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29 January 2019

**Pennant International Group plc**  
**("Pennant", the "Company" or the "Group")**

**Potential acquisition and fundraising to raise approximately £1.8 million, the exercise of share options and sale of resultant shares, trading update and increased banking facilities**

Pennant (AIM: PEN), the AIM quoted supplier of integrated training and support solutions, products and services which train and assist operators and maintainers in the defence and regulated civilian sectors, is pleased to announce details of a potential acquisition and an unconditional fundraising issuing 1,647,160 new ordinary shares to raise in aggregate up to approximately £1.8 million before expenses, details of the exercise of share options and the sale of resultant shares, further guidance as to trading in 2019 and details of new banking facilities.

**Potential Acquisition**

The Group has agreed terms for the purchase of the entire issued share capital of Aviation Skills Holdings Limited (the "Target", the "Acquisition"). The Target is the holding company for the Aviation Skills Partnership business ("ASP") and is wholly owned by Simon Witts (the founder and chief executive of ASP) and Michelle Witts.

ASP is an organisation committed to the facilitation and delivery of aviation skills training across the UK, promoting the establishment of, and then managing, aviation skills academies. The first such academy, International Aviation Academy – Norwich, operates from Norwich International Airport. Three more academies are in the process of being established and are expected to come online from 2020.

In its unaudited results for the financial year ended 31 January 2018, the Target's trading subsidiary reported turnover of £398,000, net profit of £27,000 and net assets of £151,000. For its current financial year (ending 31 January 2019), the Target expects to generate profit before tax of circa £175,000.

The ASP business is highly complementary to the Group's existing business, with the opportunity to provide the Group's products and services to the academies and their related delivery partners. Pennant intends to work with Simon Witts (who will enter into a new service agreement with ASP) and the existing management team to accelerate the delivery of ASP's business model both as a standalone operation and as a unit within the Group.

The consideration payable for the Acquisition is expected to comprise an upfront payment of £250,000, with a further payment based on completion accounts (the initial payments together being capped at £750,000), followed by a multi-year earn-out determined by reference to the Target's profitability post-completion. The maximum aggregate consideration payable by Pennant in respect of the Acquisition is expected to be capped at £6.75 million.

The Acquisition is expected to complete within the next two weeks.

### **Details of the Fundraising and Placing**

The Company is carrying out a fundraising to raise approximately £1.8 million, before expenses, via an unconditional placing of 1,647,160 New Ordinary Shares ("Fundraising Shares") at a price of 110 pence per share (the "Fundraising"). It is intended that the net proceeds of the Fundraising will predominantly be used to fund the Acquisition and to facilitate further new product development.

In addition to the Fundraising Shares, the Company expects to issue up to 690,000 New Ordinary Shares pursuant to the exercise of staff share options ("Option Shares"). Certain of the holders of these share options have indicated that they wish to sell some or all of their Option Shares, amounting in aggregate to up to 633,950 Option Shares (those Option Shares available for sale being the "Available Option Shares").

The Fundraising Shares and the Available Option Shares are subject of the Placing. The Placing is being conducted, subject to the satisfaction of certain conditions set out in the Appendix to this Announcement, through an accelerated bookbuild process (the "Bookbuild"), which will be launched immediately following this Announcement.

WH Ireland Limited is acting as broker in relation to the Placing. A placing agreement has been entered into between the Company and WH Ireland in connection with the Placing.

#### *Fundraising and Placing Highlights*

- Fundraising to raise approximately £1.8 million before expenses at a price of 110 pence per share
- Placing being conducted through an accelerated bookbuild process which will open with immediate effect following this announcement
- Placing Price represents a discount of approximately 3.93 per cent to the closing mid-market price of Pennant's existing ordinary shares of 114.5 pence at the close of business on 28 January 2019
- Fundraising Shares, assuming full take-up, will represent approximately five per cent. of the Company's existing issued share capital
- The final number of Placing Shares will be agreed by WH Ireland and the Company at the close of the Bookbuild, and the result will be announced as soon as practicable thereafter
- The timing for the close of the Bookbuild and allocation of the Placing Shares shall be at the discretion of WH Ireland, in consultation with the Company. The Placing is not underwritten

- The Appendix to this Announcement (which forms part of this Announcement) contains the detailed terms and conditions of the Placing

### *Reasons for the Placing*

The purpose of the Placing is two-fold.

First, the proceeds of the Placing will fund the initial consideration and deal costs in respect of the Acquisition (as further described above) and enable further investment to accelerate the Target's business model (together expected to amount to circa £1 million).

Secondly, the proceeds not used for the Acquisition will be employed in funding opportunities identified by Pennant's R&D, technical training and product specialists to develop courseware and new products. For example, a gap in the market has been identified for high-quality, media-rich EASA-aligned courseware; the Placing will fund an initial module as a proof-of-concept for key customers. Further, opportunities have also been identified to expand the Group's existing range of software solutions, including new products complementary to the Group's Omega PS and Loadmaster products.

Any surplus funds raised which are not employed as described above will be retained for working capital purposes.

### **Exercise of options and sale of Available Option Shares**

Certain members of staff, including Simon Moore, Chairman of the Company, have indicated their intention to exercise share options over a total of 690,000 New Ordinary Shares following this Announcement. The share options are exercisable at prices ranging from 26.75p to 86p. In total the Company will realise proceeds from the exercise of the share options amounting to £331,525.

In addition, holders of the share options have indicated a desire to sell 633,950 of these new Ordinary Shares. These Available Option Shares will form part of the Placing.

Of the 300,000 Option Shares expected to be issued to Simon Moore, Mr Moore has confirmed in writing to the Company that he intends to sell only such number of Option Shares as is required to fund the exercise price, tax due on the exercise and the expenses of sale. He will retain the balance of his Option Shares. Following such transaction, Mr Moore will hold no share options in the Company.

**Pennant's CEO, Phil Walker, said:** "This fundraising will enable us to accelerate our Group strategy of increasing both commercial and recurring revenues through the planned Acquisition and further investment in innovative new products."

### **Trading Update and Guidance for 2019**

As confirmed in its announcement of 21 January 2019, the Group expects to announce (on 12 March 2019) audited results for 2018 in line with market expectations.

The Group achieved completion of factory acceptance testing at the end of 2018 on the first tranche of training aids for its current Middle East contract. Entering 2019, Pennant is targeting completion of the next batch of devices for the second half of 2019, while entering the critical design phase, and then production, on its contract on the Ajax programme. In Canada, the Group has successfully commenced delivery on its new contract with the Department for National Defence.

Meanwhile, negotiations are progressing for the award of the potential contract for which Pennant was 'down-selected' in August last year (as announced on 9 August 2018). The Group still expects the award to be confirmed in the first half of 2019.

Further to guidance previously published by Pennant (in its announcement of 12 February 2018) regarding the application of the new IFRS15 standard to its revenue recognition, Pennant now provides further guidance as to likely revenue recognition in the 2019 financial year ("FY19").

Based on contracted product mix scheduled for delivery in FY19, and applying IFRS15 revenue recognition principles, the Group expects that its FY19 financial performance will be significantly weighted towards the second half of the year.

For example, on the Group's current Middle East contract, production of the generic training devices, with associated labour and materials expenditure, will occur during the first half of FY19; the Group will only be able to recognise revenue in respect of these devices upon completion of factory acceptance testing, which is scheduled to occur during the second half. As a result, the first half of FY19 is likely to show a loss.

There is no change to market guidance for FY19 as a whole.

### **Enhanced Banking Facilities**

The Group has extended its overdraft facility with Barclays Bank (the "Overdraft") in order to meet forecast working capital outflows as its two key contracts enter production phase. Accordingly, the Company's Overdraft limit has been increased from £1.5 million to £3 million. The Group will keep this amount under review as expected working capital demands crystallise during 2019. The Overdraft is currently undrawn.

### **Expected Timetable for the Placing**

	<b>2019</b>
Announcement of the Placing, Bookbuild commences	7 a.m. on 29 January
Admission and commencement of dealings in the New Ordinary Shares	8 a.m. on 1 February
CREST accounts to be credited with New Ordinary Shares	8 a.m. on 1 February

**Each of the times and dates above refer to London time and are subject to change. Any such change will be notified to Shareholders by an announcement on a Regulatory Information Service.**

Additional information on the Placing is included below. Attention is also drawn to the section headed 'Important Information' and to the Appendix to this Announcement containing, *inter alia*, the terms and conditions of the Placing (representing important information for Placees only). The number of Placing Shares to be placed in connection with the Placing will be agreed by Pennant and WH Ireland at the close of the Bookbuild process, and the results of the Placing will be announced as soon as practicable thereafter. The timing of the closing of the book, pricing and allocations is at the absolute discretion of Pennant and WH Ireland.

Terms used but not defined elsewhere in this Announcement shall have the meanings given to such terms in the Definitions section of the Appendix to this Announcement.

**Enquiries:**

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## **Additional Information**

### **1. Details of the Fundraising and Placing**

The Company is proposing to raise up to approximately £1.8 million (before expenses) in aggregate pursuant to the Fundraising. The Placing Price represents a discount of 3.93 per cent. to the Closing Price on 28 January 2019, the last trading day prior to this Announcement.

The Fundraising will be conducted by way of a non pre-emptive share issue. The Directors believe that this is the most cost effective and reliable method to raise funds. The Directors consider that the potential long-term value creation benefit to Shareholders arising from the application of the net Placing proceeds outweighs the dilutive effects of the Placing.

The Placing, which is being arranged on behalf of the Company by WH Ireland, is wholly unconditional, subject to the terms of the Placing Agreement.

The Placing Agreement contains customary warranties and indemnities given by the Company to WH Ireland (and WH Ireland alone) with respect to its business and the Group and to certain matters connected with the Placing. The Placing may be terminated by WH Ireland in the event of, *inter alia*, a material breach by the Company of the terms of the Placing Agreement (including the warranties) or a material adverse change in the condition of the Group. Under the terms of the Placing Agreement, the Company has agreed to pay WH Ireland, in consideration for its broking services in respect of the Placing, a commission representing a percentage of the gross proceeds raised in the Placing and the Company has also agreed to pay a corporate finance fee contingent on the completed Placing.

The Appendix to this Announcement (which forms a part of this Announcement) contains the detailed terms and conditions of the Placing.

The Placing Shares are being offered by way of an accelerated bookbuilding process (the "Bookbuild"), which will be launched immediately following this Announcement in accordance with the terms and conditions set out in the Appendix to this Announcement. WH Ireland will be acting as sole bookrunner in connection with the Bookbuild. The Placing is not being underwritten.

The Bookbuild will determine final demand for and participation in the Placing. The timing of the closing of the Bookbuild is at the absolute discretion of the Company and WH Ireland, but is expected to be no later than 4.30 p.m. today, 29 January 2019. The allocations will be determined by the Company and WH Ireland in their absolute discretion and will be confirmed orally or by email by WH Ireland following the close of the Bookbuild. A further announcement of the results of the Placing will be made by the Company following the completion of the Bookbuild.

The New Ordinary Shares will be issued credited as fully paid and will rank in full for all dividends and other distributions declared, made or paid after the admission of the New Ordinary Shares and will otherwise rank on admission *pari passu* in all respects with the Existing Ordinary Shares. The Placing Shares are not being made available to the public and are not being offered or sold in any jurisdiction where it would be unlawful to do so. The Placing is not being underwritten.

### **Admission, Settlement and CREST**

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will be effective and trading in the New Ordinary Shares will commence at 8 a.m. on 1 February 2019.

The Articles permit the Company to issue shares in uncertificated form. CREST is a computerised paperless share transfer and settlement system which allows shares and other securities to be held in electronic rather than paper form. The Ordinary Shares are already admitted to CREST and therefore the New Ordinary Shares will also be eligible for settlement in CREST. The New Ordinary Shares due to uncertificated holders are expected to be delivered in CREST on 1 February 2019.

### **IMPORTANT INFORMATION**

The distribution of this announcement and the offering of the New Ordinary Shares in certain jurisdictions may be restricted or prohibited by law or regulation. Persons distributing this announcement must satisfy themselves that it is lawful to do so. No action has been taken by the Company or WH Ireland that would permit an offering of such shares or possession or distribution of this announcement or any other offering or publicity material relating to such shares in any jurisdiction where action for that purpose is required. Persons into whose possession this announcement comes are required by the Company and WH Ireland to inform themselves about, and to observe, such restrictions.

This announcement contains (or may contain) certain forward-looking statements with respect to certain of the Company's current expectations and projections about future events. These statements, which sometimes use words such as "anticipate", "believe", "intend", "estimate", "expect" and words of similar meaning, reflect the directors' beliefs and expectations and involve a number of risks, uncertainties and assumptions that could cause actual results and performance to differ materially from any expected future results or performance expressed or implied by any such forward-looking statement. Statements contained in this announcement regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. The information contained in this announcement is subject to change without notice and neither WH Ireland nor, except as required by applicable law, the Company assumes any responsibility or obligation to update publicly or review any of the forward-looking statements contained herein. You should not place undue reliance on forward-looking statements, which speak only as of the date of this announcement.

WH Ireland, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as nominated adviser and broker to the Company in relation to the Placing and is not acting for any other persons in relation to the Placing. WH Ireland is acting exclusively for the Company and for no one else in relation to the matters described in this announcement and is not advising any other person and accordingly will not be responsible to anyone other than the Company for providing the protections afforded to clients of WH Ireland, or for providing advice in relation to the contents of this announcement or any matter referred to in it. The responsibilities of WH Ireland as the Company's nominated adviser under the AIM Rules for Companies and the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to any director or shareholder of the Company or any other person, in respect of a decision to acquire shares in the capital of the Company in reliance on any part of this announcement, or otherwise.

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 WH Ireland or by any of their 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.

## APPENDIX

### TERMS AND CONDITIONS OF THE PLACING

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EACH PLACEE SHOULD CONSULT WITH ITS OWN ADVISERS AS TO LEGAL, TAX, BUSINESS AND RELATED ASPECTS OF AN INVESTMENT IN NEW ORDINARY SHARES.



THE PRICE OF SHARES AND THE INCOME FROM THEM (IF ANY) MAY GO DOWN AS WELL AS UP AND INVESTORS MAY NOT GET BACK THE FULL AMOUNT INVESTED ON DISPOSAL OF SHARES.

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 or the South African Reserve Bank; 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, 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, Canada, Japan, the Republic of South Africa or any other jurisdiction in which such offer, sale, resale or delivery would be unlawful.

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 offer.

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.

Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of this Appendix or the Announcement of which it forms part should seek appropriate advice before taking any action.

These terms and conditions apply to persons making an offer to acquire Placing Shares. Each Placee hereby agrees with WH Ireland and the Company to be bound by these terms and conditions as being the terms and conditions upon which Placing Shares will be issued or acquired. A Placee shall, without limitation, become so bound if WH Ireland confirms to such Placee its allocation of Placing Shares.

Upon being notified of its allocation of Placing Shares, a Placee shall be contractually committed to acquire the number of Placing Shares allocated to it at the Placing Price and, to the fullest extent permitted by law, will be deemed to have agreed not to exercise any rights to rescind or terminate or otherwise withdraw from such commitment.

In this Appendix, unless the context otherwise requires, "Placee" means a Relevant Person (including individuals, funds or others) on whose behalf a commitment to subscribe for or acquire Placing Shares has been given.

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

WH Ireland and the Company have entered into a Placing Agreement, under which WH Ireland has, on the terms and subject to the conditions set out therein, undertaken to use its reasonable endeavours to procure placees for the Placing Shares. The Placing is not being underwritten by WH Ireland or any other person.

The number of Placing Shares will be determined following completion of the Bookbuild as set out in this Announcement. The timing of the closing of the Bookbuild, the number of Placing Shares and allocations are at the discretion of WH Ireland and a further announcement confirming these details will be made in due course.

The New Ordinary Shares will, when issued, be subject to the articles of association of the Company, will be credited as 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 (if any) declared, made or paid on or in respect of Ordinary Shares after the date of issue of the Placing Shares.

The Placing Shares will trade on AIM under PEN with ISIN GB0002570660.

### **Application for admission to trading**

Application will be made to London Stock Exchange plc (the "**London Stock Exchange**") for admission to trading of the New Ordinary Shares on AIM ("**Admission**"). It is expected that settlement of any such shares and Admission will become effective on or around 1 February 2019 and that dealings in the New Ordinary Shares will commence at that time.

### **Bookbuild**

WH Ireland will today commence an accelerated bookbuilding process (the "**Bookbuild**") to determine demand for participation in the Placing by potential Placees at the Placing Price. This Appendix gives details of the terms and conditions of, and the mechanics of participation in, the Placing. No commissions will be paid to Placees or by Placees in respect of any Placing Shares.

WH Ireland and the Company shall be entitled to effect the Placing by such alternative method to the Bookbuild as they may, in their sole discretion, determine.

### **Participation in, and principal terms of, the Placing**

1. WH Ireland is arranging the Placing as agent for, and broker to, the Company.
2. Participation in the Placing is only available to persons who are lawfully able to be, and have been, invited to participate by WH Ireland. WH Ireland is entitled to participate in the Placing as principal.

3. The Bookbuild will establish the number of Placing Shares to be placed at the Placing Price, which will be agreed between WH Ireland and the Company following completion of the Bookbuild. The number of Placing Shares will be announced on a Regulatory Information Service following the completion of the Bookbuild.

4. To bid in the Bookbuild, Placees should communicate their bid by telephone to their usual contact at WH Ireland Corporate & Institutional Broking. Each bid should state the number of Placing Shares which the prospective Placee wishes to subscribe for or purchase at the Placing Price. Bids may be scaled down by WH Ireland on the basis referred to in paragraph 8 below.

5. The timing of the closing of the Bookbuild will be at the discretion of WH Ireland. The Company reserves the right to reduce or seek to increase the amount to be raised pursuant to the Placing, in its absolute discretion.

6. Each Placee's allocation will be confirmed to Placees orally, or by email, by WH Ireland following the close of the Bookbuild and a trade confirmation or contract note will be dispatched as soon as possible thereafter. WH Ireland's oral or emailed confirmation will give rise to an irrevocable, legally binding commitment by that person (who at that point becomes a Placee), in favour of WH Ireland and the Company, under which it agrees to acquire by subscription or purchase 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 WH Ireland's consent, such commitment will not be capable of variation or revocation.

7. The Company will make a further announcement following the close of the Bookbuild detailing the number of Placing Shares to be placed at the Placing Price.

8. Subject to paragraphs 4 and 5 above, WH Ireland may choose not to accept bids and/or to accept bids, either in whole or in part, on the basis of allocations determined at their discretion (after consultation with the Company) and may scale down any bids for this purpose on such basis as it may determine. WH Ireland may also, notwithstanding paragraphs 4 and 5 above, subject to the prior consent of the Company, allocate Placing Shares after the time of any initial allocation to any person submitting a bid after that time.

9. A bid in the Bookbuild will be made on the terms and subject to the conditions in the Announcement (including this Appendix) and will be legally binding on the Placee on behalf of which it is made and except with WH Ireland's consent will not be capable of variation or revocation from the time at which it is submitted.

10. Except as required by law or regulation, no press release or other announcement will be made by WH Ireland 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.

11. Irrespective of the time at which a Placee's allocation pursuant to the Placing is confirmed, settlement for all Placing Shares to be placed pursuant to the Placing will be required to be made at the same time, on the basis explained below under "Registration and Settlement".

12. All obligations of WH Ireland 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 "Right to terminate under the Placing Agreement".

13. By participating in the Placing, each Placee agrees 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.

14. To the fullest extent permissible by law and the applicable rules of the Financial Conduct Authority ("FCA"), neither WH Ireland nor any of its affiliates shall have any liability to Placees (or to any other person whether acting on behalf of a Placee or otherwise whether or not a recipient of these terms and conditions) in respect of the Placing. Each Placee acknowledges and agrees that the Company is responsible for the delivery of the Placing Shares to the Placees and WH Ireland and its affiliates shall have no liability to the Placees for the failure of the Company to fulfil those obligations. In particular, neither WH Ireland nor any of its affiliates shall have any liability (including to the extent permissible by law, any fiduciary duties) in respect of WH Ireland's conduct of the Placing.

### **Conditions of the Placing**

WH Ireland's obligations under the Placing Agreement in respect of the Placing Shares are conditional on, *inter alia*:

- (a) the Company allotting the Fundraising Shares, prior to and conditional only on Admission, in accordance with the terms of the Placing Agreement.
- (b) Admission taking place not later than 8.00 a.m. on 1 February 2019 (or such later time or date as the Company and WH Ireland may agree, not later than 8.00 a.m. on 8 February 2019); and
- (c) the Placing Agreement becoming unconditional in all respects (save for the condition relating to Admission) and not having been terminated in accordance with its terms.

If: (i) any of the conditions contained in the Placing Agreement in relation to the New Ordinary Shares are not fulfilled or waived by WH Ireland by the respective time or date where specified (or such later time or date as WH Ireland may notify to the Company, not being later than 8 a.m. on 8 February 2019); (ii) any of such conditions becomes incapable of being fulfilled; or (iii) the Placing Agreement is terminated in the circumstances specified below, the Placing will lapse and the Placees' rights and obligations hereunder in relation to the Placing Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by the Placee in respect thereof.

WH Ireland may, at its sole discretion and upon such terms as it thinks fit, waive, or extend the period for, compliance by the Company with the whole or any part of any of the Company's obligations in relation to the conditions in the Placing Agreement save that the above conditions relating to Admission taking place may not be waived. Any such extension or waiver will not affect Placees' commitments as set out in this Announcement.

Neither WH Ireland, the Company nor any of their respective affiliates 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 they 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 they 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 WH Ireland.

### **Right to terminate the Placing Agreement**

WH Ireland is entitled, at any time before Admission, to terminate the Placing Agreement by giving notice to the Company in certain circumstances, including, *inter alia*:

- (a) the Company is in breach of any provision of the Placing Agreement, or with the requirements of any laws or regulations (including the Market Abuse Regulation and the AIM Rules) in relation to the Placing;
- (b) WH Ireland becomes aware of any circumstance which results in a breach of any of the warranties given in the Placing Agreement when given at the date of the Placing Agreement or which results in or might in the opinion of WH Ireland result in a breach of any of the warranties when deemed given;
- (c) the appointment of WH Ireland as agent of the Company is terminated for whatever reason;
- (d) it should come to the notice of WH Ireland that any statement contained in any of the Placing Documents (as defined in the Placing Agreement) is untrue, inaccurate or misleading which WH Ireland (acting reasonably) considers to be material or that matters have arisen which would, if the Placing Documents were issued at that time, constitute an omission therefrom which WH Ireland (acting reasonably) consider to be material, and such matter may not, in the opinion of WH Ireland (acting reasonably) be addressed by the publication of a further document or the making of an announcement;
- (e) in the opinion of WH Ireland (acting in good faith) any material adverse change in the financial or trading position or prospects of the Company or any Group Company has or will occur;
- (f) the application is refused by the London Stock Exchange;
- (g) a suspension of trading in securities generally on the London Stock Exchange or trading is limited or minimum prices established on such exchange; or
- (h) an event or other matter (including, without limitation, any change or development in economic, financial, political, diplomatic or other market conditions or any change in any government regulation) has occurred or is likely to occur which, in the opinion of WH Ireland acting in good faith, is (or will be if it occurs) likely materially and prejudicially to affect the financial position or the business or prospects of the Company or otherwise makes it impractical or inadvisable for WH Ireland to perform its respective obligations under the Placing Agreement; for these purposes 'market conditions' includes conditions affecting securities in the business sector in which the Company operates and conditions affecting securities generally.

The rights and obligations of the Placees will not be subject to termination by the Placees or any prospective Placees at any time or in any circumstances. By participating in the Placing, Placees agree that the exercise by WH Ireland of any right of termination or other discretion under the Placing Agreement shall be within the absolute discretion of WH Ireland, as applicable, and that neither need make any reference to Placees and that neither WH Ireland, nor any of its respective affiliates shall have any liability to Placees whatsoever in connection with any such exercise.

### **No Admission Document or Prospectus**

The Placing Shares are being offered to a limited number of specifically invited persons only and have not been nor will be offered in such a way as to require the publication of an admission document or prospectus in the United Kingdom or in any other jurisdiction. No offering document, admission document or prospectus has been or will be submitted to be approved by the FCA in relation to the Placing, and Placees' commitments will be made solely on the basis of the information contained in the Announcement (including this Appendix) and

the business and financial information that the Company is required to publish in accordance with the AIM Rules for Companies (the "**Exchange Information**"). Each Placee, by accepting a participation 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 other information (other than the Exchange Information), representation, warranty, or statement made by or on behalf of the Company, or WH Ireland or any other person and neither WH Ireland, the Company nor any other person will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placees may have obtained or received and, if given or made, such information, representation, warranty or statement must not be relied upon as having been authorised by WH Ireland, the Company, or their respective officers, directors, employees or agents. 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. Neither the Company nor WH Ireland are making any undertaking or warranty to any Placee regarding the legality of an investment in the Placing Shares by such Placee under any legal, investment or similar laws or regulations. Each Placee should not consider any information in this Announcement to be legal, tax or business advice. Each Placee should consult its own solicitor, tax adviser and financial adviser for independent legal, tax and financial advice regarding an investment in the Placing Shares. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

### **Registration and Settlement**

Following the close of the Bookbuild, each Placee allocated Placing Shares in the Placing will be sent a trade confirmation or contract note in accordance with the standing arrangements in place with WH Ireland, stating the number of New Ordinary Shares allocated to it at the Placing Price, the aggregate amount owed by such Placee (in GBP) and a form of confirmation in relation to settlement instructions.

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 WH Ireland in accordance with the standing CREST settlement instructions which they have in place with WH Ireland.

Settlement of transactions in the Placing Shares (ISIN: GB0002570660) following Admission will take place within the system administered by Euroclear UK & Ireland Limited ("**CREST**") provided that, subject to certain exceptions, WH Ireland reserves the right to require settlement for, and delivery of, the Placing Shares (or a portion thereof) to Placees by such other means that it deems necessary if delivery or settlement is not possible or practicable within CREST within the timetable set out in this Announcement or would not be consistent with the regulatory requirements in any Placee's jurisdiction.

It is expected that settlement will be on 1 February 2019 in accordance with the instructions set out in the form of confirmation.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above at the rate of two percentage points above LIBOR.

Each Placee is deemed to agree that, if it does not comply with these obligations, WH Ireland may sell any or all of the Placing Shares allocated to that Placee on such Placee's behalf and retain from the proceeds, for WH Ireland's account and benefit (as agent for the Company), an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable and shall indemnify WH Ireland on demand for any shortfall below the aggregate amount owed by it and may be required to bear any stamp duty or stamp duty reserve tax or securities transfer tax (together with any interest or penalties)

which may arise upon the sale of such Placing Shares on such Placee's behalf. By communicating a bid for Placing Shares, each Placee confers on WH Ireland such authorities and powers necessary to carry out any such sale and agrees to ratify and confirm all actions which WH Ireland lawfully takes in pursuance of such sale.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees should ensure that the form of confirmation 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 UK stamp duty or stamp duty reserve tax or securities transfer tax. Neither WH Ireland nor the Company will be liable in any circumstances for the payment of stamp duty, stamp duty reserve tax or securities transfer tax in connection with any of the Placing Shares. Placees will not be entitled to receive any fee or commission in connection with the Placing.

### **Representations, Warranties and Further Terms**

By participating in the Placing, each Placee (and any person acting on such Placee's behalf) makes the following representations, warranties, acknowledgements, agreements and undertakings (as the case may be) to WH Ireland (for themselves and on behalf of the Company):

1. that it has read and understood this Announcement, including the Appendix, in its entirety and that its subscription for or purchase of Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained herein and undertakes not to redistribute or duplicate this Announcement;
2. that its obligations are irrevocable and legally binding and shall not be capable of rescission or termination by it in any circumstances;
3. that the exercise by WH Ireland of any right or discretion under the Placing Agreement shall be within the absolute discretion of WH Ireland, and WH Ireland need have any reference to it and shall have no liability to it whatsoever in connection with any decision to exercise or not to exercise any such right and each Placee agrees that it has no rights against WH Ireland, or the Company, or any of their respective officers, directors or employees, under the Placing Agreement pursuant to the Contracts (Rights of Third Parties Act) 1999;
4. that these terms and conditions represent the whole and only agreement between it, WH Ireland and the Company in relation to its participation in the Placing and supersedes any previous agreement between any of such parties in relation to such participation. Accordingly, each Placee, in accepting its participation in the Placing, is not relying on any information or representation or warranty in relation to the Company or any of its subsidiaries or any of the Placing Shares other than as contained in this Announcement and the Exchange Information. Each Placee agrees that neither the Company, WH Ireland nor any of their respective officers, directors or employees will have any liability for any such other information, representation or warranty, express or implied;
5. that 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 have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Member State of the European Economic

Area which has implemented the Prospectus Directive other than Qualified Investors or in circumstances in which the prior consent of WH Ireland 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;

6. that neither it nor, as the case may be, its clients expect WH Ireland to have any duties or responsibilities to such persons similar or comparable to the duties of "best execution" and "suitability" imposed by the FCA's Conduct of Business Source Book, and that WH Ireland is not acting for it or its clients, and that WH Ireland will not be responsible for providing the protections afforded to customers of WH Ireland or for providing advice in respect of the transactions described herein;
7. that 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 any of the Brokers or the Company nor any of their respective affiliates, agents, directors, officers or employees or 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, the Presentation or the Publicly Available Information; nor has it requested WH Ireland, the Company or any of their respective affiliates, agents, directors, officers or employees or any person acting on behalf of any of them to provide it with any such information
8. that it is: (i) unless otherwise agreed in writing with WH Ireland, located outside the United States and is not a US person as defined in Regulation S under the Securities Act ("**Regulation S**") and is subscribing for and/or purchasing the Placing Shares only in "offshore transactions" as defined in and pursuant to Regulation S, and (ii) it is not subscribing for and/or purchasing Placing Shares as a result of any "directed selling efforts" as defined in Regulation S or by means of any form of "general solicitation" or "general advertising" as such terms are defined in Regulation D under the Securities Act;
9. that the Placing Shares have not been and will not be registered under the Securities Act, or under the securities legislation of, or with any securities regulatory authority of, any state or other jurisdiction of the United States and that, subject to certain exceptions, the Placing Shares may not be offered, sold, pledged, resold, transferred, delivered or distributed into or within the United States;
10. that the only information on which it is entitled to rely on and on which it has relied in committing to subscribe for the Placing Shares is contained in the Announcement, Presentation and Publicly Available Information, 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 Announcement, Presentation and Publicly Available Information;
11. that neither WH Ireland or the Company or any of their respective affiliates, agents, directors, officers or employees has 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.
12. that, unless specifically agreed with WH Ireland, it is not and was 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 and/or purchase Placing Shares was given and it is not acquiring 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 and it will not



reoffer, resell, pledge or otherwise transfer the Placing Shares except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and otherwise in accordance with any applicable securities laws of any state or jurisdiction of the United States;

- 13.that it is not a national or resident of Canada, Australia, South Africa or Japan or a corporation, partnership or other entity organised under the laws of Canada, Australia, the Republic of South Africa or Japan and that it will not offer, sell, renounce, transfer or deliver, directly or indirectly, any of the Placing Shares in Canada, Australia, the Republic of South Africa or Japan or to or for the benefit of any person resident in Canada, Australia, the Republic of South Africa or Japan and each Placee acknowledges that the relevant exemptions are not being obtained from the Securities Commission of any province of Canada, that no document has been or will be lodged with, filed with or registered by the Australian Securities and Investments Commission or Japanese Ministry of Finance and that the Placing Shares are not being offered for sale and may not be, directly or indirectly, offered, sold, transferred or delivered in or into Canada, Australia, the Republic South Africa or Japan;
- 14.that it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the Placing Shares and it is not acting on a non-discretionary basis for any such person;
- 15.that it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted, and will not, directly or indirectly, distribute, forward, transfer or otherwise transmit, any presentation or offering materials concerning the Placing Shares or the Placing Shares to any persons within the United States or to any US persons (as that term is defined in Regulation S);
- 16.that it is entitled to subscribe for and/or purchase Placing Shares under the laws of all relevant jurisdictions which apply to it and that it has fully observed such laws and obtained all governmental and other consents which may be required thereunder or otherwise and complied with all necessary formalities and that it has not taken any action which will or may result in the Company or WH Ireland or any of their respective directors, officers, employees or agents acting in breach of any regulatory or legal requirements of any territory in connection with the Placing or its acceptance;
- 17.that it has obtained all necessary consents and authorities to enable it to give its commitment to subscribe for and/or purchase the Placing Shares and to perform its subscription and/or purchase obligations;
- 18.that where it is acquiring Placing Shares for one or more managed accounts, it is authorised in writing by each managed account: (a) to acquire the Placing Shares for each managed account; (b) to make on its behalf the representations, warranties, acknowledgements, undertakings and agreements in this appendix and the announcement of which it forms part; and (c) to receive on its behalf any investment letter relating to the Placing in the form provided to it by WH Ireland;
- 19.that it is either: (a) a person of a kind described in paragraph 5 of Article 19 (persons having professional experience in matters relating to investments and who are investment professionals) of the Order; or (b) a person of a kind described in paragraph 2 of Article 49 (high net worth companies, unincorporated associations, partnerships or trusts or their respective directors, officers or employees) of the Order; or (c) a person to whom it is otherwise lawful for this Announcement to be communicated and in the case of (a) and (b) undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;

- 20.that, unless otherwise agreed by WH Ireland, it is a qualified investor (as defined in section 86(7) of the Financial Services and Markets Act 2000, as amended ("**FSMA**"));
- 21.that, unless otherwise agreed by WH Ireland, it is a "professional client" or an "eligible counterparty" within the meaning of Chapter 3 of the FCA's Conduct of Business Sourcebook and it is purchasing Placing Shares for investment only and not with a view to resale or distribution;
- 22.it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Placing Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person;
- 23.that any money held in an account with each of WH Ireland (or its nominee) on its behalf and/or any person acting on its behalf will not be treated as client money within the meaning of the rules and regulations of the FCA. Each Placee further acknowledges that the money will not be subject to the protections conferred by the FCA's client money rules. As a consequence, this money will not be segregated from WH Ireland's (or its nominee's) money in accordance with such client money rules and will be used by WH Ireland in the course of its own business and each Placee will rank only as a general creditor of WH Ireland;
- 24.that it will (or will procure that its nominee will) if applicable, make notification to the Company of the interest in its Ordinary Shares in accordance with the Disclosure Guidance and Transparency Rules published by the FCA;
- 25.that it is not, and it is not acting on behalf of, a person falling within subsections (6), (7) or (8) of sections 67 or 70 respectively or subsections (2) and (3) of section 93 or subsection (1) of section 96 of the Finance Act 1986;
- 26.that it will not deal or cause or permit any other person to deal in all or any of the Placing Shares which it is subscribing for and/or purchasing under the Placing unless and until Admission becomes effective;
- 27.that it appoints irrevocably any director of WH Ireland as its agent for the purpose of executing and delivering to the Company and/or its registrars any document on its behalf necessary to enable it to be registered as the holder of the Placing Shares;
- 28.that, as far as it is aware it is not acting in concert (within the meaning given in The City Code on Takeovers and Mergers) with any other person in relation to the Company;
- 29.that this Announcement does not constitute a securities recommendation or financial product advice and that neither WH Ireland nor the Company has considered its particular objectives, financial situation and needs;
- 30.that it is aware that it may be required to bear, and it, and any accounts for which it may be acting, are able to bear, the economic risk of, and is able to sustain, a complete loss in connection with the Placing;
- 31.that it will indemnify and hold the Company and WH Ireland and their respective affiliates 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 in this Appendix and further agrees that

the Company and WH Ireland will rely on the truth and accuracy of the confirmations, warranties, acknowledgements and undertakings herein and, if any of the foregoing is or becomes no longer true or accurate, the Placee shall promptly notify WH Ireland and the Company. All confirmations, warranties, acknowledgements and undertakings given by the Placee, pursuant to this Announcement (including this Appendix) are given to WH Ireland for themselves and on behalf of the Company and will survive completion of the Placing and Admission;

- 32.that time shall be of the essence as regards obligations pursuant to this Appendix;
- 33.that it is responsible for obtaining any legal, tax and other advice that it deems necessary for the execution, delivery and performance of its obligations in accepting the terms and conditions of the Placing, and that it is not relying on the Company or WH Ireland to provide any legal, tax or other advice to it;
- 34.that all dates and times in this Announcement (including this Appendix) may be subject to amendment and that WH Ireland shall notify it of such amendments;
- 35.that (i) it has complied with its obligations under the Criminal Justice Act 1993, Part VIII of FSMA and MAR, (ii) in connection with money laundering and terrorist financing, it has complied with its obligations under the Proceeds of Crime Act 2002 (as amended), the Terrorism Act 2000 (as amended), the Terrorism Act 2006 and the Money Laundering Regulations 2007 and (iii) it is not a person: (a) with whom transactions are prohibited under the 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; (b) named on the Consolidated List of Financial Sanctions Targets maintained by HM Treasury of the United Kingdom; or (c) subject to financial sanctions imposed pursuant to a regulation of the European Union or a regulation adopted by the United Nations (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 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 WH Ireland such evidence, if any, as to the identity or location or legal status of any person which WH Ireland may request from it in connection with the Placing (for the purpose of complying with such 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 WH Ireland on the basis that any failure by it to do so may result in the number of Placing Shares that are to be subscribed for and/or purchased by it or at its direction pursuant to the Placing being reduced to such number, or to nil, as WH Ireland may decide in its absolute discretion;
- 36.that it will not make any offer to the public of those Placing Shares to be subscribed for and/or purchased by it for the purposes of the Prospectus Rules made by the FCA pursuant to Commission Regulation (EC) No. 809/2004;
- 37.that it will not distribute any document relating to the Placing Shares and it will be acquiring the Placing Shares for its own account as principal or for a discretionary account or accounts (as to which it has the authority to make the statements set out herein) for investment purposes only and it does not have any contract, understanding or arrangement with any person to sell, pledge, transfer or grant a participation therein to such person or any third person with respect of any Placing Shares; save that that if it is a private client stockbroker or fund manager it confirms that in purchasing the Placing Shares it is acting under the terms of one or more discretionary mandates granted to it by private clients and

it is not acting on an execution only basis or under specific instructions to purchase the Placing Shares for the account of any third party.

- 38.that it acknowledges that these terms and conditions and any agreements entered into by it pursuant to these terms and conditions shall be governed by and construed in accordance with the laws of England and Wales and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards 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 WH Ireland 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;
- 39.that any documents sent to Placees will be sent at the Placees' risk. They may be sent by post to such Placees at an address notified to WH Ireland;
- 40.that WH Ireland owes fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings or indemnities in the Placing Agreement;
- 41.that WH Ireland or any of its affiliates may, at their absolute discretion, agree to become a Placee in respect of some or all of the Placing Shares;
- 42.that no prospectus or offering document has been or will be prepared in connection with the Placing and it has not received and will not receive a prospectus or other offering document in connection with the Placing or the Placing Shares; and
- 43.that if it has received any confidential price sensitive information concerning the Company in advance of the publication of this Announcement, it has not: (i) dealt in the securities of the Company; (ii) encouraged, required, recommended or induced another person to deal in the securities of the Company; or (iii) disclosed such information to any person, prior to such information being made publicly available.

The Company, WH Ireland and their respective affiliates will rely upon the truth and accuracy of each of the foregoing representations, warranties, acknowledgements and undertakings which are given to WH Ireland for itself and on behalf of the Company and are irrevocable.

The provisions of this Appendix may be waived, varied or modified as regards specific Placees or on a general basis by WH Ireland.

The agreement to settle a Placee's subscription and/or purchase (and/or the subscription of a person for whom such Placee is contracting as agent) free of stamp duty and stamp duty reserve tax depends on the settlement relating only to a subscription by it and/or such person direct from the Company for the Placing Shares in question. Such agreement assumes that the Placing Shares are not being subscribed for and/or purchased 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 subsequent dealing in the Placing Shares, stamp duty or stamp duty reserve tax may be payable, for which neither the Company or WH Ireland will be responsible, and the Placee to whom (or on behalf 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 UK stamp duty or stamp duty reserve tax undertakes to pay such UK stamp duty or stamp duty reserve tax forthwith and to indemnify on an after-tax basis and to hold harmless the Company and WH Ireland in the event that any of the Company and/or WH Ireland has incurred any such liability to UK stamp duty or stamp duty reserve tax. If this is the case, each Placee should seek its own advice and notify WH Ireland accordingly.

In addition, Placees should note that they will be liable for any 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 UK by them or any other person on the subscription or purchase by them of any Placing Shares or the agreement by them to subscribe for or purchase any Placing Shares.

All times and dates in this Announcement (including this Appendix) may be subject to amendment. WH Ireland shall notify the Placees and any person acting on behalf of the Placees of any changes.

This Announcement has been issued by, and is 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 WH Ireland or by any of its 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 therefore is expressly disclaimed.

## DEFINITIONS

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

<b>“Admission”</b>	the admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules
<b>“AIM Rules”</b>	the AIM Rules for Companies published by the London Stock Exchange from time to time
<b>“AIM”</b>	the market of that name operated by the London Stock Exchange
<b>“Announcement”</b>	this announcement
<b>“Articles”</b>	the articles of association of the Company (as amended from time to time)
<b>“Available Option Shares”</b>	up to 633,950 Option Shares (being those Option Shares which certain employees and the Chairman have confirmed would be available for sale)
<b>“Bookbuild”</b>	the accelerated bookbuilding to be conducted by WH Ireland pursuant to the Placing Agreement and this Announcement
<b>“Business Day”</b>	any day on which banks are usually open for business in England and Wales for the transaction of sterling business, other than a Saturday, Sunday or public holiday
<b>“certificated” or “in certificated form”</b>	an Existing Ordinary Share or an Ordinary Share recorded on the Company’s share register as being held in certificated form (namely, not in CREST)
<b>“Closing Price”</b>	the closing middle market price of an Existing Ordinary Share as derived from the AIM Appendix to the Daily Official List of the London Stock Exchange
<b>“Company”, “Group” or “Pennant”</b>	Pennant International Group plc
<b>“Companies Act”</b>	the Companies Act 2006, as amended
<b>“CREST”</b>	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in those regulations)
<b>“Directors” or “Board”</b>	the directors of the Company or any duly authorised committee thereof
<b>“EEA”</b>	the European Economic Area
<b>“Enlarged Issued Share”</b>	the Ordinary Shares in issue immediately following

<b>Capital”</b>	Admission, comprising the Existing Ordinary Shares and the New Ordinary Shares
<b>“Existing Ordinary Shares” or “Existing Issued Share Capital”</b>	the 33,703,533 Ordinary Shares in issue at the date of this Announcement
<b>“Fundraising Shares”</b>	the 1,647,160 New Ordinary Shares being issued pursuant to the Company’s existing s561 authority which allows shares to be issued on a non pre-emptive basis
<b>“Market Abuse Regulation”</b>	the Market Abuse Regulation (2014/596/EU) (incorporating the technical standards, delegated regulations and guidance notes, published by the European Commission, London Stock Exchange, the FCA and the European Securities and Markets Authority)
<b>“New Ordinary Shares”</b>	the Fundraising Shares and the Option Shares
<b>“Ordinary Shares”</b>	ordinary shares of 5 pence each in the capital of the Company
<b>“Overseas Shareholders”</b>	holders of Existing Ordinary Shares who are neither resident in, nor have a registered address in, the UK
<b>“Placee”</b>	any person subscribing for and/or purchasing Placing Shares pursuant to the Placing
<b>“Placing”</b>	the placing of the Placing Shares by WH Ireland on behalf of the Company at the Placing Price pursuant to the Placing Agreement
<b>“Placing Agreement”</b>	the agreement dated 28 January 2019 between the Company and WH Ireland relating to the Placing
<b>“Placing Price”</b>	110 pence per Placing Share
<b>“Placing Shares”</b>	up to 2,281,110 New Ordinary Shares to be placed pursuant to the Placing, comprising the Fundraising Shares and the Available Option Shares
<b>“Publicly Available Information”</b>	any information announced through a Regulatory Information Service by or on behalf of the Company on or prior to the date of this Announcement
<b>“Regulatory Information Service”</b>	one of the regulatory information services authorised by the FCA acting in its capacity as the UK listing authority to receive, process and disseminate regulatory information
<b>“Securities Act”</b>	the United States Securities Act of 1933, as amended
<b>“Shareholders”</b>	the holders of Ordinary Shares (as the context requires) at the relevant time
<b>“Share Option Shares”</b>	up to 690,000 New Ordinary Shares expected to be issued pursuant to exercise of share options by a

	Director and staff
<b>“United Kingdom” or “UK”</b>	the United Kingdom of Great Britain and Northern Ireland
<b>“United States” or “US”</b>	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and any other area subject to its jurisdiction
<b>“US Person”</b>	has the meaning set out in Regulation S of the Securities Act
<b>“WH Ireland”</b>	WH Ireland Limited, the Company’s nominated adviser and broker