



**Ideagen PLC - IDEA Proposed Placing to Raise £20 million**

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Ideagen PLC

13 September 2018

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**THIS ANNOUNCEMENT IS FOR INFORMATION PURPOSES ONLY AND SHALL NOT CONSTITUTE AN OFFER TO SELL OR ISSUE OR THE SOLICITATION OF AN OFFER TO BUY, SUBSCRIBE FOR OR OTHERWISE ACQUIRE ANY NEW ORDINARY SHARES OF IDEAGEN PLC IN THE UNITED STATES, CANADA, JAPAN, AUSTRALIA, THE REPUBLIC OF SOUTH AFRICA OR ANY OTHER JURISDICTION IN WHICH SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL.**

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION AS DEFINED IN ARTICLE 7 OF THE MARKET ABUSE REGULATION NO. 596/2014 ("MAR"). UPON THE PUBLICATION OF THIS ANNOUNCEMENT, THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN.**

13 September 2018

**Ideagen Plc  
("Ideagen" or the "Company")**

**Proposed Placing to raise approximately £20 million**

Ideagen (AIM: IDEA), a leading supplier of Information Management software to highly regulated industries, today announces its intention to conduct an accelerated bookbuild (the "**Bookbuild**") to raise gross proceeds of approximately £20 million by way of a conditional placing (the "**Placing**") of ordinary shares of 1 penny each in the capital of the Company ("**Ordinary Shares**").

Pursuant to the Placing, approximately 14,084,507 new Ordinary Shares (the "**Placing Shares**") will be issued (which would represent approximately 6.9 per cent. of the Company's current issued share capital) at an expected price of 142 pence each (the "**Placing Price**"). The Placing is being made available to institutional investors in the UK and Europe only and is not being made available to the public.

Ideagen has entered into a placing agreement with finnCap Ltd ("**finnCap**") to act as the sole bookrunner in relation to the Placing.

**Ideagen** e: [info@ideagen.com](mailto:info@ideagen.com) w: [www.ideagen.com](http://www.ideagen.com)

The Bookbuild will open with immediate effect following release of this announcement. The timing of the closing of the Bookbuild, the number of Placing Shares, the Placing Price and allocations are at the discretion of the Company and finnCap and a further announcement confirming these details is expected to be made in due course. finnCap reserves the right to close the Bookbuild without further notice. There can be no certainty that the Placing will complete.

### **Use of Proceeds**

In its unaudited preliminary financial results for the year ended 30 April 2018, the Company set out that it remains committed to an ongoing buy and build strategy and that it would expect to complete further acquisitions in the future. This acquisition strategy was to focus on recurring revenues and compelling product offerings which represent value for shareholders. On 5 September 2018, the Company announced the acquisition of InspectionXpert, Corp.

The proceeds of the Placing are intended to be used to accelerate Ideagen's growth objectives by allowing the Company to quickly capitalise on certain identified acquisition opportunities:

- A competing governance, risk and compliance ("**GRC**") software provider in the UK and US which the Board estimates has a current revenue run rate of £5.3m and EBITDA run rate of £1.7m (before c. £0.3m of potential cost synergies) (the "**Near Term Target**"). The Near Term Target has a high level of recurring revenues and is expected to be an earnings enhancing acquisition in its first full year of ownership. Ideagen expects to pay in the order of £21m in cash on completion for the Near Term Target; and
- Two further GRC software as a service ("**SaaS**") acquisition targets, one in aviation and one in environmental health and safety (the "**Longer Term Targets**"), which each have revenues of approximately £1m, EBITDA (post any acquisition synergies) of approximately £0.3m - £0.5m and would be valued at approximately £2m - £3m in cash.

The Board expects the acquisition of the Near Term Target to complete within the next four weeks and the acquisition of the Longer Term Targets within the next six months. However, there can be no certainty that the acquisitions of the Near Term Target and each of the Longer Term Targets will complete or the timing, terms or effect on Ideagen of any such acquisitions. The Company also has a strong further pipeline of M&A opportunities each with similar characteristics to the Near Term Target and/or the Longer Term Targets.

Furthermore, the Company intends to increase its revolving credit facility ("**RCF**") with the National Westminster Bank Plc ("**NatWest**") from £8.0m to £16.0m. The RCF carries an interest rate of 3 month London inter-bank offered rate plus 2 per cent. on the utilised funds and a rate of 0.8 per cent. on any unutilised funds in the RCF. The increase in the RCF has formal credit approval at NatWest and documentation is currently being finalised.

### **Current Trading and Outlook**

Trading remains robust and in line with management expectations. The Company is seeing strong demand for its products from new customers and the Board are pleased to see further growth in its recurring revenues.

### **Details of the Placing**

Pursuant to the placing agreement, dated 13 September 2018 between finnCap and the Company (the "**Placing Agreement**"), finnCap has conditionally agreed, as agent of the Company, to use its reasonable endeavours to procure subscribers for the Placing Shares. The Placing is conditional

upon, *inter alia*, admission of the Placing Shares to trading on AIM ("**Admission**") becoming effective on or before 8.00 a.m. (London time) on 20 September 2018 or such later date as may be agreed between the finnCap and Company, but in any event no later than 8.00am (London time) on 4 October 2018, and the Placing Agreement having not been terminated prior to Admission. The Placing Shares will rank equally in all respects with the Company's existing Ordinary Shares. The Placing is not being underwritten.

**This announcement should be read in its entirety. In particular, your attention is drawn to the detailed terms and conditions of the Placing and further information relating to the Bookbuild described in the Appendix to this announcement (which forms part of this announcement).**

By choosing to participate in the Placing and by making an oral and legally binding offer to acquire Placing Shares, investors 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 of the Placing contained herein, and to be providing the representations, warranties and acknowledgements contained in the Appendix.

#### **Enquiries:**

Ideagen plc	01629 699100
David Hornsby, Executive Chairman	
Ben Dorks, Chief Executive	
Graeme Spenceley, Finance Director	
finnCap Limited	020 7220 0500
Henrik Persson/James Thompson (Nomad)	
Alice Lane (ECM)	

#### **About Ideagen plc**

Ideagen is a UK-headquartered, global technology company quoted on the London Stock Exchange AIM market (Ticker: IDEA.L).

The Group provides software and services to organisations operating within highly regulated industries such as aviation, banking and finance and life science, with its main operational premises spread throughout the UK, EU, US, Middle East and SE Asia.

With an excellent portfolio of software products including Q-Pulse, Coruson, Pentana Audit, Pentana Performance and PleaseReview, Ideagen helps its clients reduce costs, improve operational efficiency, strengthen compliance and oversight and anticipate and manage every detail of risk.

Currently, more than 3,700 organisations use Ideagen's products including seven of the top 10 UK accounting firms, all of the top aerospace and defence companies and 75% of the world's leading pharmaceutical firms.

Ideagen's diverse and varied customer base includes many well-known, global brands such as British Airways, Aggreko, BAE, Ryanair, US Navy, KLM, BBVA, Bank of New York, Commerzbank, Meggitt, Heineken, Johnson Matthey, Haeco Group and European Central Bank. As well as this, Ideagen counts 180 hospitals across the UK and US amongst its client base.

For further information please visit [www.ideagen.com](http://www.ideagen.com).

#### **Forward-looking statements**

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This announcement may include certain "forward-looking statements" and "forward-looking information" under applicable securities laws. Except for statements of historical fact, certain information contained herein constitutes forward-looking statements. Forward-looking statements are frequently characterised by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are based on a number of assumptions and subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Assumptions upon which such forward-looking statements are based include that all required third party regulatory and governmental approvals will be obtained. Many of these assumptions are based on factors and events that are not within the control of the Company and there is no assurance they will prove to be correct. Factors that could cause actual results to vary materially from results anticipated by such forward-looking statements include changes in market conditions and other risk factors discussed or referred to in this announcement and other documents filed with the applicable securities regulatory authorities. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements.

**finnCap is authorised and regulated by the Financial Conduct Authority (the "FCA") in the United Kingdom. finnCap is acting exclusively for the Company and no one else in connection with the Bookbuilding Process and the Placing, and finnCap will not be responsible to anyone (including any Placees) other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Bookbuilding Process or the Placing or any other 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 finnCap or by any of their respective 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 therefor 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.**

**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**

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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 Offer. Furthermore, it is noted that, notwithstanding the Target Market Assessment, finnCap 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.

The Placing Shares to be issued pursuant to the Placing will not be admitted to trading on any stock exchange other than on AIM 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 SHARES.

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**THE DISTRIBUTION OF THIS ANNOUNCEMENT OR ANY PART OF IT AND THE PLACING AND ISSUE OF THE PLACING SHARES IN CERTAIN JURISDICTIONS MAY BE RESTRICTED OR PROHIBITED BY LAW. NO ACTION HAS BEEN TAKEN BY THE COMPANY OR FINNCAP OR ANY OF THEIR RESPECTIVE AFFILIATES, AGENTS, CONSULTANTS, DIRECTORS, EMPLOYEES OR OFFICERS 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, OTHER THAN THE UK. PERSONS TO WHOSE ATTENTION THIS ANNOUNCEMENT HAS BEEN DRAWN ARE REQUIRED BY THE COMPANY AND FINNCAP TO INFORM THEMSELVES ABOUT AND TO OBSERVE ANY SUCH RESTRICTIONS.**

**MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT IS FOR INFORMATION PURPOSES ONLY AND IS DIRECTED ONLY AT (A) PERSONS IN MEMBER STATES OF THE EEA WHO ARE QUALIFIED INVESTORS AS DEFINED IN SECTION 86(7) OF FSMA ("QUALIFIED INVESTORS"), BEING PERSONS FALLING WITHIN THE MEANING OF ARTICLE 2(1)(E) OF THE PROSPECTUS DIRECTIVE; AND (B) IN THE UNITED KINGDOM, QUALIFIED INVESTORS WHO ARE PERSONS WHO (I) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(5) (INVESTMENT PROFESSIONALS) OF FSMA (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "ORDER"); (II) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) (HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC.) OF THE ORDER; OR (III) ARE PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS").**

**THIS ANNOUNCEMENT AND THE INFORMATION IN IT MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. PERSONS DISTRIBUTING THIS ANNOUNCEMENT MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS ANNOUNCEMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS ANNOUNCEMENT DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN THE COMPANY. EACH PLACEE SHOULD CONSULT WITH ITS OWN ADVISERS AS TO LEGAL, TAX, BUSINESS AND RELATED ASPECTS OF AN INVESTMENT IN PLACING SHARES.**

**THIS ANNOUNCEMENT IS NOT AN OFFER OF SECURITIES FOR SALE INTO THE UNITED STATES. THE PLACING SHARES HAVE NOT BEEN NOR WILL BE REGISTERED UNDER THE US SECURITIES ACT, UNDER THE SECURITIES LEGISLATION OF ANY STATE OF THE UNITED STATES OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR JURISDICTION OF THE UNITED STATES. THE PLACING SHARES HAVE NOT BEEN AND WILL NOT BE APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION OR ANY 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 THE CONTENTS OF THIS ANNOUNCEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES. THE PLACING SHARES MAY NOT BE OFFERED, SOLD OR TRANSFERRED, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES EXCEPT (1) TO QIBS IN ACCORDANCE WITH RULE 144A US SECURITIES ACT OR (2) OTHERWISE IN A TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT, AND, IN EACH CASE, IN COMPLIANCE WITH THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THERE WILL BE NO PUBLIC OFFER OF THE SECURITIES WITHIN THE MEANING OF SECTION 4(A)(2) OF THE US SECURITIES ACT MADE IN THE UNITED STATES.**

**THIS ANNOUNCEMENT INCLUDES STATEMENTS THAT ARE, OR MAY BE DEEMED TO BE "FORWARD-LOOKING STATEMENTS". THESE FORWARD-LOOKING STATEMENTS CAN BE IDENTIFIED BY THE USE OF FORWARD-LOOKING TERMINOLOGY, INCLUDING THE TERMS "BELIEVES", "ESTIMATES",**

"PLANS", "PROJECTS", "ANTICIPATES", "EXPERTS", "INTENDS", "MAY", "WILL" OR "SHOULD", OR, IN EACH CASE, THEIR NEGATIVE OR OTHER VARIATIONS OR COMPARABLE TERMINOLOGY. THESE FORWARD-LOOKING STATEMENTS INCLUDE MATTERS THAT ARE NOT HISTORICAL FACTS. THEY APPEAR IN A NUMBER OF PLACES THROUGHOUT THIS ANNOUNCEMENT AND INCLUDE STATEMENTS REGARDING THE DIRECTORS' CURRENT INTENTIONS, BELIEFS OR EXPECTATIONS CONCERNING, AMONG OTHER THINGS, THE COMPANY'S RESULTS OR OPERATIONS, FINANCIAL CONDITION, LIQUIDITY, PROSPECTS, GROWTH, STRATEGIES AND THE COMPANY'S MARKETS. FORWARD-LOOKING STATEMENTS IN THIS ANNOUNCEMENT ARE BASED ON CERTAIN FACTORS AND ASSUMPTIONS, INCLUDING THE DIRECTORS' CURRENT VIEW WITH RESPECT TO FUTURE EVENTS AND ARE SUBJECT TO RISKS RELATING TO FUTURE EVENTS AND OTHER RISKS, UNCERTAINTIES AND ASSUMPTIONS RELATING TO THE COMPANY'S OPERATIONS, GROWTH STRATEGY AND LIQUIDITY. WHILST THE DIRECTORS CONSIDER THESE ASSUMPTIONS TO BE REASONABLE BASED UPON INFORMATION CURRENTLY AVAILABLE, THEY MAY PROVE TO BE INCORRECT. SAVE AS REQUIRED BY LAW OR BY THE AIM RULES THE COMPANY UNDERTAKES NO OBLIGATION TO PUBLICLY RELEASE THE RESULTS OF ANY REVISIONS TO FORWARD-LOOKING STATEMENTS IN THIS ANNOUNCEMENT THAT MAY OCCUR DUE TO ANY CHANGE IN THE DIRECTORS' EXPECTATIONS OR TO REFLECT EVENTS OR CIRCUMSTANCES AFTER THE DATE OF THIS ANNOUNCEMENT.

THIS ANNOUNCEMENT HAS BEEN PREPARED AND ISSUED BY THE COMPANY AND IS AND WILL BE THE SOLE RESPONSIBILITY OF THE COMPANY. 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 FINNCAP OR ANY OF ITS ADVISERS, AFFILIATES, AGENTS, BRANCHES, CONSULTANTS, DIRECTORS, EMPLOYEES, OFFICERS OR ANY OTHER PERSON 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 PLACEE, ANY PERSON ACTING ON SUCH PLACEE'S BEHALF OR ANY OF THEIR RESPECTIVE ADVISERS, AND ANY LIABILITY THEREFOR IS EXPRESSLY DISCLAIMED.

THIS ANNOUNCEMENT HAS NOT BEEN EXAMINED OR APPROVED BY THE LONDON STOCK EXCHANGE, NOR IS IT INTENDED THAT IT WILL BE SO EXAMINED OR APPROVED.

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 MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that such Placing Shares are; (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and 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 (as defined within the MiFID II Product Governance Requirements) 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 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, finnCap 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 of 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 should be read in its entirety.

### **Terms and conditions of, and the mechanics of participation in, the Placing**

This Appendix gives details of the terms and conditions of, and the mechanics of participation in, the Placing. By participating in the Placing, each Placee 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.

No commission will be paid to Placees or by Placees in respect of any Placing Shares.

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

finnCap has entered into the Placing Agreement with the Company pursuant to which, on the terms and subject to the conditions set out in such Placing Agreement, finnCap 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. The Placing is not being underwritten by finnCap.

The Placing Shares will, when issued, be subject to the 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 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.

The Placing Agreement contains certain undertakings, warranties and indemnities given by the Company for the benefit of finnCap. finnCap has absolute discretion as to whether or not to bring an action against the Company for breach of these undertakings, warranties and indemnities.

finnCap has the right to terminate the Placing Agreement in certain circumstances, details of which are set out below.

### **Application for Admission**

Application will be made to the London Stock Exchange for Admission.

It is expected that Admission will take place at 8.00 a.m. on 20 September 2018 and that dealings in the Placing Shares on AIM will commence at the same time.

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

finnCap is acting as nominated adviser and broker to the Placing, as agent for and on behalf of the Company. finnCap is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company and no one else in connection with the matters referred to in this Announcement and



will not be responsible to anyone other than the Company for providing the protections afforded to the customers of finnCap or for providing advice in relation to the matters described in this Announcement.

Participation in the Placing will only be available to persons who may lawfully be, and are, invited by finnCap to participate. finnCap and any of its affiliates are entitled to participate in the Placing as principal.

finnCap is proceeding with the Bookbuild for the purpose of assessing demand from institutional and other investors for subscribing for Placing Shares at the Placing Price and the Company then issuing the Placing Shares under the Placing to raise up to £20,000,000 for the Company before expenses. The exact number of Placing Shares to be allocated and issued to each Placee shall be determined by finnCap (in consultation with the Company) following completion of the Bookbuild. finnCap will commence the Bookbuild today and it is expected to close no later than 5.00 p.m. on 13 September 2018 but may be closed earlier or later at finnCap's discretion. Completion of the Bookbuild is at the discretion of the Company and there is no guarantee that the Bookbuild will be completed. finnCap may, in agreement with the Company, accept bids that are received after the Bookbuild has closed. The number of Placing Shares will be announced on a Regulatory Information Service following completion of the Bookbuild.

Each Placee's allocation of Placing Shares will be communicated orally by finnCap to the relevant Placee. That oral confirmation will give rise to an irrevocable, legally binding commitment by such Placee, in favour of finnCap and the Company, under which it agrees to acquire the number of Placing Shares allocated to it at the Placing Price and otherwise on the terms and subject to the conditions set out in this Appendix and in accordance with the Company's articles of association. Except with finnCap's consent, such commitment will not be capable of variation, revocation, termination or rescission at either the time of such oral confirmation or any time thereafter.

Each Placee's allocation and commitment will be evidenced by a contract note issued to such Placee by finnCap. The contract note will set out the number of Placing Shares allocated, the Placing Price and the aggregate amount owed by such Placee to finnCap. The terms of this Appendix will be deemed incorporated in that contract note.

An offer to acquire Placing Shares which has been communicated by a prospective Placee to finnCap which has not been withdrawn or revoked prior to publication of this Announcement shall not be capable of withdrawal or revocation immediately following the publication of this Announcement without the consent of finnCap.

The Placing Price shall be payable to finnCap by all Placees.

Each Placee will have an immediate, separate, irrevocable and binding obligation, owed to finnCap (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.

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 on the basis explained below under "Registration and Settlement".

All obligations of finnCap under the Placing will be subject to fulfilment 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".

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/or set out in the Placing Agreement will not be capable of rescission or termination by the Placee.

To the fullest extent permissible by law and applicable FCA rules, none of (a) finnCap, (b) any of finnCap's affiliates, agents, directors, officers, employees or consultants, (c) to the extent not contained within (a) or (b), any person connected with finnCap as defined in the FSMA ((b) and (c) being together "**affiliates**" and individually an "**affiliate**" of finnCap or (d) any person acting on finnCap's behalf; shall have any liability (including to the extent permissible by law, any fiduciary duties) to any Placee or to any other person whether acting on behalf of a Placee or otherwise. In particular, neither finnCap nor any of its respective affiliates shall have any liability (including, to the extent permissible by law, any fiduciary duties) in respect of their conduct of the Placing or of such alternative method of effecting the Placing as finnCap and the Company may agree.

## **Registration and Settlement**

Each Placee which has been allocated Placing Shares in the Placing will be sent a contract note by finnCap stating, inter alia, the number of Placing Shares allocated to it, the Placing Price and the aggregate amount owed by them to finnCap.

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 finnCap in accordance with either the standing CREST or certificated settlement instructions which they have in place with finnCap.

Settlement of transactions in the Placing Shares (ISIN: GB00B0CM0C50) will take place within the CREST system, subject to certain exceptions. Settlement through CREST will be with respect to the Placing Shares on a T+5 basis unless otherwise notified by finnCap and is expected to occur at 8.00 a.m. on 20 September 2018.

In accordance with the contract note, settlement will be on a delivery versus payment basis.

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 finnCap may agree that the Placing Shares should be issued in certificated form.

finnCap 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 a Placee's jurisdiction.

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 two percentage points above prevailing LIBOR as determined by finnCap.

Each Placee is deemed to agree that if it does not comply with these obligations, finnCap may sell any or all of their Placing Shares on their behalf and retain from the proceeds, for finnCap's 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 aggregate amount owed by it and for any stamp duty or stamp duty reserve tax (together with any interest or penalties) which may arise upon the sale of their Placing Shares on their behalf.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees must ensure that, upon receipt, the 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.

### **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 finnCap under the Placing Agreement are, and the Placing is, conditional upon, *inter alia*:

1. none of the warranties or undertakings provided in the Placing Agreement by the Company being or having become untrue, inaccurate or misleading at any time before Admission and no fact or circumstance having arisen which would constitute a breach of any such warranties;
2. the performance by the Company of certain obligations under the Placing Agreement to the extent that they fail to be performed prior to Admission; and
3. Admission occurring not later than 8.00 a.m. on 20 September 2018 or such later time as finnCap may agree in writing with the Company (but in any event not later than 11.59 p.m. on 4 October 2018),

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

If any of the conditions set out in the Placing Agreement 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 finnCap may agree), or the Placing Agreement is terminated in accordance with the circumstances described under "Termination of the Placing" below, the Placing will lapse and the Placee's rights and obligations shall cease and terminate at such time, all monies received from a Placee pursuant to the Placing shall be returned to such Placee without interest, at the risk of the relevant Placee 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.

Certain Conditions may be waived in whole or in part by finnCap in its absolute discretion and finnCap may also agree in writing with the Company to extend the time for satisfaction of any condition. Any such extension or waiver will not affect Placees' commitments as set out in this Appendix.

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

Neither finnCap, the Company nor any of their respective affiliates, agents, consultants, directors, employees or officers 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

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generally and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of finnCap.

### **Termination of the Placing**

finnCap may terminate its obligation under the Placing Agreement, in accordance with its terms, at any time prior to Admission if, *inter alia*:

1. it comes to the notice of finnCap that any statement contained in this 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 untrue, incorrect or misleading in any material respect;
2. it comes to the knowledge of finnCap that any of the warranties in the Placing Agreement was untrue, inaccurate or misleading when made and or that any of the warranties in the Placing Agreement have at any time prior to Admission ceased to be true or accurate or have become misleading by reference to the facts and circumstances from time to time subsisting or a matter has arisen which gives rise to a claim under any of the indemnities in the Placing Agreement;
3. there has occurred any material adverse change in the financial position, business or prospects of the Company; or
4. there has occurred any change in national or international financial, market, industrial, monetary, economic or political conditions or there shall have occurred any event which, in the reasonable opinion of finnCap, is likely to have a material adverse effect on the business or prospects of the Company or render the Placing impracticable or inadvisable.

If the Placing Agreement is terminated in accordance with its terms, the rights and obligations of each Placee in respect of the Placing as described in this Announcement shall cease and terminate at such time, all monies received from a Placee pursuant to the Placing shall be returned to such Placee without interest, at the risk of the relevant Placee 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 with the Company and finnCap that the exercise by the Company, or finnCap, 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 finnCap and that neither the Company nor finnCap needs make any reference to such Placee and that none of finnCap, the Company, 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.

### **No prospectus**

No prospectus has been or will be submitted to be approved by the FCA in relation to the Placing or the Placing Shares and no such prospectus is required on the basis that all offers of Placing Shares will be made pursuant to an exemption under the Prospectus Directive from the requirement to produce a prospectus.

Placees' commitments will be made solely on the basis of the information contained in this Announcement and subject to any further terms set forth in the contract note to be sent to individual Placees.

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

By participating in the Placing, each Placee and/or any person acting on such Placee's behalf acknowledges, agrees, represents, undertakes, and warrants with finnCap (for itself and as agent on behalf of the Company) that (save where finnCap expressly agrees in writing to the contrary):

1. it has read and understood this Announcement in its entirety and it agrees and acknowledges that the issue and acquisition of the Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, indemnities, acknowledgements, agreements, undertakings and other information contained in this Appendix;
2. it is a Relevant Person 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;
3. in the case of a Relevant Person in a Relevant Member State who acquires any Placing Shares pursuant to the Placing:
  - a. it is a Qualified Investor; and
  - b. in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive:
    - i. 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 any Relevant Member State other than Qualified Investors or in circumstances in which the prior consent of finnCap has been given to the offer or resale; or
    - ii. where Placing Shares have been acquired by it on behalf of persons in any member state of the EEA other than Qualified Investors, the offer of those Placing Shares to it is not treated under the Prospectus Directive as having been made to such persons;
4. 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, 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, Canada, Japan or the Republic of South Africa and may not be offered, sold or acquired, directly or indirectly, within those jurisdictions;
5. it acknowledges that no action has been or will be taken by any of the Company, finnCap or any person acting on their behalf 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. In addition, 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 the United States (or any state or other jurisdiction of the United States) Australia, Canada, Japan or the Republic of South Africa 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, Canada, Japan or the Republic of South Africa or in any country or jurisdiction where any such action for that purpose is required;

6. 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;
7. it and the beneficial owner of the Placing Shares:
  - a. is, and at the time the Placing Shares are acquired will be, outside the United States and acquiring the Placing Shares in an "offshore transaction" as defined in, and in accordance with, Regulation S under the US Securities Act; or
  - b. is acquiring the Placing Shares pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in accordance with applicable state securities laws;
8. it and/or each person on whose behalf it is participating (i) is entitled to acquire Placing Shares pursuant to the Placing under the laws and regulations of all relevant jurisdictions; (ii) has fully observed such laws and regulations; and (iii) has the capacity and has obtained all requisite authorities and consents (including, without limitation, in the case of a person acting on behalf of a Placee, all requisite authorities and consents to agree to the terms set out or referred to in this Appendix) under those laws or otherwise and has complied with all necessary formalities to enable it to enter into the transactions and make the acknowledgements, agreements, indemnities, representations, undertakings and warranties contemplated hereby and to perform and honour its obligations in relation thereto on its own behalf (and in the case of a person acting on behalf of a Placee on behalf of that Placee); (iv) does so agree to the terms set out in this Appendix and does so make the acknowledgements, agreements, indemnities, representations, undertakings and warranties contained in this Announcement on its own behalf (and in the case of a person acting on behalf of a Placee on behalf of that Placee); and (v) is and will remain liable to the Company and finnCap for the performance of all its obligations as a Placee of the Placing (whether or not it is acting on behalf of another person);
9. it is acquiring the Placing Shares for its own account or if it is acquiring the Placing Shares on behalf of another person it confirms that it exercises sole investment discretion in relation to such other person's affairs 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;

10. it understands (or if acting on behalf of another person, such person has confirmed that such person understands) the resale and transfer restrictions set out in this Appendix;
11. it has not received a prospectus or other offering document in connection with the Placing and acknowledges that no prospectus or other offering document: (i) is required under the Prospectus Directive; and (ii) has been or will be prepared in connection with the Placing;
12. 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, 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 (the "**Exchange Information**"), and that it is able to obtain or access the Exchange 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;
13. it has made its own assessment of the Company, the Placing Shares and the terms of the Placing and has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. It has not relied on (i) any investigation that finnCap or any person acting on finnCap's behalf may have conducted with respect to the Company, the Placing or the Placing Shares; or (ii) any other information given or any other representations, statements or warranties made at any time by any person in connection with Admission, the Company, the Placing, the Placing Shares or otherwise;
14. neither finnCap, the Company nor any of their respective affiliates, agents, consultants, directors, employees, officers or any person acting on behalf of any of them has provided, nor will provide, it with any material regarding the Placing Shares or the Company or any other person in addition to the information in this Announcement; nor has it requested finnCap, the Company, any of their respective affiliates, agents, consultants, employees, directors or officers or any person acting on behalf of any of them to provide it with any such information;
15. the content of this Announcement has been prepared by and is exclusively the responsibility of the Company. Neither finnCap nor any persons acting on behalf of it are responsible for or has or shall have any liability for any information, representation, warranty or statement, written or oral relating to the Company and either contained in this Announcement or previously or concurrently published by or on behalf of the Company. finnCap will not be liable for any Placee's decision to participate in the Placing based on any information, representation, warranty or statement contained in this Announcement, the Exchange Information or otherwise. Neither finnCap, the Company, nor any of their respective affiliates, agents, consultants, directors, employees or officers has made any representation or warranty to the Placee, express or implied, with respect to the Company, the Placing or the Placing Shares or the accuracy, completeness or adequacy of the information in this Announcement or the

Exchange Information. Nothing in this Appendix shall exclude any liability of any person for fraudulent misrepresentation;

16. the only information on which it is entitled to rely and on which it has relied in committing to subscribe for the Placing Shares is contained in this Announcement. It has satisfied itself that such information is still current and is all that it deems necessary to make an investment decision in respect of the Placing Shares;
17. it has the funds available to pay for the Placing Shares which it has agreed to acquire and acknowledges, agrees and undertakes that it will make payment to finnCap 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 or the relevant contract note, failing which the relevant Placing Shares may be placed with others on such terms as finnCap may, in its absolute discretion determine 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;
18. it, or the person specified by it for registration as a holder of the Placing Shares will be responsible for any liability to stamp duty or stamp duty reserve tax payable on the acquisition of any of the Placing Shares or the agreement to subscribe for the Placing Shares and shall indemnify the Company and finnCap in respect of the same on the basis that the Placing Shares will be allotted to a CREST stock account of finnCap who will hold them as nominee on behalf of such Placee (or the person specified by it for registration as holder of the Placing Shares) until settlement with it in accordance with its standing settlement instructions;
19. the 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 no instrument under which it subscribes for Placing Shares (whether as principal, agent or nominee) would be subject to stamp duty or stamp duty reserve tax at the increased rates referred to in those sections and that it, or the person specified by it for registration as holder of the Placing Shares, 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;
20. 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 finnCap has not approved this Announcement in its capacity as an authorised person under section 21 of FSMA and it may not



therefore be subject to the controls which would apply if it was made or approved as a financial promotion by an authorised person;

21. it 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);
22. neither finnCap, the Company, any of their respective affiliates, agents, consultants, directors, employees or officers or any person acting on behalf of any of them are 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 acknowledgements, agreements, indemnities, representations, undertakings or warranties contained in the Placing Agreement nor the exercise or performance of finnCap's rights and obligations thereunder, including any rights to waive or vary any conditions or exercise any termination right. Its participation in the Placing is on the basis that it is not and will not be a client of finnCap and finnCap has no duties or responsibilities to it for providing the protections afforded to its clients or customers under the rules of the FCA, and any payment by it will not be treated as client money governed by the rules of the FCA;
23. finnCap and each of its affiliates, each acting as an investor for its or their own account(s), may, in accordance with applicable legal and regulatory provisions, 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, finnCap and/or any of its affiliates, acting as an investor for its or their own account(s). Neither finnCap nor the Company intends to disclose the extent of any such investment or transaction otherwise than in accordance with any legal or regulatory obligation to do so;
24. it will not make any offer to the public of the Placing Shares and it has not offered or sold and will not offer or sell any Placing Shares to persons in the United Kingdom or elsewhere in the EEA 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 purpose 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 for the purposes of section 85(1) of FSMA or an offer to the public in any other member state of the EEA within the meaning of the Prospectus Directive;
25. it has complied with its obligations in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2000, the Terrorism Act 2006, the Anti Terrorism Crime and Security Act 2001 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (together, the "**Regulations**") 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;

26. it is aware of the obligations regarding insider dealing in the Criminal Justice Act 1993, market abuse under the MAR and the Proceeds of Crime Act 2002 and confirms that it has and will continue to comply with those obligations;
27. it has neither received nor relied on any confidential or price-sensitive information concerning the Company in accepting this invitation to participate in the Placing;
28. if it has received any 'inside information' (for the purposes of the MAR and section 56 of the Criminal Justice Act 1993) in relation to the Company and its securities, it confirms that it has received such information within the market soundings regime provided for in article 11 of the MAR and associated delegated regulations and it has not: (i) dealt (or attempted to deal) in the securities of the Company; (ii) encouraged, recommended or induced another person to deal in the securities of the Company; or (iii) unlawfully disclosed inside information to any person, prior to the information being made publicly available;
29. in order to ensure compliance with the Money Laundering Regulations 2017, finnCap 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. Pending the provision to finnCap or the Company's registrars, as applicable, of evidence of identity, definitive certificates in respect of the Placing Shares may be retained at finnCap's absolute discretion or, where appropriate, delivery of the Placing Shares to it in uncertificated form may be delayed at finnCap'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 finnCap for itself and as agent on behalf of the Company) or the Company's registrars have not received evidence satisfactory to them, finnCap and/or the Company may, at their absolute discretion, terminate their 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;
30. 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 finnCap's conduct of the Placing;
31. it has knowledge and experience in financial, business and international investment matters as is required to evaluate the merits and risks of subscribing for 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;
32. it irrevocably appoints any duly authorised officer of finnCap 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 subscribe or purchase upon the terms of this Announcement;

33. the Company, finnCap and others (including each of their respective affiliates, agents, directors, officers or employees) will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements, which are given to finnCap on its own behalf and on behalf of the Company and are irrevocable, and agree that if any of the representations and agreements deemed to have been made by it by its subscription for, or purchase of, Placing Shares, are no longer accurate, it shall promptly notify the Company and finnCap;
34. time is of the essence as regards its obligations under this Appendix;
35. 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 finnCap; and
36. the terms and conditions 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 any such contract, except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by the Company or finnCap 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, finnCap and each of their respective affiliates, agents, consultants, directors, employees and officers 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 any of the acknowledgements, agreements, representations, undertakings and warranties given by the Placee (and any person acting on such Placee's behalf) in this Appendix or incurred by finnCap, the Company or any of their respective affiliates, agents, consultants, directors, employees or officers 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 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, directly 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 relates 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 finnCap 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 finnCap 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,

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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 finnCap in the event that either the Company and/or finnCap have incurred any such liability to such taxes or duties.

The acknowledgements, representations, undertakings and warranties contained in this Appendix are given to finnCap for itself and as agent on behalf of the Company and are irrevocable and will survive completion of the Placing.

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

When a Placee or any person acting on behalf of the Placee is dealing with finnCap, any money held in an account with finnCap 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 FSMA. Each Placee acknowledges that the money will not be subject to the protections conferred by the client money rules.

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.

No statement in this Announcement is intended to be a profit forecast, 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 Placing 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 Placing 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 or sold pursuant to the Placing will not be admitted to trading on any stock exchange other than 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.

## DEFINITIONS

The following definitions apply throughout this Appendix to the Announcement unless the context otherwise requires:

**"Admission"** means admission of the Placing Shares to trading on AIM;

**"AIM"** means AIM, the market of that name operated by the London Stock Exchange;

**"AIM Rules"** means the AIM Rules for Companies, incorporating guidance notes, published by the London Stock Exchange as at the date of this Announcement;

**"Announcement"** means this announcement including, but not limited to, the Appendix and the information contained therein;

**"Appendix"** means the appendix to this Announcement;

**"Bookbuild"** means the book building process undertaken by finnCap to determine demand for participation in the Placing;

**"Company"** means Ideagen plc;

**"EEA"** means the European Economic Area;

**"Exchange Information"** has the meaning set out in warranty 12 of the Appendix;

**"FCA"** the UK Financial Conduct Authority;

**"finnCap"** means finnCap Ltd;

**"FSMA"** means the Financial Services and Markets Act 2000 (as may be amended from time to time);

**"LIBOR"** means the London Interbank Offered Rate;

**"London Stock Exchange"** means the London Stock Exchange plc;

**"MAR"** means the EU Market Abuse Regulation (No.596/2014) (as may be amended from time to time);

**"Ordinary Shares"** means the ordinary shares of 1p each in the capital of the Company;

**"Placee"** means a person who is invited to and chooses to participate in the Placing by making or accepting an offer to acquire Placing Shares;

**"Placing"** means the placing of the Placing Shares at the Placing Price by finnCap pursuant to the terms of the Placing Agreement;

**"Placing Agreement"** means the agreement dated 13 September 2018 and entered into between finnCap and the Company;

**"Placing Price"** means the price payable per Placing Share as shall be determined by the Company in consultation with finnCap;

**"Placing Shares"** means the number of new Ordinary Shares that the Company will allot pursuant to the Placing, as shall be determined by the Company in consultation with finnCap;

**"Prospectus Directive"** means the EU Prospectus Directive (Directive 2003/71/EC) as may be amended from time to time, including by the 2010 Prospectus Directive Amending Directive (Directive 2010/73/EC) together with any implementing directive measure in any member state of the EEA;

**"QIB"** means a qualified institutional buyer as the term is defined in rule 144A under the US Securities Act (and accordingly **"QIBs"** means more than one QIB);

**"Qualified Investor"** has the meaning given to it within the capitalised text at the beginning of the Appendix (and accordingly **"Qualified Investors"** means more than one Qualified Investor);

**"Regulatory Information Service"** has the meaning given to it in the AIM Rules;

**"Relevant Member State"** means a member state of the EEA which has implemented the Prospectus Directive;

**"Relevant Person"** has the meaning given to it within the capitalised text at the beginning of the Appendix (and accordingly **"Relevant Persons"** means more than one Relevant Person);

**"UK" or "United Kingdom"** means the United Kingdom of Great Britain and Northern Ireland;

**"US"** means the United States of America; and

**"US Securities Act"** means the US Securities Act of 1933, as may be amended from time to time.

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