

**THIS DOCUMENT AND THE ENCLOSED APPLICATION FORM ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the contents of this document, or 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 independent financial adviser who is authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are resident in the United Kingdom (or, if you are resident outside the UK, from another appropriately authorised and independent financial adviser in your jurisdiction).

If you have sold or otherwise transferred all of your Existing Ordinary Shares prior to the Ex-entitlement Date, please immediately send this document, together with the accompanying Application Form, 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. If you have sold or transferred only part of your registered holding of Existing Ordinary Shares in the Company prior to the Ex-entitlement Date, you should retain this document and the accompanying documents and immediately consult with the stockbroker, bank or other agent through whom the sale or transfer was effected.



# LOCATION SCIENCES GROUP PLC

*(Incorporated in England and Wales with registered number 06458458)*

**Open Offer of up to 20,983,344 new Ordinary Shares at  
2.25 pence per Ordinary Share**

*Nominated Adviser and Broker*



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

**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 United Kingdom Listing Authority. 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 Company and the Directors, whose names are set out on page 5 of this document, accept responsibility, both collectively and individually, for the information contained in this document. To the best of the knowledge and belief of the Company and 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.

**You should read the whole of this document. Your attention is drawn to the letter from the Chairman of the Company set out on pages 8 to 15 (inclusive) of this document which provides details of the Transaction.**

Stockdale Securities Limited (“**Stockdale Securities**”), which is authorised and regulated in the United Kingdom by the FCA, is acting as nominated adviser and broker to the Company in relation to the Open Offer and will not regard any other person (whether or not a recipient of this document) as its client in relation to the contents of this document. The responsibilities of Stockdale Securities, as the Company’s nominated adviser and broker under the AIM Rules for Companies (the “**AIM Rules**”), are owed solely to the London Stock Exchange and are not owed to the Company or to any Director, shareholder or other person, in respect of their decision to acquire shares in the Company in reliance on any part of this document, or otherwise.

Stockdale Securities will not be offering advice and will not otherwise be responsible for providing customer protections to recipients of this document in respect of the Open Offer or any acquisition of shares in the Company.

This document has not been approved for issue by any person for the purposes of section 21 of FSMA. This document does not constitute or form part of any offer or invitation to buy, subscribe for, or sell Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, the Firm Placing Shares and Open Offer Shares have not been, and will not be, registered under the United States Securities Act of 1933 as amended (the “**Securities Act**”) or qualified for sale under the laws of any state of the United States or under the applicable laws of any of Canada, Australia, the Republic of South Africa, Japan, the Republic of Ireland or New Zealand, subject to certain exceptions, may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) or to any national, resident or citizen of Canada, Australia, the Republic of South Africa, Japan, the Republic of Ireland or New Zealand. The distribution or transmission of this document in jurisdictions other than the UK may be restricted by law and, therefore, persons into whose possession this document comes should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, this document may not be distributed, directly or indirectly, in or into the United States, Canada, Australia, the Republic of South Africa, Japan, the Republic of Ireland or New Zealand. Overseas Shareholders and any person (including, without limitation, nominees and trustees), who have a contractual or other legal obligation to forward this document to a jurisdiction outside the UK should seek appropriate advice before taking any action.

**The Open Offer closes at 10.00 a.m. on 13 December 2018.** If you are a Qualifying CREST Shareholder and wish to apply for Open Offer Shares under the Open Offer you should follow the procedure set out in Part 3 of this document and, if you are a Qualifying Non-CREST Shareholder, complete and return the accompanying Application Form. Qualifying CREST Shareholders (who will not receive an Application Form) will receive instead a credit to their appropriate stock accounts in CREST in respect of their Open Offer Entitlements which will be enabled for settlement on 28 November 2018. If you do not wish to participate in the Open Offer then you should not return your Application Form or send a USE instruction through CREST. Applications under the Open Offer may only be made by the Qualifying Shareholders originally entitled thereto or by persons becoming so entitled, by virtue of a *bona fide* market claim arising out of the sale or transfer of Existing Ordinary Shares prior to the date on which the Existing Ordinary Shares are marked ‘ex’ the entitlement by the London Stock Exchange.

If the Open Offer Entitlements are for any reason not enabled by 3.00 p.m. on 28 November 2018 or such later time as the Company may decide, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements credited to his 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.

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.

If Qualifying Shareholders have any queries on the procedure for acceptance and payment, or to receive another Application Form they should contact the Receiving Agent. Please note that Computershare cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

No person has been authorised to give any information or make any representation and, if given or made, such information or representation must not be relied upon as having been so authorised by the Company, the Directors or Stockdale Securities.

Copies of this document are available free of charge to the public during normal business hours on any day (Saturdays, Sundays and public holidays excepted) at the offices of Location Sciences Group plc at 3 Bunhill Row, London EC1Y 8YZ and at the offices of Stockdale Securities at 100 Wood Street, London EC2V 7AN for a period of one month from the date of this document as well as on the Company’s website: <https://www.locationsciences.ai/>.

This document is being sent to all Shareholders, but in relation to those Shareholders who are not Qualifying Shareholders (which means any Shareholders resident in a Restricted Jurisdiction) it is being sent to them for information purposes only.

## **FORWARD-LOOKING STATEMENTS**

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

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## **DIRECTORS, SECRETARY AND ADVISERS**

<b>Directors</b>	Kelvin Harrison ( <i>Non-Executive Chairman</i> ) Mark Slade ( <i>Chief Executive Officer</i> ) David Rae ( <i>Chief Financial Officer</i> ) Benjamin Chilcott ( <i>Non-Executive Director</i> ) Shaun Gregory ( <i>Non-Executive Director</i> )
<b>Company Secretary</b>	T&H Secretarial Services Limited Bunhill Row London EC1Y 8YZ
<b>Nominated Adviser and Broker</b>	Stockdale Securities Limited 100 Wood Street London EC2V 7AN
<b>Legal advisers to the Company</b>	BPE Solicitors LLP St James House St James Square Cheltenham GL50 3PR
<b>Legal advisers to the Nominated Adviser and Broker</b>	Fox Williams LLP 10 Finsbury Square London EC2A 1AF
<b>Registrar and Receiving Agent</b>	Computershare Investor Services Plc The Pavilions Bridgwater Road Bristol BS13 8AE

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record Date for entitlements under the Open Offer	close of business on 23 November 2018
Announcement of the Firm Placing and Open Offer	7.00 a.m. on 26 November 2018
Announcement of the results of the Firm Placing	2.00 p.m. on 26 November 2018
Publication and posting of this document and the Application Form	27 November 2018
Ex-entitlement Date for the Open Offer	8.00 a.m. on 27 November 2018
Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to stock accounts of Qualifying CREST Shareholders in CREST	as soon as practical after 8.00 a.m. on 28 November 2018
Firm Placing Admission and commencement of dealings in the Firm Placing Shares on AIM	8.00 a.m. on 29 November 2018
Recommended latest time and date for requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST	4.30 p.m. on 5 December 2018
Recommended latest time for depositing Open Offer Entitlements and Excess CREST Open Offer Entitlements into CREST	3.00 p.m. on 6 December 2018
Latest time and date for splitting Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 11 December 2018
<b>Latest time and date for receipt of the completed Application Form and appropriate payment in respect of Open Offer Shares or Excess Shares or settlement of relevant CREST instruction</b>	<b>10.00 a.m. on 13 December 2018</b>
Announcement of result of Open Offer	7.00 a.m. on 14 December 2018
Open Offer Admission and commencement of dealings in the Open Offer Shares on AIM	8.00 a.m. on 14 December 2018
CREST members' accounts credited in respect of Open Offer Shares in uncertificated form	by 8.00 a.m. on 14 December 2018
Despatch of definitive share certificates for Open Offer Shares in certificated form	by no later than 28 December 2018

**If any of the details contained in the timetable above should change, the revised times and dates will be notified to Shareholders by means of an announcement through a Regulatory Information Service.**

**All references to time and dates in this document are to time and dates in London.**

## KEY STATISTICS

Number of Existing Ordinary Shares	209,833,438
Number of Firm Placing Shares	122,822,221
Number of Open Offer Shares	up to 20,983,344
Aggregate number of Firm Placing Shares and Open Offer Shares	up to 143,805,565
Issue Price	2.25 pence
Open Offer Entitlements under the Open Offer	1 new Ordinary Share for every 10 Existing Ordinary Shares
Percentage of the Enlarged Share Capital represented by the Firm Placing Shares and the Open Offer Shares*	40.66 per cent.
Estimated net proceeds of the Firm Placing and Open Offer receivable by the Company*	£2.94 million
Estimated expenses of the Firm Placing and Open Offer	£0.30 million
Enlarged Share Capital immediately following Open Offer Admission*	353,639,003
Market capitalisation of the Company immediately following Open Offer Admission at the Issue Price*	£7.96 million

*\*On the assumption that the Open Offer is fully subscribed*

## PART 1

### LETTER FROM THE CHAIRMAN OF THE COMPANY

# LOCATION SCIENCES GROUP PLC

*(Incorporated in England and Wales with registered number 06458458)*

*Directors:*

Kelvin Harrison (*Non-Executive Chairman*)  
Mark Slade (*Chief Executive Officer*)  
David Rae (*Chief Financial Officer*)  
Benjamin Chilcott (*Non-Executive Director*)  
Shaun Gregory (*Non-Executive Director*)

*Registered office:*

3 Bunhill Row  
London  
EC1Y 8YZ

*For the attention of Shareholders and, for information only, option holders and warrant holders*

27 November 2018

Dear Shareholder

### **Open Offer of up to 20,983,344 new Ordinary Shares at 2.25 pence per share**

#### **1. INTRODUCTION**

On 26 November 2018, the Company announced that it had raised £2.76 million (before expenses) through a conditional Firm Placing comprising the issue and allotment of 122,822,221 New Ordinary Shares at the Issue Price of 2.25 pence per Ordinary Share.

The Firm Placing Shares will represent approximately 34.73 per cent. of the Enlarged Share Capital (assuming the Open Offer is fully subscribed).

The Firm Placing is conditional, *inter alia*, upon compliance by the Company with its obligations under the Placing Agreement and Firm Placing Admission.

In addition, in order to provide Shareholders who have not taken part in the Firm Placing with an opportunity to participate, the Company is providing all Qualifying Shareholders with the opportunity to subscribe for an aggregate of up to 20,983,344 Ordinary Shares, to raise up to approximately £0.47 million (before expenses), on the basis of 1 new Ordinary Share for every 10 Existing Ordinary Shares held on the Record Date, at the Issue Price, payable in full at the time of acceptance of the Open Offer.

The Open Offer provides Qualifying Shareholders with an opportunity to participate in the proposed issue of New Ordinary Shares whilst providing the Company with additional capital to invest in the business of the Group.

The Issue Price is the same for the Open Offer and the Firm Placing and represents a discount of 10 per cent. to the closing mid-market price of 2.5 pence per Existing Ordinary Share on 23 November 2018 (being the last Business Day prior to the announcement of the Firm Placing and Open Offer).

It is expected that Firm Placing Admission will occur at 8.00 a.m. on 29 November 2018 and that Open Offer Admission will occur no later than 8.00 a.m. on 14 December 2018 (or, in each case, such later time and/or dates as Stockdale Securities and the Company may agree).

The Company has existing shareholder authorities to issue and allot the Firm Placing Shares and Open Offer Shares on a non pre-emptive basis.

The Firm Placing and Open Offer are not underwritten.



The purpose of this document is, amongst other things, to explain the background to and reasons for the Open Offer, the use of proceeds, the details of the Open Offer and to explain why the Board considers that the Open Offer will promote the growth and success of the Company for the benefit of Shareholders as a whole.

## 2. SUMMARY OF LOCATION SCIENCES

Location Sciences is a location data and insights business. The Group combines cutting-edge mobile location data collection with proprietary machine learning analytics to create new value and insights from location information for its customers such as Talon Outdoor Limited and CACI Limited.

Location Sciences is media-agnostic and works with a variety of media, advertising and technology partners - plus the world's biggest brands. The Group's technology is well positioned to fulfil the need for greater accuracy and accountability in a growing market that is increasingly looking for superior data and verification.

The Group uses its geo-location technology to deliver precise, quality data to a market that has historically had to rely on less precise and sometimes inaccurate location data.

The Group specialises in providing five core products to its customers, namely:

- *Verify* – Verify is a location verification solution enabling advertisers to check their mobile advertisement was served at the target location and whether the location data served by the publisher is real or computer generated.
- *Location data* – This is a Data as a Service (“DaaS”) product providing a location data service that enables technology companies to integrate location data into their product offerings.
- *Insights and Audiences* – This service enables location data to be associated with specified points of interest/attractions which will provide an insight into retail customer preferences and behavioural trends.
- *Out of Home Solutions* – This is a service focused on capturing and analysing the effectiveness of out of home advertising on store visits.
- *Online to Offline Attribution* – This service assesses how effective online digital advertising is in increasing footfall in stores.

The Directors are moving the Group away from managed service solutions and so products are now typically delivered via self-service client dashboards. This enhances the client offering and reduces the Group's resource requirements, as well as significantly improving scalability.

### Verify

Verify, which was launched on 25 May 2018 and has live customers or opportunities in the UK, the United States, Germany, France and South Africa, is a multi-lingual online platform that uses machine learning and distribution analysis to identify location data ad fraud and inaccurate targeting of digital adverts. Verify collects data directly from advertisements using proprietary code which is implanted into the advertisement itself.

The Company developed Verify to tackle the global location ad fraud problem. Location data ad fraud is the supply of fake consumer location information to the agency and/or advertiser to exploit the high price of consumer location data in the programmatic advertising market. According to a report published by Juniper Research in September 2017, ad fraud will cost advertisers \$19 billion in 2018, representing 9 per cent. of total digital advertising spend.

Using Verify, advertisers and agencies are able to gain independently authenticated insight into the accuracy and precision of their location-based advertising campaigns. They are also able to understand location signal and Point of Interest (“POI”) radius accuracy, footfall, audience profile matching, and optimise their location media campaigns.

Verify, with its first mover advantage, is already gaining significant traction in the UK and US and the Company has signed contracts with two major UK media buying agencies in recent weeks, which includes London agency the7stars.

### **3. BACKGROUND TO AND REASONS FOR THE OPEN OFFER**

The Directors believe that further funds will enable Location Sciences to maintain its leading position in the UK location data and insights market and allow the Company to accelerate the growth of Verify, its leading location data verification product, both in the UK and overseas.

Accordingly, the Company is proposing to raise up to £3.24 million (gross) through the proposed Firm Placing and Open Offer.

### **4. USE OF PROCEEDS**

The Company has conditionally raised £2.76 million (before expenses) through the Firm Placing and (subject to take up) up to a further £0.47 million (before expenses) under the Open Offer. The expenses for the Transaction are expected to be approximately £0.30 million (assuming that the Open Offer is fully subscribed).

The Company is seeking to deliver the potential of its Verify product globally, particularly in the United States, and expects to use the net proceeds of the Firm Placing and Open Offer for the following purposes:

- £450,000 for US business development
- £350,000 for US accreditation
- £100,000 for UK business development
- £50,000 for European business development
- £50,000 for business development in the rest of the world
- £300,000 costs for the transaction and adviser fees
- The balance for general working capital purposes

### **5. CURRENT TRADING AND PROSPECTS**

Location Sciences is on track to deliver 5x revenue growth during the financial year ending 31 December 2018. Revenue for the financial year ended 31 December 2017 for the Company's Location Data and Insights business was £144,813. The Directors are confident in the future growth of the business and believe the £100,000 revenue milestone reached in October 2018 (with more than 60 per cent. being either contracted or repeat customer revenues) is a solid foundation from which to scale the business.

The recent announcements of contract wins with Talon Outdoor Limited and CACI Limited evidence the growing appeal of the Location Sciences UK location data platform and the launch of Verify in May 2018 has given Location Sciences the ability to scale globally.

The Directors are pleased to have signed two UK agencies and established a US sales team for its Verify product in 2018. The appointment of Warren Zenna as President of the US sales team is a key hire for Location Sciences as the United States is by far the largest location advertising market globally.

Warren Zenna is a major player in the US mobile advertising market, having previously headed up Havas Media's US mobile advertising team. He has already recruited three key senior sales executives to help bring Verify, Location Sciences verification product for location-based advertising, to market.

The Company's 34 billion UK location data points and its panel of five million consumers is proving to be attractive to a wide range of organisations looking to maximise the impact of their digital spend. The Company's Verify product is globally scalable.

The Directors are confident in delivering growth in the coming months.

The announcement of the Firm Placing and Open Offer released by the Company on 26 November 2018 included the following trading update:

“Location Sciences is pleased to announce it has reached the milestone of £100,000 of monthly revenue in October 2018. This is more than double the revenue run rate of close to £50,000 per month for August 2018, as announced in the Company’s interim results statement on 5 September 2018.

This strong performance has been driven by growth in its UK data insights division with the majority of income now being generated through long term contracts or repeat revenues. The recently launched Verify product, for authenticating the accuracy of location-based advertising campaigns, is also gaining significant traction in the UK and US and the Company has signed contracts with two major UK media buying agencies in recent weeks, which includes London agency the7stars. The Directors believe that these recent contracts are a significant proof point in the roll out of Verify.

The Company is trading in line with market expectations.”

## **6. THE OPEN OFFER AND THE FIRM PLACING**

### **Details of the Open Offer**

The Company is proposing to raise up to approximately £0.47 million (before expenses) through the Open Offer. A total of up to 20,983,344 New Ordinary Shares are available to Qualifying Shareholders pursuant to the Open Offer at the Issue Price, payable in full on acceptance. Any Open Offer Shares not subscribed for by Qualifying Shareholders will be available to Qualifying Shareholders under the Excess Application Facility. The balance of any Open Offer Shares not subscribed for under the Excess Application Facility will not be available to Firm Placees under the Firm Placing who were not already Qualifying Shareholders at the Record Date.

Qualifying Shareholders may apply for New Ordinary Shares under the Open Offer at the Issue Price on the following basis:

#### **1 Ordinary Share for every 10 Existing Ordinary Shares**

Entitlements of Qualifying Shareholders will be rounded down to the nearest whole number of Ordinary Shares. Fractional entitlements which would otherwise arise will not be issued to the Qualifying Shareholders but will be made available under the Excess Application Facility. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement. Not all Shareholders will be Qualifying Shareholders. Shareholders who are located in, or are citizens of, or have a registered address in Restricted Jurisdictions will not qualify to participate in the Open Offer. The attention of Overseas Shareholders is drawn to paragraph 6 of Part 3 of this document.

Valid applications by Qualifying Non-CREST Shareholders will be satisfied in full up to their Open Offer Entitlements as shown on the Application Form. Applicants can apply for less or more than their entitlements under the Open Offer but the Company cannot guarantee that any application for Excess Shares under the Excess Application Facility will be satisfied as this will depend in part on the extent to which other Qualifying Shareholders apply for less than or more than their own Open Offer Entitlements. The Company may satisfy valid applications for Excess Shares in whole or in part but reserves the right not to satisfy, or to scale back, applications made in excess of Open Offer Entitlements.

Application has been made for the Open Offer Entitlements to be admitted to CREST. It is expected that such Open Offer Entitlements will be credited to CREST as soon as practical after 8.00 a.m. on 28 November 2018. The Open Offer Entitlements will be enabled for settlement in CREST until 10.00 a.m. on 13 December 2018. Applications through the CREST system may only be made by the Qualifying CREST Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim. **The Open Offer Shares must be paid in full on application. The latest time and date for receipt of completed Application Forms or CREST applications and payment in respect of the Open Offer is 10.00 a.m. on 13 December 2018.**

**Qualifying Shareholders should note that the Open Offer is not a rights issue and therefore the Open Offer Shares which are not applied for by Qualifying Shareholders will not be sold in the market for the benefit of the Qualifying Shareholders who do not apply under the Open Offer. The Application Form is not a document of title and cannot be traded or otherwise transferred.**

Further details of the Open Offer and the terms and conditions on which it is being made, including the procedure for application and payment, are contained in Part 3 of this document and on the accompanying Application Form.

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

- (a) the Placing Agreement having become unconditional and not having been terminated in accordance with its terms prior to Firm Placing Admission; and
- (b) Open Offer Admission becoming effective by no later than 8.00 a.m. on 14 December 2018 or such later time and/or date (being no later than midday on 31 December 2018) as Stockdale Securities and the Company may agree.

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

The Open Offer Shares (and the Firm Placing Shares) will be issued free of all liens, charges and encumbrances and 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 their issue.

The Existing Ordinary Shares are admitted to trading on AIM. Application will be made to the London Stock Exchange for the admission of the Open Offer Shares to trading on AIM. It is expected that Open Offer Admission will occur and that dealings will commence at 8.00 a.m. on 14 December 2018 at which time it is also expected that the Open Offer Shares will be enabled for settlement in CREST. The Open Offer is not underwritten.

### **Details of the Firm Placing**

Subject to the satisfaction of the conditions under the Firm Placing, the Company has conditionally raised £2.76 million (before expenses) through the placing of 122,822,221 Firm Placing Shares at the Issue Price. The Firm Placing Shares, which are not subject to claw back, have been conditionally placed by Stockdale Securities with certain institutional and other investors by way of an accelerated bookbuild. The Issue Price is the same for the Open Offer and the Firm Placing and represents a discount of 10 per cent. to the closing mid-market price of 2.5 pence per Existing Ordinary Share on 23 November 2018 (being the last Business Day prior to the announcement of the Firm Placing and Open Offer). The Firm Placing Shares will represent 34.73 per cent. of the Enlarged Share Capital (assuming the Open Offer is fully subscribed).

The Firm Placing is conditional, *inter alia*, upon:

- (i) compliance by the Company with its obligations under the Placing Agreement;
- (ii) the Placing Agreement having become unconditional and not having been terminated in accordance with its terms prior to Firm Placing Admission; and
- (iii) admission of the Firm Placing Shares to trading on AIM becoming effective by no later than 8.00 a.m. on 29 November 2018 or such later time and/or date (being no later than midday on 31 December 2018) as Stockdale Securities and the Company may agree.

If any of the conditions in relation to the Firm Placing are not satisfied (or waived), the Firm Placing will not proceed, the Firm Placing Shares will not be issued and all monies received from the Firm Placees will be returned to them (at the Firm Placees' risk and without interest) as soon as possible thereafter. The Firm Placing Shares are not subject to clawback.

The Firm Placing Shares (and the Open Offer Shares) will be issued free of all liens, charges and encumbrances and 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 their issue.

The Existing Ordinary Shares are admitted to trading on AIM. Application has been made to the London Stock Exchange for the admission of the Firm Placing Shares to trading on AIM, with dealings expected to commence at 8.00 a.m. on 29 November 2018. The Firm Placing is not underwritten.

### **Placing Agreement**

Pursuant to the Placing Agreement, Stockdale Securities has agreed to use its reasonable endeavours as agents of the Company to procure subscribers for the Firm Placing Shares at the Issue Price.

The Placing Agreement provides, *inter alia*, for payment by the Company to Stockdale Securities of commissions based on certain percentages related to the number of Firm Placing Shares placed by Stockdale Securities and the number of Open Offer Shares in each case multiplied by the Issue Price. In addition, the Company will pay Stockdale Securities a corporate finance fee for their work on the Firm Placing and Open Offer.

The Company will bear all other expenses of, and incidental to, the Firm Placing and Open Offer, including printing costs, Registrar's and Receiving Agent's fees, all legal and accounting fees of the Company and of Stockdale Securities, all stamp duty and other taxes and duties where payable.

The Placing Agreement contains certain warranties and indemnities from the Company in favour of Stockdale Securities and is conditional, *inter alia*, upon Firm Placing Admission becoming effective not later than 8.00 a.m. on 29 November 2018 or such later time and/or date as the Company and Stockdale Securities may agree, being not later than midday on 31 December 2018.

Stockdale Securities may terminate the Placing Agreement in certain circumstances, if, *inter alia*, the Company fails to comply with its obligations under the Placing Agreement; if there is a material adverse change in the financial position and/or prospects of the Group; or if there is a change in national or international financial, monetary, economic, political, environment or stock market conditions, which in the reasonable opinion of Stockdale Securities, acting in good faith, will or is likely to be prejudicial to the Group or the Firm Placing or Firm Placing Admission.

### **Directors' participation in the Transaction and subscription for new Ordinary Shares**

David Rae, Chief Financial Officer of the Company, has subscribed for 666,667 Firm Placing Shares at the Issue Price as part of the Firm Placing. Following Firm Placing Admission, Mr Rae will hold 1,166,667 Ordinary Shares representing 0.35 per cent. of the Company's entire issued ordinary share capital immediately following Firm Placing Admission.

In recognition of his service to the Company, and in order to incentivise him and further align his interests to those of the Company's shareholders, the Board has agreed to award Mark Slade, Chief Executive Officer of the Company, a cash bonus to match the level of his personal investment in the Firm Placing of £50,000, on condition that the proceeds of this bonus are invested in the Firm Placing. As such, Mark Slade has subscribed for 4,444,444 Placing Shares at the Issue Price as part of the Firm Placing. Following Firm Placing Admission, Mr Slade will hold 6,204,444 Ordinary Shares representing approximately 1.87 per cent. of the Company's entire issued ordinary share capital immediately following Firm Placing Admission.

None of the Directors currently intends to take up his entitlement to subscribe for New Ordinary Shares under the Open Offer.

### **Transaction considerations**

The Directors believe that the Transaction is in the best interests of the Company and its Shareholders as a whole. In making this statement the Directors have spent time, and have taken appropriate advice, in considering the Transaction and the method by which to raise the net proceeds. The Directors concluded that a Firm Placing accompanied by an Open Offer was the most appropriate structure to raise funding for the following reasons:

- the Firm Placing gives the Company the opportunity to attract new institutional investors to its shareholder register, which the Directors expect will improve liquidity going forward, and also provide increased credibility; and
- the Open Offer of up to approximately £0.47 million enables all Qualifying Shareholders to participate in the Transaction on the same terms as institutional and new investors but without the time and costs associated with a full pre-emptive offer and/or rights issue.

The Issue Price is the same for the Open Offer and the Firm Placing and represents a discount of 10 per cent. to the closing mid-market price of 2.5 pence per Existing Ordinary Share on 23 November 2018 (being the last Business Day prior to the announcement of the Firm Placing and Open Offer). The Directors can confirm that the Issue Price, and therefore the potential dilution for Shareholders, has been a key consideration in setting the amount raised as part of the Transaction and the decision to undertake an Open Offer. The Issue Price was established as part of a book building process undertaken by the Company's advisers.

## **7. OVERSEAS SHAREHOLDERS**

The attention of Qualifying Shareholders who have registered addresses outside the United Kingdom, or who are citizens or residents of countries other than the United Kingdom, or who are holding Existing Ordinary Shares for the benefit of such persons, (including, without limitation, custodians, nominees, trustees and agents) or who have a contractual or other legal obligation to forward this document or the Application Form to such persons, is drawn to the information which appears in paragraph 6 of Part 3 of this document.

In particular, Qualifying Shareholders who have registered addresses in or who are resident in, or who are citizens of, countries other than the UK (including without limitation the United States), should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their entitlements under the Open Offer.

## **8. RISK FACTORS AND ADDITIONAL INFORMATION**

The attention of Shareholders is drawn to the risk factors set out in Part 2 of this document and the information on the Open Offer contained in Parts 3 and 4 of this document.

## **9. APPLICATION FOR ADMISSION TO AIM**

Application has been made to the London Stock Exchange for the Firm Placing Shares to be admitted to trading on AIM. It is anticipated that Firm Placing Admission will become effective and that dealings in the Firm Placing Shares will commence at 8.00 a.m. on 29 November 2018. Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. It is anticipated that Open Offer Admission will become effective and that dealings in the Open Offer Shares will commence at 8.00 a.m. on 14 December 2018.

## **10. ACTION TO BE TAKEN**

Qualifying Non-CREST Shareholders should check that they have received the following with this document:

- an Application Form for use in connection with the Open Offer; and
- a reply-paid envelope for use in connection with the return of the Application Form (in the UK only).

Qualifying non-CREST Shareholders wishing to apply for Open Offer Shares or Excess Shares must complete the enclosed Application Form in accordance with the instructions set out in paragraph 3 of Part 3 of this document and on the accompanying Application Form and return it with the appropriate payment to Computershare, so as to arrive **no later than 10.00 a.m. on 13 December 2018**.

To ensure compliance with the Money Laundering Regulations, Computershare may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf the Application Form is lodged (which requirements are referred to as the “verification of identity requirements” in paragraph 4 of Part 3 of this document).

Qualifying Shareholders may apply for their full Open Offer Entitlement under the Open Offer. Applications for Excess Shares under the Excess Application Facility are subject to the maximum number of Ordinary Shares being offered under the Open Offer and will be scaled down *pro rata* to the number of Excess Shares applied for, or otherwise at the absolute discretion of the Company. Any monies paid in excess of the amount due will be returned without interest by crossed cheque in favour of the applicant at the applicant’s risk.

Qualifying Shareholders who wish to participate in the Open Offer may, if they wish, apply for fewer shares than their full Open Offer Entitlement under the Open Offer. There is no maximum subscription, but excess applications for Excess Shares may be scaled down as explained above. Not all Shareholders will be Qualifying Shareholders. Shareholders who have a registered address, or who are located, in the United States, or who have a registered address, or who are located in, or who are citizens or residents of, a Restricted Jurisdiction (regardless of the number of Existing Ordinary Shares that they hold) will not qualify to participate in the Open Offer.

If you do not wish to apply for any Ordinary Shares under the Open Offer, you should not complete or return the Application Form.

If you are a Qualifying CREST Shareholder, no Application Form will be sent to you. Qualifying CREST Shareholders will have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to their stock accounts in CREST. You should refer to the procedure for application set out in paragraph 3 of Part 3 of this document. The relevant CREST instructions must have settled in accordance with the instructions in paragraph 3 of Part 3 of this document **by no later than 10.00 a.m. on 13 December 2018.**

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.

## **11. DOCUMENTS AVAILABLE**

Copies of this document will be available to the public, free of charge, at the Company’s registered office and at the offices of Stockdale Securities, 100 Wood Street, London EC2V 7AN during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for one month from the date of this document. This document will also be available on the Company’s website, [www.locationsciences.ai](http://www.locationsciences.ai).

Yours faithfully

**Kelvin Harrison**  
*Non-Executive 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 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 COMPANY AND ITS BUSINESS**

##### **1.1 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.

##### **1.2 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.



1.3 **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.

1.4 **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.

1.5 **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.

1.6 **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.

1.7 **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.

#### 1.8 **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.

#### 1.9 **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.

#### 1.10 **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 2017 had an accumulated deficit on consolidated profit and loss account of approximately £28,948,022. 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.

#### 1.11 **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.

#### 1.12 **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.

#### 1.13 **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 Guidance 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.

#### 1.14 **The UK's exit from the EU could impact the regulatory and tax framework applicable to the Group's business, and/or the market and economic conditions in which it operates**

A referendum was held on 23 June 2016 to decide whether the UK should remain in the EU. A vote was given in favour of the UK leaving the EU ("Brexit") and Article 50 of the Treaty on European Union was triggered on 29 March 2017. The UK is currently expected to withdraw from the EU on 29 March 2019. The Company may be subject to a significant period of uncertainty in the period leading up to eventual Brexit, including, among other things, uncertainty in relation to any potential regulatory or tax change. There continues to be a high degree of uncertainty as to the full implications of Brexit which is likely to continue in at least the medium term. The extent of the impact of Brexit on the Company will depend in part on the nature of the arrangements that are put in place between the UK and the EU following the eventual Brexit and the extent to which the UK continues to apply laws that are based on EU legislation. In addition, the macroeconomic effect of an eventual Brexit on the value of investments is unknown. The UK's exit from the EU could also create significant uncertainty in the UK (and potentially global) financial markets, which may have a material and adverse effect on the performance of the Company and the price of the Ordinary Shares. It could also potentially make it more difficult for the Company to raise capital in the EU and/or increase the regulatory compliance burden on the Company. Brexit could also restrict the movement of capital, personal data and skilled personnel into the UK, which could have an adverse effect on the Group's business. These factors could all restrict the Company's future activities.

## **2 RISKS RELATING TO THE COMPANY'S TECHNOLOGY**

### **2.1 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.

### **2.2 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.

## **3 RISKS RELATING TO THE COMPANY'S SECURITIES**

### **3.1 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.

### **3.2 Dilution of ownership of Ordinary Shares**

For those Shareholders who do not participate in the Transaction, their proportionate ownership and voting interest in the Company will be reduced as a consequence of the Transaction. In particular, to the extent that Shareholders do not take up the offer of Offer Shares under the Open Offer, their proportionate ownership and voting interest in the Company will be further reduced and the percentage that their shareholdings represent of the ordinary share capital of the Company will, following Admission, be reduced accordingly. Subject to certain exceptions, Shareholders in the United States and other Restricted Jurisdictions will not be able to participate in the Open Offer. Shareholders should note that their holdings and voting interest in the Company will be reduced, whether or not they elect to participate in the Open Offer, as a result of the Firm Placing.

### **3.3 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.

### **3.4 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.

### **3.5 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.

### 3.6 **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.

### 3.7 **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 Transaction, 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

### INTRODUCTION

As explained in the letter from the Chairman of the Company set out in Part 1 of this document, the Company is proposing to raise up to £3.24 million (up to approximately £2.94 million net of expenses) by way of the Firm Placing and Open Offer, of which up to approximately £0.47 million will be raised from the offer of the Open Offer Shares at the Issue Price to Qualifying Shareholders under the Open Offer.

The purpose of this Part 3 is to set out the terms and conditions of the Open Offer. Up to 20,983,344 new Ordinary Shares will be issued through the Open Offer. Qualifying Shareholders are being offered the right to subscribe for Open Offer Shares in accordance with the terms of the Open Offer. The Open Offer has not been underwritten.

The Record Date for entitlements under the Open Offer for Qualifying CREST Shareholders and Qualifying Non-CREST Shareholders was the close of business on 23 November 2018. Application Forms are being posted to Qualifying Non-CREST Shareholders along with this document on 27 November 2018 and Open Offer Entitlements and Excess CREST Open Offer Entitlements are expected to be credited to stock accounts of Qualifying CREST Shareholders in CREST as soon as practical after 8.00 a.m. on 28 November 2018.

Subject to availability, the Excess Application Facility will enable Qualifying Shareholders to apply for Excess Shares. Further details in relation to the Excess Application Facility are set out in Part 4 of this document and, for Qualifying Non-CREST Shareholders, the Application Form.

The latest time and date for receipt of a completed Application Form and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate) **is expected to be 10.00 a.m. on 13 December 2018** with Open Offer Admission and commencement of dealings in Open Offer Shares expected to take place at 8.00 a.m. on 14 December 2018.

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

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

The Open Offer is an opportunity for Qualifying Shareholders to apply for up to 20,983,344 Open Offer Shares *pro rata* (excepting fractional entitlements) to their current holdings at the Issue Price in accordance with the terms of the Open Offer.

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

Any Qualifying Shareholder who has sold or transferred all or part of their registered holding(s) of Ordinary Shares prior to the Ex-entitlement Date is advised to consult their 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 them by the purchasers under the rules of the London Stock Exchange.

## 1. THE OPEN OFFER

Subject to the terms and conditions set out below (and, in the case of Qualifying Non-CREST Shareholders, in the Application Form), Qualifying Shareholders are being given the opportunity under the Open Offer to subscribe for Open Offer Shares at the Issue Price *pro rata* to their holdings, payable in full on application. The Issue Price is the same for the Open Offer and the Firm Placing and represents a discount of 10 per cent. to the closing mid-market price of 2.5 pence per Existing Ordinary Share on 23 November 2018 (being the last Business Day prior to the announcement of the Firm Placing and Open Offer).

Qualifying Shareholders have basic entitlements of:

### 1 New Ordinary Share for every 10 Existing Ordinary Shares

registered in their name on the Record Date. Entitlements under the Open Offer will be rounded down to the nearest whole number of Open Offer Shares, with fractional entitlements being aggregated and made available under the Excess Application Facility.

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

If you are a Qualifying Non-CREST Shareholder, the Application Form shows the number of Existing Ordinary Shares registered in your name on the Record Date (in Box A) and your Open Offer Entitlement (in Box B).

If you are a Qualifying CREST Shareholder, application will be made for your Open Offer Entitlement and Excess CREST Open Offer Entitlement to be credited to your CREST account. Open Offer Entitlements and Excess CREST Open Offer Entitlements are expected to be credited to CREST accounts on 28 November 2018. The Existing Ordinary Shares are already admitted to CREST. Accordingly, no further application for admission to CREST is required for the New Ordinary Shares. All such shares, when issued and fully paid, may be held and transferred by means of CREST.

Subject to availability, the Excess Application Facility will enable Qualifying Shareholders, provided they have taken up their Open Offer Entitlement in full, to apply for further Open Offer Shares in excess of their Open Offer Entitlement. Further details in relation to the Excess Application Facility are set out in Part 4 of this document and, for Qualifying Non-CREST Shareholders, the Application Form. Qualifying CREST Shareholders will have their Open Offer Entitlement and Excess CREST Open Offer Entitlement credited to their stock accounts in CREST and should refer to paragraph 3.2 below 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, Open Offer Shares will be scaled back *pro rata* to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility, however, the Directors reserve the right to allocate the Excess Shares in such manner as the Directors may determine in their absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

Please refer to paragraphs 3.1(f) and 3.2(j) below for further details of the Excess Application Facility.

**Qualifying Shareholders should be aware that the Open Offer is not a rights issue. Qualifying Non-CREST Shareholders should also note that their respective Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements and Excess CREST Open Offer Entitlements will be credited through CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. Open Offer Shares not applied for under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer. Any Open Offer Shares which are not applied for by**



**Qualifying Shareholders under the Open Offer will not be issued by the Company as the Open Offer is not underwritten.**

**The attention of Overseas Shareholders is drawn to paragraph 6 below.**

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

## **2. CONDITIONS AND FURTHER TERMS OF THE OPEN OFFER**

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

- (a) the Placing Agreement having become unconditional and not having been terminated in accordance with its term; and
- (b) admission of the Firm Placing Shares occurring not later than 8.00 a.m. on 29 November 2018 (or such later time and/or date as the Company and Stockdale Securities may agree being no later than midday on 31 December 2018).

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

No temporary documents of title will be issued in respect of Open Offer Shares held in uncertificated form. Definitive certificates in respect of Open Offer Shares taken up are expected to be posted to those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in certificated form within 10 Business Days of Firm Placing Admission.

In respect of those Qualifying Shareholders who have validly elected to hold their New Ordinary Shares in uncertificated form, the New Ordinary Shares are expected to be credited to their stock accounts maintained in CREST by 8.00 a.m. on 14 December 2018.

Applications will be made for the Open Offer Shares to be admitted to trading on AIM. Open Offer Admission is expected to occur at 8.00 a.m. on 14 December 2018, when dealings in the Open Offer Shares are expected to begin.

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

## **3. PROCEDURE FOR APPLICATION AND PAYMENT**

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

Qualifying Shareholders who hold all or part of their Existing Ordinary Shares in certificated form will receive the Application Form, enclosed with this document. The Application Form shows the number of Existing Ordinary Shares held in certificated form at the Record Date. It will also show Qualifying Shareholders 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 into and withdrawal from CREST is set out in paragraph 3.2(f) of this Part 3.

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

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

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

(a) ***General***

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

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

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

(b) ***Bona fide market claims***

Applications to acquire Open Offer Shares may only be made on the Application Form and may only be made by the Qualifying Non-CREST Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Existing Ordinary Shares through the market prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer. Application Forms may not be sold, assigned, transferred or split, except to satisfy *bona fide* market claims up to 3.00 p.m. on 11 December 2018. 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 their holding of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer, should contact their broker or other professional adviser authorised under FSMA through whom the sale or purchase was

effected as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed by the purchaser(s) or transferee(s).

Qualifying Non-CREST Shareholders who have sold all or part of their registered holding should, if the market claim is to be settled outside CREST, complete Box 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 any Restricted Jurisdiction, nor in or into any other jurisdiction where the extension of the Open Offer would breach any applicable law or regulation. If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedure set out in paragraph 3.2 below.

(c) **Application procedures**

Qualifying Non-CREST Shareholders wishing to apply to acquire Open Offer Shares (whether in respect of all or part of their Open Offer Entitlement or in addition to their Open Offer Entitlement under the Excess Application Facility) should complete the Application Form in accordance with the instructions printed on it. Qualifying Non-CREST Shareholders may only apply for Excess Shares if they have agreed to take up their Open Offer Entitlements in full. It is intended that the Excess Shares will be allocated *pro rata*, however, the Directors reserve the right to allocate the Excess Shares in such manner as the Directors may determine in their absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all. Qualifying Non-CREST Shareholders must make payment for their Open Offer Shares and any Excess Shares in full at the time of acceptance of the Open Offer.

Completed Application Forms should be posted to Computershare Investor Services Plc, The Pavilions, Bridgwater Road, Bristol, BS13 8AE, United Kingdom, or returned by hand (during normal business hours only) with the appropriate remittance so as to be received by Computershare by no later than 10.00 a.m. on 13 December 2018. The Company reserves the right to treat any application not strictly complying with the terms and conditions of application as nevertheless valid. The Company further reserves the right (but shall not be obliged) to accept either Application Forms or remittances received after 10.00 a.m. on 13 December 2018. Qualifying Non-CREST Shareholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged. Multiple applications will not be accepted. If an Application Form is being sent by first-class post in the UK, Qualifying Shareholders are recommended to allow at least four Business Days for delivery.

The Company may in its sole discretion, but shall not be obliged to, treat an Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. The Company further reserves the right (but shall not be obliged) to accept either:

- (i) Application Forms received after 10.00 a.m. on 13 December 2018; or
- (ii) Applications in respect of which remittances are received before 10.00 a.m. on 13 December 2018 from authorised persons (as defined in FSMA) specifying the Open Offer Shares applied for and undertaking to lodge the Application Form in due course but, in any event, within two Business Days.

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

(d) **Payments**

All payments must be in pounds sterling and made by cheque made payable to “CIS PLC RE: LOCATION SCIENCES GROUP PLC Open Offer Account” and crossed “A/C Payee Only”. Cheques must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or the British Isles which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques to be cleared through the facilities provided by either of those companies 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 will not be accepted with the exception of building society cheques where the building society or bank has confirmed the name of the account holder by stamping or endorsing the back of the cheque to confirm that the relevant Qualifying Shareholder has title to the underlying funds. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted.

Cheques will be presented for payment upon receipt. The Company reserves the right to instruct Computershare to seek special clearance of cheques to allow the Company to obtain value for remittances at the earliest opportunity (and withhold definitive share certificates (or crediting to the relevant member account, as applicable) pending clearance thereof). No interest will be paid on payments 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 or cheques sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted. If the Open Offer does not become unconditional, no Open Offer Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable following the lapse of the Open Offer.

If Open Offer Shares have already been allotted to a Qualifying Non-CREST Shareholder and such Qualifying Non-CREST Shareholder's cheque is not honoured upon first presentation or such Qualifying Non-CREST Shareholder's application is subsequently otherwise deemed to be invalid, Computershare 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 Computershare, Stockdale Securities or the Company nor any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying Non-CREST Shareholders.

(e) **Incorrect sums**

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

- (i) to reject the application in full and return the cheque or refund the payment to the Qualifying Non-CREST Shareholder in question; or
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the Qualifying Non-CREST Shareholder in question, save that any sums of less than £1 will be retained for the benefit of the Company; or
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all of the Open Offer Shares referred to in the Application Form, refunding any unutilised sums to the Qualifying Non-CREST Shareholder in

question, save that any sums of less than £1 will be retained for the benefit of the Company.

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

(f) ***The Excess Application Facility***

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

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

Should the Open Offer become unconditional and applications under the Open Offer exceed 20,983,344 Ordinary Shares, resulting in a scale back of applications, each Qualifying Non-CREST Shareholder who has made a valid application for Excess Shares and from whom payment in full for the Excess Shares has been received will receive a pounds sterling amount equal to the number of Excess Shares applied and paid for but not allocated to the relevant Qualifying Non-CREST Shareholder multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable thereafter, without payment of interest and at the applicant's sole risk.

(g) ***Effect of application***

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

- (i) represents and warrants to the Company and Stockdale Securities they have the right, power and authority, and have taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise their rights, and perform their obligations, under any contracts resulting therefrom and that they are not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees with the Company and Stockdale Securities that all applications under the Open Offer and contracts resulting therefrom, and any non-contractual obligations related thereto, shall be governed by, and construed in accordance with, the laws of England;
- (iii) confirms to the Company and Stockdale Securities that in making the application they are not relying on any information or representation in relation to the Company other than that contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part 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, they will be deemed to have had notice of all information in relation to the Company contained in this document (including information incorporated by reference);

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

All enquiries in connection with the procedure for application and completion of the Application Form should be addressed to Computershare Investor Services Plc, The Pavilions, Bridgwater Road, Bristol, BS13 8AE, United Kingdom, or you can contact them on 0370 702 0000 from within the UK or +44 (0) 370 702 0000 if calling from outside the UK. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 8.30 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

Qualifying Non-CREST Shareholders who do not want to take up or apply for the Ordinary 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 they are entitled in uncertificated form in CREST. Please see paragraph 3.2(f) of this Part 3 for more information.

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

#### (a) **General**

Subject to paragraph 6 below in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to their stock account in CREST of their Open Offer Entitlement equal to the maximum number of Ordinary Shares for which they are entitled to apply under the Open Offer plus their Excess CREST Open Offer Entitlement equal to the maximum number of Ordinary Shares for which they are entitled to apply under the Excess Application Facility. Entitlements to Open Offer Shares will be rounded down to the nearest whole number and any Open Offer Entitlements have therefore also been rounded down. Any fractional entitlements to Open Offer Shares arising will be aggregated and made available under the Excess Application Facility.

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

If for any reason Open Offer Entitlements and/or the Excess CREST Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by, 3.00 p.m. on 28 November 2018, or such later time and/or date as the Company may decide, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlement and Excess CREST Open Offer Entitlement which should have been credited to their 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-CEST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive an Application Form.

CREST members who wish to apply to acquire some or all of their entitlements to Open Offer Shares and their Excess CREST Open Offer Entitlements should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact Computershare on 0370 702 0000 from within the UK or +44 (0) 370 702 0000 if calling from outside the UK. Calls to the helpline number are typically charged at your service provider's standard rate. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that Computershare cannot provide financial advice on the merits of the Open Offer or as to whether applicants should take up their Open Offer Entitlements or 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) **Bona fide market claims**

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

appropriate market claim transaction and the relevant Open Offer Entitlement(s) and Excess CREST Open Offer Entitlement(s) will thereafter be transferred accordingly.

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

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

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

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

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

- (i) the number of Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to Computershare);
- (ii) the ISIN of the Open Offer Entitlement. This is GB00BYWQV12;
- (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 Computershare in its capacity as a CREST receiving agent. This is 8RA34;
- (vi) the member account ID of Computershare in its capacity as a CREST receiving agent. This is LOCATION;
- (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 10.00 a.m. on 13 December 2018; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 10.00 a.m. on 13 December 2018.

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

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



CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 13 December 2018 in order to be valid is 10.00 a.m. on that day.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 14 December 2018 (or such later time and date as the Company and Stockdale Securities determine being no later than midday on 31 December 2018), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and Computershare will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

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

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

- (i) the number of Excess Shares for which application is being made (and hence being delivered to Computershare);
- (ii) the ISIN of the Excess CREST Open Offer Entitlement. This is GB00BYWQVW29;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Excess CREST Open Offer Entitlements are to be debited;
- (v) the participant ID of Computershare in its capacity as a CREST receiving agent. This is 8RA34;
- (vi) the member account ID of Computershare in its capacity as a CREST receiving agent. This is LOCATION;
- (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 Excess Shares referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 10.00 a.m. on 13 December 2018; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application in respect of an Excess CREST Open Offer Entitlement under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 10.00 a.m. on 13 December 2018.

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

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

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 13 December 2018 in order to be valid is 10.00 a.m. on that day.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 14 December 2018 (or such later time and date as the Company and Stockdale Securities determine being no later than midday on 31 December 2018), the Open Offer will lapse, the Open Offer Entitlements and the Excess CREST Open Offer Entitlements admitted to CREST will be disabled and Computershare 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 their 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 10.00 a.m. on 13 December 2018. 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 Computershare.

In particular, having regard to normal processing times in CREST and on the part of Computershare, 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 6 December 2018 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 5 December 2018 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 10.00 a.m. on 13 December 2018.

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 Computershare 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 2 of the Application Form, and a declaration to the Company and Computershare from the relevant CREST member(s) that it/they is/are not in the United States or citizen(s) or resident(s) of any Restricted Jurisdiction or any other jurisdiction in which the application for 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 10.00 a.m. on 13 December 2018 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 their CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 10.00 a.m. on 13 December 2018. 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.

If a Qualifying CREST Shareholder does not wish to apply for the Open Offer Shares under the Open Offer, they should take no action.

(j) **Incorrect or incomplete applications**

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

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

(k) **The Excess Application Facility**

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

To apply for Excess Shares pursuant to the Open Offer, Qualifying CREST Shareholders should follow the instructions above and must not return a paper form or 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 but will be transferred as a separate claim. Should a Qualifying CREST Shareholder cease to hold all of their Existing Ordinary Shares as a result of one or more *bona fide* market claims, the Excess CREST Open Offer Entitlement credited to CREST and allocated to the relevant Qualifying Shareholder will be transferred to the purchaser. Please note that an additional USE instruction must be sent in respect of any application under the Excess CREST Open Offer Entitlement.

Should the Open Offer become unconditional and applications for Open Offer Shares by Qualifying Shareholders under the Open Offer exceed 20,983,344 Ordinary 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 their Excess CREST Open Offer Entitlement and from whom payment in full for the Excess 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 by way of CREST payment, as appropriate. Fractions of Open Offer Shares will be aggregated and made available under the Excess Application Facility

All enquiries in connection with the procedure for applications under the Excess Application Facility and your Excess CREST Open Offer Entitlement should be addressed to Computershare, The Pavilions, Bridgwater Road, Bristol, BS13 8AE, United Kingdom, or you can contact Computershare on 0370 702 0000 from within the UK or +44 (0) 370 702 0000 if calling from outside the UK. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 8.30 a.m. - 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

(l) ***Effect of valid application***

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

- (i) represents and warrants to the Company and Stockdale Securities that they have the right, power and authority, and have taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise their rights, and perform their obligations, under any contracts resulting therefrom and that they are not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to Computershare’ payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);

- (iii) agrees with the Company and Stockdale Securities that all applications under the Open Offer and contracts resulting therefrom, and only non-contractual obligations related thereto, shall be governed by, and construed in accordance with, the laws of England;
- (iv) confirms to the Company and Stockdale Securities that in making the application they are not relying on any information or representation in relation to the Company other than that contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part 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, they will be deemed to have had notice of all the information in relation to the Company contained in this document (including information incorporated by reference);
- (v) represents and warrants to the Company and Stockdale Securities that they are the Qualifying Shareholder originally entitled to the Open Offer Entitlements or that, if they have received some or all of their Open Offer Entitlements from a person other than the Company, they are entitled to apply under the Open Offer in relation to such Open Offer Entitlement by virtue of a *bona fide* market claim;
- (vi) requests that the Open Offer Shares to which they will become entitled be issued to them on the terms set out in this document, subject to the articles of association of the Company from time to time;
- (vii) represents and warrants to the Company and Stockdale Securities that they are not, nor are they applying on behalf of any person who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of the United States, any Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law and they are not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of the 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 the United States, any Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that they are able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- (viii) represents and warrants to the Company and Stockdale Securities that they are not, and nor are they applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986; and
- (ix) confirms that in making the application they are not relying and have not relied on the Company and Stockdale Securities or any person affiliated with the Company and Stockdale Securities in connection with any investigation of the accuracy of any information contained in this document or their investment decision.

If a Qualifying CREST Shareholder does not wish to apply for the Open Offer Shares under the Open Offer, they should take no action.

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

The Company may in its sole discretion:

- (i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part 3;
- (ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
- (iii) treat a properly authenticated dematerialised instruction (in this sub-paragraph the "first instruction") as not constituting a valid application if, at the time at which Computershare receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or Computershare has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- (iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Open Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by Computershare in connection with CREST.

(n) ***Lapse of the Open Offer***

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 14 December 2018 or such later time and date as the Company and Stockdale Securities may agree (being no later than midday on 31 December 2018), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and Computershare will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

## **4. MONEY LAUNDERING REGULATIONS**

### **4.1 Holders of Application Forms**

To ensure compliance with the Money Laundering Regulations, Computershare 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 Computershare. 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 Computershare to be acting on behalf of some other person, accepts the Open Offer in respect of such number of Open Offer Shares as is referred to therein (for the purposes of this paragraph 4 the "relevant Open Offer Shares") shall thereby be deemed to agree to provide Computershare

with such information and other evidence as they may require to satisfy the verification of identity requirements.

If Computershare 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. Computershare 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 Computershare 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, Computershare has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant application as invalid, in which event the monies payable on acceptance of the Open Offer will be returned (at the acceptor's risk) without interest to the account of the bank or building society on which the relevant cheque was drawn.

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

The verification of identity requirements will not usually apply:

- (i) if the applicant is an organisation required to comply with the Money Laundering Directive (the Council Directive on prevention of the use of the financial system for the purpose of money laundering (no.91/308/EEC));
- (ii) if the acceptor is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations;
- (iii) if the applicant (not being an applicant who delivers their application in person) makes payment by way of a cheque drawn on an account in the applicant's name; or
- (iv) if the aggregate subscription price for the Open Offer Shares is less than €15,000 (currently approximately £13,270).

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

- (a) if payment is made by cheque in sterling drawn on a branch in the United Kingdom of a bank or building society which bears a UK bank sort code number in the top right-hand corner the following applies. Cheques should be made payable to "Computershare Investor Services Plc Receiving Agent A/C" in respect of an application by a Qualifying Shareholder and crossed "A/C Payee Only". Third party cheques will not be accepted with the exception of building society cheques where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque to such effect. The account name should be the same as that shown on the Application Form; or
- (b) if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in (i) above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force, the agent should provide with the Application Form written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to Computershare. If the agent is not such an organisation, it should contact

Computershare Investor Services Plc at The Pavilions, Bridgwater Road, Bristol, BS13 8AE, United Kingdom.

To confirm the acceptability of any written assurance referred to in (b) above, or in any other case, the acceptor should contact Computershare on 0370 702 0000 from within the UK or on +44 (0) 370 702 0000 if calling from outside the UK. Calls to the helpline number are typically charged at your service provider's standard rate. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note Computershare cannot provide financial or taxation advice or comment on the merits of the Open Offer or as to whether applicants should take up their Open Offer Entitlement.

If the Application Form(s) is/are in respect of Open Offer Shares with an aggregate subscription price of €15,000 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, they should ensure that they have with them evidence of identity bearing their photograph (for example, their passport) and separate evidence of their address.

If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 10.00 a.m. on 13 December 2018, Computershare has not received evidence satisfactory to it as aforesaid, Computershare 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 applicant at the applicant's risk (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

#### 4.2 **Open Offer Entitlements in CREST**

If you hold your Open Offer Entitlement and Excess CREST Open Offer Entitlement in CREST and apply for Open Offer Shares in respect of some or all of your Open Offer Entitlement and/or Excess CREST Open Offer Entitlement as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, Computershare 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 Computershare 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 Computershare such information as may be specified by Computershare as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to Computershare as to identity, who 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.

### **5. ADMISSION, SETTLEMENT AND DEALINGS**

The result of the Open Offer is expected to be announced at 7.00 a.m. on 14 December 2018. 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 Open Offer Admission will become effective and that dealings in the Open Offer Shares will commence at 8.00 a.m. on 14 December 2018.



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 10.00 a.m. on 13 December 2018 (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 14 December 2018, Computershare will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Open Offer Shares with effect from Open Offer Admission. The stock accounts to be credited will be accounts under the same CREST participant IDs and CREST member account IDs in respect of which the USE instruction was given. Notwithstanding any other provision of this document, the Company reserves the right to send Qualifying CREST Shareholders an Application Form instead of crediting the relevant stock account with Open Offer Entitlements and Excess CREST Open Offer Entitlements, and to allot and/or issue any Open Offer Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by Share Registrar in connection with CREST.

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

## **6. OVERSEAS SHAREHOLDERS**

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

### **6.1 General**

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

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

Receipt of this document and/or an Application Form and/or a credit of an Open Offer Entitlement or an Excess CREST Open Offer Entitlement to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

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

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

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

None of the Company, Stockdale Securities, 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 their custodian, agent, nominee or trustee, they must not seek to apply for Ordinary Shares in respect of the Open Offer unless the Company and Stockdale Securities 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 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 dispatched from the United States or a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any other jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates of Open Offer Shares or in the case of a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, to a CREST member whose registered address would be in the United

States or a Restricted Jurisdiction or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates or make such a credit.

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

Overseas Shareholders who wish, and are permitted, to apply for Open Offer Shares should note that payment must be made in sterling denominated cheques or where such Overseas Shareholder is a Qualifying CREST Shareholder, through CREST. Due to restrictions under the securities laws of the United States and the Restricted Jurisdictions, and subject to certain exceptions, Qualifying Shareholders in the United States or who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements or Excess CREST Open Offer Entitlements. No public offer of Open Offer Shares is being made by virtue of this document or the Application Forms into the United States or any Restricted Jurisdiction. Receipt of this document and/or an Application Form and/or a credit of an Open Offer Entitlement 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 for information only and should not be copied or redistributed and no action should be taken to take up any Open Offer Entitlement or Excess CREST Open Offer Entitlement so credited.

## 6.2 **United States**

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

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

Subject to certain exceptions, any person who acquires New Ordinary Shares 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, that they are not, and that at the time of acquiring the New Ordinary Shares they will not be, in the United States or acting on behalf of, or for the account or benefit of a person on a non-discretionary basis in the United States or any state of the United States.

The Company reserves the right to treat as invalid any Application Form that appears to the Company or its agents to have been executed in, or despatched from, the United States, or

that provides an address in the United States for the receipt of New Ordinary Shares, or which does not make the warranty set out in the Application Form to the effect that the person completing the Application Form does not have a registered address and is not otherwise located in the United States and is not acquiring the 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 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 Stockdale Securities 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 New Ordinary Shares within the United States by a dealer (whether or not participating in the and Open Offer) may violate the registration requirements of the Securities Act.

### 6.3 **Restricted Jurisdictions**

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

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

### 6.4 **Other overseas territories**

Application Forms will be sent to Qualifying Non-CREST Shareholders and Open Offer Entitlements and Excess CREST Open Offer Entitlements will be credited to the stock account in CREST of Qualifying CREST Shareholders. Qualifying Shareholders in jurisdictions other than the United States or the Restricted Jurisdictions may, subject to the laws of their relevant jurisdiction, may participate in 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 participate in 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, Stockdale Securities and Computershare that, except where proof has been provided to the Company's satisfaction that such person's use of the Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction: (i) such person is not requesting registration of the relevant Ordinary Shares from within the United States or any Restricted Jurisdiction; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Ordinary 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 Ordinary Shares with a view to offer, sell, resell, transfer, deliver or distribute, directly or indirectly, any such Open Offer Shares into any of the above territories. The Company and/or Computershare 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 dispatched from the United States or a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or (ii) provides an address in the United States or a Restricted Jurisdiction for delivery of the share certificates of Open Offer Shares (or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates); or (iii) purports to exclude the warranty required by this sub-paragraph (a).

(b) **Qualifying CREST Shareholders**

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this Part 3 represents and warrants to the Company and Stockdale Securities 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) they are not within the United States or any Restricted Jurisdiction; (ii) they are not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares; (iii) they are 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) they are 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 or Stockdale Securities 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. TIMES AND DATES**

The Company shall, in agreement with Stockdale Securities 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 time and date for acceptance under the Open Offer and all related dates set out in this document and in such circumstances shall notify the London Stock Exchange, and make an announcement on a Regulatory Information Service but Qualifying Shareholders may not receive any further written communication.

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

## **8. TAXATION**

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

## **9. 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.

## **10. GOVERNING LAW AND JURISDICTION**

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

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

## PART 4

### QUESTIONS AND ANSWERS ABOUT THE OPEN OFFER

The questions and answers set out in this Part 4 are intended to be in general terms only and, as such, you should read Part 3 of this document for full details of what action to take. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank, fund manager, solicitor, accountant or other appropriate independent financial adviser, who is authorised under the FSMA if you are in the United Kingdom, or, if not, from another appropriately authorised and 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 Existing Ordinary Shares in certificated form only. If you are an Overseas Shareholder, you should read paragraph 6 of Part 3 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 of this document for full details of what action you should take.

If you are a CREST sponsored member, you should also consult your CREST sponsor. If you do not know whether your Existing Ordinary Shares are in certificated or uncertificated form, please call Computershare on 0370 702 0000 from within the UK or on + 44 (0) 370 702 0000 if calling from outside the UK. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 8.30 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

The contents of this document should not be construed as legal, business, accounting, tax, investment or other professional advice. Each prospective investor should consult their 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.

This Open Offer is an invitation by the Company to Qualifying Shareholders to apply to acquire up to an aggregate of 20,983,344 new Ordinary Shares at a price of 2.25 pence per share. If you hold Existing Ordinary Shares on the Record Date or have a *bona fide* market claim, other than, subject to certain exceptions, where you are a Shareholder with a registered address or located in the United States, or a Restricted Jurisdiction, you will be entitled to buy Ordinary Shares under the Open Offer.

The Open Offer is being made on the basis of one Ordinary Share for every 10 Existing Ordinary Shares held by Qualifying Shareholders on the Record Date. If your entitlement to Open Offer Shares is not a whole number, you will not be entitled to buy a fraction of an Open Offer Share and your entitlement will be rounded down to the nearest whole number. The Issue Price is the same for the Open Offer and the Firm Placing and represents a discount of 10 per cent. to the closing mid-market price of 2.5 pence per Existing Ordinary Share on 23 November 2018 (being the last Business Day prior to the announcement of the Firm Placing and Open Offer).

The Excess Application Facility allows Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement. It is intended that the Excess Shares will be allocated *pro rata*,

however, the Directors reserve the right to allocate Excess Shares in such manner as the Directors may determine in their absolute discretion, if Excess Applications are received from Qualifying Shareholders for more than the available number of Open Offer Shares, and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

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

## **2. I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. HOW DO I KNOW I AM ELIGIBLE TO PARTICIPATE IN THE OPEN OFFER?**

If you receive an Application Form and, subject to certain exceptions, are not a holder with a registered address or located in the United States or any Restricted Jurisdiction, then you should be eligible to participate in the Open Offer as long as you have not sold all of your Existing Ordinary Shares before 8.00 a.m. on 27 November 2018 (the time when the Existing Ordinary Shares were marked “ex-entitlement” by the London Stock Exchange).

## **3. I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. HOW DO I KNOW HOW MANY OPEN OFFER SHARES I AM ENTITLED TO TAKE UP?**

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

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

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

If you would like to apply for any of or all of the Open Offer Shares comprised in your Open Offer Entitlement you should complete the Application Form in accordance with the instructions printed on it and the information provided in this document. Completed Application Forms should be returned, along with a cheque drawn in the appropriate form, by post to Computershare Investor Services Plc at The Pavilions, Bridgwater Road, Bristol, BS13 8AE, United Kingdom, or by hand (during normal office hours only) so as to be received by them by no later than 10.00 a.m. on 13 December 2018, after which time Application Forms will not be valid.

## **4. I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM AND AM ELIGIBLE TO RECEIVE AN APPLICATION FORM. WHAT ARE MY CHOICES IN RELATION TO THE OPEN OFFER?**

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

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

You cannot sell your Application Form or your Open Offer Entitlement to anyone else. If you do not return your Application Form subscribing for the Open Offer Shares to which you are entitled by 10.00 a.m. on 13 December 2018, the Company has made arrangements under which the Company has agreed to issue the Open Offer Shares to other Qualifying Shareholders under the Excess Application Facility.

If you do not take up your Open Offer Entitlement then following the issue of the Open Offer Shares pursuant to Open Offer, your interest in the Company will be 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 Excess Application Facility and the Firm Placing.

**(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 500 shares but you only want to take up 250 shares, then you should write '250' 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, '250') by £0.0225, which is the price in pounds of each Open Offer Share (giving you an amount of £5.63 in this example). You should write this amount in Box G rounding up to the nearest whole pence and this should be the amount your cheque is made out for. You should then return the completed Application Form, together with a cheque for that amount, by post to Computershare Investor Services Plc, The Pavilions, Bridgwater Road, Bristol, BS13 8AE, United Kingdom or by hand (during normal office hours only) so as to be received by them by no later than 10.00 a.m. on 13 December 2018, 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 made payable to "CIS PLC RE: LOCATION SCIENCES GROUP PLC Open Offer Account" and crossed "A/C Payee Only". Cheques must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques to be cleared through the facilities provided by either of those companies 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 will not be accepted with the exception of building society cheques where the building society or bank has confirmed the name of the account holder and the number of an account held in the applicant's name at the building society or bank by stamping or endorsing the cheque to such effect. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted. Third party cheques (other than building society cheques where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds) will not be accepted (see paragraph 4 of Part 3 of this document).

Cheques will be presented for payment upon receipt. The Company reserves the right to instruct Computershare to seek special clearance of cheques to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be paid on payments made 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 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 10 Business Days from Open Offer Admission.

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

If you want to take up all of the Open Offer Shares to which you are entitled, all you need to do is send the Application Form (ensuring that all joint holders sign (if applicable)), together with your cheque for the amount (as indicated in Box G of your Application Form), by post to Computershare Investor Services Plc at The Pavilions, Bridgwater Road, Bristol, BS13 8AE, United Kingdom, or by hand (during normal office hours only) so as to be received by them by no later than 10.00 a.m. on 13 December 2018, 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 made payable to "CIS PLC RE: LOCATION SCIENCES GROUP PLC Open Offer Account" and crossed "A/C Payee Only". Cheques must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques to be cleared through the facilities provided by either of those companies and must bear the appropriate sort code in the top right-hand corner. Third party cheques will not be accepted with the exception of building society cheques where the building society or bank has confirmed the name of the account holder and the number of an account held in the applicant's name at the building society or bank by stamping or endorsing the cheque to such effect. The account name should be the same as that shown on the application.

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

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 10 Business Days from Open Offer Admission.

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

Provided you have agreed to take up your Open Offer Entitlement in full, you can apply for further Open Offer Shares under the Excess Application Facility. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement as at the Record Date. You should write the number of Open Offer Shares comprised in your Open Offer Entitlement (as indicated in Box B of the Application Form) in Box D and write the number of Excess 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 500 Open Offer Shares but you want to apply for 750 Open Offer Shares in total, then you should write '500' in Box D, '250' in Box E and '750' 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, '750') by £0.0225, which is the price in pounds sterling of each Open Offer Share (giving you an amount of £16.88 in this example). You should write this amount in Box G. You should then return your Application Form by post to Computershare Investor Services Plc at The Pavilions, Bridgwater Road, Bristol, BS13 8AE, United Kingdom, or by hand (during normal office hours only) so as to be received by them by no later than 10.00 a.m. on 13 December 2018, after which time Application Forms will not be valid. If you post your application form by first class post, you should allow at least four Business Days for delivery.

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

All payments must be in pounds sterling and made by cheque made payable to "CIS PLC RE: LOCATION SCIENCES GROUP PLC Open Offer Account" and crossed "A/C Payee Only". Cheques must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques to be cleared through the facilities provided by either of those companies 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 will not be accepted with the exception of building society cheques where the building society or bank has confirmed the

name of the account holder and the number of an account held in the applicant's name at the building society or bank by stamping or endorsing the cheque to such effect. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted. Third party cheques (other than building society cheques where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds) will not be accepted (see paragraph 4 of Part 3).

Cheques will be presented for payment upon receipt. The Company reserves the right to instruct Computershare to seek special clearance of cheques to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be paid on payments made 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 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 and otherwise successfully apply for using the Excess Application Facility. Your definitive share certificate for Open Offer Shares is expected to be despatched to you, at your own risk, by no later than 10 Business Days from Open Offer Admission.

**5. I HOLD MY EXISTING ORDINARY SHARES IN UNCERTIFICATED FORM IN CREST. WHAT DO I NEED TO DO IN RELATION TO THE OPEN OFFER?**

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

**6. I ACQUIRED MY EXISTING ORDINARY SHARES PRIOR TO THE RECORD DATE AND HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. WHAT IF I DO NOT RECEIVE AN APPLICATION FORM OR I HAVE LOST MY APPLICATION FORM?**

If you do not receive an Application Form, this probably means that you are not eligible to participate in the Open Offer. Some Shareholders who do not hold their Existing Ordinary Shares in uncertificated form, 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 23 November 2018 and who have converted them to certificated form;
- Qualifying Non-CREST Shareholders who bought Existing Ordinary Shares before 23 November 2018 but were not registered as the holders of those shares at the close of business on 23 November 2018; 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 call Computershare on 0370 702 0000 from within the UK or on +44 (0) 370 702 0000 if calling from outside the UK. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 8.30 a.m. – 5.30 p.m. Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

## **7. CAN I TRADE MY OPEN OFFER ENTITLEMENT?**

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

## **8. WHAT IF I CHANGE MY MIND?**

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

## **9. WHAT IF THE NUMBER OF OPEN OFFER SHARES TO WHICH I AM ENTITLED IS NOT A WHOLE NUMBER: AM I ENTITLED TO FRACTIONS OF OPEN OFFER SHARES?**

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

## **10. I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. WHAT SHOULD I DO IF I HAVE SOLD SOME OR ALL OF MY EXISTING ORDINARY SHARES?**

If you hold Existing Ordinary Shares in the Company directly and you sold some or all of your Existing Ordinary Shares before close of business on 23 November 2018, 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 23 November 2018, you may still take up and apply for the Open Offer Shares as set out on your Application Form.

## **11. I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. HOW DO I PAY?**

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

## **12. WILL THE EXISTING ORDINARY SHARES THAT I HOLD NOW BE AFFECTED BY THE OPEN OFFER?**

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

**13. I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. WHERE DO I SEND MY APPLICATION FORM?**

You should send your completed Application Form together with the monies in the appropriate form, by post to Computershare Investor Services Plc, The Pavilions, Bridgwater Road, Bristol, BS13 8AE, United Kingdom, or by hand (during normal office hours only). If you post your Application Form by first-class post, you should allow at least four Business Days for delivery. If you do not want to take up or apply for Open Offer Shares then you need take no further action.

**14. I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. WHEN DO I HAVE TO DECIDE IF I WANT TO APPLY FOR OPEN OFFER SHARES?**

Computershare must receive the Application Form **by no later than 10.00 a.m. on 13 December 2018**, after which time Application Forms will not be valid. If an Application Form is being sent by first class post in the UK, Qualifying Shareholders are recommended to allow at least four Business Days for delivery.

**15. HOW DO I TRANSFER MY ENTITLEMENTS INTO THE CREST SYSTEM?**

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

**16. I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. WHEN WILL I RECEIVE MY NEW SHARE CERTIFICATE?**

It is expected that Computershare will post all new share certificates within 10 Business Days from Open Offer Admission.

**17. IF I BUY EXISTING ORDINARY SHARES AFTER THE RECORD DATE, WILL I BE ELIGIBLE TO PARTICIPATE IN THE OPEN OFFER?**

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

**18. WILL I BE TAXED IF I TAKE UP MY ENTITLEMENTS?**

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

**19. WHAT SHOULD I DO IF I LIVE 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 or who are located in the United States or any 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 of this document.

**20. FURTHER ASSISTANCE**

Should you require further assistance please call Computershare on 0370 702 0000 from within the UK or on +44 (0) 370 702 0000 if calling from outside the UK. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 8.30 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

## DEFINITIONS

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

<b>“Act”</b>	the Companies Act 2006 (as amended);
<b>“Admission”</b>	together, Firm Placing Admission and Open Offer Admission;
<b>“AIM”</b>	the market of that name operated by the London Stock Exchange;
<b>“AIM Rules”</b>	the AIM Rules for Companies and guidance notes, as published from time to time by the London Stock Exchange (as amended from time to time);
<b>“Application Form”</b>	the application form enclosed with this document on which Qualifying Non-CREST Shareholders may apply for Ordinary Shares under the Open Offer (including under the Excess Application Facility);
<b>“Board” or “Directors”</b>	the directors of the Company, whose names are set out on page 5 of this document;
<b>“Business Day”</b>	any day (other than a Saturday, Sunday or public holiday) upon which commercial banks are open for business in London, UK;
<b>“certificated” or “in certificated form”</b>	where an Ordinary Share is not in uncertificated form (i.e. not in CREST);
<b>“Company” or “Location Sciences”</b>	Location Sciences Group plc, a public limited company incorporated in England and Wales under registered number 06458458 and having its registered office at 3 Bunhill Road, London EC1Y 8YZ;
<b>“CREST”</b>	the relevant system (as defined in the CREST Regulations) operated by Euroclear which facilitates the transfer of title to shares in uncertificated form;
<b>“CREST Manual”</b>	the CREST Manual referred to in agreements entered into by Euroclear and available at <a href="http://www.euroclear.com">www.euroclear.com</a> ;
<b>“CREST member”</b>	a person who has been admitted to CREST as a system-member (as defined in the CREST Regulations);
<b>“CREST member account ID”</b>	the identification code or number attached to a member account in CREST;
<b>“CREST participant”</b>	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations);
<b>“CREST participant ID”</b>	shall have the meaning given in the CREST Manual;
<b>“CREST payment”</b>	shall have the meaning given in the CREST Manual;
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755) including any enactment or subordinate legislation which amends or supersedes those regulations and any applicable rules made under those regulations or any such enactment or subordinate legislation for the time being in force;
<b>“CREST sponsor”</b>	a CREST participant admitted to CREST as a CREST sponsor;
<b>“CREST sponsored member”</b>	a CREST member admitted to CREST as a CREST sponsored member;

<b>“Enlarged Share Capital”</b>	the entire issued ordinary share capital of the Company immediately following the Firm Placing and the Open Offer;
<b>“EU or European Union”</b>	the European Union first established by the treaty made at Maastricht on 7 February 1992;
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited;
<b>“Excess Application Facility”</b>	the arrangement pursuant to which Qualifying Shareholders may apply for additional Ordinary Shares in excess of their Open Offer Entitlement in accordance with the terms and conditions of the Open Offer;
<b>“Excess CREST Open Offer Entitlement”</b>	in respect of each Qualifying CREST Shareholder, their entitlement (in addition to their Open Offer Entitlement) to apply for Ordinary Shares pursuant to the Excess Application Facility, which is conditional on them taking up their Open Offer Entitlement in full;
<b>“Excess Shares”</b>	Ordinary Shares applied for by Qualifying Shareholders under the Excess Application Facility;
<b>“Ex-entitlement Date”</b>	the date on which the Existing Ordinary Shares were marked “ex” for entitlement under the Open Offer, 27 November 2018;
<b>“Existing Ordinary Shares”</b>	the Ordinary Shares in issue at the date of this document;
<b>“FCA”</b>	the Financial Conduct Authority of the United Kingdom;
<b>“Firm Places”</b>	subscribers for Firm Placing Shares;
<b>“Firm Placing”</b>	the conditional firm placing by Stockdale Securities on behalf of the Company of the Firm Placing Shares with certain institutional and other investors, otherwise than on a pre-emptive basis, at the Issue Price;
<b>“Firm Placing Admission”</b>	admission to trading on AIM of the Firm Placing Shares becoming effective in accordance with Rule 6 of the AIM Rules;
<b>“Firm Placing Shares”</b>	the 122,822,221 new Ordinary Shares the subject of the Firm Placing;
<b>“FSMA”</b>	the Financial Services and Markets Act 2000 (as amended);
<b>“Group”</b>	the Company and its subsidiaries (as defined in the Act);
<b>“Issue Price”</b>	2.25 pence per New Ordinary Share;
<b>“London Stock Exchange”</b>	London Stock Exchange plc;
<b>“Money Laundering Regulations”</b>	Money Laundering Regulations 2007, the money laundering provisions of the Criminal Justice Act 1993 and the Proceeds of Crime Act 2002;
<b>“New Ordinary Shares”</b>	the Firm Placing Shares and the Open Offer Shares;
<b>“Open Offer”</b>	the conditional invitation made to Qualifying Shareholders to apply to subscribe for the Open Offer Shares at the Issue Price on the terms and subject to the conditions set out in Part 3 of this document and, where relevant, in the Application Form;
<b>“Open Offer Admission”</b>	admission to trading on AIM of the Open Offer Shares becoming effective in accordance with Rule 6 of the AIM Rules;

<b>“Open Offer Entitlement”</b>	the entitlement of Qualifying Shareholders to subscribe for Ordinary Shares allocated to Qualifying Shareholders on the Record Date pursuant to the Open Offer;
<b>“Open Offer Shares”</b>	up to 20,983,344 new Ordinary Shares being made available to Qualifying Shareholders pursuant to the Open Offer;
<b>“Ordinary Shares”</b>	the ordinary shares of one pence each in the capital of the Company in issue from time to time;
<b>“Overseas Shareholders”</b>	a Shareholder with a registered address outside the United Kingdom;
<b>“Placing Agreement”</b>	the agreement entered into between the Company and Stockdale Securities in respect of the Firm Placing dated 26 November 2018, as described in this document;
<b>“Prospectus Rules”</b>	the Prospectus Rules made by the FCA in accordance with the EU Prospectus Directive 2003/71/EC in relation to offers of securities to the public or an admission of securities to trading on a regulated market;
<b>“Qualifying CREST Shareholders”</b>	Qualifying Shareholders holding Existing Ordinary Shares in a CREST account;
<b>“Qualifying Non-CREST Shareholders”</b>	Qualifying Shareholders holding Existing Ordinary Shares in certificated form;
<b>“Qualifying Shareholders”</b>	holders of Existing Ordinary Shares on the register of members of the Company at the Record Date (but excluding any Overseas Shareholder who has a registered address in the United States or any other Restricted Jurisdiction);
<b>“Receiving Agent” or “Computershare”</b>	Computershare Investor Services Plc, a public limited company incorporated in England and Wales under registered number 03498808 and having its registered office at The Pavilions, Bridgwater Road, Bristol, BS13 8AE, the Company’s registrar and receiving agent;
<b>“Record Date”</b>	close of business on 23 November 2018 being the latest time by which transfers of Existing Ordinary Shares must be received for registration by the Company in order to allow transferees to be recognised as Qualifying Shareholders;
<b>“Regulatory Information Service”</b>	has the meaning given to it in the AIM Rules;
<b>“Restricted Jurisdiction”</b>	United States, Canada, Australia, the Republic of South Africa, Japan, the Republic of Ireland or New Zealand and any other jurisdiction where the extension or availability of the Firm Placing and Open Offer would breach any applicable law;
<b>“Securities Act”</b>	US Securities Act of 1933 (as amended);
<b>“Shareholders”</b>	the holders of Existing Ordinary Shares, and the term <b>“Shareholder”</b> shall be construed accordingly;
<b>“Stockdale Securities”</b>	Stockdale Securities Limited, a private limited company incorporated in England and Wales under registered number 00762818 and having its registered office at 100 Wood Street, London EC2V 7AN, the Company’s nominated adviser and broker for the purposes of the Firm Placing, the Open Offer and Admission;
<b>“Transaction”</b>	together, the Firm Placing and Open Offer;



<b>“United Kingdom”</b> or <b>“UK”</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>“United Kingdom Listing Authority”</b>	the FCA, acting in its capacity as the competent authority for the purposes of Part VI of FSMA;
<b>“uncertificated”</b> or in <b>“uncertificated Form”</b>	recorded on the relevant register or other record of the shares or other security concerned as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST; and
<b>“£”, “pound”</b> and <b>“pence”</b>	pounds and pence sterling respectively, being the lawful currency of the United Kingdom.

