the Directors believe there exists a viable market for the Company's products and have undertaken market research that supports this belief, there can be no assurance that such a market will materialise. The development of a market for the Company's products is affected by many factors, some of which are beyond the Company's control, including the emergence of newer, more competitive technologies and products, the cost of the Company's products themselves, regulatory requirements, customer perceptions of the efficacy and reliability of its products and customer reluctance to buy a new product and timing of commercialisation. If a market fails to develop or develops more slowly than anticipated, the Company may be unable to recover the costs incurred in the development of products and may never achieve profitability. In addition, the Directors cannot guarantee that the Company will continue to develop, manufacture or market its products if market conditions do not support the continuation of the products.

2.4 *Reliance on software*

The business of the Company is reliant on the efficient operation of software which has been specifically developed for a range of industries. The ability of such software to be used by the Company to function properly depends upon the Company's ability to protect its network infrastructure, computer equipment and customer files against damage from human error, various natural disasters, power loss and other systems failures. However, despite measures taken by the Company, such as daily data backup and off-site storage, using the services of global cloud and data solutions, the occurrence of a natural disaster or other unanticipated problems could result in a loss of customer information or other data. Loss of such data could lead to a material interruption to the Company's business.

2.5 *Technical risk*

New technology, changing commercial circumstances and new entrants to the markets in which the Company operates may adversely affect the Company's value. Unforeseen technical issues with the Company's technology may arise which could affect adversely the Company's ongoing technical development, growth and business performance.

2.6 *VCT Scheme*

The Company has applied for and obtained provisional advance assurance from HMRC that the VCT Placing Shares may form part of a qualifying holding for VCT Scheme purposes. The actual availability of VCT qualifying status for VCT Scheme purposes will be contingent, *inter alia*, upon certain conditions being met by both the Company and the relevant investors. Neither the Company nor the Company's advisers give any warranties, representations or undertakings that VCT qualifying status will be available or that, if initially available, such relief or status will not be withdrawn. Should the law regarding VCT Schemes change then any reliefs or qualifying status previously obtained may be lost.

2.7 *EIS relief*

Advance assurance has been received from HMRC that the Company satisfies the relevant conditions for being a qualifying company and the New Ordinary Shares are eligible shares for the purposes of EIS provisions. The actual availability of relief under the EIS provisions will be contingent, *inter alia*, upon certain conditions being met by both the Company and the relevant investors. Neither the Company nor the Company's advisers give any warranties, representations or undertakings that EIS relief will be available or that, if initially available, such relief or status will not be withdrawn. Should the law regarding EIS change then any reliefs or qualifying status previously obtained may be lost.

2.8 *The Company may suffer losses if a licensee or other counterparty were to fail to perform as contracted*

The Company transacts business with and through a number of counterparties, including customers, business partners, licensees, suppliers, financiers and insurers. The financial failure of one or more of the Company's key customers, business partners, licensees or suppliers may have an adverse effect on the viability of the Company to carry on its business. Any default by a material customer, business partner, financier, licensee or supplier, or a failure by a business partner or licensee to perform as expected, may have a material adverse effect on the Company's prospects, results of operations and financial condition.

2.9 *Competition*

The Company's competitors and potential competitors include companies which may have substantially greater resources than those of the Company. Competitors and potential competitors may develop technologies and products that are less costly and/or more effective than the technology or products of the Company or which may make those of the Company obsolete or uncompetitive. The Company's products may face competition from companies that have greater research, development, marketing, financial and personnel resources than the Company or its commercialisation partners. Technologies developed by the Company may have a shorter commercial life than anticipated, if any, due to the invention or development of more successful technology or applications by competitors who may have greater financial, marketing, operational and technological resources than the Company or its current and future commercialisation partners.

2.10 *Ability to win or maintain market share*

There are no assurances that the competitiveness of the Company's competitors will not improve or that the Company and its commercialisation partners will win any additional market share

from its or their competitors or maintain its or their existing market share. The competitors to the Company and its commercialisation partners may be able to respond more quickly to new or emerging technologies and changes in customer requirements and/or demands. Existing and/or increased competition could adversely affect the Company's market share or that of its commercialisation partners and materially affect the Company's business, financial condition and operating results. It may be that competitive pressures will intensify and force the Company or its commercialisation partners to reduce the price of products, which could adversely affect the Company's business, financial condition and operating results.

2.11 *The expenditure required by the Company may be more than currently anticipated*

There is a risk that the amounts the Company anticipates will be needed to fund its growth will be insufficient, that the anticipated timing of such investment may prove incorrect, or that the Company may be unable to raise the amounts required (if at all). The Company may not be able to generate revenues at the times targeted. Costs may be greater than planned, or timings may vary from those targeted.

2.12 *History of operating losses and accumulated deficit and ability to secure funding*

The Company has experienced operating losses in each year since its inception and, as at 31 December 2014 had an accumulated deficit on consolidated profit and loss account of approximately £23.9 million. Accordingly, until the Company has sufficient commercial success to be cash generative it will continue to rely on its existing funds.

The amount and timing of the expenditure required to carry out the Company's product development activities are uncertain and will depend on numerous factors, some of which are outside the Company's control. It is therefore difficult for the Directors to predict the timing and amount of capital required with accuracy.

Factors that could increase the Company's funding requirements include, but are not limited to, higher costs and slower progress than expected in developing products or slower progress than expected in securing commercialisation partners for the Company's new products; slower rate of market acceptance of the Company's technologies. Similarly, there can be no certainty as to the future cash flows generated by the Company through its sales and licensing activities.

Any additional share issues may have a dilutive effect on Shareholders, including if they are unable or choose not to subscribe by taking advantage of rights of pre-emption that may be available. Further, there can be no guarantee or assurance that additional equity funding will be forthcoming when required, nor as to the terms and price on which such funds would be available.

2.13 *Risks relating to acquisitions*

Should the Company seek to grow by corporate, technology, or business acquisitions, these may result in the need for significant amounts of cash, dilutive issues of equity securities and the incurrence of debt, any of which could materially and adversely affect the Company's business, results of operations, financial condition or the market price of the Ordinary Shares. In addition, acquisitions may lead to assimilation problems with the consequent diversion of management's attention from other business concerns. While there are currently no plans or commitments or agreements with respect to any acquisition, if such an acquisition were to occur, there can be no assurance that the Company's business or financial condition would not be materially and adversely affected thereby.

2.14 *Dependence on key executives and personnel*

The Directors believe that the future success of the Company will depend in part upon the expertise and continued service of certain key individuals, including the Directors. Furthermore, the Company's ability to successfully develop commercial products will also depend on its ability

to attract and retain suitable personnel. Competition for skilled and experienced employees is often intense due to the limited number of qualified professionals.

2.15 *Legislative and regulatory current requirements and possible changes*

The Company is subject to laws and regulations in the UK and so the Company's operations may be affected by such laws and regulations. Further, the Company may be subject to and required to comply with certain regulatory requirements that are applicable to companies carrying on businesses of a similar nature. The Company must also comply with the AIM Rules and with certain elements of the disclosure and transparency rules made by the FCA under Part VI of the FSMA. Any change in the law and regulation affecting the Company may have a material adverse effect on the ability of the Company to carry on its business and on the value of the Ordinary Shares. In particular, regulatory change could lead to increased compliance costs, the prohibition of certain types of trading and a decrease in the value of the Ordinary Shares. In addition, the interpretation of existing legislation or regulation may change or may prove different than anticipated when applied to the Company's business model. Compliance with such requirements could involve additional costs, which could have a material adverse effect on the business of the Company or otherwise adversely affect or constrain the Company's ability to operate.

Regulation of the internet and ecommerce is rapidly evolving and there are an increasing number of directly applicable laws and regulations. It is possible that additional laws and regulations may be enacted with respect to the internet, covering issues such as user privacy, law enforcement, pricing, taxation, content liability, data encryption, copyright protection and quality of products and services. The requirement to comply with and the adoption of such new or revised regulations, or new or changed interpretations or enforcement of existing regulations, may have a material adverse effect on the Company.

2.16 *Risks relating to the General Data Protection Regulation (2016/679) (the "GDPR")*

The provisions of the GDPR will come into force from May 2018 and will impose strict rules on businesses with regard to the handling of personal data within the European Union ("EU") and, in certain circumstances, the handling of EU citizens' personal data outside the EU. The Company is devising a plan for compliance with the GDPR. The Company may not have implemented this plan by the time the GDPR comes into force. Non-compliance can result in a fine of up to 4% of annual worldwide turnover or €20 million, whichever is greater. The Company can give no assurance that its insurance coverage will be sufficient to meet any fines imposed on it, or that it will in future be able to obtain such insurance to protect against such risk.

3 Risks relating to the Company's technology

3.1 *The Company may not be able to enforce its intellectual property rights, and others may claim that the Company is infringing on their intellectual property rights*

The Group relies on a combination of trademarks, service marks and domain name registrations, common law or statutory copyright protection and contractual restrictions to establish and protect its intellectual property. Any third party may challenge the Company's intellectual property. The Group may incur substantial costs in defending any claims relating to its intellectual property rights.

There can be no guarantee that third parties have not and/or will not manage to independently develop software with the same functionality as the Company's products without infringing the Company's intellectual property rights and there can be no guarantee that any such competing software would not have a material adverse effect on the Company.

Although the Directors believe that the Company's intellectual property rights do not infringe the intellectual property rights of others, third parties may assert claims that the Company has infringed a particular copyright, trade mark or other proprietary right or confidential information

belonging to them. Any such intellectual property claims, with or without merit, could be time consuming, expensive to litigate or settle and could divert management resources and information.

The Group could also be subject to potential claims from employees, consultants or third parties with whom it conducts business who allege ownership or co-ownership of certain intellectual property used by the Company. Although the Company enters into invention assignment and nondisclosure agreements with its employees, consultants and third parties, there is no assurance that these contracts will be enforceable or interpreted to cover the Company's use or development of the disputed intellectual property.

3.2 The inability to protect trade secrets may prevent the Company from successfully marketing its products and competing effectively

The Company protects aspects of its technologies by way of trade secrets. Technologies protected in this way only retain their commercial value for as long as they remain confidential and the disclosure of such trade secrets could have an adverse effect on the Company. The Company has taken and continues to take steps to protect its proprietary rights and information, including the use of confidentiality and other agreements with its employees and consultants and in its academic and commercial relationships. However, these steps may not be adequate to prevent or deter infringement or other misappropriation of such rights and information, agreements may be violated, or there may be no adequate remedy available for a violation of an agreement. Due to the Company's size and limited cash resources, it may not be able to detect and prevent infringement of its intellectual property or breaches of confidentiality duties owed to it.

4 Risks relating to the Company's securities

4.1 General

An investment in the New Ordinary Shares is only suitable for investors capable of evaluating the risks (including the risk of capital loss) and merits of such investment and who have sufficient resources to sustain a total loss of their investment. An investment in the New Ordinary Shares should be seen as long-term in nature and complementary to investments in a range of other financial assets and should only constitute part of a diversified investment portfolio. Accordingly, typical investors in the Company are expected to be institutional investors, private client fund managers and private client brokers, as well as private individuals who have received advice from their professional advisers regarding investment in the New Ordinary Shares and/or who have sufficient experience to enable them to evaluate the risks and merits of such investment themselves.

Potential investors should be aware that the value of shares and income from these shares can go down as well as up and that Admission should not be taken as implying that there will be a liquid market in the Ordinary Shares following Admission. An investment in the New Ordinary Shares may thus be difficult to realise.

4.2 Share price volatility and liquidity

Following Admission, the market price of the New Ordinary Shares may be subject to wide fluctuations in response to many factors, including stock market fluctuations and general economic conditions or changes in political sentiment that may substantially affect the market price of the New Ordinary Shares irrespective of the progress the Company may make in terms of developing and launching its products or its actual financial, trading or operational performance. These factors could include the performance of the Company, purchases or sales of the New Ordinary Shares (or the perception that the same may occur), legislative changes and market, economic, political or regulatory conditions or price distortions resulting from limited liquidity. The share price for publicly traded companies, particularly those at an early stage of development, such as the Company, can be highly volatile. The Company's quotation on AIM should not be taken as implying that a liquid market for the New Ordinary Shares either exists,

or will develop or be sustained. Active, liquid trading markets generally result in lower price volatility and more efficient execution of buy and sell orders for investors. The liquidity of a securities market is often a function of the volume of the underlying shares that are publicly held by unrelated parties. If a liquid trading market for the New Ordinary Shares does not develop, the price of the New Ordinary Shares may become more volatile and it may be more difficult to complete a buy or sell order even for a relatively small number of such New Ordinary Shares.

4.3 *Substantial sales of Ordinary Shares could cause the price of the Ordinary Shares to decline*

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

4.4 *There is no guarantee that the Ordinary Shares will continue to be traded on AIM*

The Company cannot assure investors that the Ordinary Shares will always continue to be traded on AIM or on any other exchange. If such trading were to cease, certain investors may decide to sell their shares, which could have an adverse impact on the price of the Ordinary Shares. Additionally, if in the future the Company decides to obtain a listing on another exchange in addition or as an alternative to AIM, the level of liquidity of the Ordinary Shares traded on AIM could decline.

4.5 *Investment in AIM traded securities*

The Ordinary Shares are traded on AIM rather than admitted to the Official List of the UK Listing Authority. AIM is designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. The rules of AIM are less demanding than those relating to companies admitted to the Official List and an investment in shares traded on AIM may carry a higher risk than an investment in shares admitted to the Official List. In addition, the market in shares traded on AIM may have limited liquidity, making it more difficult for an investor to realise its investment on AIM than to realise an investment in a company whose shares are admitted to the Official List. Investors should therefore be aware that the market price of the Ordinary Shares may be more volatile than that of shares admitted to the Official List, and may not reflect the underlying value of the Company. Investors may, therefore, not be able to sell at a price which permits them to recover their original investment and could lose their entire investment.

4.6 *Issuance of additional Ordinary Shares*

Although the Company's business plan does not involve the issuance of Ordinary Shares other than in connection with the Proposals, it is possible that the Company may decide to issue, pursuant to a public offer or otherwise, additional Ordinary Shares in the future at a price or prices higher or lower than the Issue Price. An additional issue of Ordinary Shares by the Company, or the public perception that an issue may occur, could have an adverse effect on the market price of Ordinary Shares and could dilute the proportionate ownership interest, and hence the proportionate voting interest, of Shareholders if, and to the extent that, such an issue of Ordinary Shares is not effected on a pre-emptive basis or Shareholders do not take up their rights to subscribe for further Ordinary Shares as a pre-emptive offer.

PART 3

TERMS AND CONDITIONS OF THE OPEN OFFER

1 Introduction

As explained in the letter set out in Part 1: “Letter from the Chairman” of this document, the Company is proposing to issue up to 13,652,877,197 Open Offer Shares at the Issue Price and the Directors believe that such shares are qualifying shares for the purposes of the EIS Legislation. The Company is proposing to raise, assuming that it is fully subscribed, through the Open Offer, approximately £4.1 million.

Upon completion of the Open Offer, assuming it is fully subscribed, the Open Offer Shares will represent approximately 61.9 per cent. of the Enlarged Issued Share Capital and the Existing Ordinary Shares will represent approximately 10.9 per cent. of the Enlarged Issued Share Capital.

The Open Offer Record Date for entitlements under the Open Offer for Qualifying CREST Shareholders and Qualifying Non-CREST Shareholders is 7.00 a.m. on 28 June 2017. Application Forms for use by Qualifying Non-CREST Shareholders accompany this document and Open Offer Entitlements and Excess CREST Open Offer Entitlements are expected to be credited to stock accounts of Qualifying CREST Shareholders in CREST at 8.00 a.m. 3 July 2017.

Subject to availability, the Excess Application Facility will enable Qualifying Shareholders to apply for further Open Offer Shares. Further details in relation to the Excess Application Facility are set out in paragraph 4.2 of this Part 3: “Terms and Conditions of the Open Offer” and Part 4: “Questions and Answers about the Open Offer” in this document and, for Qualifying Non-CREST Shareholders, the Application Form.

The latest time and date for receipt of completed Application Forms and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate) is expected to be 11.00 a.m. on 21 July 2017. It is expected that the EIS Open Offer Shares, EIS Placing Shares and the VCT Placing Shares will be admitted to trading on AIM on or around 8.00 a.m. on 25 July 2017 and that the General Placing Shares, Open Offer Shares (save for the EIS Open Offer Shares) and Conversion Shares will be admitted to trading on AIM on or around 8.00 a.m. on 26 July 2017.

This document and, for Qualifying Non-CREST Shareholders only, the Application Form contains the formal terms and conditions of the Open Offer. Your attention is drawn to paragraphs 4.1 and 4.2 of this Part 3: “Terms and Conditions of the Open Offer” which gives details of the procedure for application and payment for the Open Offer Shares and any additional shares applied for pursuant to the Excess Application Facility.

The Open Offer Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of Admission.

The Company is proposing to issue up to 13,652,877,197 Open Offer Shares at the Issue Price, subject to Admission, in respect of valid applications by Qualifying Shareholders.

The Existing Ordinary Shares are admitted to trading on AIM. 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 will become effective by 26 July 2017 and that dealings in all New Ordinary Shares will commence at 8.00 a.m. on that date.

The Open Offer is an opportunity for Qualifying Shareholders to apply for up to 17 Open Offer Shares for every 3 Existing Ordinary Shares at the Issue Price in accordance with the terms of the Open Offer. Qualifying Shareholders (excluding Qualifying Placee Shareholders) are being offered the opportunity

to apply for additional Open Offer Shares in excess of their Open Offer Entitlement to the extent that other Qualifying Shareholders (excluding Qualifying Placee Shareholders) do not take up their Open Offer Entitlement in full. Qualifying Placee Shareholders are also being offered the opportunity to apply for additional Open Offer Shares in excess of their Open Offer Entitlement to the extent that other Qualifying Shareholders do not take up their Open Offer Entitlement in full.

In the event that Qualifying Shareholders apply, in aggregate, for an amount that is greater than the £4.1 million, the Directors will use their discretion to scale back such applications such that this threshold is not exceeded.

In the event that applications are received from Qualifying Shareholders (excluding Qualifying Placee Shareholders) for in excess of 13,652,877,197 Open Offer Shares, it is intended that excess applications will be scaled back *pro rata* to such Qualifying Shareholders' (excluding Qualifying Placee Shareholders') subscriptions under the Open Offer.

Applications for Open Offer Shares received from Qualifying Placee Shareholders will only be satisfied to the extent that all applications for Open Offer Shares received from Qualifying Shareholders (excluding Qualifying Placee Shareholders) and have been satisfied in full. In circumstances where Qualifying Shareholders (excluding Qualifying Placee Shareholders) apply for, in aggregate, less than 13,652,877,197 Open Offer Shares (the "**Shortfall**") and applications are received from Qualifying Placee Shareholders for Open Offer Shares, in aggregate, in excess of the Shortfall (so that aggregate applications from Qualifying Shareholders (including Qualifying Placee Shareholders) exceeds 13,652,877,197 Open Offer Shares), applications received from Qualifying Placee Shareholders will be scaled back *pro rata* to Qualifying Placee Shareholders' subscriptions under the Open Offer.

The Open Offer Shares have not been placed under the Placing subject to clawback under the Open Offer nor have they been underwritten. Consequently, there may be no or fewer than 13,652,877,197 Open Offer Shares issued pursuant to the Open Offer.

Furthermore, the Company has obtained advance assurance from HMRC that the Ordinary Shares are qualifying shares for the purposes of the EIS Legislation and that the Company is a qualifying company for the purposes of the EIS Legislation.

Qualifying Non-CREST Shareholders who intend to claim EIS relief in respect of their investment under the Open Offer should request a Certificate in respect of some or all of their Open Offer Shares by completing 'Box EIS' on the Application Form. Please refer to paragraph 4.1 of this Part 3 for further information.

Qualifying CREST Shareholders who intend to claim EIS relief in respect of their investment under the Open Offer should request a Certificate in respect of some or all of their Open Offer Shares by electing to apply for EIS in respect of such number of Ordinary Shares as they shall specify. Please refer to paragraph 4.2 of this Part 3 for further information.

Neither the Company nor the Directors gives any guarantee that HMRC will authorise the Company to issue such Certificates. 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.

Any Qualifying Shareholder who has sold or transferred all or part of his/her registered holding(s) of Ordinary Shares prior to 6.00 p.m. on the Open Offer Record Date is advised to consult his or her stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for Open Offer Shares under the Open Offer may be a benefit which may be claimed from him/her by the purchasers under the rules of the London Stock Exchange.

2 The Open Offer

Subject to the terms and conditions set out below (and, in the case of Qualifying Non-CREST Shareholders, in the Application Form), Qualifying Shareholders are being given the opportunity under the Open Offer to apply for any number of Open Offer Shares at the Issue Price *pro rata* to their holdings, which represents a discount of 79.31 per cent. to the 0.145 pence closing middle market price of an Ordinary Share on 29 June 2017, being the last trading day prior to the publication of this document, on the following basis:

17 Open Offer Shares for every 3 Existing Ordinary Shares

Fractions of Open Offer Shares will not be allotted to Qualifying Shareholders in the Open Offer and entitlements under the Open Offer will be rounded down to the nearest whole number of Open Offer Shares.

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

If you are a Qualifying Non-CREST Shareholder, the Application Form shows the number of Existing Ordinary Shares registered in your name at 6.00 p.m. on the Open Offer Record Date (in Box A). Subject to availability, the Excess Application Facility will enable Qualifying Shareholders, provided they have taken up their Open Offer Entitlement in full, to apply for further Open Offer Shares in excess of their Open Offer Entitlement. Further details in relation to the Excess Application Facility are set out in paragraph 4.2 of this Part 3: “Terms and Conditions of the Open Offer” and Part 4: “Questions and Answers about the Open Offer” and, for Qualifying Non-CREST Shareholders, the Application Form.

The Open Offer is being made only to Qualifying Shareholders. The basis upon which the Open Offer is being made to Qualifying Shareholders (being 17 Open Offer Share for every 3 Existing Ordinary Shares) was determined taking in to account Existing Ordinary Shares held by Placees. Since Qualifying Placee Shareholders are only entitled to participate in the Open Offer once all other Qualifying Shareholders have had their applications satisfied under the Open Offer, the practical effect of this should be to increase the number of Open Offer Shares available under the Excess Application Facility for Qualifying Shareholders who are not Qualifying Placee Shareholders.

Qualifying CREST Shareholders will have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to their stock accounts in CREST and should refer to paragraph 4.2 of this Part 3: “Terms and Conditions of the Open Offer” for information on the relevant CREST procedures and further details on the Excess Application Facility. Qualifying CREST Shareholders can also refer to the CREST manual for further information on the relevant CREST procedures.

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 in accordance with the mechanics set out in paragraph 1 of this Part 3.

Please refer to paragraphs 4.1(d) and 4.2(j) of this Part 3: “Terms and Conditions of the Open Offer” and paragraph 5(d) of Part 4: “Questions and Answers about the Open Offer” for further details of the Excess Application Facility.

Following the issue of the Open Offer Shares to be allotted pursuant to the Open Offer, a Qualifying Shareholder who takes up his entitlement under the Open Offer *pro rata* to his current holding will suffer a dilution of 27 per cent. of his interest in the Company as a result of the Placing and on the basis that all Qualifying Shareholders take up their entitlements under the Open Offer *pro rata* to their current holdings.

If the same Qualifying Shareholder does not take up any of his entitlement under the Open Offer, he will suffer a dilution between a range of approximately 71 per cent. and 89 per cent. of his interest in

the Company dependent on the level of take up and excess applications under the Open Offer by other Qualifying Shareholders.

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. Qualifying Non-CREST Shareholders should also note that their respective Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements and Excess CREST Open Offer Entitlements will be credited to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. Open Offer Shares not applied for under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Shareholders who do not apply to take up Open Offer Shares will have no rights under the Open Offer. Any Open Offer Shares which are not applied for by Qualifying Shareholders under their Open Offer Entitlements will be issued to Qualifying Shareholders who have made an application for Open Offer Shares in excess of their Open Offer Entitlement under the Excess Application Facility, with the proceeds retained for the benefit of the Company. The Open Offer Shares have not been placed subject to clawback nor have they been underwritten.

Consequently, there may be no or fewer than 13,652,877,197 Open Offer Shares issued pursuant to the Open Offer.

Application will be made for the Open Offer Entitlements and Excess CREST Open Offer Entitlements to be credited to Qualifying CREST Shareholders' CREST accounts. The Open Offer Entitlements and Excess CREST Open Offer Entitlements are expected to be credited to CREST accounts at 8.00 a.m. on 26 July 2017.

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

The Open Offer Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the New Ordinary Shares of the Company which result following the Fundraising. The Open Offer Shares are not being made available in whole or in part to the public except under the terms of the Open Offer.

3 Conditions and further terms of the Open Offer

The Open Offer will be conditional, *inter alia*, on the approval of the Resolutions by the Shareholders at the General Meeting, the proceeds of the Fundraising being at least £3.1 million, and upon the Placing Agreement becoming unconditional in all respects (other than as to Admission) and Admission of the Open Offer Shares becoming effective by not later than 8.00 a.m. on 26 July 2017 (or such later time and/or date as the Company and Peel Hunt may determine, not being later than 8.30 a.m. on 31 July 2017).

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

No temporary documents of title will be issued in respect of Open Offer Shares held in uncertificated form. Definitive certificates in respect of Open Offer Shares taken up are expected to be posted to those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in certificated form by 9 August 2017. 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 at 8.00 a.m. on 26 July 2017.

Applications will be made for the Open Offer Shares to be admitted to trading on AIM. Admission is expected to occur and dealings in the Open Offer Shares are expected to begin by 8.00 a.m. on 26 July 2017.

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

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

4 Procedure for application and payment

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

Qualifying Shareholders who hold all their Existing Ordinary Shares in certificated form will receive the Application Form, enclosed with this document. The Application Form shows the number of Existing Ordinary Shares at 6.00 p.m. on the Open Offer Record Date. It will also show Qualifying Shareholders the number of Open Offer Shares available under their Open Offer Entitlement that can be allotted in certificated form. Qualifying Shareholders who hold all their Existing Ordinary Shares in CREST will be allotted Open Offer Shares in CREST. Qualifying Shareholders who hold part of their Existing Ordinary Shares in uncertificated form will be allotted Open Offer Shares in uncertificated form to the extent that their entitlement to Open Offer Shares arises as a result of holding Existing Ordinary Shares in uncertificated form. However, it will be possible for Qualifying Shareholders to deposit Open Offer Entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 4.2 of this Part 3: “Terms and Conditions of the Open Offer”.

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

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

4.1 If you have an Application Form in respect of your Open Offer Entitlements under the Open Offer

(a) General

Subject as provided in paragraph 6 of Part 3: “Terms and Conditions of the Open Offer” in relation to Overseas Shareholders, Qualifying Non-CREST Shareholders will receive an Application Form. The Application Form shows the number of Existing Ordinary Shares registered in their name at 6.00 p.m. on the Open Offer Record Date in Box A. It also shows the Open Offer Entitlement allocated to them set out in Box B. Entitlements to Open Offer Shares are rounded down to the nearest whole number and fractional Open Offer Entitlements have therefore also been rounded down. Box C shows how much they would need to pay if they wish to take up their Open Offer Entitlements in full. Qualifying Non-CREST Shareholders may apply for less than their entitlement should they wish to do so. Qualifying Non-CREST Shareholders may also hold such an Application Form by virtue of a *bona fide* market claim.

Under the Excess Application Facility, provided they have agreed to take up their Open Offer Entitlement in full, Qualifying Non-CREST Shareholders may apply for more than the amount of their Open Offer Entitlement should they wish to do so. If the total number of Open Offer Shares applied for by all Qualifying Shareholders exceeds 13,652,877,197, applications under the Excess Application Facility will be scaled back *pro rata* to subscriptions made under the Open Offer.

Qualifying Non-CREST Shareholders who intend to claim EIS relief in respect of their investment under the Open Offer should request a Certificate in respect of some or all of their Open Offer Shares by completing 'Box EIS' on the Application Form. However, please note that the Company will not be able submit an application to HMRC for authority to issue any Shareholder with a Certificate if that Shareholder fails to indicate that they wish to receive a Certificate in respect of some or all of the Open Offer Shares specified on their Application Form and/or they fail to provide any other information which the Company may reasonably request from them to enable it to submit its application to HMRC. Neither the Company nor the Directors gives any guarantee that HMRC will authorise the Company to issue such Certificates. 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. For information on EIS relief generally please refer to paragraph 12 of Part 1: "Letter from the Chairman" of this document.

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

(b) Bona fide market claims

Applications to acquire Open Offer Shares may only be made on the Application Form and may only be made by the Qualifying Non-CREST Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Existing Ordinary Shares through the market prior to the date upon which the Existing Ordinary Shares were marked "ex" the entitlement to participate in the Open Offer. Application Forms may not be assigned, transferred or split, except to satisfy *bona fide* market claims up to 3.00 p.m. on 21 July 2017. The Application Form is not a negotiable document and cannot be separately traded. A Qualifying Non-CREST Shareholder who has sold or otherwise transferred all or part of his holding of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked "ex" the entitlement to participate in the Open Offer, should consult his broker or other professional adviser as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed by the transferee. Qualifying Non-CREST Shareholders who have sold all or part of their registered holdings should, if the market claim is to be settled outside CREST, complete Box J on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Application Form should not, however be forwarded to or transmitted in or into the United States or any other Restricted Jurisdiction. If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedure set out in paragraph 4.2(b) below.

(c) Application procedures

Qualifying Non-CREST Shareholders wishing to apply to acquire Open Offer Shares (whether in respect of all or part of their Open Offer Entitlement or in addition to their Open Offer Entitlement under the Excess Application Facility) should complete the Application Form in accordance with the instructions printed on it. Qualifying Non-CREST Shareholders may only

apply for additional Open Offer Shares under the Excess Application Facility if they have agreed to take up their Open Offer Entitlements in full.

If the total number of Open Offer Shares applied for by all Qualifying Shareholders exceeds 13,652,877,197, applications under the Excess Application Facility will be scaled back in accordance with the mechanics set out in paragraph 1 of this Part 3.

Completed Application Forms should be posted in the accompanying pre-paid envelope or returned by post to the Receiving Agent, Computershare Investor Services plc, Corporate Actions Projects, Bristol BS99 6AH or by hand (during normal business hours only) to Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS13 8AE (who will act as Receiving Agent in relation to the Open Offer) so as to be received by the Receiving Agent by no later than 11.00 a.m. on 21 July 2017, after which time Application Forms will not be valid. Qualifying Non-CREST Shareholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged. If an Application Form is being sent by first-class post in the UK, Qualifying Shareholders are recommended to allow at least four working days for delivery.

All payments must be in pounds sterling and made by cheque or banker's draft made payable to "CIS PLC Re: Proxama plc Open Offer A/C" and crossed "A/C Payee Only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques 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 and must be for the full amount payable on application. 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 confirmed the name of the account holder by stamping or endorsing the cheque or draft to confirm that the relevant Qualifying Shareholder has title to the underlying funds. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted.

Cheques 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 (and withhold definitive share certificates (or crediting to the relevant member account, as applicable) pending clearance thereof). No interest will be paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques 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.

If cheques or banker's drafts are presented for payment before the conditions of the Open Offer are fulfilled, the application monies will be credited to a non-interest bearing account by the Receiving Agent. 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 Company may in its sole discretion, but shall not be obliged to, treat an Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. The Company further reserves the right (but shall not be obliged) to accept either:

- a. Application Forms received after 11.00 a.m. on 21 July 2017; or

- b. applications in respect of which remittances are received before 11.00 a.m. on 21 July 2017 from authorised persons (as defined in FSMA) specifying the Open Offer Shares applied for and undertaking to lodge the Application Form in due course but, in any event, within two Business Days.

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. If Open Offer Shares have already been allotted to a Qualifying Non-Crest Shareholder and such Qualifying Non-Crest Shareholder's cheque or 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 Registrar shall be authorised (in its absolute discretion as to manner, timing and terms) to make arrangements, on behalf of the Company, for the sale of such Qualifying Non-Crest Shareholder's Open Offer Shares and for the proceeds of sale (which for these purposes shall be deemed to be payments in respect of successful applications) to be paid to and retained by the Company. None of the Registrar, Peel Hunt or the Company nor any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying Non-Crest Shareholders.

(d) The Excess Application facility

Provided they choose to take up their Open Offer Entitlement in full, the Excess Application Facility enables a Qualifying Non-CREST Shareholder to apply for Open Offer Shares in excess of their Open Offer Entitlement. 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 in accordance with the mechanics set out in paragraph 1 of this Part 3.

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.

Should the Placing and Open Offer become unconditional and applications for Open Offer Shares exceed 13,652,877,197 Open Offer Shares, resulting in a scale back of applications, each Qualifying Non-CREST Shareholder who has made a valid application for excess Open Offer Shares under the Excess Application Facility and from whom payment in full for excess Open Offer Shares has been received will receive a pounds sterling amount equal to the number of Open Offer Shares applied and paid for but not allocated to the relevant Qualifying Non-CREST Shareholder multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable thereafter, without payment of interest and at the applicant's sole risk. Excess Open Offer Entitlements will not be subject to Euroclear's market claims process. Qualifying CREST Shareholders claiming Excess Open Offer Entitlements by virtue of a bona fide market claim are advised to contact the Receiving Agent to request a credit of the appropriate number of entitlements to their CREST account.

(e) Effect of application

By completing and delivering an Application Form the applicant:

- a. represents and warrants to the Company and Peel Hunt that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;

- b. agrees with the Company and Peel Hunt that all applications under the Open Offer and contracts resulting therefrom shall be governed by and construed in accordance with the laws of England;
- c. confirms to the Company and Peel Hunt that in making the application he is not relying on any information or representation in relation to Proxama other than that contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all information in relation to Proxama contained in this document;
- d. represents and warrants to the Company and Peel Hunt that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlements or that he received such Open Offer Entitlements by virtue of a *bona fide* market claim;
- e. represents and warrants to the Company and Peel Hunt that if he has received some or all of his Open Offer Entitlements from a person other than Proxama he is entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;
- f. requests that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this document and the Application Form;
- g. represents and warrants to the Company and Peel Hunt that he: (i) is acquiring the Open Offer Shares in an “offshore transaction” as defined in Regulation S; (ii) is not, nor is he applying on behalf of any person who is, in the United States or a US Person; (iii) is not a person who is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law; (iv) is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application in the United States or to, or for the benefit of, a US Person; and (v) is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application to, or for the benefit of, a person who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer; and
- h. confirms that in making the application he is not relying and has not relied on Peel Hunt or any person affiliated with Peel Hunt in connection with any investigation of the accuracy of any information contained in this document or his investment decision. All enquiries in connection with the procedure for application and completion of the Application Form should be addressed to the Receiving Agent, Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS13 8AE or Shareholders can contact the Receiving Agent on 0370 707 1701 between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (except UK public holidays) from within the UK or +44 370 707 1701 if calling from outside the UK. Calls may be recorded and randomly monitored for security and training purposes. Please note the Receiving Agent cannot provide advice on the merits of the Open Offer or as to whether applicants should take up their Open Offer Entitlements or give any financial, legal or tax advice.

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

A Qualifying Non-CREST Shareholder who is also a CREST member may elect to receive the Open Offer Shares to which he is entitled in uncertificated form in CREST. Please see paragraph 4.2(f) below for more information.

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

(a) *General*

Subject as provided in paragraph 6 of this Part 3: “Terms and Conditions of the Open Offer” in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his Open Offer Entitlements equal to the maximum number of Open Offer Shares for which he is entitled to apply to acquire under the Open Offer and also an Excess CREST Open Offer Entitlement. Entitlements to Open Offer Shares will be rounded down to the nearest whole number and any Open Offer Entitlements have therefore also been rounded down.

Qualifying CREST Shareholders who intend to claim EIS relief in respect of their investment under the Open Offer should request a Certificate in respect of some or all of their Open Offer Shares by electing to apply for EIS in such number as they shall specify. However, please note that the Company will not be able submit an application to HMRC for authority to issue any Shareholder with a Certificate if that Shareholder fails to populate the ‘shared note field’ in the USE Instruction and/or they fail to provide any other information which the Company may reasonably request from them to enable it to submit its application to HMRC. Please refer to paragraphs 4.2(d)(x) and 4.2(e)(x) of this Part 3 for further information. Neither the Company nor the Directors gives any guarantee that HMRC will authorise the Company to issue such Certificates. 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. For information on EIS relief generally please refer to paragraph 12 of Part 1: “Letter from the Chairman” of this document.

The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Ordinary Shares held at 6.00 p.m. on the Open Offer Record Date by the Qualifying CREST Shareholder in respect of which the Open Offer Entitlements and Excess CREST Open Offer Entitlements have been allocated.

If for any reason the Open Offer Entitlements and/or the Excess CREST Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by, 5.00 p.m. on 3 July 2017, or such later time and/or date as the Company may decide, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements and Excess CREST Open Offer Entitlements which should have been credited to his stock account in CREST. In these circumstances the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying Non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive such Application Forms.

CREST members who wish to apply to acquire some or all of their entitlements to Open Offer Shares and their Excess CREST Open Offer Entitlements should refer to the CREST manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact the Receiving Agent on telephone number 0370 707 1701, or if calling from overseas +44 370 707 1701. Please note the Receiving Agent cannot provide financial advice on the merits of the Open Offer or as to whether applicants should take

up their Open Offer Entitlements or to apply for Excess CREST Open Offer Entitlements. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Open Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

(b) Market claims

Each of the Open Offer Entitlements and Excess CREST Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Open Offer Entitlements and Excess CREST Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements and Excess CREST Open Offer Entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Fundraisings 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.

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

Qualifying CREST Shareholders who are CREST members and who want to apply for Open Offer Shares in respect of all or some of their Open Offer Entitlements and their Excess CREST Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) a 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 CREST Open Offer Entitlements corresponding to the number of Open Offer 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 referred to in (i) above.

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

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

- (i) the number of Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to the Receiving Agent);
- (ii) the ISIN of the Open Offer Entitlement. This is GB00BF0Z6R81;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (v) the participant ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 3RA18;
- (vi) the member account ID of the Receiving Agent in its capacity as a CREST receiving agent. This is: PROXAMA;

- (vii) the amount payable by means of a CREST payment on settlement of the USE Instruction. This must be the full amount payable on application for the number of New Ordinary Shares referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 21 July 2017;
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST;
- (x) the number of EIS Open Offer Shares (if any) for which application is being made (and hence the number of EIS Open Offer Shares being applied for pursuant to the Open Offer Entitlement(s) being delivered to the Receiving Agent) should be specified in the 'shared note field' in the USE Instruction preceded with "EIS Open Offer Shares". If this field is left blank or is un-recognisable then the applicant shall receive Open Offer Shares that are not issued as EIS shares in substitute (subject to the limits under the Excess Application Facility); and
- (xi) in the event the applicant is a Qualifying Placee Shareholder, this should be specified in the 'shared note field' in the USE Instruction preceded with "Qualifying Placee Shareholder".

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 21 July 2017. 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 90.

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 is on 21 July 2017 in order to be valid is 11.00 a.m. on that day. In the event that the Open Offer does not become unconditional at 8.00 a.m. on 26 July 2017 or such later time and date as the Company and Peel Hunt determine (being no later than 8.30 a.m. on 31 July 2017), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

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

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

- a. the number of Open Offer Shares for which application is being made (and hence being delivered to the Receiving Agent) pursuant to the Excess CREST Open Offer Entitlement;
- b. the ISIN of the Excess CREST Open Offer Entitlement. This is GB00BF0Z6S98;
- 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. This is 3RA18;

- f. the member account ID of the Registrar in its capacity as a CREST receiving agent. This is: PROXAMA;
- 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 (a) above;
- h. the intended settlement date. This must be on or before 11.00 a.m. on 21 July 2017;
- i. the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST;
- j. the number of Open Offer Shares that are EIS Open Offer Shares (if any) for which application is being made (and hence being delivered to the Receiving Agent) pursuant to the Excess CREST Open Offer Entitlement should be specified in the 'shared note field' in the USE Instruction preceded with "EIS Open Offer Shares". If this field is left blank or is un-recognisable then the applicant shall receive Open Offer Shares that are not issued as EIS shares in substitute (subject to the limits under the Excess Application Facility); and
- k. in the event the applicant is a Qualifying Placee Shareholder, this should be specified in the 'shared note field' in the USE Instruction preceded with "Qualifying Placee Shareholder".

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 21 July 2017.

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 contact name and telephone number (in the free format shared note field); and
- a priority of at least 90.

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 is on 21 July 2017 in order to be valid is 11.00 a.m. on that day.

In the event that the Open Offer does not become unconditional at 8.00 a.m. on 26 July 2017 or such later time and date as the Company and Peel Hunt determine (being no later than 8.30 a.m. on 31 July 2017), the Open Offer will lapse, the Excess CREST Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

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

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

A holder of an Application Form who is proposing to deposit the entitlement set out in such form into CREST is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 21 July 2017. After depositing their Open Offer Entitlement into their CREST account, CREST holders will shortly thereafter receive a credit for their Excess CREST Open Offer Entitlement, which will be managed by the Registrar.

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 and Excess CREST Open Offer Entitlements in CREST, is 3.00 p.m. on 18 July 2017 and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST is 4.30 p.m. on 17 July 2017 in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility, as the case may be, prior to 11.00 a.m. on 21 July 2017.

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/they is/are not in breach of the provisions of the notes under the paragraph headed “Instructions for depositing entitlements under the Open Offer into CREST” on page 4 of the Application Form, and a declaration to the Company and the Receiving Agent from the relevant CREST member(s) that it/they is/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 New Ordinary 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 21 July 2017 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 21 July 2017. 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 Registrar, 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 as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question (without interest); and
- 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) *The Excess Application Facility*

Provided they choose 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 up to a maximum number of excess Open Offer Shares equal to ten times the total number of Existing Ordinary Shares held in such Qualifying CREST Shareholder's name as at 6.00 p.m. on the Open Offer Record Date.

If Qualifying CREST Shareholders wish to apply for more than ten times the total number of Existing Ordinary Shares held in such Qualifying CREST Shareholder's name as at 6.00 p.m. on the Open Offer Record Date, the Qualifying CREST Shareholder should contact the Receiving Agent on 0370 707 1701 between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (except UK public holidays) from within the UK or +44 370 707 1701 if calling from outside the UK, who may arrange for further excess Open Offer Shares to be credited to the relevant CREST account of the Qualifying CREST Shareholder. Any such applications will be granted at the absolute discretion of the Company. If applications by Qualifying Shareholders 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 in accordance with the mechanics set out in paragraph 1 of this Part 3.

Excess CREST Open Offer Entitlements may not be sold or otherwise transferred. Subject as provided in paragraph 6 of this Part 3 in relation to Overseas Shareholders, the CREST accounts of Qualifying CREST Shareholders will be credited with Excess CREST Open Offer Entitlements to enable applications for excess Open Offer Shares to be settled through CREST. Qualifying CREST Shareholders should note that, although the Open Offer Entitlement and the Excess CREST Open Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities. Neither the Open Offer Entitlement nor the Excess CREST Open Offer Entitlements will be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

To apply for excess Open Offer 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.

Should the Open Offer become unconditional and applications for Open Offer Shares by Qualifying Shareholders under the Open Offer exceed 13,652,877,197 Open Offer Shares, resulting in a scale back of applications under the Excess Application Facility, each Qualifying CREST Shareholder who has made a valid application pursuant to his Excess CREST Open Offer Entitlement and from whom payment in full for the excess Open Offer Shares has been received, will receive a pounds sterling amount equal to the number of Open Offer Shares validly applied and paid for but which are not allocated to the relevant Qualifying CREST Shareholder multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable following the completion of the scale back, without payment of interest and at the applicant's sole risk. 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.

(k) *Effect of valid application*

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

- a. represents and warrants to the Company and Peel Hunt that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations, under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- b. agrees to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to 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. agrees with the Company and Peel Hunt that all applications and contracts resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, the laws of England;
- d. confirms to the Company and Peel Hunt that in making the application he is not relying on any information or representation in relation to Proxama other than that contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all the information in relation to Proxama contained in this document;
- e. represents and warrants to the Company and Peel Hunt that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlements or that he has received such Open Offer Entitlements by virtue of a *bona fide* market claim;
- f. represents and warrants to the Company and Peel Hunt that if he has received some or all of his Open Offer Entitlements from a person other than Proxama, he is entitled to apply under the Open Offer in relation to such Open Offer Entitlement by virtue of a *bona fide* market claim;
- g. requests that the New Ordinary Shares to which he will become entitled be issued to him on the terms set out in this document, subject to the articles of association of the Company;
- h. represents and warrants to the Company and Peel Hunt that he is not, nor is he applying on behalf of any Shareholder who is, in the United States or is a US Person, or which is a

corporation, partnership or other entity created or organised in or under any laws, of any other Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application in the United States or to a US Person, 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 other Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a nondiscretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer; and

- i. confirms that in making the application he is not relying and has not relied on Peel Hunt or any person affiliated with Peel Hunt 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 the rejection and validity of applications* The Company may in its sole discretion:

- a. treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part 3: "Terms and Conditions of the Open Offer";
- b. 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;
- c. 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 Registrar receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Receiving Agent has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- d. 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 the Receiving Agent in connection with CREST.

(m) *Lapse of the Open Offer*

In the event that the Open Offer does not become unconditional by 08.00 a.m. on 26 July 2017 or such later time and date as the Company and Peel Hunt may agree (being no later than 8.30 a.m. on 31 July 2017), the Open Offer will lapse, the Open Offer Entitlements admitted to

CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

5 Money laundering regulations

5.1 *Holders of Application Forms*

To ensure compliance with 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 “acceptor”), 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 5 the “relevant Open Offer Shares”) and shall thereby be deemed to agree to provide the Registrar with such information and other evidence as the Receiving Agent may require to satisfy the verification of identity requirements. The Receiving Agent may make a search using a credit reference agency for the purposes of confirming such identity of the acceptor, and where necessary, a record of the search will be retained. Return of the Application Form with the appropriate remittance will constitute a warranty from the acceptor that the Money Laundering Regulations will not be breached by acceptance of such remittance.

If the Receiving Agent determines that the verification of identity requirements apply to any acceptor or application, the relevant Open Offer Shares (notwithstanding any other term of the Open Offer) will not be issued to the relevant acceptor unless and until the verification of identity requirements have been satisfied in respect of that acceptor or application. The Receiving Agent is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any acceptor or application and whether such requirements have been satisfied, and neither 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 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 each of the Company, the Receiving Agent, and Peel Hunt 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 (the Council Directive on prevention of the use of the financial system for the purpose of money laundering (no.91/308/EEC) as amended by Directive 2001/97/EC and Directive 2005/60/EC);

- b. if the acceptor is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations;
- c. if the applicant is a company whose securities are listed on a regulated market subject to specified disclosure obligations;
- d. 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
- e. if the aggregate subscription price for the Open Offer Shares is less than €15,000 (approximately £13,200).

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

- a. if payment is made by cheque or banker's draft in sterling drawn on a branch in the United Kingdom of a bank or building society which bears a UK bank sort code number in the top right hand corner the following applies. Cheques, should be made payable to "CIS PLC Re: Proxama plc Open Offer A/C" and crossed "A/C Payee Only". 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 confirmed the name of the account holder by stamping or endorsing the cheque/banker's draft to confirm that the relevant Qualifying Shareholder has title to the underlying funds. The account name should be the same as that shown on the Application Form; or
- b. if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in (i) above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force (the non-European Union members of which are Argentina, Australia, Brazil, Canada, China, Hong Kong, Iceland, India, Japan, Mexico, New Zealand, Norway, the Republic of Korea, the Russian Federation, Singapore, South Africa, Switzerland, Turkey, UK Crown Dependencies and the US and, by virtue of their membership of the Gulf Cooperation Council, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), the agent should provide with the Application Form written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to the Registrar. If the agent is not such an organisation, it should contact the Registrar at the address set out on page 5 of this document.

To confirm the acceptability of any written assurance referred to in (b) above, or in any other case, the acceptor should contact the Receiving Agent. The telephone number of the Receiving Agent is 0370 707 1701 or +44 370 707 1701 if calling from outside the United Kingdom. Calls to the helpline from outside the UK will be charged at applicable international rates.

If the Application Form(s) is/are in respect of Open Offer Shares with an aggregate subscription price of €15,000 (approximately £13,200) or more and is/are lodged by hand by the acceptor in person, or if the Application Form(s) in respect of Open Offer Shares is/are lodged by hand by the acceptor and the accompanying payment is not the acceptor's own cheque, he or she should ensure that he or she has with him or her evidence of identity bearing his or her photograph (for example, his or her passport) and separate evidence of his or her address.

If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 11.00 a.m. on 21 July 2017, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Receiving Agent may, at its discretion, as agent of the Company, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the account at the drawee bank from which such monies were

originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

5.2 *Open Offer Entitlements in CREST*

If you hold your Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST and apply for Open Offer Shares in respect of some or all of your Open Offer Entitlements or Excess CREST Open Offer Entitlements as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, 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 failure to provide satisfactory evidence.

6 Overseas Shareholders

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

6.1 *General*

The distribution of this document and the making 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.

No action has been or will be taken by the Company or Peel Hunt or any other person, to permit a public offering or distribution of this document (or any other offering or publicity materials or application form(s) relating to the Open Offer Shares) in any jurisdiction where action for that purpose may be required, other than in the United Kingdom.

Receipt of this document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess CREST 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 as a Notice of General Meeting and otherwise for information only and should not be copied or redistributed.

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

No person receiving a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use any such Application Form and/or credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her and such Application Form and/or credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this document and/or the Application Form must be treated as sent as a Notice of General Meeting and otherwise 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.

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

Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, in connection with the Open Offer or otherwise, should not distribute or send either of those documents nor transfer Open Offer Entitlements or Excess CREST Open Offer Entitlements in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by his or her custodian, agent, nominee or trustee, he or she must not seek to apply for Open Offer Shares in respect of the Open Offer unless the Company and Peel Hunt determine that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this document and/or an Application Form and/or transfers Open Offer Entitlements or Excess CREST Open Offer Entitlements into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this Part 3: “Terms and Conditions of the Open Offer” and specifically the contents of this paragraph 6.

The Company reserves the right to treat as invalid any application or purported application for Open Offer Shares that appears to the Company or its agents to have been executed, effected or despatched from the United States or 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 or if it provides an

address for delivery of the share certificates of Open Offer Shares or in the case of a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, to a CREST member whose registered address would be, in the United States or any other Restricted Jurisdiction or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates or make such a credit.

Notwithstanding any other provision of this document or the relevant Application Form, the Company reserves the right to permit any person to apply for Open Offer Shares in respect of the Open Offer if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Overseas Shareholders who wish, and are permitted, to apply for Open Offer Shares should note that payment must be made in sterling denominated cheques or banker's drafts or where such Overseas Shareholder is a Qualifying CREST Shareholder, through CREST.

Due to restrictions under the securities laws of the United States and the other Restricted Jurisdictions, and subject to certain exceptions, Qualifying Shareholders in the United States or who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any other Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements.

No public offer of Open Offer Shares is being made by virtue of this document or the Application Forms into the United States or any other Restricted Jurisdiction. Receipt of this document and/or an Application Form and/or a credit of an Open Offer Entitlement or Excess CREST Open Offer Entitlement to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in 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 as a Notice of General Meeting and otherwise for information only and should not be copied or redistributed.

6.2 *United States*

Securities may not be offered or sold in the United States absent: (i) registration under the Securities Act; or (ii) an available exemption from registration under the Securities Act. The New Ordinary Shares mentioned herein have not been, and will not be, registered under the Securities Act and will not be offered to the public in the United States.

Subject to certain exceptions and at the discretion of the Company only, the Company is not extending the Placing or the Open Offer into the United States or to US Persons. None of the Open Offer Entitlements, this document or the Application Form constitute or will constitute an offer or an invitation to apply for or an offer or an invitation to acquire any securities in the United States or to any US Person. Subject to certain exceptions and at the discretion of the Company only, neither this document nor an Application Form will be sent to, and no Open Offer Entitlements or New Ordinary Shares will be credited to a stock account in CREST of, any person with a registered address in the United States or any US Person. Subject to certain exceptions and at the discretion of the Company only, Application Forms sent from or postmarked in the United States will be deemed to be invalid.

Subject to certain exceptions and at the discretion of the Company only, any person who acquires New Ordinary Shares (or any other securities detailed herein) will be deemed to have declared, warranted and agreed, by accepting delivery of this document or the Application Form and delivery of the New Ordinary Shares (or any other securities detailed herein) that they are acquiring the securities in an "offshore transaction" as defined in Regulation S and they are not, and that at the time of acquiring the securities they will not be, a US Person, in the United States

or acting on behalf of, or for the account or benefit of a person on a nondiscretionary basis in the United States or any state of the United States.

The Company reserves the right to treat as invalid any Application Form that appears to the Company or its agents: (i) to have been executed in, or despatched from, the United States; (ii) that provides an address in the United States for the receipt of New Ordinary Shares; (iii) that 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 New Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such New Ordinary Shares in the United States; or (iv) 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 New Ordinary 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 New Ordinary Shares may be transferred. In addition, the Company and Peel Hunt reserve 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 New Ordinary Shares.

In addition, until 45 days after the commencement of the Open Offer, an offer, sale or transfer of the securities mentioned herein within the United States by a dealer (whether or not participating in the Fundraising) may violate the registration requirements of the Securities Act.

6.3 *Restricted Jurisdictions*

Due to restrictions under the securities laws of the Restricted Jurisdictions and subject to certain exemptions, Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements or Excess CREST Open Offer Entitlements.

The Open Offer Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption.

No offer of Open Offer Shares is being made by virtue of this document or the Application Forms into any Restricted Jurisdiction.

The Company reserves the right to treat as invalid any Application Form that appears to the Company or its agents: (i) to have been executed in, or despatched from, a Restricted Jurisdiction; (ii) that provides an address in a Restricted Jurisdiction for the receipt of New Ordinary Shares; (iii) that 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 a Restricted Jurisdiction and is not acquiring the New Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such New Ordinary Shares in a Restricted Jurisdiction; or (iv) 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 New Ordinary Shares to any person with an address in, or who is otherwise located in, a Restricted Jurisdiction in whose favour an Application Form or any New Ordinary Shares may be transferred. In addition, the Company and Peel Hunt reserve the right to reject any USE instruction sent by or on behalf of any CREST

member with a registered address in a Restricted Jurisdiction in respect of the New Ordinary Shares.

6.4 *Other overseas territories*

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

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

6.5 *Representations and warranties relating to Overseas Shareholders*

a. Qualifying Non-CREST Shareholders

Any person completing and returning an Application Form or requesting registration of the Open Offer Shares comprised therein represents and warrants to the Company, Peel Hunt and the Registrar that, except where proof has been provided to the Company's satisfaction that such person's use of the Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction: (i) such person is purchasing in an "offshore transaction" as defined in Regulation S and is not requesting registration of the relevant Open Offer Shares from within the United States or any other Restricted Jurisdiction and such person is not a US Person; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares in respect of the Open Offer or to use the Application Form in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) such person is not acquiring Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into any of the above territories. The Company and/or the Registrar may treat as invalid any acceptance or purported acceptance of the allotment of Open Offer Shares comprised in an Application Form if it: (i) appears to the Company or its agents to have been executed, effected or despatched from the United States or 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; or (ii) provides an address in the United States or any other Restricted Jurisdiction for delivery of the share certificates of Open Offer Shares (or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates); or (iii) purports to exclude the warranty required by this subparagraph (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 3: "Terms and Conditions of the Open Offer" represents and warrants to the Company and Peel Hunt that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) he or she is purchasing in an "offshore transaction" as defined in Regulation S and is not a US Person and is not within the United States or any other Restricted Jurisdiction; (ii) he or she is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares; (iii) he or she is not accepting on a non-

discretionary basis for a person located within any Restricted Jurisdiction (except as otherwise agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) he or she is not acquiring any Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into any of the above territories.

6.6 *Waiver*

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

7 No withdrawal rights

An application under the Open Offer once made is irrevocable and cannot be withdrawn or changed.

8 Admission, settlement, and dealings

The result of the Open Offer is expected to be announced on 24 July 2017. 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 will become effective and that dealings in all New Ordinary Shares, fully paid, will commence by 8.00 a.m. on 26 July 2017.

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

Open Offer Entitlements and Excess CREST Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 21 July 2017 (the latest date for applications under the Open Offer). If the condition(s) to the Open Offer described above are satisfied, New Ordinary Shares will be issued in uncertificated form to those persons who submitted a valid application for New Ordinary Shares by utilising the CREST application procedures and whose applications have been accepted by the Company. On 3 July 2017, the Registrar 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 08.00 a.m. on 26 July 2017). The stock accounts to be credited will be accounts under the same CREST participant IDs and CREST member account IDs in respect of which the USE Instruction was given.

Notwithstanding any other provision of this document, the Company reserves the right to send Qualifying CREST Shareholders an Application Form instead of crediting the relevant stock account with Open Offer Entitlements and Excess CREST Open Offer Entitlements, and to allot and/or issue any Open Offer Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by the Registrar in connection with CREST.

For Qualifying Non-CREST Shareholders who have applied by using an Application Form, share certificates in respect of the New Ordinary Shares validly applied for (including excess Open Offer Shares successfully applied for under the Excess Application Facility) are expected to be despatched by post by 9 August 2017. No temporary documents of title will be issued and, pending the issue of definitive certificates, transfers will be certified against the UK share register of the Company. 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 paragraph 4.1 above and their respective Application Form.

9 Times and dates

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

10 Taxation

Certain statements regarding United Kingdom taxation in respect of the New Ordinary Shares and the Open Offer are set out in Part 5: "Taxation Considerations" of this document. Shareholders who are in any doubt as to their tax position in relation to taking up their entitlements under the Open Offer, or who are subject to tax in any jurisdiction other than the United Kingdom, should immediately consult a suitable professional adviser.

11 Further Information

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

12 Governing Law and Jurisdiction

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

PART 4

QUESTIONS AND ANSWERS ABOUT THE OPEN OFFER

The questions and answers set out in this Part 4: “Questions and Answers about the Open Offer” are intended to be in general terms only and, as such, you should read Part 3: “Terms and Conditions of the Open Offer” of this document for full details of what action to take. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other appropriate independent financial adviser duly authorised under the FSMA if you are in the United Kingdom, or if not, from another appropriately authorised independent financial adviser.

This Part 4 deals with general questions relating to the Open Offer and more specific questions relating principally to persons resident in the United Kingdom who hold their Ordinary Shares in certificated form only. If you are an Overseas Shareholder, you should read paragraph 6 of Part 3: “Terms and Conditions of the Open Offer” of this document and you should take professional advice as to whether you are eligible and/or you need to observe any formalities to enable you to take up your Open Offer Entitlement. If you hold your Existing Ordinary Shares in uncertificated form (that is, through CREST) you should read Part 3: “Terms and Conditions of the Open Offer” of this document for full details of what action you should take. If you are a CREST sponsored member, you should also consult your CREST sponsor. If you do not know whether your Existing Ordinary Shares are in certified or uncertificated form please contact the Receiving Agent on 0370 707 1701 between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (except UK public holidays) from within the UK or +44 370 707 1701 if calling from outside the UK. Calls may be recorded and randomly monitored for security and training purposes. Please note the Receiving Agent cannot provide advice on the merits of the Open Offer or as to whether applicants should take up their Open Offer Entitlements or 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. Each prospective investor should consult his, her or its own appropriate professional advisers for advice. This document is for your information only and nothing in this document is intended to endorse or recommend a particular course of action.

1. What is an open offer?

An open offer is a way for companies to raise money. Companies usually do this by giving their existing shareholders a right to acquire further shares at a fixed price in proportion to their existing shareholdings. In this instance Shareholders will also be offered the opportunity to apply for additional shares in excess of their entitlement to the extent that other Qualifying Shareholders do not take up their entitlement in full. 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. The Issue Price represents a discount of 79.31 per cent. to the 0.145 pence closing middle market price of an Ordinary Share on 29 June 2017, being the last trading day prior to the publication of this document.

This Open Offer is an invitation by the Company to Qualifying Shareholders to apply to acquire up to an aggregate of 13,652,877,197 Open Offer Shares at a price of 0.03 pence per share. If you hold Ordinary Shares at 6.00 p.m. on the Open Offer Record Date or have a *bona fide* market claim, other than, subject to certain exceptions, where you are a Shareholder with a registered address or located in the United States, or any other Restricted Jurisdiction, you will be entitled to buy Open Offer Shares under the Open Offer.

The Open Offer is being made on the basis of 17 Open Offer Shares for every 3 Existing Ordinary Shares held by Qualifying Shareholders at 6.00 p.m. on the Open Offer Record Date. If your entitlement to Open Offer Shares is not a whole number, you will not be entitled to buy a fraction of an Open Offer Share and your entitlement will be rounded down to the nearest whole number.

The Excess Application Facility allows Qualifying Shareholders to apply for Open Offer Shares in excess of their Open Offer Entitlements. If applications by Qualifying Shareholders 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 in accordance with the mechanics set out in paragraph 1 of Part 3 “Terms and Conditions of the Open Offer” of this document.

Unlike in a rights issue, Application Forms are not negotiable documents and neither they nor the Open Offer Entitlements can themselves be traded. Shareholders will not be able to apply for any New Ordinary Shares which are the subject of the Placing.

2. What is the Placing? Am I eligible to participate in the Placing?

The Placing is with certain existing institutional and other new investors and will, subject to the satisfaction of certain conditions, result in the Company issuing Placing Shares at the Issue Price. The Placing Shares do not form part of the Open Offer. Unless you are a Placee you will not participate in the Placing.

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

If you receive an Application Form and, subject to certain exceptions, are neither a holder with a registered address nor located in the United States or any other Restricted Jurisdiction, then you should be eligible to participate in the Open Offer as long as you have not sold all of your Existing Ordinary Shares before 30 June 2017 (the time when the Existing Ordinary Shares are expected to be marked “ex-entitlement” by the London Stock Exchange).

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

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

- how many Existing Ordinary Shares you held at 6.00 p.m. on the Open Offer Record Date;
- how many Open Offer Shares are comprised in your Open Offer Entitlement; and
- how much you need to pay if you want to take up your right to buy all your entitlement to the Open Offer Shares.

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

If you would like to apply for any of or all of the Open Offer Shares comprised in your Open Offer Entitlement you should complete the Application Form in accordance with the instructions printed on it and the information provided in this document. Completed Application Forms should be posted, along with a cheque or banker’s draft drawn in the appropriate form, in the accompanying pre-paid envelope or returned by post to the Receiving Agent, Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS99 6AH or by hand (during normal office hours only), to Computershare Investor Services plc, Corporate Actions Projects, Bristol BS13 8AE (who will act as Receiving Agent in relation to the Open Offer) so as to be received by no later than 11.00 a.m. on 21 July 2017, after which time Application Forms will not be valid.

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

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

If you do not want to take up the Open Offer Shares to which you are entitled, you do not need to do anything. In these circumstances, you will not receive any Open Offer Shares. You will also

not receive any money when the Open Offer Shares you could have taken up are sold, as would happen under a rights issue. You cannot sell your Application Form or your Open Offer Entitlement to anyone else. If you do not return your Application Form subscribing for the Open Offer Shares to which you are entitled by 11.00 a.m. on 21 July 2017, the Company has made arrangements under which the Company has agreed to issue the Open Offer Shares to other Qualifying Shareholders under the Excess Application Facility.

If you do not take up your Open Offer Entitlement then following the issue of the Open Offer Shares pursuant to the Open Offer, your interest in the Company will be significantly diluted. Even if a Qualifying Shareholder subscribes for the basic entitlement under the Open Offer, their proportionate economic interest would be diluted by the issue of New Ordinary Shares pursuant to the Placing and Conversion (and upon exercise, the Barclays Warrants).

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

If you want to take up some but not all of the Open Offer Shares to which you are entitled, you should write the number of Open Offer Shares you want to take up in Boxes D and F of your Application Form; for example, if you are entitled to take up 600 shares but you only want to take up 300 shares, then you should write '300' in Boxes D and F. 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, '300') by 0.03 pence, which is the price in pence of each Open Offer Share (giving you an amount of £0.09 in this example). You should write this amount in Box G, rounding down to the nearest whole pence and this should be the amount your cheque or banker's draft is made out for. You should then return the completed Application Form, together with a cheque or banker's draft for that amount, in the accompanying pre-paid envelope or return by post to the Receiving Agent, Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS99 6AH or by hand (during normal office hours only), to, Computershare Investor Services plc, Corporate Actions Projects, Bristol BS13 8AE (who will act as Receiving Agent in relation to the Open Offer) so as to be received by no later than 11.00 a.m. on 21 July 2017, after which time Application Forms will not be valid. If you post your Application Form by first-class post, you should allow at least four Business Days for delivery.

All payments must be in pounds sterling and made by cheque or banker's draft made payable to "CIS PLC Re: Proxama plc Open Offer A/C" and crossed "A/C Payee Only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques 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 and must be for the full amount payable on application. 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 confirmed the name of the account holder and the number of an account held in the applicant name at the building society or bank by stamping or endorsing the cheque or draft to confirm that the relevant Qualifying Shareholder has title to the underlying funds (see paragraph 5 of Part 3: "Terms and Conditions of the Open Offer"). The account name should be the same as that shown on the application. Post-dated cheques may not be accepted.

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 paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques 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.

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 9 August 2017.

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

If you want to take up all of the Open Offer Shares to which you are entitled, all you need to do is send the Application Form (ensuring that all joint holders sign (if applicable)), together with your cheque or banker's draft for the amount (as indicated in Box C of your Application Form), payable to "CIS PLC Re: Proxama plc Open Offer A/C" and crossed "A/C Payee Only", in the accompanying pre-paid envelope or return by post to the Receiving Agent, Computershare Investor Services plc, Corporate Actions Projects, Bristol BS99 6AH or by hand (during normal office hours only), to Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS13 8AE (who will act as Receiving Agent in relation to the Open Offer) so as to be received by the Receiving Agent by no later than 11.00 a.m. on 21 July 2017, after which time Application Forms will not be valid. If you post your Application Form by first-class post, you should allow at least four Business Days for delivery.

All payments must be in pounds sterling and made by cheque or banker's draft made payable to "CIS PLC Re: Proxama plc Open Offer A/C" and crossed "A/C Payee Only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques 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 with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder and the number of an account held in the applicant name at the building society or bank by stamping or endorsing the cheque or draft to confirm that the relevant Qualifying Shareholder has title to the underlying funds (see paragraph 5 of Part 3: "Terms and Conditions of the Open Offer"). The account name should be the same as that shown on the application. Post-dated cheques will not be accepted.

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 paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques 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.

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 9 August 2017.

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

Provided you have agreed to take up your Open Offer Entitlement in full, you can apply for further Open Offer Shares under the Excess Application Facility. You should write the number of Open Offer Shares comprised in your Open Offer Entitlement (as indicated in Box B of the Application Form) in Box D and write the number of additional Open Offer Shares for which you would like to apply in Box E. You should then add the totals in Boxes D and E and insert the total number of Open Offer Shares for which you would like to apply in Box F.

For example, if you have an Open Offer Entitlement for 600 Open Offer Shares but you want to apply for 900 Open Offer Shares in total, then you should write '600' in Box D, '300' in Box E

and '900' in Box F. 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, '900') by 0./03 pence, which is the price in pence of each Open Offer Share (giving you an amount of £0.27 in this example). You should write this amount in Box G, rounding down to the nearest whole pence and this should be the amount your cheque or banker's draft is made out for. You should then return the completed Application Form, together with a cheque or banker's draft for that amount, in the accompanying pre-paid envelope or return by post to the Receiving Agent, Computershare Investor Services plc, Corporate Actions Projects, Bristol BS99 6AH or by hand (during normal business hours) to Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS13 8AE so as to be received by the Receiving Agent by no later than 11.00 a.m. on 21 July 2017, after which time Application Forms will not be valid. If you post your Application Form by first-class post, you should allow at least four Business Days for delivery.

All payments must be in pounds sterling and made by cheque or banker's draft made payable to "CIS PLC Re: Proxama plc Open Offer A/C" and crossed "A/C Payee Only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques 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 with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder and the number of an account held in the applicant name at the building society or bank by stamping or endorsing the cheque or draft to confirm that the relevant Qualifying Shareholder has title to the underlying funds (see paragraph 5 of Part 3: "Terms and Conditions of the Open Offer"). The account name should be the same as that shown on the application. Post-dated cheques will not be accepted.

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 paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques 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. 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 in accordance with the mechanics set out in paragraph 1 of Part 3 "Terms and Conditions of the Open Offer" of this document. It should be noted that applications under the Excess Application Facility may not be satisfied in full. A definitive share certificate will then be sent to you for the Open Offer Shares that you take up and otherwise successfully apply for using the Excess Application Facility. Your definitive share certificate for Open Offer Shares is expected to be despatched to you by no later than 9 August 2017.

6. 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 3: "Terms and Conditions of the Open Offer" of this document. Persons who hold Existing Ordinary Shares through a CREST member should be informed by the CREST member through which they hold their Existing Ordinary Shares of: (i) the number of Open Offer Shares which they are entitled to acquire under their Open Offer Entitlement; and (ii) how to apply for Open Offer Shares in excess of their Open Offer Entitlement under the Excess Application Facility provided they choose to take up their Open Offer Entitlement in full and should contact them should they not receive this information.

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

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

- Qualifying CREST Shareholders who held their Existing Ordinary Shares in uncertificated form on 28 June 2017 and who have converted them to certificated form;
- Qualifying Non-CREST Shareholders who bought Existing Ordinary Shares before 28 June 2017 but were not registered as the holders of those shares at the close of business on 28 June 2017; and
- certain Overseas Shareholders.

If you do not receive an Application Form but think that you should have received one or you have lost your Application Form please contact Computershare Investor Services plc, whose address is The Pavilions, Bridgwater Road, Bristol BS13 8AE on 0370 707 1701 between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (except UK public holidays) from within the UK or +44 370 707 1701 if calling from outside the UK. Calls may be recorded and randomly monitored for security and training purposes. Please note the Receiving Agent cannot provide advice on the merits of the Open Offer or as to whether applicants should take up their Open Offer Entitlements or give any financial, legal or tax advice.

8. I am a Qualifying Shareholder, do I have to apply for all the Open Offer Shares I am entitled to apply for?

You can take up any number of the Open Offer Shares allocated to you under the Open Offer Entitlement. Your maximum Open Offer Entitlement is shown on your Application Form. Any applications by a Qualifying Shareholder for a number of Open Offer Shares which is equal to or less than that person's Open Offer Entitlement will be satisfied, subject to the Open Offer becoming unconditional.

9. Can I trade my Open Offer Entitlement?

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying Non-CREST Shareholders should also note that their Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements will be admitted to CREST they will have limited settlement capabilities (for the purposes of market claims only), the Open Offer Entitlements and Excess CREST Open Offer Entitlements will not be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim. Open Offer Shares for which application has not been made under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Shareholders who do not apply to take up their Open Offer Entitlement will have no rights under the Open Offer or receive any proceeds from it. The Open Offer Shares have not been placed subject to clawback nor have they been underwritten.

10. What if I change my mind?

If you are a Qualifying Non-CREST Shareholder, 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 for which you have applied.

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

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

12. 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 sell some or all of your Existing Ordinary Shares before 28 June 2017, 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 30 June 2017, you may still take up and apply for the Open Offer Shares as set out on your Application Form.

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

Completed Application Forms should be returned with a cheque or banker's draft drawn in the appropriate form. All payments must be in pounds sterling and made by cheque or banker's draft made payable to "CIS PLC Re: Proxama plc Open Offer A/C" and crossed "A/C Payee Only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques 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 with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder and the number of an account held in the applicant name at the building society or bank by stamping or endorsing the cheque or draft to confirm that the relevant Qualifying Shareholder has title to the underlying funds. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted.

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. Where do I send my Application Form?

You should send your completed Application Form, together with the monies in the appropriate form, in the accompanying pre-paid envelope or return by post to Computershare Investor Services plc, Corporate Actions Projects, Bristol BS99 6AH or by hand (during normal office hours only) to Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS13 8AE (who will act as Receiving Agent in relation to the Open Offer). If an Application Form is being sent by first class post in the UK, Qualifying Shareholders should allow at least four Business Days for delivery. If you do not want to take up or apply for Open Offer Shares then you need take no further action.

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

The Receiving Agent must receive the Application Form by no later than 11.00 a.m. on 21 July 2017, after which time Application Forms will not be valid. If an Application Form is being sent by first class post in the UK, Qualifying Shareholders are recommended to allow at least four Business Days for delivery.

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

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

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

It is expected that the Registrars will post all new share certificates by 9 August 2017.

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

If you bought your Ordinary Shares after the Open Offer Record Date, you are unlikely to be able to participate in the Open Offer in respect of such Ordinary Shares.

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

Information on taxation with regard to the Open Offer is set out in Part 5: “Taxation Considerations” of this document. The information is intended as a general guide only and Shareholders who are in any doubt as to their tax position should consult an appropriate professional adviser immediately.

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

Your ability to apply to acquire Open Offer Shares may be affected by the laws of the country in which you live and you should take professional advice as to whether you require any governmental or other consents or need to observe any other formalities to enable you to take up your Open Offer Entitlement. Shareholders with registered addresses in or who are located in the United States or any other Restricted Jurisdiction are, subject to certain exceptions, not eligible to participate in the Open Offer. Your attention is drawn to the information in paragraph 6 of Part 3: “Terms and Conditions of the Open Offer” of this document.

22. How do I apply for EIS Eligible Shares?

Qualifying Non-CREST Shareholders who intend to claim EIS relief in respect of their investment under the Open Offer should refer to paragraph 4.1 of Part 3 “Terms and Conditions of the Open Offer” of this document. Qualifying CREST Shareholders who intend to claim EIS relief in respect of their investment under the Open Offer should refer to paragraph 4.2 of Part 3 “Terms and Conditions of the Open Offer” of this document.

23. Further assistance

All enquiries in connection with the procedure for application and completion of the Application Form should be addressed to the Receiving Agent, Computershare Investor Services plc, whose address is The Pavilions, Bridgwater Road, Bristol BS13 8AE on 0370 707 1701 between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (except UK public holidays) from within the UK or +44 370 707 1701 if calling from outside the UK. Calls may be recorded and randomly monitored for security and training purposes. Please note the Receiving Agent cannot provide advice on the merits of the Open Offer or as to whether applicants should take up their Open Offer Entitlements or give any financial, legal or tax advice.

PART 5

TAXATION CONSIDERATIONS

1. General

The statements set out below are intended only as a general and non-exhaustive guide to current UK tax law and published practice and apply only to certain categories of person. The summary does not purport to be a complete analysis or listing of all the potential tax consequences of acquiring, holding or disposing of New Ordinary Shares. Prospective subscribers of New Ordinary Shares are advised to consult their own professional tax advisers concerning the consequences under UK law of the acquisition, ownership and disposition of New Ordinary Shares.

Unless specified otherwise, the statements apply only to holders of New Ordinary Shares who are resident solely in the UK for tax purposes, who hold the New Ordinary Shares as an investment and who are the absolute beneficial owners of the New Ordinary Shares and any dividends paid in respect of them. The statements are not addressed to: (i) special classes of Shareholders such as, for example, dealers in securities, broker-dealers, insurance companies, pension funds, charities and collective investment schemes; (ii) Shareholders who hold New Ordinary Shares as part of hedging or conversion transactions; (iii) Shareholders who have (or are deemed to have) acquired their New Ordinary Shares by virtue of an office or employment; and (iv) Shareholders who hold New Ordinary Shares in connection with a trade, profession or vocation carried on in the UK (whether through a branch or agency or, in the case of a corporate Shareholder, through a permanent establishment or otherwise).

Shareholders who are in any doubt about their taxation position and Shareholders who are or may be subject to tax outside the UK should consult their own professional advisers.

2. Shareholders who do not acquire New Ordinary Shares pursuant to the Open Offer

There should be no UK tax consequences for Shareholders who do not acquire New Ordinary Shares pursuant to the Open Offer.

3. Taxation of dividends

The Company will not be required to withhold at source any amount in respect of UK tax from any dividend paid by the Company.

UK tax resident Qualifying Shareholders will benefit from a £5,000 dividend allowance which means that they will not have to pay tax on the first £5,000 of their total dividend income, no matter what non-dividend income they have (although please note it had been intended that this dividends allowance would be reduced to £2,000 but this has not yet been introduced). Dividends within their allowance will still count towards their basic or higher rate bands.

UK tax resident Shareholders will pay tax on any dividends they receive over £5,000 at the following rates):

- 7.5% on dividend income within the basic rate band;
- 32.5% on dividend income within the higher rate band; and
- 38.1% on dividend income within the additional rate band.

A UK tax resident who is within the charge to corporation tax will generally not be subject to corporation tax on dividends received.

4. Taxation of capital gains for those investors that will not be seeking EIS relief and who do not already hold any EIS shares

If EIS relief has been claimed in respect of any Ordinary Shares or if EIS relief will be claimed in respect of any Ordinary shares held or to be acquired the analysis is complex and we strongly recommend that professional advice is taken.

The acquisition of New Ordinary Shares by Qualifying Shareholders up to and including their *pro rata* entitlement pursuant to the Open Offer may not be regarded as involving a reorganisation of share capital. The published practice of HMRC to date has been to treat an acquisition of shares by an existing shareholder up to its *pro rata* entitlement pursuant to the terms of an open offer as a reorganisation but it is understood that this is not the case where an open offer is not made to all shareholders. In this case the Open Offer is made to all persons at the Open Offer Record Date but this does not take into account the persons who become shareholders immediately before the issue of the Open Offer Shares.

To the extent that the acquisition of Ordinary Shares under the Open Offer is regarded as a reorganisation, the New Ordinary Shares acquired by each Qualifying Shareholder under the Open Offer and the Existing Ordinary Shares in respect of which they are issued will, for the purposes of UK taxation of chargeable gains, be treated as the same asset and as having been acquired at the same time. The amount paid for the New Ordinary Shares will be added to the base cost of the Existing Ordinary Shares when computing any gain or loss on any subsequent disposal.

If the acquisition of New Ordinary Shares by Qualifying Shareholders up to their *pro rata* entitlement pursuant to the Open Offer is not regarded as a reorganisation, those New Ordinary Shares would, for the purposes of UK taxation of chargeable gains, be treated as acquired as part of a separate acquisition of Ordinary Shares. However under the current tax legislation this makes very little difference as when shares are later sold (and subject to some limited identification rules around certain disposals close to the acquisition) shares acquired later are in any event pooled with shares acquired earlier and so on a later sale of only some of them a portion of the whole base cost will be allocated to that sale.

New Ordinary Shares acquired by Qualifying Shareholders in excess of their *pro rata* entitlement should in any event be treated as acquired as part of a separate acquisition of Ordinary Shares.

A future disposal or deemed disposal of New Ordinary Shares by a Shareholder who is resident in the UK for tax purposes may give rise to a capital gain (or allowable loss) for the purposes of UK capital gains tax (where the Shareholder is an individual) and UK corporation tax on chargeable gains (where the Shareholder is within the charge to UK corporation tax), depending on their circumstances and subject to any available exemption or relief. As regards an individual Shareholder, the principal factors that will determine the extent to which a gain will be subject to UK capital gains tax are the extent to which he or she realises any other capital gains in the tax year of assessment in which the gain arises, the extent to which he or she has incurred capital losses in that or any earlier tax year of assessment and the level of the annual allowance of tax-free gains in the tax year of assessment in which the disposal takes place.

5. UK stamp duty and stamp duty reserve tax (“SDRT”)

No stamp duty or SDRT will be payable on the issue of New Ordinary Shares pursuant to the Open Offer.

With effect from 28 April 2014, stamp duty and SDRT were abolished for transfers of securities admitted to trading on certain recognised growth markets, which currently includes AIM, provided they are not listed on a recognised stock exchange. Accordingly, transfers of New Ordinary Shares after issue should be exempt from stamp duty and SDRT.

PART 6

NOTICE OF GENERAL MEETING

Proxima plc

(Incorporated in England and Wales with registered no. 06458458)

(the "Company")

NOTICE IS HEREBY GIVEN that a General Meeting of the Company will be held at **Taylor Vinters LLP, Tower 42, 33rd Floor, 25 Old Broad Street, London EC2N 1HQ** at 9.15 a.m., or as soon as possible after the AGM, on 24 July 2017 for the purposes of considering and, if thought fit, passing the following resolutions of which resolutions 1 and 3 will be proposed as ordinary resolutions and resolutions 2 and 4 will be proposed as special resolutions:

ORDINARY RESOLUTION

1. That, the Directors be and they are hereby generally and unconditionally authorised to exercise all of the powers of the Company to allot equity securities (as defined in section 560 of the Companies Act 2006 (the "Act"), ("Equity Securities")) pursuant to section 551 of the Act, provided this authority shall be limited to the allotment of up to 28,761,040,539 Equity Securities with an aggregate nominal value of £2,876,104,054 in connection with the Placing, Open Offer, Conversion, Barclays Warrants and Additional Darwin Warrants (each as defined in the Circular accompanying this Notice of General Meeting dated 30 June 2017 (the "Circular")) provided always that the authorities conferred by this resolution shall expire at the conclusion of the next annual general meeting of the Company (unless previously renewed, varied or revoked by the Company in a general meeting) and provided further 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 notwithstanding that the authority conferred hereby has expired. The authority granted by this resolution shall be in addition to all existing authorities to allot any shares or grant rights to subscribe for or convert securities into shares in the Company previously granted to the Directors pursuant to section 551 of the Act.

SPECIAL RESOLUTION

2. That, subject to Resolution 1 above being passed, the Directors be and they are hereby authorised and empowered pursuant to section 570 of the Act to allot Equity Securities for cash pursuant to the section 551(1) authority referred to in Resolution 1 above, as if section 561(1) of the Act did not apply to any such allotment, provided that such power is limited to the allotment of up to 28,761,040,539 Equity Securities with an aggregate nominal value of £2,876,104,054 in connection with the Placing Open Offer, Conversion, Barclays Warrants and Additional Darwin Warrants (each as defined in the Circular), provided always that the authorities conferred by this resolution shall expire at the conclusion of the next annual general meeting of the Company (unless previously renewed, varied or revoked by the Company in a general meeting) and provided further 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 notwithstanding that the authority conferred hereby has expired. The authority granted by this resolution shall be in addition to all existing authorities to allot any shares or grant rights to subscribe for or convert securities into shares in the Company previously granted to the Directors pursuant to section 570 of the Act.

ORDINARY RESOLUTION

3. That, the Directors be and they are hereby generally and unconditionally authorised to exercise all of the powers of the Company to allot Equity Securities pursuant to section 551 of the Act, provided this authority shall be limited to the allotment of up to 7,354,069,489 Equity Securities with an aggregate nominal value of £735,406,949 provided always that the authorities conferred by this resolution shall expire at the conclusion of the next annual general meeting of the Company (unless previously renewed, varied or revoked by the Company in a general meeting) and provided further 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 notwithstanding that the authority conferred hereby has expired. The authority granted by this resolution shall be in addition to all existing authorities to allot any shares or grant rights to subscribe for or convert securities into shares in the Company previously granted to the Directors pursuant to section 551 of the Act.

SPECIAL RESOLUTION

4. That, subject to Resolution 3 above being passed, the Directors be and they are hereby authorised and empowered pursuant to section 570 of the Act to allot Equity Securities for cash pursuant to the section 551(1) authority referred to in Resolution 3 above, as if section 561(1) of the Act did not apply to any such allotment, provided that such power is limited to the allotment of up to 7,354,069,489 Equity Securities with an aggregate nominal value of £735,406,949, provided always that the authorities conferred by this resolution shall expire at the conclusion of the next annual general meeting of the Company (unless previously renewed, varied or revoked by the Company in a general meeting) and provided further 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 notwithstanding that the authority conferred hereby has expired. The authority granted by this resolution shall be in addition to all existing authorities to allot any shares or grant rights to subscribe for or convert securities into shares in the Company previously granted to the Directors pursuant to section 570 of the Act.

Dated: 30 June 2017

By Order of the Board

Registered office:

27/28 Eastcastle Street
London W1W 8DH

Cargil Management Services Limited
Company Secretary

Notes

1. A shareholder entitled to attend and vote at the GM may appoint a proxy to attend, speak and vote instead of that shareholder. A proxy need not be a shareholder of the Company but must attend the meeting in person. A shareholder may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share held by the appointing shareholder.
2. To be effective, the relevant proxy form must be completed and lodged with the Company's registrar, Computershare Investor Services plc, whose address is The Pavilions, Bridgwater Road, Bristol BS13 8AE, no later than 48 hours before the meeting together with the original of any power of attorney or other authority under which the form of proxy is signed. In the case of a corporation, the form of proxy must be executed under its common seal or under the hand of any officer or attorney duly authorised. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy. Completion and return of the relevant proxy form enclosed herewith will not prevent a shareholder from attending and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
3. 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 no voting indication is given, your proxy will vote or withhold from voting at his/her discretion. Your proxy will vote (or withhold from voting) as he/she thinks fit in relation to any other matter which is put before the meeting.
4. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
5. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), specifies that only those members registered in the Register of Members of the Company at 9.15 a.m. on 22 July 2017 (or if the GM is adjourned, members entered on the Register of Members of the Company not later than 48 hours before the time fixed for the adjourned GM) shall be entitled to attend, speak and vote at the GM in respect of the number of ordinary shares registered in their name at that time. Changes to entries on the Register of Members of the Company after 9.15 a.m. on 22 July 2017 shall be disregarded in determining the rights of any person to attend, speak or vote at the GM.
6. Except as provided above, members who have general queries about the meeting should write to the Company Secretary at the address of our registered office. You may not use any electronic address provided either in this notice of GM or any related documents (including the proxy form) to communicate with the Company for any purposes other than those expressly stated.

