

NEITHER THIS ANNOUNCEMENT NOR ANY PART OF IT CONSTITUTES AN OFFER TO SELL OR ISSUE OR THE SOLICITATION OF AN OFFER TO BUY, SUBSCRIBE OR ACQUIRE ANY SECURITIES IN ANY JURISDICTION IN WHICH ANY SUCH OFFER OR SOLICITATION WOULD BE UNLAWFUL AND THE INFORMATION CONTAINED HEREIN IS NOT FOR PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, JAPAN, SOUTH AFRICA OR ANY JURISDICTION IN WHICH SUCH PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL.

Proxama Plc
("Proxama" or the "Company")

Proposed Placing to raise up to £2 million

Proxama PLC (AIM: PROX), the leading mobile proximity marketing expert, is pleased to announce the proposed placing of 666,666,666 Placing Shares at 0.3 pence per share raising gross proceeds of £2 million¹.

Details of the Placing

- Proxama intends to raise £2 million before expenses through a placing (the "**Placing**") by Peel Hunt LLP ("**Peel Hunt**") of 666,666,666 New Ordinary Shares of the Company of 0.01 pence each (the "**Placing Shares**") at a price of 0.3 pence per share (the "**Placing Price**").
- The Placing is being conducted by way of an accelerated bookbuild on the Company's behalf by Peel Hunt. The bookbuild will open with immediate effect following this Announcement.
- The timing of the closing of the bookbuild, the final size of the Placing, and allocations are at the discretion of the Company, and Peel Hunt. A further announcement will be made following closing of the placing book confirming the final size of the Placing.
- The Placing Price represents a discount of approximately 58.6 per cent. to the closing price of 0.725 pence on 23 June 2016 ("**Existing Ordinary Shares**"), being the last practicable date before this announcement.
- The Placing Shares will represent approximately 39.1 per cent. of the Company's enlarged share capital following admission of the Placing Shares to trading on AIM ("**Admission**").
- Certain directors and officers of the Company have indicated an intention to invest £260,000 in aggregate as part of the Placing.
- The Placing is conditional, *inter alia*, upon shareholder approval at a general meeting of the Company which is expected to be held at Taylor Vinters LLP, Tower 42, 33rd Floor, 25 Old Broad Street, London EC2N 1HQ at 2.15 p.m. on 25 July 2016 (the "**General Meeting**").
- The Board is proposing a re-organisation of the Company's share capital that comprises a subdivision of the Existing Ordinary Shares that will create two classes of shares: New Ordinary Shares with a nominal value of 0.01 pence and Deferred Shares with a nominal value of 0.99 pence.

¹ Peel Hunt has reserved the right, in consultation with the Directors, to increase the size of the Placing up to a maximum of approximately £2.5 million if overall demand exceeds the target fundraising size of up to £2 million, with any such increase being announced through a Regulatory Information Service.

- Further details of the Placing are set out in the appendix to this announcement.
- The Company has also today announced its full year results for the 12 months to 31 December 2015.

Commenting on the proposed Placing, John Kennedy, Chief Executive, said:

“The Company has advanced significantly over the last 12 months with both divisions making good progress. The proposed fundraising will provide the working capital to help complete the sale the digital payments division under an orderly timetable and ensure that the Company is trading cash positively by the end of 2017.”

Enquiries:

For further information:

Proxima PLC John Kennedy, Chief Executive	020 3668 2888
Peel Hunt LLP (Nominated Adviser and Broker) Richard Kauffer Euan Brown	020 7418 8900
Novella Tim Robertson Toby Andrews	020 3151 7008

1 Introduction

The Company has announced today that it is proposing to raise £2 million (before the deduction of fees and expenses) through a Placing comprising the issue of 666,666,666 New Ordinary Shares at 0.3 pence per New Ordinary Share.

The Placing is conditional, *inter alia*, on the passing of the Resolutions at the General Meeting, Admission becoming effective by no later than 8.00 a.m. on 26 July 2016 and the Placing Agreement between the Company and Peel Hunt becoming unconditional and not being terminated prior to Admission (in accordance with its terms). It is expected that the New Ordinary Shares will be admitted to trading on AIM on or around 8.00 a.m. on 26 July 2016.

The Board believes that raising equity finance by the Placing is the most appropriate method of financing for the Company at this time. This allows both existing and new institutional investors to be targeted and to participate in the Placing in order to provide additional working capital for the Company. The Board believes that the potential value creation for the benefit of Shareholders arising from the Placing outweighs the dilutive effects of the Placing. The Board considered the merits of offering the Placing Shares to existing Shareholders, but concluded that the costs associated with making such an offer to all Shareholders on a pre-emptive basis would be disproportionate and would not provide sufficient certainty in relation to the likely take-up.

In addition, the Board is also proposing to undertake a restructuring of the Company's share capital to take effect in order to allow the allotment of the Placing Shares.

The purpose of this announcement is to set out the reasons for, and provide further information on, the Proposals, to explain why the Board considers the Proposals to be in the best interests of the Company and its Shareholders as a whole and why the Directors unanimously recommend that you vote in favour of the Resolutions, as they have irrevocably undertaken to do so in respect of their own beneficial holdings of Existing Ordinary Shares, in aggregate representing approximately 64.1 per cent. of the Company's

issued share capital on 23 June 2016 (being the last Business Day prior to publication of this announcement).

2 Background to the Placing

Strategic Review and Proposed Placing

In January 2016 the Company confirmed that it had been exploring a number of strategic opportunities to secure the long term financial future of the business and that it had received a number of expressions of interest in relation to the Digital Payments division. Since then, discussions have taken place and a potential buyer has been selected. The potential buyer has submitted a Letter of Intent with an indication of \$10-12 million as a price range to acquire the Digital Payments division. The potential buyer's due diligence is underway and discussions are active. However, there can be no certainty that an offer will be made, any sales concluded, nor as to the terms of any offer or sale. Whilst the Company is continuing discussions with this potential buyer, it is not in a period of exclusivity and there are ongoing conversations with other potential buyers.

The Strategic Review will extend into H2 2016 and therefore in the absence of sale proceeds from Digital Payments division in the near term, the Company will be announcing a proposed equity placing to raise £2 million. The proposed placing is by way of an accelerated book build (the "Placing"). The book building process will be made available to new and existing eligible investors. Certain of the Company's major shareholders as well as certain Directors have indicated a willingness to participate in the Placing.

The Board believes that this funding will be sufficient to see the Company to trading cash positively by the end of 2017 and provide sufficient time to complete the sale of the Digital Payments Division.

2015 Progress

The Board is pleased to report that the Company made strong progress in 2015 in regard to developing its technology and business strategy and it continues to do so in 2016. The mobile advertising market in particular saw significant developments in 2015. The Proximity Marketing Division has benefitted from growing awareness and popularity of location based marketing, helped by the actions of the industry's largest players such as the introduction of Google's open beacon format, Eddystone.

During 2015 the strategy for the Proximity Marketing Division evolved. Today the Company has a London focused network opportunity of approximately 50,000 beacon locations, primarily spread across transport links (taxis, buses and airports) representing a differentiated opportunity for potential partners and clients to communicate innovatively and directly with the millions of people travelling across and through London. To gain greater scale, the Company is seeking to extend the number of partnerships it has with established apps, such as its recently announced partnership with Mapway, which has approximately 30 million life-time downloads across its 26 international transport apps.

The Board believes that the Company is an attractive partner for app owners like Mapway, as beacon powered mobile app engagement increases the volume of app sessions and subsequent advertising response, creating a direct and positive impact on the average revenue per user (ARPU). Recently the Company has also established a number of other key relationships with organisations such as Google, Oracle, Adsquare and Pubmatic which the Board believes will rapidly accelerate the progress of the Proximity Marketing Division as the proximity marketing industry develops.

In 2016, the Company's objective is to continue to expand the beacon network to be in position to offer app owners the ability to connect to primarily London audiences in a highly targeted manner. The last six months has seen the Proximity Marketing Division make

substantial progress and the Board believes it is on the brink of further significant strides forward.

3 Details of the Placing

The Company proposes to raise, in aggregate, £2 million (approximately £1.9 million net of expenses) by way of a Placing of 666,666,666 Placing Shares with certain new and existing investors representing in aggregate 39.1 per cent of the Enlarged Share Capital, at a Placing Price of 0.3 pence per New Ordinary Share.

The net proceeds of the Placing shall be used for working capital purposes. As a result, the Company will both strengthen its balance sheet and preserve its existing free cash resources, enabling it to commit further capital over the next 12 months towards the delivery of its stated strategy.

The Placing Price of 0.3 pence per New Ordinary Share represents a discount of 58.6 per cent. to the closing mid-market price of 0.725 pence on 23 June 2016, being the last Business Day prior to the publication of this announcement. The Board unanimously agrees that the level of discount and method of issue are appropriate to secure the investment necessary in order to undertake the Placing.

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

- the passing of the Resolutions at the General Meeting;
- the conditions in the Placing Agreement being satisfied or (if applicable) waived and the Placing Agreement not having been terminated in accordance with its terms prior to Admission; and
- Admission becoming effective by no later than 8.00 a.m. on 26 July 2016.

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

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

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. The Placing Shares will rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid in respect of the Ordinary Shares following Admission. It is expected that Admission will become effective, and that dealings on AIM will commence, at 8.00 a.m. on 26 July 2016.

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

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

- the occurrence of certain force majeure events or a material adverse change in (amongst other things) the financial or political conditions in the United Kingdom (which in the opinion of Peel Hunt, materially adversely affects the Placing);
- any warranty in the Placing Agreement being untrue, inaccurate or misleading;
- the failure of the Company to comply with any of its obligations under the Placing

Agreement.

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

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

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

4 Details of the Subdivision

The Existing Ordinary Shares have in recent months frequently been trading on AIM at a price below their nominal value of 1 penny per share. The issue of new shares by a company incorporated in English and Wales at a price below their nominal value is prohibited by the Companies Act and accordingly, the ability of the Company to undertake the Placing is inhibited.

Accordingly, the Board is proposing a re-organisation of the Company's share capital that comprises a subdivision of the Existing Ordinary Shares that will create two classes of shares: New Ordinary Shares with a nominal value of 0.01 pence and Deferred Shares with a nominal value of 0.99 pence.

The proportion of the issued ordinary share capital of the Company held by each Shareholder immediately before and after the Subdivision will remain unchanged. Other than a change in nominal value, the New Ordinary Shares will carry equivalent rights under the Company's articles of association to the Existing Ordinary Shares.

The Deferred Shares shall not be quoted and no share certificates will be issued in respect of the same. The Deferred Shares are effectively valueless. The Deferred Shares are required to be issued in order for the aggregate par value of the shares, once sub-divided, to remain at 1 penny. Subject to the provisions of the Companies Act, the Deferred Shares may then be cancelled by the Company or may be bought back by the Company for £1 and then cancelled as permitted under the amended articles of association, leaving the number of shares in issue the same as at the date of this announcement (except for shares subsequently issued). If the Company determines to cancel or buy back the Deferred Shares, it will advise Shareholders accordingly at the relevant time.

All entitlements under outstanding share options shall be recalculated accordingly as a result of the Subdivision.

Approval for the Subdivision will be sought by passing of resolution 2 at the General Meeting.

Following the Subdivision, replacement share certificates will be despatched by first class post to Shareholders in respect of newly denominated New Ordinary Shares held in certificated form. Share certificates in respect of New Ordinary Shares are expected to be despatched by 9 August 2016. All share certificates previously issued will no longer be valid and should be destroyed.

In respect of New Ordinary Shares held in uncertificated form, CREST accounts will be credited with the newly denominated New Ordinary Shares on 26 July 2016.

Following the Subdivision, the ISIN code for the New Ordinary Shares will remain GB00B2PKZ581.

5 Current Trading and Outlook

The Company has continued to make good progress and made the following update in its full year results for the year ended 31 December 2015 on 24 June 2016:

“2015 was certainly a period of change for the Company and the Board considers that the Company ended 2015 with improved traction and greater commercial opportunities. The Company ended 2015 operating a lower cost-base which would be further reduced when the sale of the Digital Payments Division proceeds.

2016 trading continues to improve with income year on year growth of more than 50% after 5 months (2016 £1.3 million, 2015 £0.8 million). Marketing Division income accounts for approximately 24% of Group income in 2016, whereas only 4 % in 2015. 2016 EBITDA year to date loss of £2 million is a 35% improvement on the same position last year. The business continues to drive down the cost base with costs reducing by nearly 20% since the start of the year.”

6 General Meeting

A notice convening the GM to be held at Taylor Vinters LLP, Tower 42, 33rd Floor, 25 Old Broad Street, London EC2N 1HQ at 2.15 p.m. on 25 July 2016 is set out at the end of the Circular to be posted to shareholders with the Annual Report and Accounts.

EXPECTED TIMETABLE OF EVENTS

Announcement of the Proposals	7.00 a.m. on 24 June 2016
Latest time for receipt of Forms of Proxy	2.15 p.m. on 23 July 2016
General Meeting	2.15 p.m. on 25 July 2016
Record date for the Subdivision	Close of business on 25 July 2016
Subdivision effective	8.00 a.m. on 26 July 2016
Admission and commencement of dealings in the New Ordinary expected to commence on AIM	8.00 a.m. on 26 July 2016
CREST accounts expected to be credited	26 July 2016
Definitive share certificates to be dispatched by	9 August 2016

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

APPENDIX

TERMS AND CONDITIONS OF THE PLACING For Invited Placeses only - Important Information

1. Eligible participants

The information in this Appendix is directed only at persons who are FSMA Qualified Investors.

Members of the public are not eligible to take part in the Placing.

2. Bookbuild

Peel Hunt is commencing an accelerated share placing bookbuild process (“the Bookbuild”) for the purpose of:

- (a) assessing demand from institutional and other investors for acquiring Placing Shares under a share placing at 0.3 pence per Placing Share (the “Placing Price”) to raise up to £2 million²; and
- (b) realising up to that sum for the Company through the distribution of those shares to Placees at the Placing Price.

The Bookbuild is expected to close at or before 6.00 p.m. today, 24 June 2016, following which the Company will release an announcement (the “Results Announcement”) through the Regulatory News Service stating the amount raised under the Placing and the corresponding number of Placing Shares.

Peel Hunt will determine the basis for allocating Placing Shares to bids submitted to it in the Bookbuild and may at its discretion (i) accept bids either in whole or in part, (ii) accept bids that are received after the Bookbuild has closed, and/or (iii) scale down all or any bids on such basis as it considers appropriate. Peel Hunt may carry out the Placing by any alternative method to the Bookbuild as it chooses. Neither Peel Hunt nor any other Peel Hunt Person will have any liability to Placees (subject to applicable law) or to any person other than the Company in respect of the Placing or in respect of its conduct of the Bookbuild or of any alternative method that it may adopt for carrying out the Placing.

The Company and Peel Hunt may, by agreement with each other, increase or reduce the amount to be raised through the Placing. The Company also reserves the right to allow officers of the Company and/or employees of its Group members to subscribe for some of the Placing Shares at the Placing Price, with Peel Hunt’s agreement, on substantially the same or similar terms as apply to those FSMA Qualified Investors subscribing shares under the Placing.

In this Appendix:

- (a) “FSMA Qualified Investor” means a person who is a “qualified investor” as referred to at section 86(7) of FSMA and at or to whom any private communication relating to the Company that is a “financial promotion” (as such term is used in relation to FSMA) may lawfully be issued, directed or otherwise communicated without the need for it to be approved, made or directed by an “authorised person” as referred to in FSMA;
- (b) “Group” means the group comprising the Company and its subsidiary undertakings;
- (c) “Peel Hunt Person” means any person being (i) Peel Hunt, (ii) an undertaking which is a subsidiary undertaking of Peel Hunt, (iii) a parent undertaking of Peel Hunt or (other than Peel Hunt) a subsidiary undertaking of any such parent undertaking, or (iv) a director, officer, agent or employee of any such person;
- (d) “Ordinary Shares” means (a) prior to Admission, ordinary shares of one penny each in the Company’s capital and (b) on and after Admission, ordinary shares of 0.01 pence each in the Company’s capital;

² Peel Hunt has reserved the right, in consultation with the Directors, to increase the size of the Placing up to a maximum of approximately £2.5 million if overall demand exceeds the target fundraising size of up to £2 million, with any such increase being announced through a Regulatory Information Service.

- (e) “Regulatory News Service” means the electronic information dissemination service operated by the London Stock Exchange’s Company Announcements Office, or any alternative “PIP service” (primary information provider service) which the Company has selected for the purposes of making regulatory announcements;
- (f) “you” or “Placee” means any person who becomes committed through the Bookbuild to subscribe for Placing Shares; and
- (g) terms defined elsewhere in this announcement have the same meanings, unless the context requires otherwise.

Each Placee’s obligations under the Placing to subscribe and pay for Placing Shares will be owed to each of the Company and Peel Hunt.

3. Participation and settlement

Participation in the Bookbuild is only available to persons who are invited to participate in it by Peel Hunt.

If you are invited to participate in the Bookbuild and wish to do so, you should communicate your bid by telephone to your usual sales contact at Peel Hunt. Each bid should state the number of Placing Shares which you wish to acquire at either the Placing Price (at whatever amount that price is subsequently determined to be) or at one or more prices up to a price limit specified in your bid. If your bid is successful, in whole or in part, your allocation will be confirmed orally following the close of the Bookbuild. Peel Hunt’s oral confirmation of your allocation will constitute a legally binding commitment on your part to subscribe for the number of Placing Shares allocated to you at the Placing Price on the terms and subject to the conditions set out or referred to in this Appendix and subject to the Company’s constitution.

A person who submits a bid in the Bookbuild will not be able, without Peel Hunt’s agreement, to vary or revoke the bid before the close of the Bookbuild. Such a person will not be able, after the close of the Bookbuild, to vary or revoke a submitted bid in any circumstances.

If you are allocated Placing Shares in the Bookbuild, you will be sent a written confirmation stating (i) the Placing Price, (ii) the number of Placing Shares allocated to you, (iii) the aggregate amount you will be required to pay for those Placing Shares, (iv) relevant settlement information and (v) settlement instructions. A settlement instruction form will accompany each written confirmation and, on receipt, should be completed and returned by the date and time stated in it. Settlement of transactions in the Placing Shares will take place within the CREST system, subject to certain exceptions, on a “delivery versus payment” (or “DVP”) basis. Peel Hunt reserves the right to require settlement for and/or delivery to any Placee of any Placing Shares by such other means as it may deem appropriate if delivery or settlement is not possible or practicable within the CREST system within the timetable set out in this announcement. If your Placing Shares are to be delivered to a custodian or settlement agent, you should ensure that the written confirmation is copied and delivered immediately to the appropriate person within that organisation.

No commissions will be payable to or by Placees in respect of their agreement to subscribe for any Placing Shares.

Placees' commitments in respect of Placing Shares will be made solely on the basis of the information contained in this announcement and on the terms contained in it. No admission document for the purposes of the AIM Rules or prospectus is required to be published, or has been or will be published, in relation to the Placing or the Placing Shares.

4. Placing conditions

Peel Hunt has today entered into the Placing Agreement with the Company relating to the Placing under which Peel Hunt has agreed on a conditional basis to use its reasonable endeavours as the Company's agent to procure persons to subscribe for Placing Shares with an aggregate value at the Placing Price of up to £2 million.

The Placing is conditional on (i) the passing of various resolutions at a general meeting of the Company that are to be proposed in the notice of that meeting that is to be included in the Company's circular to its shareholders concerning the Placing and related matters, (ii) Peel Hunt's obligations under the Placing Agreement not being terminated in accordance with its terms, (iv) Admission taking place not later than 8.00 a.m. on 26 July 2016, and (v) Peel Hunt's obligations under the Placing Agreement becoming unconditional in all other respects. Peel Hunt reserves the right to waive or extend the time and or date for the fulfilment of any of the conditions in the Placing Agreement to a time no later than 8.00 a.m. on 26 July 2016. If any condition to the Placing is not fulfilled or waived by Peel Hunt by the relevant time, the Placing will lapse and your rights and obligations in respect of the Placing will cease and terminate at such time.

Peel Hunt's obligations under the Placing Agreement may be terminated by Peel Hunt prior to Admission in certain circumstances including, among other things, following a material breach of the Placing Agreement by the Company. The exercise of any right of termination pursuant to the Placing Agreement, any waiver of any condition in the Placing Agreement and any decision by Peel Hunt whether or not to extend the time for satisfaction of any condition in the Placing Agreement are within Peel Hunt's absolute discretion (as is the exercise of any right or power of Peel Hunt under the terms of this Appendix). Peel Hunt will have no liability to you or to anyone else in respect of any such termination, waiver or extension or any decision to exercise or not to exercise any such right of termination, waiver or extension.

5. Placees' warranties and undertakings

By communicating a bid to Peel Hunt under the Bookbuild you will irrevocably acknowledge and confirm and warrant and undertake to and agree with each of the Company and Peel Hunt (in its capacity as placing agent), in each case as a fundamental term of your application for Placing Shares and of the Company's obligation to allot and/or issue any Placing Shares to you or at your direction, that:

- (a) you agree to and accept all the terms set out in this announcement;
- (b) your rights and obligations in respect of the Placing will terminate only in the circumstances referred to in this announcement and will not be subject to rescission or termination by you in any circumstances;
- (c) this announcement, which has been issued by the Company, is within the sole responsibility of the Company;

- (d) you have not been, and will not be, given any warranty or representation in relation to the Placing Shares or to the Company or to any other member of its Group in connection with the Placing, other than by the Company as included in this announcement or to the effect that the Company is not now in breach of its obligations under the London Stock Exchange's AIM Rules for Companies to disclose publicly in the correct manner all such information as is required to be so disclosed by the Company;
- (e) you have not relied on any representation or warranty in reaching your decision to subscribe for Placing Shares under the Placing, save as given or made by the Company as referred to in the previous paragraph;
- (f) you are not a client of Peel Hunt in relation to the Placing and Peel Hunt is not acting for you in connection with the Placing and will not be responsible to you in respect of the Placing for providing protections afforded to its clients;
- (g) you have not been, and will not be, given any warranty or representation by any Peel Hunt Person in relation to any Placing Shares, the Company or any other member of its Group and no Peel Hunt Person will have any liability to you for any information contained in this announcement or which has otherwise been published by the Company or for any decision by you to participate in the Placing based on any such information or on any other information provided to you;
- (h) you will pay the full subscription sum at the Placing Price as and when required in respect of all Placing Shares finally allocated to you and will do all things necessary on your part to ensure that payment for such shares and their delivery to you or at your direction is completed in accordance with the standing CREST instructions (or, where applicable, standing certificated settlement instructions) that you have in place with Peel Hunt or put in place with Peel Hunt with its agreement;
- (i) you are permitted to subscribe for Placing Shares in accordance with the laws of all relevant jurisdictions which apply to you and you have complied, and will fully comply, with all such laws (including where applicable, the Anti-Terrorism, Crime and Security Act 2001, the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007) and have obtained all governmental and other consents (if any) which may be required for the purpose of, or as a consequence of, such subscription, and you will provide promptly to Peel Hunt such evidence, if any, as to the identity or location or legal status of any person which Peel Hunt may request from you (for the purpose of its complying with any such laws or ascertaining the nationality of any person or the jurisdiction(s) to which any person is subject or otherwise) in the form and manner requested by Peel Hunt on the basis that any failure by you to do so may result in the number of Placing Shares that are to be allotted and/or issued to you or at your direction pursuant to the Placing being reduced to such number, or to nil, as Peel Hunt may decide at its sole discretion;
- (j) you have complied and will comply with all applicable provisions of the FSMA with respect to anything done or to be done by you in relation to any Placing Shares in, from or otherwise involving the United Kingdom and you have not made or communicated or caused to be made or communicated, and you will not make or communicate or cause to be made or communicated, any "financial promotion" in relation to Placing Shares in contravention of section 21 of FSMA;

- (k) you are a FSMA Qualified Investor;
- (l) you are acting as principal only in respect of the Placing or, if you are acting for any other person (i) you are duly authorised to do so, (ii) you are and will remain liable to the Company and/or Peel Hunt for the performance of all your obligations as a Placee in respect of the Placing (regardless of the fact that you are acting for another person), (iii) you are both an “authorised person” for the purposes of FSMA and a “qualified investor” as defined at Article 2.1(e)(i) of Directive 2003/71/EC (known as the Prospectus Directive) acting as agent for such person, and (iv) such person is either (1) a FSMA Qualified Investor or (2) a “client” (as defined in section 86(2) of FSMA) of yours that has engaged you to act as his agent on terms which enable you to make decisions concerning the Placing or any other offers of transferable securities on his behalf without reference to him;
- (m) nothing has been done or will be done by you in relation to the Placing or to any Placing Shares that has resulted or will result in any person being required to publish a prospectus in relation to the Company or to any Ordinary Shares in accordance with FSMA or the UK Prospectus Rules or in accordance with any other laws applicable in any part of the European Union or the European Economic Area;
- (n) you will not treat any Placing Shares in any manner that would contravene any legislation applicable in any territory or jurisdiction and no aspect of your participation in the Placing will contravene any legislation applicable in any territory or jurisdiction in any respect or cause the Company or Peel Hunt to contravene any such legislation in any respect;
- (o) (in this paragraph “US person” and other applicable terms have the meanings that they have in Regulation S made under the US Securities Act of 1933, as amended) (i) none of the Placing Shares have been or will be registered under the US Securities Act or under the securities laws of any State of or other jurisdiction within the United States, (ii) subject to certain exceptions, no Placing Shares may be offered or sold, resold, or delivered, directly or indirectly, into or within the United States or to, or for the account or benefit of, any US person, (iii) you are not within the United States and you are not a US person, (iv) you have not offered, sold or delivered and will not offer sell or deliver any of the Placing Shares to persons within the United States, directly or indirectly, (v) neither you, your affiliates, nor any persons acting on your behalf, have engaged or will engage in any directed selling efforts with respect to the Placing Shares, (vi) you will not be subscribing Placing Shares with a view to resale in or into the United States, and (vii) you will not distribute this announcement or any offering material relating to Placing Shares, directly or indirectly, in or into the United States or to any persons resident in the United States;
- (p) Peel Hunt may satisfy its obligations to procure Placees by itself agreeing to become a Placee in respect of some or all of the Placing Shares or by nominating any other Peel Hunt Person or any person associated with any Peel Hunt Person to do so or by allowing officers of the Company and/or employees of Group companies to subscribe for Placing Shares under the Placing at the Placing Price;
- (q) time is of essence as regards your obligations under this Appendix;

- (r) this Appendix and any contract which may be entered into between you and Peel Hunt and/or the Company pursuant to this Appendix or the Placing, and all non-contractual obligations arising between you and Peel Hunt and/or the Company in respect of the Placing, will be governed by and construed in accordance with the laws of England, for which purpose you submit (for yourself and on behalf of any person on whose behalf you are acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute, or matter arising out of or relating to this Appendix or such contract, except that each of the Company and Peel Hunt will have the right to bring enforcement proceedings in respect of any judgement obtained against you in the English courts or in the courts of any other relevant jurisdiction;
- (s) each right or remedy of the Company or Peel Hunt provided for in this Appendix is in addition to any other right or remedy which is available to such person and the exercise of any such right or remedy in whole or in part will not preclude the subsequent exercise of any such right or remedy;
- (t) any document that is to be sent to you in connection with the Placing will be sent at your risk and may be sent to you at any address provided by you to Peel Hunt; and
- (u) nothing in this Appendix will exclude any liability of any person for fraud on its part, and all times and dates in this announcement are subject to amendment at the discretion of Peel Hunt, except that in no circumstances will the date scheduled for Admission be later than 8.00 a.m. on 26 July 2016.

6. Payment default

Your entitlement to receive any Placing Shares will be conditional on Peel Hunt's receipt of payment in full for such shares by the relevant time to be stated in the written confirmation referred to above, or by such later time and date as Peel Hunt may decide, and otherwise in accordance with that confirmation's terms. Peel Hunt may waive such condition, and will not be liable to you for any decision to waive or not to waive such condition.

If you fail to make such payment by the required time for any Placing Shares (1) the Company may release itself, and (if it decides to do so) will be released from, all obligations it may have to allot and/or issue any such Placing Shares to you or at your direction which are then unallotted and/or unissued, (2) the Company may exercise all rights of lien, forfeiture and set-off over and in respect of any such Placing Shares to the full extent permitted under its constitution or by law and to the extent that you then have any interest in or rights in respect of any such shares, (3) the Company or, as applicable, Peel Hunt may sell (and each of them is irrevocably authorised by you to do so) all or any of such shares on your behalf and then retain from the proceeds, for the account and benefit of the Company or, where applicable, Peel Hunt (i) any amount up to the total amount due to it as, or in respect of, subscription monies, or as interest on such monies, for any Placing Shares, and (ii) any amount required to cover dealing costs and/or commissions necessarily or reasonably incurred by it in respect of such sale, and (4) you will remain liable to the Company and to Peel Hunt for the full amount of any losses and of any costs which it may suffer or incur as a result of it (i) not receiving payment in full for such Placing Shares by the required time, and/or (ii) the sale of any such Placing Shares to any other person at whatever price and on whatever terms are actually obtained for such sale by or for it. Interest may be charged in respect of payments not received by Peel Hunt for value by the required time referred to above at a rate of two percentage points above the base rate of Barclays Bank plc.

7. Overseas jurisdictions

The distribution of this announcement and the offering and/or issue of shares pursuant to the Placing in certain jurisdictions is restricted by law. FSMA Qualified Investors who seek to participate in the Placing must inform themselves about and observe any such restrictions. In particular, this announcement does not constitute or form part of any offer or invitation, nor a solicitation of any offer or invitation, to subscribe for or acquire or sell or purchase or otherwise deal in Ordinary Shares in the United States, Canada, Japan or Australia or in any other jurisdiction in which any such offer, invitation or solicitation is or would be unlawful. The Placing Shares have not been and will not be registered under the US Securities Act of 1933, as amended or under the securities laws of any State of or other jurisdiction within the United States, and, subject to certain exceptions, may not be offered or sold, resold or delivered, directly or indirectly, in or into the United States, or to, or for the account or benefit of, any US persons (as defined in Regulation S under that Act). No public offering of the Placing Shares is being or will be made in the United States. No money, securities or other consideration from any person inside the United States is being solicited pursuant to this announcement or the Placing.

8. Placing Shares

Application will be made for the admission of the Placing Shares trading on AIM. It is expected that Admission will take place, and that dealings in the Placing Shares will commence, on 26 July 2016. The Placing Shares will, when issued, be credited as fully paid and will rank pari passu in all respects with all the other Ordinary Shares then in issue.