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

**Proposed Placing to raise not less than £1.2 million, Open Offer to raise up to £4.1 million, Barclays Settlement, Loan Note Conversion and Cancellation
and
Proposed changes to the Board of Directors**

Proxama PLC (AIM: PROX), a leading mobile location and data intelligence expert, announces a placing of not less than 4,000,000,000 new ordinary shares to raise not less than £1.2 million, and an open offer to Qualifying Shareholders of 13,652,877,197 New Ordinary Shares to raise up to £4.1 million. The Company also announces that, conditional upon the completion of the Placing, completion of the Open Offer and the subsequent aggregate raising of a minimum sum of £3.1 million, it will be settling the outstanding £2.5 million revolving credit facility with Barclays Bank plc and will be converting or cancelling £400,000 of outstanding convertible loan notes.

In the event that the Company does not raise a minimum of £3.1m through the Placing and Open Offer it will be required to pursue other financing options. This may include a loan note instrument with an Alternative Investment Manager. Should this situation arise then shareholder commitments given under the terms of the Placing and Open Offer will no longer be valid and the New Ordinary Shares referred to in this announcement will not be issued.

Highlights:

- Placing and Open Offer
 - Proxama is seeking to raise not less than £1.2 million before expenses through a placing (the "**Placing**") by Peel Hunt LLP ("**Peel Hunt**") of 4,000,000,000 New Ordinary Shares (the "**Placing Shares**") at a price of 0.03 pence per share (the "**Issue Price**").
 - The Company has decided to make an open offer to Qualifying Shareholders to subscribe for, in aggregate, up to 13,652,877,197 New Ordinary Shares (the "**Open Offer Shares**") at the Issue Price (the "**Open Offer**").
 - The Issue Price represents a discount of approximately 79.31 per cent. to the closing price of Proxama's existing ordinary shares of 0.01 pence each on 29 June 2017 ("**Existing Ordinary Shares**"), being the last practicable date before this announcement.
 - All of the directors, plus certain shareholders, of the Company have indicated that they wish to subscribe for New Ordinary Shares in the sum of £200,000 in aggregate by way of a subscription.

- There will be up to 13,652,877,197 New Ordinary Shares available to Qualifying Shareholders under the Open Offer. A full take up of the Open Offer Shares would represent approximately 566.7 per cent. of the Existing Ordinary Shares.
- Barclays Settlement
 - The Company also announces the proposed settlement of the Company's £2.5 million revolving credit facility with Barclays Bank plc ("**Barclays**") of 14 September 2015 and release of the related security package (the "**Barclays Settlement**").
 - The Barclays Facility has been in place since 14 September 2015 and is currently fully drawn at £2.5 million. The Barclays Facility is secured by way of a debenture granted by the Company and is guaranteed by each of the Company's five subsidiary undertakings.
 - The Company has received a letter from Barclays dated 30 June 2017 (the "**Barclays Letter**") agreeing to the terms of the settlement of the Barclays Facility. Under the terms of that letter Barclays will, conditional upon the Company raising a minimum of £3.1 million through the Placing and Open Offer and upon receiving from the Company certain cash and warrant amounts (such amounts being dependent on the exact amount raised by the Company under the fundraising), release the Company and its Group from all liabilities and obligations under the Barclays Facility, including release of the debenture and Group guarantees.
 - The Barclays Warrants will be exercisable at the Issue Price per New Ordinary Share with the debt previously owed to Barclays being applied towards satisfaction of such Issue Price on exercise. The Barclays Warrants will be exercisable over a period of twenty years from the date of the Barclays Letter with lock-in provisions applying for a period of six months following Admission, and a further six months orderly market restriction thereafter.
- Loan note Conversion and Cancellation
 - The Company also announces the proposed conversion into ordinary shares in the capital of the Company (the "**Conversion Shares**") of 600,000 outstanding loan notes of £0.50 each ("**Loan Notes**") issued by the Company to White Angle Limited pursuant to a loan note instrument dated 23 August 2013. The remaining 200,000 Loan Notes issued to White Angle Limited will be cancelled and all outstanding interest accrued upon the Loan Notes will be waived (the "**Loan Notes Settlement**").
- Key information and risks
 - The Directors have made an assessment that the Company's working capital requirement for at least the next 12 months is £3.1 million. In the event that the Company does not raise a minimum of £3.1 million through the Placing and Open Offer then it will be required to pursue other financing options. This may include a loan note instrument entered into with an Alternative Investment Manager. **Any shareholder commitments given under the Placing and Open Offer will no longer be valid in this situation and the New Ordinary Shares will not be issued.**
 - Further, the Company has been informed by Barclays that should the Company fail to raise the minimum amount of £3.1 million and were alternative financing methods not forthcoming, then Barclays may seek to proceed with an accelerated sale process. In this situation, there is no certainty that any

value will confer to the Shareholders.

- The maximum number of Barclays Warrants that could be issued is in respect of such number of New Ordinary Shares as amounts to approximately, but no more than, 29.9 per cent. of the Enlarged Share Capital plus the Barclays Warrants. Such a proportion of the Enlarged Share Capital (being up to 21,062,208,467 Ordinary Shares) would mean that Barclays would be the Company's largest shareholder.
- The Open Offer is not a rights issue. Qualifying Shareholders should note that the Application Form is not a negotiable document and cannot be traded. Qualifying Shareholders should also be aware that in the Open Offer, unlike in a rights issue, any Offer Shares not applied for will not be sold in the market or placed for the benefit of Qualifying Shareholders who do not apply under the Open Offer.
- The Placing Shares, Open Offer Shares, and Conversion Shares will represent up to approximately 81.7 per cent. of the Enlarged Share Capital following admission of the New Ordinary Shares to trading on AIM ("**Admission**").
- The Company has applied for and obtained provisional advance assurance from HMRC that it would be able to issue Ordinary Shares that are eligible for the EIS regime.
- The Placing, Open Offer, Barclays Settlement, and Loan Notes Settlement are 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 9.15 a.m. on 24 July 2017 (the "**General Meeting**").
- The Board is delighted to report the appointment of Mark Slade and Dan Francis, who will join the Board as Managing Director and Chief Strategic Officer, respectively, conditional upon Admission. In addition, the Company announces the resignation of David Bailey as a director of the Company with immediate effect. The Directors thank David for all of his service to the Company and wish him the best in the future.
- The Company has also today announced its full year results for the 12 months to 31 December 2016.

Commenting on the proposed Placing, Open Offer, Barclays Settlement, and Loan Note Conversion John Kennedy, Chief Executive, said:

"The Company has advanced significantly over the last 12 months with the group as a whole making good progress. The proposed fundraising will enable the company to become debt free as we transition to being a mobile data and location intelligence business.

With a new board and executive team, an appropriate level of working capital, and the foundations for scale in place, we are excited about the Company's future."

Enquiries:

Proxama PLC

Via Redleaf

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(Nominated Adviser and Broker)

Richard Kauffer/Euan Brown

1 Introduction

The Company announces that it is proposing to raise not less than £1.2 million (before the deduction of fees and expenses) through a conditional Placing comprising the issue of 4,000,000,000 New Ordinary Shares at 0.03 pence per New Ordinary Share.

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

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

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

The Placing, Open Offer, settlement of the Barclays Facility, Conversion, and Cancellation are conditional, inter alia, on the passing of the Resolutions at the General Meeting, the Company raising a minimum aggregate amount of £3.1 million under the Fundraising, Admission becoming effective by no later than 8.00 a.m. on 26 July 2017 (or such other time and/or date, being no later than 31 July 2017, as the Company and Peel Hunt may agree) and the Placing Agreement between the Company and Peel Hunt becoming unconditional and not being terminated prior to Admission (in accordance with its terms). It is expected that the EIS Open Offer Shares, EIS Placing Shares and the VCT Placing Shares will be admitted to trading on AIM on or around 8.00 a.m. on 25 July 2017 and that the General Placing Shares, Open Offer Shares (save for the EIS Open Offer Shares), and Conversion Shares will be admitted to trading on AIM on or around 8.00 a.m. on 26 July 2017.

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

The purpose of this 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, the Directors and certain shareholders hold a beneficial holding of Existing Ordinary Shares that represents approximately 2.03 per cent. of the Existing Ordinary Shares on 29 June 2017 (being the last Business Day prior to publication of this announcement).

2 Background to the Placing and Open Offer

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

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

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

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

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

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

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

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

3 Details of the Placing

It was announced today that the Company proposes to raise not less than £1.2 million (before expenses) by way of a Placing of 4,000,000,000 Placing Shares with certain new and existing investors representing in aggregate 19.9 per cent of the Enlarged Share Capital, at an Issue Price of 0.03 pence per New Ordinary Share.

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

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

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

- the passing of the Resolutions at the General Meeting;
- the conditions in the Placing Agreement being satisfied or (if applicable) waived and the Placing Agreement not having been terminated in accordance with its terms prior to Admission;
- a minimum amount of £3.1 million being raised under the Fundraising; and
- Admission becoming effective by no later than 8.00 a.m. on 26 July 2017 (or such later time and/or date, being no later than 8.30 a.m. on 31 July 2017, as the Company and Peel Hunt may agree).

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

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

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

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

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

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

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

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

4 Details of the Open Offer

The Board considers it important to provide the Company's Shareholders with an equal opportunity to participate in the fundraise, and has therefore elected to structure it by way of an Open Offer.

Qualifying Shareholders can therefore subscribe for, in aggregate, up to £4.1 million (before expenses) in Open Offer Shares without the Company having to produce a

prospectus (in accordance with the Prospectus Rules) which would have both cost and timing implications for the Company.

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

17 Open Offer Shares for every 3 Existing Ordinary Shares.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

If Admission does not take place on or before 8.00 a.m. on 26 July 2017 (or such later time and/or date as the Company and Peel Hunt may determine, not being later than 8.30 a.m. on 31 July 2017), the Open Offer will lapse, any Open Offer Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will thereafter be disabled and application monies under the Open Offer will be refunded to the applicants, by cheque (at the applicant's risk) in the case of Qualifying Non-CREST Shareholders and by way of a CREST payment in the case of Qualifying CREST Shareholders, without interest as soon as practicable thereafter.

5 Settlement of the Barclays Facility

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

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

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

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

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

6 Details of the Conversion and Cancellation

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

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

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

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

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

The Conversion Shares (assuming all of the Open Offer Shares are issued), will, when issued, represent approximately 4.7 per cent. of the Enlarged Share Capital (assuming full exercise of the Open Offer).

Following the completion of the Conversion, the Cancellation, and the issue and allotment of the Conversion Shares, Gavin Breeze will hold, directly or indirectly, 1,254,000,462 Ordinary Shares, representing in aggregate 6.0 per cent. of the Enlarged Share Capital (assuming full exercise of the Open Offer).

7 The Darwin Warrants

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

Pursuant to the Darwin Warrant Instrument and as a consequence of the Fundraising and the issue of the Barclays Warrants, the exercise price of the Darwin Warrants shall be revised downwards to £0.001680 and the number of Darwin Warrants shall increase to 562,533,751 (the “**Additional Darwin Warrants**”), representing approximately 2.7% of the Enlarged Share Capital, in each case effective from Admission. These adjustments to the Additional Darwin Warrants assume that the maximum number of Open Offer Shares is issued and the final adjustments will be notified on closing of the Open Offer.

8 Board composition

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

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

Mark Slade, Managing Director

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

The following information is disclosed pursuant to Schedule Two paragraph (g) of the AIM Rules for Companies. Mark Slade, age 41 years, has been a director of the following companies during the five years preceding the date of this announcement:

<u>Current directorships</u>	<u>Past directorships</u>
Fourth Screen Consulting Limited	4 th Screen Advertising Limited

Dan Francis, Chief Strategic Officer

Daniel Paul Francis is currently the Chief Strategic Officer of the Company. He has over 20 years’ experience in creating and developing new products and businesses, specialising in commercialising new technologies such as mobile, data and AI. He has worked in senior

positions in the retail, loyalty & marketing and financial services for and with brands such as American Express, Aimia and Barclays. Dan joined the Company in August 2016 to lead the scaling of our Proximity Marketing Division, building on similar programmes of work from his experience with major brands such as Barclaycard, Nectar & Sainsbury's.

The following information is disclosed pursuant to Schedule Two paragraph (g) of the AIM Rules for Companies. Mark Slade, age 41 years, has been a director of the following companies during the five years preceding the date of this announcement:

Current directorships	Past directorships
None	None

9 Settlement and dealings

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

10 Current trading and outlook

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

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

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

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

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

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

11 General Meeting

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

July 2017 is set out at the end of the Circular to be posted to Shareholders on the day of this announcement.

EXPECTED TIMETABLE OF EVENTS

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

The ability to participate in the Open Offer is subject to certain restrictions relating to Shareholders with registered addresses outside the UK.

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

The following definitions apply throughout this announcement, in the circular to be posted to Shareholders with the Annual Report and Accounts (the “**Circular**”) and in the accompanying Form of Proxy unless the context requires otherwise:

“Admission”	admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules;
“AGM”	the Company’s annual general meeting to be held at Taylor Vinters LLP, Tower 42, 33 rd Floor, 25 Old Broad Street, London EC2N 1HQ on 24 July 2017;
“AIM”	the market of that name operated by the London Stock Exchange;
“AIM Rules”	together, the AIM Rules for Companies and the AIM Rules for Nominated Advisers;
“Application Form”	the personalised application form on which Qualifying Non-CREST Shareholders may apply for Open Offer Shares under the Open Offer;
“Barclays”	Barclays Bank plc;
“Barclays Facility”	the Company’s £2.5 million revolving credit facility with Barclays of 14 September 2015;
“Barclays Letter”	the letter from Barclays dated 30 June 2017;
“Barclays Warrants”	the warrants to be issued to Barclays under the terms of the proposed settlement of the Barclays Facility;
“Board” or “Directors”	the directors of the Company;
“Business Day”	any day on which banks are usually open in England and Wales for the transaction of business, other than a Saturday, Sunday or public holiday;
“Cancellation”	the cancellation of 200,000 Loan Notes;
“Certificate”	a certificate issued under section 204 of the Income Tax Act 2007 by the Company to certain investors who have requested EIS relief;
“Companies Act”	the Companies Act 2006 (as amended);
“Company”	Proxama plc, a company incorporated and registered in England and Wales with company number 06458458;
“Conversion”	the conversion of 600,000 Loan Notes into New Ordinary Shares;
“Conversion Shares”	the 1,000,000,000 New Ordinary Shares to be issued and allotted pursuant to the Conversion;
“CREST”	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear UK & Ireland Limited;
“Darwin”	Darwin Capital Limited;

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

“FSMA”	the Financial Services and Markets Act 2000;
“GM” or “General Meeting”	the general meeting of the Company to be held at Taylor Vinters LLP, Tower 42, 33 rd Floor, 25 Old Broad Street, London EC2N 1HQ at 9.15 a.m., or as soon as possible after the AGM, on 24 July 2017;
“General Placing”	the conditional placing of General Placing Shares pursuant to, amongst other things, the terms and conditions set out in the Placing Agreement;
“Group”	the Company and its subsidiaries;
“Issue Price”	0.03 pence per New Ordinary Share;
“Loan Notes”	the 800,000 convertible loan notes of £0.50 each constituted by a loan note instrument dated 23 August 2013 issued by the Company to White Angle Limited;
“London Stock Exchange”	London Stock Exchange plc;
“Mobile Data and Location Intelligence Division”	the Company’s mobile data and intelligence business. The primary focus is the attribution of data in order to make advertising smarter. The Company uses mobile location intelligence to precisely attribute advertising activities combining geo-location and Bluetooth beacon technology to provide unrivalled coverage and accuracy for advertisers;
“Money Laundering Regulations”	The Money Laundering Regulations 2007, as amended from time to time;
“New Ordinary Shares”	the new Ordinary Shares to be issued in connection with the Placing, Conversion and the Open Offer;
“Open Offer”	the conditional offer made by the Company to Qualifying Shareholders inviting them to apply to subscribe for the Open Offer Shares on the terms and subject to the conditions set out in this announcement and, in the case of Qualifying Non-CREST Shareholders, in the Application Form;
“Open Offer Entitlement”	an entitlement of a Qualifying Shareholder, pursuant to the Open Offer, to apply for 17 Open Offer Shares for every 3 Existing Ordinary Shares held by the Qualifying Shareholder at the Open Offer Record Date;
“Open Offer Record Date”	28 June 2017;
“Open Offer Shares”	up to 13,652,877,197 New Ordinary Shares which are subject to the Open Offer;
“Ordinary Shares”	ordinary shares of 0.01 pence each in the capital of the Company;
“Overseas Shareholders”	Shareholders who are resident in or a citizen or national of any country outside the United Kingdom;
“Peel Hunt”	the Company’s Nominated Adviser and Broker, Peel Hunt LLP, Moor House, 120 London Wall, London EC2Y 5ET;
“Placees”	investors in the Placing;

“Placing Agreement”	the conditional placing agreement dated 30 June 2017 between Peel Hunt and the Company, details of which are set out in the letter from the Chairman;
“Placing”	the placing by Peel Hunt, as agents for the Company, of the Placing Shares at the Issue Price on the terms of the Placing Agreement;
“Placing Shares”	not less than 4,000,000,000 New Ordinary Shares issued and allotted pursuant to the General Placing, the EIS Placing and the VCT Placing;
“Prospectus Rules”	the rules made for the purposes of Part VI of FSMA in relation to offers of securities to the public and admission of securities to trading on a regulated market;
“Proposals”	together the Placing, Open Offer, Conversion, and Cancellation;
“Qualifying CREST Shareholders”	Qualifying Shareholders whose Existing Ordinary Shares are held in uncertificated form;
“Qualifying Non-CREST Shareholders”	Qualifying Shareholders whose Existing Ordinary Shares are held in certificated form;
“Qualifying Placee Shareholders”	Qualifying Shareholders who are Placees under the Placing;
“Qualifying Shareholder”	Shareholders whose Ordinary Shares are on the register of members of the Company at 6.00 p.m. on the Open Offer Record Date with the exclusion of any such Shareholder (subject to exceptions) with a registered address or located or resident in the Restricted Jurisdictions;
“Registrars” or “Receiving Agent”	Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS13 8AE;
“Regulation S”	Regulation S of the Securities Act;
“Regulatory Information Service”	one of the regulatory information services authorised by the London Stock Exchange to receive process and disseminate regulatory information in respect of AIM quoted companies;
“Resolutions”	the resolutions to be proposed at the GM, as set out in the notice of GM contained in Part 6 of the Circular;
“Restricted Jurisdictions”	each and any of Australia, Canada, Japan, the Republic of South Africa and the United States;
“Securities Act”	U.S. Securities Act of 1933, as amended;
“Shareholders”	holders of Existing Ordinary Shares;
“UK” or “the United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“US Person”	has the meaning set out in Regulation S of the Securities Act;

“VCT Placing”	the conditional placing of the VCT Placing Shares pursuant to, amongst other things, the terms and conditions set out in the Placing Agreement;
“VCT Placing Shares”	the New Ordinary Shares to be issued by the Company pursuant to the VCT Placing; and
“VCT Scheme”	Venture Capital Trust scheme under the provisions of Part 6 of the Income Tax Act 2007.

TERMS AND CONDITIONS OF THE PLACING

For Invited Placees only - Important Information

1. Introduction

All the information in this Appendix is directed only at persons ("FSMA Qualified Investors") who are both "qualified investors" as referred to at section 86(7) of the Financial Services and Markets Act 2000 ("FSMA") and are persons 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.

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

In this Appendix:

- (a) "you" or "Placee" means any person who becomes committed through the Bookbuild to subscribe for Placing Shares;
- (b) "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; and
- (c) terms defined elsewhere in this announcement have the same meanings, unless the context requires otherwise.

Various dates referred to in this announcement are stated on the basis of the expected timetable for the Placing. It is possible that some of these dates may be changed. The expected date for Admission is by 26 July 2017 and, in any event, the latest date for Admission is 31 July 2017 (the "Long Stop Date").

2. Bookbuild

Peel Hunt is proceeding with a share placing bookbuild process (the "Bookbuild") for the purpose of assessing demand from institutional and other investors for subscribing for Placing Shares at the Issue Price and the Company then issuing those shares under the Placing to raise not less than £1.2 million for the Company before expenses. Peel Hunt is acting as the Company's agent in respect of the Bookbuild and the Placing.

The Bookbuild is expected to close at or before 12 noon today. The Company will then release an announcement through the London Stock Exchange's Regulatory News Service confirming the number of Placing Shares to be issued and the amount to be raised under the Placing. 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 any bid in whole or in part or not at all, (ii) accept any bid that is 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 anyone else 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 the amount to be raised through the Placing. The Company also reserves the right to allow officers of the Company and/or Group employees to subscribe for some of the Placing Shares at the Issue Price, with Peel Hunt's agreement, on substantially the same or similar terms as apply to those FSMA Qualified Investors who are to subscribe for shares under the Placing.

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 subscribe for at the Issue Price. 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 Issue 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 number of Placing Shares allocated to you, (ii) the aggregate amount you will be required to pay for those Placing Shares at the Issue Price, (iii) relevant settlement information and (iv) 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 to be made 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 promptly to the appropriate person within that organisation.

Each Placee's obligations to subscribe and pay for Placing Shares under the Placing will be owed to each of the Company and Peel Hunt. No commissions will be paid 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 nor any 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

Under the terms of the Placing Agreement Peel Hunt has agreed to use its reasonable endeavours as the Company's agent to procure subscribers for Placing Shares at the Issue Price.

The Placing is conditional on (i) Peel Hunt's obligations under the Placing Agreement not being terminated in accordance with its terms, (ii) the passing of two 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 the Open Offer, (iii) Admission taking place not later than 8.30 a.m. on 31 July 2017, (iv) the Company raising at least £3.1 million under the fundraising and (v) Peel Hunt's obligations under the Placing Agreement becoming unconditional in all other respects. Peel Hunt may extend the time and/or date for the fulfilment of any of the conditions in the Placing Agreement to a time no later than 5.00 p.m. on the Long Stop Date. If any such condition is not fulfilled (and, if capable of waiver under the Placing Agreement, is not 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 may terminate its obligations under the Placing Agreement 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 acknowledge and confirm and warrant and undertake to, and agree with, each of the Company and Peel Hunt, in each case as a fundamental term of your application for Placing Shares 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 or under the EU Market Abuse Regulation (596/2014) to disclose publicly in the correct manner all such information as is then 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 Issue 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 puts in place with Peel Hunt;

- (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;
- (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 a 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 or cause the Company or Peel Hunt to contravene any such legislation;
- (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 that 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 (unless otherwise expressly agreed with Peel Hunt) neither within the United States nor 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 itself agree to become a Placee in respect of some or all of the Placing Shares, may nominate any other Peel Hunt Person or any person associated with any Peel Hunt Person to do so and may allow officers of the Company and/or Group employees to subscribe for Placing Shares under the Placing at the Issue 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; and
- (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.

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 this condition, and will not be liable to you for any decision to waive it or not.

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 the 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, the Circular 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. New Ordinary 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 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 New Ordinary Shares is being or will be made in the United States.