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**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**

For immediate release

24 April 2020

**Shearwater Group plc**

**Proposed placing to raise a minimum of £2.5 million**

**New £4 million revolving credit facility**

**and**

**Further trading update**

Shearwater Group plc (AIM:**SWG**) ("**Shearwater**", the "**Company**" or, together with its subsidiary undertakings, the "**Group**"), the organisational resilience group, today announces a proposed placing to raise a minimum of £2.5 million (before expenses) for the Company (the "**Placing**") through the issue of new ordinary shares of 10 pence each ("**Ordinary Shares**") in the capital of the Company (the "**Placing Shares**"). The Company is also announcing details of a new revolving credit facility (the "**RCF**") and a further trading update.

### **Highlights**

- Placing to raise minimum gross proceeds of approximately £2.5 million at 240 pence per share (the "**Placing Price**").
- New £4 million, 3-year committed, RCF with Barclays Bank plc agreed in principle (subject to final documentation).
- Strong financial performance for the financial year ended 31 March 2020, with the Group achieving unaudited revenue of £33.0 million (2019: £23.5 million) and unaudited Underlying EBITDA<sup>1</sup> of £3.2 million (2019: loss £1.4 million).
- Together, the Placing and the RCF will enable the Group to capitalise on considerable growth opportunities within its markets.
- The Placing, to be conducted by way of an accelerated bookbuild, will launch with immediate effect.
- Joh. Berenberg, Gossler & Co. KG, London Branch ("**Berenberg**") is acting as sole bookrunner in connection with the Placing.

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<sup>1</sup> *Underlying EBITDA defined as profit before tax, before one off exceptional items, share based payment charges, finance charges, depreciation and amortisation*

- The terms and conditions of the Placing are set out in the appendix (the "**Appendix**") to this announcement (which forms part of this announcement, such announcement and the Appendix together being this "**Announcement**").

#### **David Williams, Shearwater's Chairman commented:**

*"Having successfully built the Company into a profitable business providing a wide range of software and solutions to best protect organisations' data and information, it is an appropriate moment to scale Shearwater. We now have a solid foundation from which we can build, a highly experienced Board with an enviable contact base and a very professional management team capable of executing this expansion.*

*"Due to the uncertainties created by COVID-19, there are many more opportunities for good businesses to team up with us and become part of an exciting group in the growing market for organisational resilience.*

*"In carrying out this type of fundraise, it does unfortunately mean that our smaller shareholders are excluded from participating and for this I apologise. With the current volatility in the markets, as a Board we decided that we should take the speediest route to funding, and unlike the last equity fundraise we completed when we had an open offer, the Board has decided it is not in the best interests of the Company to do the same now. The advantages of taking this course of action will benefit all shareholders given the opportunities the Group is seeing, and I hope that those unable to participate will understand."*

#### **Rationale for the Placing and use of proceeds**

Shearwater is an organisational resilience group in the UK cyber security market. As previously announced by the Company, current global uncertainties are providing the Group with interesting opportunities to expand its reach at attractive valuations and accordingly, the board of directors of the Company (the "**Board**" or the "**Directors**") confirms that it is exploring a number of near-term bolt-on, strategic acquisition opportunities with revenue ranging from approximately £2 million to £20 million, as well as the possibility of larger acquisition opportunities. In each case, the Company's aim is to acquire profitable businesses that have a clear fit within the Group's existing business model, with tangible synergy benefits. The Board believes that now is an appropriate time to seek to further strengthen the Group's financial position in order to ensure it is best placed to take advantage of these acquisition opportunities as they arise.

The net proceeds of the Placing will:

- together with the RCF, improve the Group's liquidity position; and
- provide funds for further acquisitions as part of Shearwater's ongoing buy-and-build strategy.

The Placing does not require any additional shareholder approval and the Company also does not propose to carry out any pre-emptive offer to shareholders.

The Board has concluded that the Placing is in the best interests of the Company's shareholders and wider stakeholders and will promote the success of the Company as a whole. The Directors believe that now is an ideal moment to make acquisitions and with this offering structure minimise the time to completion.

#### **New revolving credit facility**

The Group has, subject to final legal documentation, received credit approval for a new £4 million, 3-year committed revolving credit facility with Barclays Bank plc, which will strengthen the Group's working capital headroom. Brookcourt Solutions Limited ("**Brookcourt Solutions**"), as Shearwater's largest group company, will be the initial borrower under the RCF which will contain a permitted investment basket to enable other Group companies to access the facility.

Once implemented, it is anticipated that the RCF will be moved from Brookcourt Solutions to the Company as principal borrower over the forthcoming months to provide increased borrowing flexibility for the wider Group as Shearwater continues to execute its growth strategy.

### **Trading update and outlook**

Further to the pre-close statement announced by the Company on 2 April 2020, the Group has had a strong financial performance for the financial year ended 31 March 2020 and has generated unaudited revenue of £33.0 million (FY19: £23.5 million) and unaudited Underlying EBITDA of £3.2 million (FY19: £1.4 million loss). Cash as at 31 March 2020 was £3.3 million but is expected to reduce by approximately £2.3 million during April 2020 due to scheduled payments of amounts owing under prior acquisitions.

During the period, the Group has continued its focus on driving operational improvements through effective organisational design and the execution of cross selling opportunities. Most recently, as a result of the COVID-19 pandemic, the Group has experienced a step up in software sales as the demand for cyber security solutions which enable organisations to facilitate secure remote access to their critical networks, data and information assets has increased, as the trend for home working continues.

In addition, the Group has noted a change in revenue mix from higher revenue/lower margin hardware-based sales to lower revenue/higher margin and high recurring software and subscription-based sales.

As a result of the prevailing market trends, in conjunction with the proposed implementation of the RCF and the Placing, the Directors enter the new financial year with a great deal of confidence around their ability to execute on the considerable growth opportunities that the Group is experiencing.

### **Details of the Placing**

The Company expects to raise a minimum of £2.5 million in gross proceeds through the Placing of the Placing Shares at the Placing Price.

Berenberg is acting as sole bookrunner in connection with the Placing and will commence a bookbuilding process in respect of the Placing immediately following this Announcement (the "**Bookbuilding Process**"). The book will open with immediate effect following this Announcement. The timing of the closing of the book and allocations at the Placing Price are at the absolute discretion of Berenberg and the Company. Details of the number of Placing Shares to be issued at the Placing Price will be announced as soon as practicable after the close of the Bookbuilding Process. The Placing is not being underwritten.

The Placing is conditional upon, among other things, Admission becoming effective and the placing agreement between the Company and Berenberg (the "**Placing Agreement**") not being terminated in accordance with its terms and credit approval of the RCF not having been withdrawn or amended. The terms and conditions of the Placing are set out in the Appendix.

The Placing Shares, when issued, will be fully paid and 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 after the date of issue.

### **Settlement and dealings**

Application will be made to London Stock Exchange plc (the "**London Stock Exchange**") for the Placing Shares to be admitted to trading on AIM ("**Admission**").

Settlement for the Placing Shares and Admission is expected to take place on or before 8.00 a.m. on 30 April 2020 (or such later time and/or date as Berenberg may agree with the Company), and dealings in the Placing Shares will commence at that time.

### **Directors' participation in the Placing**

It is the intention of certain Directors to participate in the Placing up to an aggregate amount of £250,000, further details of which will be announced following the completion of the Bookbuilding Process.

The Appendix sets out further information relating to the Placing and the terms and conditions of the Placing.

The person responsible for arranging the release of this Announcement on behalf of the Company is David Williams, Chairman of the Company.

### **Enquiries:**

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**c/o Instinctif Partners**

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**This Announcement should be read in its entirety. In particular, you should read and understand the information provided in the "Important Notices" section of this Announcement. Investors who have chosen to participate in the Placing, by making an oral or written offer to acquire Placing Shares, will be deemed to have read and understood this Announcement in its entirety (including the Appendix) and to be making such offer on the terms and subject to the conditions herein, and to be providing the representations, warranties, agreements, acknowledgements and undertakings contained in the Appendix.**

### **About Shearwater**

Shearwater is an award-winning organisational resilience group that provides cyber security, advisory and managed security services to help assure and secure businesses in a connected global economy. The Group's comprehensive cyber security solutions and advisory services maintain trust between users, provide assurance around the protection of information assets and critical infrastructure, and support organisations' operational effectiveness. Its capabilities include identity and access management and data security, cyber security solutions and managed security services, and security governance, risk and compliance. The Group is headquartered in the UK with offices in the US, UK and Europe, serving customers across the globe who are active in a broad spectrum of industries. Shearwater's shares are admitted to trading on the London Stock Exchange's AIM market under the ticker "SWG". For more information, please visit [www.shearwatergroup.com](http://www.shearwatergroup.com).

## IMPORTANT NOTICES

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THE PLACING SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD OR TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE PLACING SHARES ARE BEING OFFERED AND SOLD ONLY OUTSIDE OF THE UNITED STATES IN "**OFFSHORE TRANSACTIONS**" WITHIN THE MEANING OF, AND IN ACCORDANCE WITH, REGULATIONS UNDER THE SECURITIES ACT AND OTHERWISE IN ACCORDANCE WITH APPLICABLE LAWS. NO PUBLIC OFFERING OF THE PLACING SHARES IS BEING MADE IN THE UNITED STATES OR ELSEWHERE.

The distribution of this Announcement and/or the Placing and/or issue of the Placing Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company, Berenberg or any of their respective affiliates, agents, directors, officers or employees that would permit an offer of the Placing Shares or possession or distribution of this Announcement or any other offering or publicity material relating to such Placing Shares in any jurisdiction where action for that purpose is required. Persons into whose possession this Announcement comes are required by the Company and Berenberg to inform themselves about and to observe any such restrictions.

This Announcement or any part of it is for information purposes only and does not constitute or form part of any offer to issue or sell, or the solicitation of an offer to acquire, purchase or subscribe for, any securities in the United States (including its territories and possessions, any state of the United States and the District of Columbia (the "**United States**" or the "**US**")), Australia, New Zealand, Canada,

Japan or the Republic of South Africa or any other jurisdiction in which the same would be unlawful. No public offering of the Placing Shares is being made in any such jurisdiction.

All offers of the Placing Shares in the United Kingdom or the EEA will be made pursuant to an exemption under the Prospectus Regulation from the requirement to produce a prospectus. In the United Kingdom, this Announcement is being directed solely at persons in circumstances in which section 21(1) of the Financial Services and Markets Act 2000 (as amended) (the "**FSMA**") does not apply.

The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this Announcement. Any representation to the contrary is a criminal offence in the United States. The relevant clearances have not been, nor will they be, obtained from the securities commission of any province or territory of Canada, no prospectus has been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance; the relevant clearances have not been, and will not be, obtained from the South Africa Reserve Bank or any other applicable body in the Republic of South Africa in relation to the Placing Shares and the Placing Shares have not been, nor will they be, registered under or offered in compliance with the securities laws of any state, province or territory of Australia, New Zealand, Canada, Japan or the Republic of South Africa. Accordingly, the Placing Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into Australia, New Zealand, Canada, Japan or the Republic of South Africa or any other jurisdiction outside the United Kingdom.

The information in this Announcement may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever. Any forwarding, distribution, reproduction or disclosure of this information in whole or in part is unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions.

Persons (including, without limitation, nominees and trustees) who have a contractual right or other legal obligations to forward a copy of this Announcement should seek appropriate advice before taking any action.

By participating in the Placing, each person who is invited to and who chooses to participate in the Placing (a "**Placee**") by making an oral and legally binding offer to acquire Placing Shares will be deemed to have read and understood this Announcement in its entirety, to be participating, making an offer and acquiring Placing Shares on the terms and conditions contained herein and to be providing the representations, warranties, indemnities, acknowledgements and undertakings contained in the Appendix.

**Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that the Placing Shares are: (i) compatible with an end target market of (a) retail investors, (b) investors who meet the criteria of professional clients and (c) eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient**

**resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Berenberg will only procure investors who meet the criteria of professional clients and eligible counterparties.**

**For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Shares.**

**Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Placing Shares and determining appropriate distribution channels.**

This Announcement may contain and the Company may make verbal statements containing "forward-looking statements" with respect to certain of the Company's plans and its current goals and expectations relating to its future financial condition, performance, strategic initiatives, objectives and results. Forward-looking statements sometimes use words such as "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "seek", "may", "could", "outlook" or other words of similar meaning. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond the control of the Company, including amongst other things, United Kingdom domestic and global economic business conditions, market-related risks such as fluctuations in interest rates and exchange rates, the policies and actions of governmental and regulatory authorities, the effect of competition, inflation, deflation, the timing effect and other uncertainties of future acquisitions or combinations within relevant industries, the effect of tax and other legislation and other regulations in the jurisdictions in which the Company and its affiliates operate, the effect of volatility in the equity, capital and credit markets on the Company's profitability and ability to access capital and credit, a decline in the Company's credit ratings; the effect of operational risks; and the loss of key personnel. As a result, the actual future financial condition, performance and results of the Company may differ materially from the plans, goals and expectations set forth in any forward-looking statements. Any forward-looking statements made in this Announcement by or on behalf of the Company speak only as of the date they are made. Except as required by applicable law or regulation, the Company expressly disclaims any obligation or undertaking to publish any updates or revisions to any forward-looking statements contained in this Announcement to reflect any changes in the Company's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

Berenberg, which is authorised and regulated by the German Federal Financial Supervisory Authority and subject to limited regulation in the United Kingdom by the Financial Conduct Authority (the "**FCA**"), is acting exclusively for the Company in connection with the Placing and will not be acting for any other person (including any Placees) and will not be responsible to any person other than the Company for providing the protections afforded to clients of Berenberg or for advising any other person in respect of the matters referred to in this Announcement.

No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by Berenberg or by any of its affiliates or agents as to, or in relation to, the accuracy or completeness of this Announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefore is expressly disclaimed.

No statement in this Announcement is intended to be a profit forecast or estimate, and no statement in this Announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

The price of shares and any income expected from them may go down as well as up and investors may not get back the full amount invested upon disposal of the shares. Past performance is no guide to future performance, and persons needing advice should consult an independent financial adviser.

The Placing Shares to be issued pursuant to the Placing will not be admitted to trading on any stock exchange other than the AIM market of the London Stock Exchange.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this Announcement.

## APPENDIX - TERMS AND CONDITIONS OF THE PLACING

IMPORTANT INFORMATION FOR INVITED PLACEEES ONLY REGARDING THE PLACING.

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The distribution of this Announcement and/or the Placing and/or issue of the Placing Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company, Berenberg or any of their respective affiliates, agents, directors, officers or employees that would permit an offer of the Placing Shares or possession or distribution of this Announcement or any other offering or publicity material relating to such Placing Shares in any jurisdiction where action for that purpose is required. Persons into whose possession this Announcement comes are required by the Company and Berenberg to inform themselves about and to observe any such restrictions.

All offers of the Placing Shares in the United Kingdom or the EEA will be made pursuant to an exemption under the Prospectus Regulation from the requirement to produce a prospectus. In the

United Kingdom, this Announcement is being directed solely at persons in circumstances in which section 21(1) of FSMA does not apply.

This Announcement or any part of it is for information purposes and does not constitute or form part of any offer to issue or sell, or the solicitation of an offer to acquire, purchase or subscribe for, any securities in the United States (including its territories and possessions, any state of the United States and the District of Columbia), Australia, New Zealand, Canada, Japan or the Republic of South Africa or any other jurisdiction in which the same would be unlawful. No public offering of the Placing Shares is being made in any such jurisdiction.

The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this Announcement. Any representation to the contrary is a criminal offence in the United States. The relevant clearances have not been, nor will they be, obtained from the securities commission of any province or territory of Canada, no prospectus has been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance; the relevant clearances have not been, and will not be, obtained for the South Africa Reserve Bank or any other applicable body in the Republic of South Africa in relation to the Placing Shares and the Placing Shares have not been, nor will they be, registered under or offering in compliance with the securities laws of any state, province or territory of Australia, New Zealand, Canada, Japan or the Republic of South Africa. Accordingly, the Placing Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into Australia, New Zealand, Canada, Japan or the Republic of South Africa or any other jurisdiction outside the United Kingdom.

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By participating in the Placing, each Placee by making an oral and legally binding offer to acquire Placing Shares will be deemed to have read and understood this Announcement in its entirety, to be participating, making an offer and acquiring Placing Shares on the terms and conditions contained herein and to be providing the representations, warranties, indemnities, acknowledgements and undertakings contained in this Appendix.

In particular, each such Placee represents, warrants, undertakes, agrees and acknowledges (amongst other things) that:

1. it is a Relevant Person and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;
2. in the case of a Relevant Person in a member state of the EEA or the United Kingdom (each, a "**Relevant State**") who acquires any Placing Shares pursuant to the Placing:
  - (a) it is a Qualified Investor within the meaning of Article 2(e) of the Prospectus Regulation; and
  - (b) in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Article 5(1) of the Prospectus Regulation:
    - (i) the Placing Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in a Relevant State other than Qualified Investors or in circumstances

in which the prior consent of Berenberg has been given to the offer or resale;  
or

- (ii) where Placing Shares have been acquired by it on behalf of persons in a Relevant State other than Qualified Investors, the offer of those Placing Shares to it is not treated under the Prospectus Regulation as having been made to such persons; and
3. it is acquiring the Placing Shares for its own account or is acquiring the Placing Shares for an account with respect to which it exercises sole investment discretion and has the authority to make and does make the representations, warranties, indemnities, acknowledgements, undertakings and agreements contained in this Announcement; and
  4. it understands (or if acting for the account of another person, such person has confirmed that such person understands) the resale and transfer restrictions set out in this Appendix; and
  5. except as otherwise permitted by the Company and subject to any available exemptions from applicable securities laws, it (and any account referred to in paragraph 4 above) is outside the United States acquiring the Placing Shares in offshore transactions as defined in and in accordance with Regulation S under the Securities Act.

### **No prospectus**

The Placing Shares are being offered to a limited number of specifically invited persons only and will not be offered in such a way as to require any prospectus or other offering document to be published, provided. No prospectus or other offering document has been or will be submitted to be approved by the FCA in relation to the Placing or the Placing Shares and Placees' commitments will be made solely on the basis of the information contained in this Announcement and the announcement of the results of the Placing (the "**Placing Results Announcement**") and subject to any further terms set forth in the contract note to be sent to individual Placees.

Each Placee, by participating in the Placing, agrees that the content of this Announcement is exclusively the responsibility of the Company and confirms that it has neither received nor relied on any information, representation, warranty or statement made by or on behalf of Berenberg or the Company or any other person and none of Berenberg, the Company nor any other person acting on such person's behalf nor any of their respective affiliates has or shall have any liability for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. No Placee should consider any information in this Announcement to be legal, tax or business advice. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

### **Details of the Placing Agreement and the Placing Shares**

Berenberg has today entered into a placing agreement (the "**Placing Agreement**") with the Company under which, on the terms and subject to the conditions set out in the Placing Agreement, Berenberg, as agent for and on behalf of the Company, has agreed to use its reasonable endeavours to procure Placees for the Placing Shares at the Placing Price, including through the use of intermediaries, sub-agents and delegees. The Placing is not being underwritten.

The Placing Shares will, when issued, be subject to the memorandum and articles of association of the Company and credited as fully paid and will rank *pari passu* in all respects with the existing issued ordinary shares of 10 pence each ("**Ordinary Shares**") in the capital of the Company, including the right to receive all dividends and other distributions declared, made or paid in respect of such Ordinary Shares after the date of issue of the Placing Shares.

As part of the Placing, the Company has agreed that it will not for a period of 90 days following Admission, issue, offer, sell, pledge, contract to sell or issue, grant any option, right or warrant to subscribe or purchase or otherwise dispose of or create an encumbrance over, directly or indirectly, any Ordinary Shares (or any interest therein or in respect thereof) or other securities of the Company exchangeable for, convertible into or representing the right to receive Ordinary Shares or any substantially similar securities or otherwise enter into any transaction (including derivative transaction) with the same economic effect as any of the foregoing or deposit any equity securities in any depository receipt facility or to announce publicly any intention to enter into any transaction described above. This agreement is subject to certain customary exceptions and does not prevent the grant or exercise of options under any of the Group's existing share incentives and share option schemes.

The issue of the Placing Shares is to be effected by way of a cashbox placing. The Company will allot and issue the Placing Shares on a non-pre-emptive basis to the Placees in consideration for Berenberg transferring its holding of redeemable preference shares and ordinary shares in Primavera (Jersey) Limited ("**JerseyCo**") to the Company. Accordingly, instead of receiving cash as consideration for the issue of Placing Shares, at the conclusion of the Placing the Company will own all of the issued ordinary shares and redeemable preference shares of JerseyCo whose only asset will be its cash reserves, which will represent an amount approximately equal to the net proceeds of the Placing.

### **Application for Admission**

Application has been made to the London Stock Exchange for admission of the Placing Shares to trading on AIM.

It is expected that Admission will take place on or before 8.00 a.m. on 30 April 2020 and that dealings in the Placing Shares on AIM will commence at the same time.

### **Principal terms of the Placing**

1. Berenberg is acting as sole bookrunner to the Placing, as agent for and on behalf of the Company.
2. Participation in the Placing will only be available to persons who may lawfully be, and are, invited by Berenberg to participate. Berenberg and any of its affiliates are entitled to participate in the Placing as principal.
3. The price per Placing Share (the "**Placing Price**") is fixed at 240 pence and is payable to Berenberg (as agent for the Company) by all Placees. The number of Placing Shares will be agreed between Berenberg and the Company following completion of the Bookbuilding Process. The number of Placing Shares will be announced by the Company through a Regulatory Information Service (the "**Placing Results Announcement**") following the completion of the Bookbuilding Process.
4. To bid in the Bookbuilding Process, Placees should communicate their bid by telephone to their usual sales contact at Berenberg. Each bid should state the number of Placing Shares which a Placee wishes to acquire at the Placing Price. Bids may be scaled down by Berenberg on the basis referred to in paragraph 99 below. Berenberg is arranging the Placing as agent of the Company.
5. The Bookbuilding Process is expected to close no later than 5.00 p.m. on 24 April 2020 but may be closed earlier or later subject to the agreement of Berenberg and the Company. Berenberg may, in agreement with the Company, accept bids that are received after the Bookbuilding Process has closed. The Company reserves the right (upon agreement of Berenberg) to reduce or seek to increase the amount to be raised pursuant to the Placing, in its discretion.

6. Each Placee's allocation will be determined by Berenberg and the Company in accordance with the allocation policy agreed between Berenberg and the Company, and in accordance with all applicable laws and will be confirmed orally by Berenberg.
7. The Company will release the Placing Results Announcement following the close of the Bookbuilding Process detailing the aggregate number of the Placing Shares to be issued at the Placing Price.
8. Each Placee's allocation and commitment will be evidenced by a contract note issued to such Placee by Berenberg. The terms of this Appendix will be deemed incorporated in that contract note.
9. Subject to paragraphs 4, 5 and 6 above, Berenberg may choose to accept bids, either in whole or in part, on the basis of allocations determined in accordance with the allocation policy agreed between Berenberg and the Company and may scale down any bids for this purpose on such basis as they may determine in agreement with the Company. Berenberg may also, notwithstanding paragraphs 4, 5 and 6 above, in agreement with the Company:
  - (a) allocate Placing Shares after the time of any initial allocation to any person submitting a bid after that time; and
  - (b) allocate Placing Shares after the Bookbuilding Process has closed to any person submitting a bid after that time.
10. Each Placee's allocation and commitment to acquire Placing Shares will be made on the terms and subject to the conditions in this Appendix and each Placee's oral instruction to participate in the Placing will be legally binding on the Placee on behalf of which it is made and except with Berenberg's consent will not be capable of variation or revocation after the time at which it is submitted. Each Placee will have an immediate, separate, irrevocable and binding obligation, owed to Berenberg (as agent for the Company), to pay to it (or as it may direct) in cleared funds an amount equal to the product of the Placing Price and the number of Placing Shares such Placee has agreed to acquire and the Company has agreed to allot and issue to that Placee.
11. Except as required by law or regulation, no press release or other announcement will be made by Berenberg or the Company using the name of any Placee (or its agent), in its capacity as Placee (or agent), other than with such Placee's prior written consent.
12. Irrespective of the time at which a Placee's allocation(s) pursuant to the Placing is/are confirmed, settlement for all Placing Shares to be acquired pursuant to the Placing will be required to be made at the same time, on the basis explained below under "*Registration and Settlement*".
13. All obligations under the Placing will be subject to fulfilment or (where applicable) waiver of the conditions referred to below under "*Conditions of the Placing*" and to the Placing not being terminated on the basis referred to below under "*Termination of the Placing*".
14. By participating in the Placing, each Placee will agree that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee.
15. To the fullest extent permissible by law and applicable FCA rules, neither:
  - (a) Berenberg;
  - (b) any of its affiliates, agents, directors, officers, consultants or employees; nor

- (c) to the extent not contained within (a) or (b), any person connected with Berenberg as defined in the FSMA ((b) and (c) being together "**affiliates**" and individually an "**affiliate**" of Berenberg),

shall have any liability (including to the extent permissible by law, any fiduciary duties) to Placees or to any other person whether acting on behalf of a Placee or otherwise. In particular, neither Berenberg nor any of its affiliates shall have any liability (including, to the extent permissible by law, any fiduciary duties) in respect of Berenberg's conduct of the Placing or of such alternative method of effecting the Placing as Berenberg and the Company may agree.

### **Registration and settlement**

If Placees are allocated any Placing Shares in the Placing they will be sent a contract note or electronic confirmation which will confirm the number of Placing Shares allocated to them, the Placing Price and the aggregate amount owed by them to Berenberg.

Each Placee will be deemed to agree that it will do all things necessary to ensure that delivery and payment is completed as directed by Berenberg in accordance with either the standing CREST or certificated settlement instructions which they have in place with Berenberg or by such other means as Berenberg deems necessary if such delivery and settlement would not be consistent with regulatory requirements in the jurisdiction in which a Placee is located.

Settlement of transactions in the Placing Shares (ISIN: GB00BKT6VH21) following Admission will take place within the CREST system, subject to certain exceptions. Settlement through CREST and is expected to occur on 30 April 2020 (the "**Settlement Date**") in accordance with the contract notes. Settlement will be on a delivery versus payment basis. However, in the event of any difficulties or delays in the admission of the Placing Shares to CREST or the use of CREST in relation to the Placing, the Company and Berenberg may agree that the Placing Shares should be issued in certificated form. Berenberg reserves the right to require settlement for the Placing Shares, and to deliver the Placing Shares to Placees, by such other means as it deems necessary if delivery or settlement to Placees is not practicable within the CREST system or would not be consistent with regulatory requirements in the jurisdiction in which a Placee is located.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above, in respect of either CREST or certificated deliveries, at the rate of 2 percentage points above prevailing base rate of Barclays Bank plc as determined by Berenberg.

Each Placee is deemed to agree that if it does not comply with these obligations, Berenberg may sell any or all of their Placing Shares on their behalf and retain from the proceeds, for its own account and benefit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable for any shortfall below the Placing Price and for any stamp duty or stamp duty reserve tax (together with any interest or penalties) which may arise upon the sale of its Placing Shares on its behalf.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees must ensure that, upon receipt, the conditional contract note is copied and delivered immediately to the relevant person within that organisation. Insofar as Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject as provided below, be so registered free from any liability to United Kingdom stamp duty or stamp duty reserve tax. Placees will not be entitled to receive any fee or commission in connection with the Placing.

### **Conditions of the Placing**

The Placing is conditional upon the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms.

The obligations of Berenberg under the Placing Agreement are, and the Placing is, conditional upon, *inter alia*:

- (a) the Company complying with its obligations under the Placing Agreement in so far as they are required to be performed on or before Admission;
- (b) none of the representations and warranties on the part of the Company contained in the Placing Agreement being untrue, inaccurate or misleading on the date on which the Placing Agreement is signed or Admission, by reference to the facts and circumstances then subsisting;
- (c) Admission having become effective at or before 8.00 a.m. on 30 April 2020 or such later time as Berenberg may agree with the Company, but in any event no later than 8.00 a.m. on 30 April 2020,

(all conditions to the obligations of Berenberg included in the Placing Agreement being together, the "**conditions**").

If any of the conditions are not fulfilled or, where permitted, waived in accordance with the Placing Agreement within the stated time periods (or such later time and/or date as the Company and Berenberg may agree), or the Placing Agreement is terminated in accordance with its terms, the Placing will lapse and the Placee's rights and obligations shall cease and terminate at such time and each Placee agrees that no claim can be made by or on behalf of the Placee (or any person on whose behalf the Placee is acting) in respect thereof.

By participating in the Placing, each Placee agrees that its rights and obligations cease and terminate only in the circumstances described above and under "*Termination of the Placing*" below and will not be capable of rescission or termination by it.

Berenberg may, in its absolute discretion and upon such terms as it thinks fit, waive fulfilment of all or any of the conditions in the Placing Agreement in whole or in part, or extend the time provided for fulfilment of one or more conditions. Any such extension or waiver will not affect Placees' commitments as set out in this Appendix.

Berenberg may terminate the Placing Agreement in certain circumstances, details of which are set out below.

Neither Berenberg nor any of its affiliates, agents, directors, officers or employees nor the Company shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision any of them may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition to the Placing nor for any decision any of them may make as to the satisfaction of any condition or in respect of the Placing generally and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of Berenberg.

### **Termination of the Placing**

Berenberg may, in its absolute discretion, by notice to the Company, terminate the Placing Agreement at any time up to Admission if, *inter alia*:

- (a) there has, in the opinion of Berenberg, been a breach of the warranties given to it which has a material adverse effect on the Placing;
- (b) there has, in the opinion of Berenberg, been a material adverse change;
- (c) any statement contained in this Announcement, the Placing Results Announcement or any other document or announcement issued or published by or on behalf of the Company in

connection with the Placing is or has become or has been discovered to be untrue, inaccurate or misleading in any material respect; or

- (d) in the opinion of Berenberg, there has been a force majeure event, as would in the opinion of Berenberg be likely to prejudice the success of the Placing.

By participating in the Placing, each Placee agrees with the Company and Berenberg that the exercise by the Company or Berenberg of any right of termination or any other right or other discretion under the Placing Agreement shall be within the absolute discretion of the Company or Berenberg or for agreement between the Company and Berenberg (as the case may be) and that neither the Company nor Berenberg need make any reference to such Placee and that none of the Company, Berenberg nor any of their respective affiliates, agents, directors, officers or employees shall have any liability to such Placee (or to any other person whether acting on behalf of a Placee or otherwise) whatsoever in connection with any such exercise. Each Placee further agrees that they will have no rights against Berenberg, the Company or any of their respective directors or employees under the Placing Agreement pursuant to the Contracts (Rights of Third Parties) Act 1990 (as amended).

By participating in the Placing, each Placee agrees that its rights and obligations terminate only in the circumstances described above and under the "*Conditions of the Placing*" section above and will not be capable of rescission or termination by it after the issue by Berenberg of a contract note confirming each Placee's allocation and commitment in the Placing.

#### **Representations, warranties and further terms**

By participating in the Placing, each Placee (and any person acting on such Placee's behalf) represents, warrants, acknowledges and agrees (for itself and for any such prospective Placee) that (save where Berenberg expressly agrees in writing to the contrary):

1. it has read and understood this Announcement in its entirety and that its acquisition of the Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, indemnities, acknowledgements, agreements and undertakings and other information contained herein and that it has not relied on, and will not rely on, any information given or any representations, warranties or statements made at any time by any person in connection with Admission, the Placing, the Company, the Placing Shares or otherwise, other than the information contained in this Announcement;
2. it has not received a prospectus or other offering document in connection with the Placing and acknowledges that no prospectus or other offering document:
  - (a) is required under the Prospectus Regulation or other applicable law; and
  - (b) has been or will be prepared in connection with the Placing;
3. the Ordinary Shares are admitted to trading on AIM, and that the Company is therefore required to publish certain business and financial information in accordance with the AIM Rules and the Market Abuse Regulation (EU Regulation No. 596/2014 (the "**MAR**")), which includes a description of the nature of the Company's business and the Company's most recent balance sheet and profit and loss account and that it is able to obtain or access such information without undue difficulty, and is able to obtain access to such information or comparable information concerning any other publicly traded company, without undue difficulty;
4. it has made its own assessment of the Placing Shares and has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing and neither Berenberg nor the Company nor any of their respective affiliates, agents, directors, officers or employees nor any person acting on behalf of any of them has provided, and will not provide, it with any material regarding the Placing Shares or the Company or any

other person other than the information in this Announcement or any information publicly announced through a Regulatory Information Service (as defined in the AIM Rules for Companies (the "**AIM Rules**")) by or on behalf of the Company on or prior to the date of this Announcement (the "**Publicly Available Information**"); nor has it requested Berenberg, the Company, any of their respective affiliates, agents, directors, employees or officers or any person acting on behalf of any of them to provide it with any such information;

5. neither Berenberg nor any person acting on behalf of it nor any of its affiliates, agents, directors, officers or employees has or shall have any liability for any Publicly Available Information, or any representation relating to the Company, provided that nothing in this paragraph excludes the liability of any person for fraudulent misrepresentation made by that person;
6.
  - (a) the only information on which it is entitled to rely on and on which it has relied in committing to acquire the Placing Shares is contained in this Announcement, such information being all that it deems necessary to make an investment decision in respect of the Placing Shares and it has made its own assessment of the Company, the Placing Shares and the terms of the Placing based on the information in this Announcement;
  - (b) neither Berenberg, nor the Company (nor any of their respective affiliates, agents, directors, officers and employees) have made any representation or warranty to it, express or implied, with respect to the Company, the Placing or the Placing Shares or the accuracy, completeness or adequacy of the Publicly Available Information;
  - (c) it has conducted its own investigation of the Company, the Placing and the Placing Shares, satisfied itself that the information is still current and relied on that investigation for the purposes of its decision to participate in the Placing; and
  - (d) it has not relied on any investigation that Berenberg or any person acting on its behalf may have conducted with respect to the Company, the Placing or the Placing Shares;
7. the content of this Announcement has been prepared by and is exclusively the responsibility of the Company and that neither Berenberg nor any of its respective affiliates, agents, directors, officers or employees nor any person acting on behalf of any of them is responsible for or has or shall have any liability for any information, representation, warranty or statement relating to the Company contained in this Announcement nor will they be liable for any Placee's decision to participate in the Placing based on any information, representation, warranty or statement contained in this Announcement or otherwise. Nothing in this Appendix shall exclude any liability of any person for fraudulent misrepresentation;
8. it is not, and at the time the Placing Shares are acquired will not be, a resident of Australia, New Zealand, Canada, the Republic of South Africa or Japan;
9. the Placing Shares have not been registered or otherwise qualified, and will not be registered or otherwise qualified, for offer and sale nor will a prospectus be cleared or approved in respect of any of the Placing Shares under the securities laws of Australia, New Zealand, Canada, the Republic of South Africa or Japan and, subject to certain exceptions, may not be offered, sold, taken up, renounced or delivered or transferred, directly or indirectly, within the United States, Australia, New Zealand, Canada, Japan or the Republic of South Africa or in any country or jurisdiction where any such action for that purpose is required;
10. it has the funds available to pay for the Placing Shares for which it has agreed to acquire and acknowledges and agrees that it will pay the total subscription amount in accordance with the terms of this Announcement on the due time and date set out herein, failing which the relevant

Placing Shares may be placed with other Placees or sold at such price as Berenberg determines;

11. it and/or each person on whose behalf it is participating:
  - (a) is entitled to acquire Placing Shares pursuant to the Placing under the laws and regulations of all relevant jurisdictions;
  - (b) has fully observed such laws and regulations;
  - (c) has capacity and authority and is entitled to enter into and perform its obligations as an acquirer of Placing Shares and will honour such obligations; and
  - (d) has obtained all necessary consents and authorities (including, without limitation, in the case of a person acting on behalf of a Placee, all necessary consents and authorities to agree to the terms set out or referred to in this Appendix) under those laws or otherwise and complied with all necessary formalities to enable it to enter into the transactions contemplated hereby and to perform its obligations in relation thereto and, in particular, if it is a pension fund or investment company it is aware of and acknowledges it is required to comply with all applicable laws and regulations with respect to its acquisition of Placing Shares;
12. it is not, and any person who it is acting on behalf of is not, and at the time the Placing Shares are acquired will not be, a resident of, or with an address in, or subject to the laws of, Australia, New Zealand, Canada, Japan or the Republic of South Africa, and it acknowledges and agrees that the Placing Shares have not been and will not be registered or otherwise qualified under the securities legislation of Australia, New Zealand, Canada, Japan or the Republic of South Africa and may not be offered, sold, or acquired, directly or indirectly, within those jurisdictions;
13. if located outside the United States, it and/or each person on whose behalf it is participating:
  - (a) will acquire the Placing Shares in an "offshore transaction", as defined in Regulation S, conducted in accordance with Regulation S and the Placing Shares were not offered to it by means of "directed selling efforts", as defined in Regulation S; and
  - (b) it is not acting on a non-discretionary basis for the account or benefit of a person located within the United States at the time the undertaking to subscribe for Placing Shares was given and it is not acquiring the Placing Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any Placing Shares into the United States.
14. it understands that the Placing Shares have not been, and will not be, registered under the Securities Act and may not be offered, sold or resold in or into or from the United States except pursuant to an effective registration under the Securities Act, or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with applicable state securities laws; and no representation is being made as to the availability of any exemption under the Securities Act for the reoffer, resale, pledge or transfer of the Placing Shares;
15. it (and any account for which it is purchasing) is not acquiring the Placing Shares with a view to any offer, sale or distribution thereof within the meaning of the Securities Act;
16. it understands that:

- (a) the Placing Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and will be subject to restrictions on resale and transfer subject to certain exceptions under US law;
  - (b) no representation is made as to the availability of the exemption provided by Rule 144 or any other exemption under the Securities Act for the reoffer, resale, pledge or transfer of the Placing Shares; and
  - (c) it will not deposit the Placing Shares in an unrestricted depositary receipt programme in the United States (as defined in the Securities Act);
17. it will not offer, sell, transfer, pledge or otherwise dispose of any Placing Shares except:
- (a) in an offshore transaction in accordance with Rules 903 or 904 of Regulation S under the Securities Act; or
  - (b) pursuant to another exemption from registration under the Securities Act, if available,
- and in each case in accordance with all applicable securities laws of the states of the United States and other jurisdictions;
18. it understands that the Placing Shares are expected to be issued to it through CREST but may be issued to it in certificated, definitive form, or by such other means as Berenberg deems necessary if delivery or settlement to Placees is not practicable within the CREST system or would not be consistent with regulatory requirements in the jurisdiction in which a Placee is located, and acknowledges and agrees that the Placing Shares will, to the extent they are delivered in certificated form, bear a legend to the following effect unless agreed otherwise with the Company:
- "THESE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR UNDER THE APPLICABLE SECURITIES LAWS OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (B) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (C) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE SECURITIES MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THE COMPANY'S SECURITIES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK. EACH HOLDER, BY ITS ACCEPTANCE OF THESE SHARES, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS.";
19. it is not taking up the Placing Shares as a result of any "general solicitation" or "general advertising" efforts (as those terms are defined in Regulation D under the Securities Act) or any "directed selling efforts" (as such term is defined in Regulation S under the Securities Act);
20. it understands that there may be certain consequences under United States and other tax laws resulting from an investment in the Placing and it has made such investigation and has consulted its own independent advisers or otherwise has satisfied itself concerning, without

limitation, the effects of United States federal, state and local income tax laws and foreign tax laws generally;

21. its understands and acknowledges that the Company shall have no obligation to recognise any offer, sale, pledge or other transfer made other than in compliance with the restrictions on transfer set forth and described herein and that the Company may make notation on its records or give instructions to the Company's registrar and any transfer agent of the Placing Shares in order to implement such restrictions;
22. it will not distribute, forward, transfer or otherwise transmit this Announcement or any part of it, or any other presentational or other materials concerning the Placing in or into or from the United States (including electronic copies thereof) to any person, and it has not distributed, forwarded, transferred or otherwise transmitted any such materials to any person;
23. none of Berenberg, its affiliates and any person acting on behalf of any of them is making any recommendations to it or advising it regarding the suitability of any transactions it may enter into in connection with the Placing and that participation in the Placing is on the basis that it is not and will not be a client of Berenberg and that Berenberg has no duties or responsibilities to it for providing the protections afforded to its clients or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor for the exercise or performance of any of its rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;
24. it has the funds available to pay for the Placing Shares for which it has agreed to acquire and acknowledges and agrees that it will make payment to Berenberg for the Placing Shares allocated to it in accordance with the terms and conditions of this Announcement on the due times and dates set out in this Announcement, failing which the relevant Placing Shares may be placed with others on such terms as Berenberg determines in its absolute discretion without liability to the Placee and it will remain liable for any shortfall below the net proceeds of such sale and the placing proceeds of such Placing Shares and may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties due pursuant to the terms set out or referred to in this Announcement) which may arise upon the sale of such Placee's Placing Shares on its behalf;
25. no action has been or will be taken by any of the Company, Berenberg or any person acting on behalf of the Company or Berenberg that would, or is intended to, permit a public offer of the Placing Shares in the United States or in any country or jurisdiction where any such action for that purpose is required;
26. the person who it specifies for registration as holder of the Placing Shares will be:
  - (a) the Placee; or
  - (b) a nominee of the Placee, as the case may be.

Berenberg and the Company will not be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. Each Placee and any person acting on behalf of such Placee agrees to acquire Placing Shares pursuant to the Placing and agrees to indemnify the Company and Berenberg in respect of the same on the basis that the Placing Shares will be allotted or transferred to a CREST stock account of Berenberg or transferred to a CREST stock account of Berenberg who will hold them as nominee on behalf of the Placee until settlement in accordance with its standing settlement instructions with it;

27. the sale, allocation, allotment, issue and delivery to it, or the person specified by it for registration as holder, of Placing Shares will not give rise to a stamp duty or stamp duty

reserve tax liability under (or at a rate determined under) any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and that it is not participating in the Placing as nominee or agent for any person or persons to whom the allocation, allotment, issue or delivery of Placing Shares would give rise to such a liability;

28. if it is within the United Kingdom, it and any person acting on its behalf (if within the United Kingdom) falls within Article 19(5) and/or Article 49(2) of the Order and undertakes that it will acquire, hold, manage and (if applicable) dispose of any Placing Shares that are allocated to it for the purposes of its business only;
29. it has not offered or sold and will not offer or sell any Placing Shares to persons in a Relevant State prior to the expiry of a period of six months from Admission except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of section 85(1) of the FSMA or an offer to the public in any member state of the EEA within the meaning of the Prospectus Regulation;
30. if it is within a Relevant State, it is a Qualified Investor as defined in Article 2(e) of the Prospectus Regulation;
31. it has only communicated or caused to be communicated and it will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) relating to Placing Shares in circumstances in which section 21(1) of the FSMA does not require approval of the communication by an authorised person and it acknowledges and agrees that this Announcement has not been approved by Berenberg in its capacity as an authorised person under section 21 of the FSMA and it may not therefore be subject to the controls which would apply if it was made or approved as financial promotion by an authorised person;
32. it and any persons acting on its behalf has complied and it will comply with all applicable laws with respect to anything done by it or on its behalf in relation to the Placing Shares (including all relevant provisions of the FSMA in respect of anything done in, from or otherwise involving the United Kingdom);
33. if it is a financial intermediary, as that term is used in Article 5(1) of the Prospectus Regulation (including any relevant implementing measure in any member state), the Placing Shares acquired by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in a Relevant State other than Qualified Investors, or in circumstances in which the express prior written consent of Berenberg has been given to the offer or resale;
34. if it has received any inside information (for the purposes of the MAR and section 56 of the Criminal Justice Act 1993 or other applicable law) about the Company in advance of the Placing, it has not:
  - (a) dealt (or attempted to deal) in the securities of the Company;
  - (b) encouraged, recommended or induced another person to deal in the securities of the Company; or
  - (c) unlawfully disclosed such information to any person, prior to the information being made publicly available;
35. neither Berenberg, the Company nor any of their respective affiliates, agents, directors, officers or employees nor any person acting on behalf of Berenberg or its affiliates, agents, directors, officers or employees is making any recommendations to it, advising it regarding the

suitability of any transactions it may enter into in connection with the Placing nor providing advice in relation to the Placing nor in respect of any representations, warranties, acknowledgements, agreements, undertakings, or indemnities contained in the Placing Agreement nor the exercise or performance of any of Berenberg's rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;

36. Berenberg and its affiliates, acting as an investor for its or their own account(s), may bid or subscribe for and/or purchase Placing Shares and, in that capacity, may retain, purchase, offer to sell or otherwise deal for its or their own account(s) in the Placing Shares, any other securities of the Company or other related investments in connection with the Placing or otherwise. Accordingly, references in this Announcement to the Placing Shares being offered, subscribed, acquired or otherwise dealt with should be read as including any offer to, or subscription, acquisition or dealing by, Berenberg and/or any of its affiliates acting as an investor for its or their own account(s). Neither Berenberg nor the Company intend to disclose the extent of any such investment or transaction otherwise than in accordance with any legal or regulatory obligation to do so;

37. it:

(a) has complied with its obligations in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2000 (as amended), the Terrorism Act 2006 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (together, the "**Regulations**");

(b) is not a person:

(i) with whom transactions are prohibited under the US Foreign Corrupt Practices Act of 1977 or any economic sanction programmes administered by, or regulations promulgated by, the Office of Foreign Assets Control of the U.S. Department of the Treasury;

(ii) named on the Consolidated List of Financial Sanctions Targets maintained by HM Treasury of the United Kingdom; or

(iii) subject to financial sanctions imposed pursuant to a regulation of the European Union or a regulation adopted by the United Nations or other applicable law,

and if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations and has obtained all governmental and other consents (if any) which may be required for the purpose of, or as a consequence of, such purchase, and it will provide promptly to Berenberg such evidence, if any, as to the identity or location or legal status of any person which it may request from it in connection with the Placing (for the purpose of complying with the Regulations 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 Berenberg on the basis that any failure by it to do so may result in the number of Placing Shares that are to be acquired by it or at its direction pursuant to the Placing being reduced to such number, or to nil, as Berenberg may decide at its sole discretion;

38. in order to ensure compliance with the Regulations, Berenberg (for itself and as agent on behalf of the Company) or the Company's registrars may, in their absolute discretion, require verification of its identity, location or legal status. Pending the provision to Berenberg or the Company's registrars, as applicable, of evidence of identity, location or legal status, definitive certificates in respect of the Placing Shares may be retained at Berenberg's absolute

discretion or, where appropriate, delivery of the Placing Shares to it in uncertificated form may be delayed at Berenberg's or the Company's registrars', as the case may be, absolute discretion. If within a reasonable time after a request for verification of identity, location or legal status Berenberg (for itself and as agent on behalf of the Company) or the Company's registrars have not received evidence satisfactory to them, either Berenberg and/or the Company may, at its absolute discretion, terminate its commitment in respect of the Placing, in which event the monies payable on acceptance of allotment will, if already paid, be returned without interest to the account of the drawee's bank from which they were originally debited;

39. it acknowledges that its commitment to acquire Placing Shares on the terms set out in this Announcement and in the contract note will continue notwithstanding any amendment that may in future be made to the terms and conditions of the Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company's or Berenberg's conduct of the Placing;
40. it has knowledge and experience in financial, business and international investment matters as is required to evaluate the merits and risks of acquiring the Placing Shares. It further acknowledges that it is experienced in investing in securities of this nature and is aware that it may be required to bear, and is able to bear, the economic risk of, and is able to sustain, a complete loss in connection with the Placing. It has relied upon its own examination and due diligence of the Company and its affiliates taken as a whole, and the terms of the Placing, including the merits and risks involved;
41. it irrevocably appoints any duly authorised officer of Berenberg as its agent for the purpose of executing and delivering to the Company and/or its registrars any documents on its behalf necessary to enable it to be registered as the holder of any of the Placing Shares for which it agrees to acquire upon the terms of this Announcement;
42. the Company, Berenberg and others (including each of their respective affiliates, agents, directors, officers and employees) will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements, which are given to Berenberg on its own behalf and on behalf of the Company are irrevocable;
43. it is acting as principal only in respect of the Placing or, if it is acquiring the Placing Shares as a fiduciary or agent for one or more investor accounts, it is duly authorised to do so and it has full power and authority to make, and does make, the foregoing representations, warranties, acknowledgements, agreements and undertakings on behalf of each such accounts;
44. time is of the essence as regards its obligations under this Appendix;
45. any document that is to be sent to it in connection with the Placing will be sent at its risk and may be sent to it at any address provided by it to Berenberg;
46. the Placing Shares will be issued subject to the terms and conditions of this Appendix; and
47. the terms and conditions contained in this Appendix and all documents into which this Appendix is incorporated by reference or otherwise validly forms a part and/or any agreements entered into pursuant to these terms and conditions and all agreements to acquire Placing Shares pursuant to the Placing will be governed by and construed in accordance with English law and it submits to the exclusive jurisdiction of the English courts in relation to any claim, dispute or matter arising out of such contract except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with interest chargeable thereon) may be taken by the Company or Berenberg in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange.

By participating in the Placing, each Placee (and any person acting on such Placee's behalf) agrees to indemnify and hold the Company, Berenberg and each of their respective affiliates, agents, directors, officers and employees harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings given by the Placee (and any person acting on such Placee's behalf) in this Appendix or incurred by Berenberg, the Company or each of their respective affiliates, agents, directors, officers or employees arising from the performance of the Placee's obligations as set out in this Announcement, and further agrees that the provisions of this Appendix shall survive after the completion of the Placing.

The agreement to allot and issue Placing Shares to Placees (or the persons for whom Placees are contracting as agent) free of stamp duty and stamp duty reserve tax in the United Kingdom relates only to their allotment and issue to Placees, or such persons as they nominate as their agents, direct by the Company. Such agreement assumes that the Placing Shares are not being acquired in connection with arrangements to issue depositary receipts or to transfer the Placing Shares into a clearance service. If there are any such arrangements, or the settlement related to any other dealings in the Placing Shares, stamp duty or stamp duty reserve tax may be payable. In that event, the Placee agrees that it shall be responsible for such stamp duty or stamp duty reserve tax and neither the Company nor Berenberg shall be responsible for such stamp duty or stamp duty reserve tax. If this is the case, each Placee should seek its own advice and they should notify Berenberg accordingly. In addition, Placees should note that they will be liable for any capital duty, stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the United Kingdom by them or any other person on the acquisition by them of any Placing Shares or the agreement by them to acquire any Placing Shares and each Placee, or the Placee's nominee, in respect of whom (or in respect of the person for whom it is participating in the Placing as an agent or nominee) the allocation, allotment, issue or delivery of Placing Shares has given rise to such non-United Kingdom stamp, registration, documentary, transfer or similar taxes or duties undertakes to pay such taxes and duties, including any interest and penalties (if applicable), forthwith and to indemnify on an after-tax basis and to hold harmless the Company and Berenberg in the event that either the Company and/or Berenberg have incurred any such liability to such taxes or duties.

The representations, warranties, acknowledgements and undertakings contained in this Appendix are given to Berenberg for itself and on behalf of the Company are irrevocable.

Berenberg, which is authorised and regulated by the German Federal Financial Supervisory Authority and subject to limited regulation in the United Kingdom by the FCA, is acting exclusively for the Company in connection with the Placing and will not be acting for any other person (including any Placees) and will not be responsible to any person other than the Company for providing the protections afforded to clients of Berenberg or for advising any other person in respect of the matters referred to in this Announcement. No representation or warranty, express or implied, is made by Berenberg as to the contents of this Announcement.

Each Placee and any person acting on behalf of the Placee acknowledges that Berenberg does not owe any fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings, acknowledgements, agreements or indemnities in the Placing Agreement.

Each Placee and any person acting on behalf of the Placee acknowledges and agrees that Berenberg may (at its absolute discretion) 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 connected or associated person to do so.

When a Placee or any person acting on behalf of the Placee is dealing with Berenberg, any money held in an account with Berenberg on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the relevant rules and regulations of the FCA made under the FSMA. Each Placee acknowledges that the money will not be subject to the protections conferred by the client money rules: as a consequence this money will not be segregated

from Berenberg's money in accordance with the client money rules and will be held by it under a banking relationship and not as trustee.

References to time in this Announcement are to London time, unless otherwise stated.

All times and dates in this Announcement may be subject to amendment. Placees will be notified of any changes.

No statement in this Announcement is intended to be a profit forecast or estimate, and no statement in this Announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

The price of shares and any income expected from them may go down as well as up and investors may not get back the full amount invested upon disposal of the shares. Past performance is no guide to future performance, and persons needing advice should consult an independent financial adviser.

The Placing Shares to be issued pursuant to the Placing will not be admitted to trading on any stock exchange other than the AIM market of the London Stock Exchange.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this Announcement.