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**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**

10 May 2021

**THG PLC  
The Digital Brands Group**

**SIGNED OPTION AND COLLABORATION AGREEMENT WITH SB MANAGEMENT, A SUBSIDIARY OF SOFTBANK GROUP CORP., ACQUISITION OF BENTLEY LABORATORIES LLC AND PROPOSED ISSUE OF NEW ORDINARY VOTING SHARES**

- ***THG and SB Management Limited ("SBM"), a wholly owned subsidiary of SoftBank Group Corp., sign an option and collaboration agreement with the intention to explore potential, future commercial arrangements between THG's and the SBM respective affiliates***
- ***SBM option and collaboration agreement for a \$1.6bn investment in THG Ingenuity, implying an enterprise value of \$6.3bn for a 19.9% equity interest. THG Ingenuity comprises the Ingenuity platform IP and the Ingenuity operating trade and assets, which will be separated into a THG owned and controlled subsidiary capable of receiving the investment***
- ***Proposed c. \$1bn capital raising consisting of a subscription of approximately \$730m from SBM and a placing of up to \$270m with long-standing, technology-focused shareholder Sofina expected to participate in the placing in an amount of up to \$85 million, with gross proceeds to be deployed to execute an advanced pipeline of strategic M&A over the course of FY 2021***
- ***Announced separately today, agreement to acquire Bentley Laboratories LLC ("Bentley"), a New Jersey based prestige beauty developer and manufacturer for \$255m, subject to regulatory approval in the United States***
- ***The Bentley acquisition is expected to increase FY 2022 revenues by c. \$77m and adjusted EBITDA by c. \$15m***

THG PLC ("THG", the "Group" or the "Company"), the proprietary technology platform specialising in taking brands direct to consumers ("D2C") globally, announces a financial

and trading collaboration with SBM, comprising a subscription of approximately \$730m (the "Subscription") in THG new ordinary voting shares (the "Ordinary Shares") and an option and collaboration agreement (the "Option and Collaboration Agreement") granting SBM an option to subscribe for a 19.9% interest in THG Ingenuity ("THG Ingenuity"), and establishing potential collaboration arrangements drawing on the expansive opportunities amongst the Group's and SBM's respective affiliates as appropriate.

THG Ingenuity is a yet to-be formed, THG owned and controlled subsidiary group, comprising the Ingenuity platform IP and operating trade and assets. To effect the SBM investment, THG Ingenuity will be required to be a separate legal entity capable of receiving the investment and this process has already commenced. THG believes that a separation of its key businesses will maximise shareholder value and intends to undertake a review of the group structure with the intention to commence a separation within 15 calendar months. THG Ingenuity will be prioritised to expedite the potential collaboration with appropriate SBM affiliates and formalise the investment for a minority 19.9% stake.

The Group also announces the conditional agreement to acquire Bentley, an innovative developer and manufacturer of prestige skincare and haircare products. The total consideration of \$255m represents a c. 17x FY 2022 adjusted EBITDA multiple, with the transaction expected to complete within 30 days, following regulatory approval in the US.

To support the continuation of the Group's successful, disciplined M&A strategy which is underpinned by a pipeline of advanced opportunities, the Group announces a capital raising which is expected to raise gross proceeds of c. \$1 billion consisting of a subscription of approximately \$730m from SBM ("the Subscription") and an institutional placing of up to \$270m, with long-standing, technology-focused shareholder Sofina expected to participate in the placing in an amount of up to \$85 million (the "Placing").

Matthew Moulding, Founder, Executive Chairman and CEO of THG commented:

*"We are delighted to announce this financial and trading partnership opportunity with SoftBank, one of the world's leading technology investors, recognising both the capability and inherent value of our proprietary technology platform, Ingenuity. The trading partnership opportunity is particularly exciting, providing Ingenuity with an unparalleled global growth opportunity. Furthermore, the combination of the acceleration of growth within Ingenuity and its separation into a distinct entity will enable THG to unlock significant incremental shareholder value over time.*

*"The capital raise will provide meaningful capital to accelerate our strategic growth ambitions across our whole business. The acquisition of Bentley materially increases our capability in beauty manufacturing and product development, and strengthens our position as the leading digital beauty business globally."*

#### **Proposed issue of New Ordinary Shares**

The Placing and the Subscription are expected to raise gross proceeds of up to approximately \$1 billion. THG intends to conduct a placing of up to 32,038,199 new Ordinary Shares (the "Placing Shares") at a price of 596p, representing the last closing price of a THG Ordinary Share prior to the launch of the Placing (the "Placing Price"). Long-standing, tech-focused investor and major shareholder Sofina is expected to participate in the placing in an amount of up to \$85 million.

In addition, THG has entered into a subscription agreement with SBM (the "Subscription Agreement") pursuant to which SBM has agreed to subscribe at the Placing Price for 86,621,797 new Ordinary Shares (the "Subscription Shares"). Given the percentage of its existing share capital which THG is seeking to issue on a non-pre-emptive basis (9.5% on a fully diluted basis), pursuant to the Placing and Subscription, the Board has consulted with the Company's major shareholders ahead of the release of this Announcement. The consultation has confirmed the Board's view that, given the current market environment, the Placing and the Subscription are in the best interests of shareholders in THG.

The Placing will be conducted through an accelerated bookbuild process (the "Bookbuild") which will be launched immediately following this announcement and will be made available to new and existing eligible institutional investors. The Placing is subject to the terms and conditions set out in the Appendix to this Announcement.

Barclays Bank PLC, Citigroup Global Markets Limited, Goldman Sachs International and Jefferies International Limited are acting as Joint Global Co-ordinators and Joint Bookrunners (together, the "Joint Bookrunners") in respect of the Placing.

#### **Option and Collaboration Agreement with SBM**

In conjunction with the Subscription Agreement, THG and SBM have entered into the Option and Collaboration Agreement pursuant to which:

- THG has granted SBM a call option, exercisable by way of a \$1.6bn primary shares subscription for THG Ingenuity equity, giving rise to a 19.9% interest in THG Ingenuity (the "Option"). The Option attributes to THG Ingenuity an enterprise value of \$6.3 billion (£4.5 billion).
- THG and SBM have agreed to explore future commercial arrangements between each party's respective groups.
- SBM's strategic investment in THG demonstrates their commitment and alignment of interests in supporting THG's continued growth.

For the purposes of the Option, it is anticipated that THG Ingenuity shall be separated from THG into a THG owned and controlled subsidiary company (the "Separation"). THG has agreed to effect the Separation within 15 calendar months (the "Separation Period") from the date of this announcement, although retains the right to extend the Separation Period by up to a further 6 calendar months where reasonably required. THG retains the discretion to separate THG Ingenuity by way of an IPO, sale process, or other structural options. The Board of THG will conduct a review to establish the optimum structure for the separation of THG Ingenuity, THG Beauty, THG Nutrition and THG OnDemand, in order to maximise value for all stakeholders.

### **Background to the capital raise and use of proceeds**

THG has been successful in growing through disciplined M&A activity and this continues to be an important part of the Group's strategy. THG has an established record of acquiring, vertically integrating and digitalising brands from largely offline channels. Management's purpose for the IPO was to step change the Group's access to funding to capitalise on the volume and scale of opportunities available.

Structural market changes accelerated by Covid-19 have created an exceptional aggregated opportunity to expedite the Group's stated goal of building a unique, digital-first, prestige Beauty own-brand portfolio, supported by world class innovation and delivering category leading revenue growth and earnings margins. The net proceeds of the Placing and the Subscription will be used in effect to replenish and refinance the resources the Company has invested in a number of strategic acquisitions announced in the last six months (including the \$350m acquisition of Dermstore LLC), to finance the acquisition of Bentley announced today and to capitalise on multiple acquisition opportunities currently available to the Group. In addition to the acquisition of Bentley, the Group is in advanced discussions with another highly earnings accretive Beauty brand acquisition, as the division rapidly builds global leadership scale.

Should the Group complete both these Beauty acquisitions, M&A investment during the current financial year will significantly exceed the market guidance of £250m p.a., nonetheless, this guidance remains unchanged for FY 2022 and beyond.

### **Acquisition of Bentley Laboratories LLC.**

Further to the announcement dated 10 May 2021, THG has conditionally agreed to acquire Bentley, an innovative developer and manufacturer of prestige skincare and haircare products from its founder and The Riverside Company for \$255m (a c. 17x FY 2022 adjusted EBITDA multiple) on a cash and debt-free basis.

#### **Financial Impact**

- Bentley is expected to contribute sales of c. \$77m (c. £55m) and adjusted EBITDA of c. \$15m (c. £11m) in FY 2022.
- US Regulatory approval is anticipated within 30 days, and therefore Bentley is expected to contribute sales of c. \$35m (c. £25m) and adjusted EBITDA of c. \$7m (c. £5.0m) for the remainder of FY 2021.

### **Details of the Placing**

Barclays Bank PLC, Citigroup Global Markets Limited, Goldman Sachs International and Jefferies International Limited are acting as Joint Global Co-ordinators and Joint Bookrunners (together, the "Joint Bookrunners") in respect of the Placing.

The Joint Bookrunners will commence the bookbuild for the Placing (the "Bookbuild") immediately following the release of this Announcement in respect of the Placing. The Placing and the Subscription are expected to raise gross proceeds of up to approximately \$1 billion at the Placing Price. However, while the Placing is conditional on the Subscription, the Subscription is not conditional on the Placing.

The book will open with immediate effect following this Announcement. The timing of the closing of the book and allocations are at the absolute discretion of THG and the Joint Bookrunners. Final details of the Placing will be announced as soon as practicable after the close of the Bookbuild.

The Subscription Shares and the Placing Shares, if issued, 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 declared, made or paid in respect of Ordinary Shares after the date of issue.

As at the date of this Announcement, the Company has 970,646,554 Ordinary Shares in issue.

#### **Settlement and dealings**

Applications have been made (i) to the Financial Conduct Authority (the "FCA") for the admission of each of the Placing Shares and the Subscription Shares to trading on the standard listing segment of the Official List of the FCA and (ii) to London Stock Exchange plc (the "London Stock Exchange") for the admission of each of the Placing Shares and the Subscription Shares to trading on the London Stock Exchange's main market for listed securities (together, the "Admission").

It is expected that settlement of the Placing Shares and the Subscription Shares will occur, Admission will become effective and that dealings will commence in the Placing Shares and the Subscription Shares at 8.00 a.m. (London time) on 13 May 2020. The Placing is conditional, among other things, upon Admission becoming effective and each of the placing agreement between the Company and the Joint Bookrunners (the "Placing Agreement") and the Subscription Agreement not being terminated in accordance with its terms. The Appendix sets out further information relating to the Bookbuild and the Terms and Conditions of the Placing.

This Announcement contains inside information for the purposes of the Market Abuse Regulation (Regulation (EU) No 596/2014), as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with THG's obligations under Article 17 of MAR. Market soundings, as defined in MAR, were taken in respect of the Placing, with the result that certain persons became aware of inside information relating to THG and its securities, as permitted by MAR. That inside information is set out in this Announcement. Therefore, those persons that received inside information in a market sounding are no longer in possession of inside information relating to the THG and its securities.

#### **Analyst and investor conference call**

THG plc will host a conference call and audio webcast for analysts and investors on 11 May 2021 at 8.30am (UK time) via the following links:

Audio webcast: <https://brrmedia.news/tukw9r>

Conference call:

UK dial-in: +44 33 0606 1118

US dial-in: +1 646 813 7960

Other international dial-in: [International Access Numbers](#)

Room number: 670095

Participant PIN: 2230

**For further information please contact:**

#### **Investor enquiries - THG PLC**

Kate Grimoldby/Clara Melia

[Investor.Relations@thg.com](mailto:Investor.Relations@thg.com)

#### **Media enquiries -**

**Powerscourt - Financial PR adviser**

Tel: +44 (0) 20 7250 1446

Victoria Palmer-Moore/Nick Dibden/Nick Hayns

[thg@powerscourt-group.com](mailto:thg@powerscourt-group.com)

**THG PLC**

Viki Tahmasebi

[Viki.tahmasebi@thg.com](mailto:Viki.tahmasebi@thg.com)

Joint Global Coordinators, Joint Bookrunners and

Joint Brokers **Barclays Bank PLC**

Tel: +44 (0) 207 623 2323

Tom Johnson, Nicola Tennent

**Citigroup Global Markets Limited**

Tel: +44 (0) 207 986 4000

Michael Lavelle, Patrick Evans

**Jefferies International Limited**

Tel: +44 (0) 207 029 8000

Rob Leach, Ed Matthews

Joint Global Coordinator and Joint Bookrunner

**Goldman Sachs International**

Tel: +44 (0) 207 774 1000

Anthony Gutman, Jimmy Bastock

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Neither this Announcement, nor any copy of it, may be taken or transmitted, published or distributed, directly or indirectly, in or into the United States, Australia, Canada, the Republic of South Africa or Japan or to any persons in any of those jurisdictions or any other jurisdiction where to do so would constitute a violation of the relevant securities laws of such jurisdiction.

This Announcement is for information purposes only and does not constitute an offer to sell or issue, or the solicitation of an offer to buy, acquire or subscribe for any shares in the capital of the Company in the United States, Australia, Canada, the Republic of South Africa or Canada or any other state or jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. Any failure to comply with these restrictions may constitute a violation of securities laws of such jurisdictions.

The Placing Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "US Securities Act"), or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into the United States except pursuant to an applicable exemption from the registration requirements of the US Securities Act and in compliance with the securities laws of any state or any other jurisdiction of the United States. The Placing Shares are being offered and sold (a) outside the United States in "offshore transactions" as defined in, and pursuant to, Regulation S under the US Securities Act ("Regulation S") or (b) in the in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A of the US Securities Act) in transactions not involving any "public offering" within the meaning of Section 4(a)(2) of the US Securities Act and/or pursuant to an exemption from the registration requirements of the US Securities Act. There is no intention to conduct any public offering of securities in the United States or elsewhere.

No prospectus has been filed with any securities commission or other securities regulatory authorities in any jurisdiction in Canada in connection with the offer or sale of the Placing Shares. Any offer and sale of the Placing Shares in Canada is being made on a private placement basis only and is

exempt from the requirement that the company prepares and files a prospectus under applicable Canadian securities laws. Any resale of the Placing Shares into Canada must be made in accordance with applicable Canadian securities laws, which may vary depending on the relevant jurisdiction, and which may require resales to be made in accordance with Canadian prospectus requirements, a statutory exemption from the prospectus requirements, in a transaction exempt from the prospectus requirements or otherwise under a discretionary exemption from the prospectus requirements granted by the applicable local Canadian securities regulatory authority. These resale restrictions may under certain circumstances apply to resales of the Placing Shares outside of Canada. There will be no public offering of the Placing Shares in Canada. This announcement does not contain all of the information that would normally appear in a prospectus under applicable Canadian securities laws. No securities commission or similar authority in Canada has reviewed or in any way passed upon this announcement or the merits of the Placing Shares. Any representation to the contrary is an offense. This announcement is not, and under no circumstances is to be construed as, a prospectus, an advertisement or a public offering of the placing shares in Canada.

All offers of Placing Shares will be made pursuant to an exemption under the Regulation (EU) 2017/1129 (the "EU Prospectus Regulation") or the EU Prospectus Regulation as it forms part of UK domestic law by virtue of the European Union (Withdrawal Act) 2018 ("UK Prospectus Regulation" together with the EU Prospectus Regulation, the "Prospectus Regulation"), each as amended from time to time, from the requirement to produce a prospectus. No prospectus will be made available in connection with the matters contained in this Announcement and no such prospectus is required (in accordance with the Prospectus Regulation) to be published. Persons needing advice should consult an independent financial adviser.

Members of the public are not eligible to take part in the Placing. This Announcement and the terms and conditions set out in the Appendix are for information purposes only and are directed only at: (a) if in a Member State of the European Economic Area, qualified investors within the meaning of article 2(e) of the EU Prospectus Regulation; or (b) if in the United Kingdom, qualified investors within the meaning of article 2(e) of the UK Prospectus Regulation who are also (i) persons who fall within the definition of "investment professional" in article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), or (ii) persons who fall within article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc") of the Order, or (c) if resident in Canada, persons who (i) qualify as an "accredited investor" within the meaning of Section 1.1 of National Instrument 45-106 - *Prospectus Exemptions* ("NI 45-106") of the Canadian Securities Administrators or subsection 73.3(1) of the *Securities Act* (Ontario), as applicable, and are either purchasing the Placing Shares as principal for its own account, or are deemed to be purchasing the Placing Shares as principal for its own account in accordance with applicable Canadian securities laws, for investment only and not with a view to resale or redistribution; (ii) are not created or used solely to purchase or hold the Placing Shares as an accredited investor under NI 45-106; (iii) qualify as a "permitted client" within the meaning of National Instrument 31-103 - *Registration Requirements, Exemptions And Ongoing Registrant Obligations* of the Canadian Securities Administrators; and (iv) are entitled under applicable Canadian securities laws to purchase the Placing Shares without the benefit of a prospectus under such securities laws, or (d) persons to whom it may otherwise be lawfully communicated (all such persons together being the "Relevant Persons"). This Announcement must not be acted on or relied on by persons who are not Relevant Persons.

The distribution of this Announcement (including the Appendix) and the offering of the Placing Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company, and/or the Joint Bookrunners 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 the Joint Bookrunners to inform themselves about, and to observe, such restrictions.

This Announcement is not being distributed by, nor has it been approved for the purposes of section 21 of the Financial Services and Markets Act 2000, as amended ("FSMA"), by a person authorised under FSMA. This Announcement is being distributed to persons in the United Kingdom only in circumstances in which section 21(1) of FSMA does not apply.

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

Recipients of this Announcement should conduct their own investigation, evaluation and analysis of the business, data and property described in this Announcement. This Announcement does not constitute a recommendation concerning any investor's options with respect to the Placing. The price and value of securities can go down as well as up. Past performance is not a guide to future performance. The contents of this Announcement are not to be construed as legal, business, financial or tax advice. Each investor or prospective investor should consult his, her or its own legal adviser, business adviser, financial adviser or tax adviser for legal, financial, business or tax advice.

#### **Notice to all investors**

Barclays Bank PLC, Citigroup Global Markets Limited, Goldman Sachs International, each of which is authorised by the Prudential Regulation Authority ("PRA") and regulated in the United Kingdom by the PRA and FCA and Jefferies International Limited, which is authorised and regulated in the United Kingdom by the FCA, are acting exclusively for the Company in connection with the Placing. None of Barclays Bank PLC, Citigroup Global Markets Limited, Goldman Sachs International or Jefferies International Limited (together the "Banks") will regard any other person (whether or not a recipient of this Announcement) as a client in relation to the Placing and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients or for providing advice in relation to the Placing or any transaction, matter or arrangement described in this Announcement. Apart from the responsibilities and liabilities, if any, which may be imposed upon either Bank by FSMA or the regulatory regime established thereunder, none of the Banks nor any of their respective affiliates, directors, officers, employees, agents or advisers accepts any responsibility whatsoever, and no representation or warranty, express or implied, is made or purported to be made by any of them, or on their behalf, for or in respect of the contents of this Announcement, including its accuracy, completeness, verification or sufficiency, or concerning any other document or statement made or purported to be made by it, or on its behalf, in connection with the Company, the Placing Shares, the Placing and the Subscription, and nothing in this Announcement is, or shall be relied upon as, a warranty or representation in this respect, whether as to the past or future. Each of the Banks and each of their respective affiliates directors, officers, employees, agents and advisers disclaim, to the fullest extent permitted by law, all and any liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this Announcement or any such statement.

No person has been authorised to give any information or to make any representations other than those contained in this Announcement and, if given or made, such information or representations must not be relied on as having been authorised by the Company or any of the Banks. Subject to the Listing Rules, the Prospectus Regulation Rules and the Disclosure Guidance and Transparency Rules of the FCA, the issue of this Announcement shall not, in any circumstances, create any implication that there has been no

change in the affairs of the Company since the date of this Announcement or that the information in it is correct as at any subsequent date.

In connection with the Placing, each of the Banks and any of their affiliates, acting as investors for their own account, may take up a portion of the shares in the Placing as a principal position and in that capacity may retain, purchase, sell, offer to sell for their own accounts such shares and other securities of the Company or related investments in connection with the Placing or otherwise. Accordingly, references to Placing Shares being offered, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or acquisition, placing or dealing by, each of the Banks and any of their affiliates acting in such capacity. In addition, each of the Banks and any of their affiliates may enter into financing arrangements (including swaps, warrants or contracts for differences) with investors in connection with which each of the Banks and any of their respective affiliates may from time to time acquire, hold or dispose of shares. None of the Banks intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

Each of the Banks and their respective affiliates may have engaged in transactions with, and provided various commercial banking, investment banking, financial advisory transactions and services in the ordinary course of their business with the Company and/or its affiliates for which they would have received customary fees and commissions. Each of the Banks and their respective affiliates may provide such services to the Company and/or its affiliates in the future.

#### **Cautionary statement regarding forward-looking statements**

This Announcement contains forward-looking statements. These statements relate to the future prospects, developments and business strategies of the Company. Forward-looking statements are identified by the use of such terms as "believe", "could", "envisage", "estimate", "potential", "intend", "may", "plan", "will" or variations or similar expressions, or the negative thereof. The forward-looking statements contained in this Announcement are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. If one or more of these risks or uncertainties materialise, or if underlying assumptions prove incorrect, the Company's actual results may vary materially from those expected, estimated or projected. Given these risks and uncertainties, certain of which are beyond the Company's control, potential investors should not place any reliance on forward-looking statements. These forward-looking statements speak only as at the date of this Announcement. Except as required by law, the Company undertakes no obligation to publicly release any update or revisions to the forward-looking statements contained in this Announcement to reflect any change in events, conditions or circumstances on which any such statements are based after the time they are made.

#### **UK Product Governance Requirements**

Solely for the purposes of the product governance requirements of Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the UK 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 retail investors and investors who meet the criteria of professional clients and eligible counterparties, each defined in the FCA Handbook Conduct of Business Sourcebook; and (ii) eligible for distribution through all permitted distribution channels (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, "distributors" (for the purposes of the UK 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 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 any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Banks 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 Chapters 9A or 10A respectively of the FCA Handbook Conduct of Business Sourcebook; 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.

### **EU Product Governance Requirements**

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 "MiFID II Target Market Assessment"). Notwithstanding the MiFID II 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 MiFID II 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, the Banks will only procure investors who meet the criteria of professional clients and eligible counterparties.

## **TERMS AND CONDITIONS**

### **Appendix 1 - Terms and Conditions of the Placing for invited places only**

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 PERSONS WHOSE ORDINARY ACTIVITIES INVOLVE THEM IN ACQUIRING, HOLDING, MANAGING AND DISPOSING OF INVESTMENTS (AS PRINCIPAL OR AGENT) FOR THE PURPOSES OF THEIR BUSINESS AND WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND ARE: (A) IF IN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (THE "EEA"), QUALIFIED INVESTORS WITHIN THE MEANING OF ARTICLE 2(E) OF THE EU PROSPECTUS REGULATION ("QUALIFIED INVESTORS"); OR (B) IF IN THE UNITED KINGDOM, QUALIFIED INVESTORS WITHIN THE MEANING OF ARTICLE 2(E) OF THE UK PROSPECTUS REGULATION WHO ARE (I) PERSONS WHO FALL WITHIN THE DEFINITION OF "INVESTMENT PROFESSIONAL" IN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION)

ORDER 2005, AS AMENDED (THE "ORDER"), OR (II) PERSONS WHO FALL WITHIN ARTICLE 49(2)(A) TO (D) OF THE ORDER, OR (III) PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED ("RELEVANT PERSONS").

ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS ANNOUNCEMENT RELATES IS AVAILABLE ONLY IN MEMBER STATES OF THE EEA TO QUALIFIED INVESTORS AND IN THE UNITED KINGDOM TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH SUCH PERSONS. THIS ANNOUNCEMENT MUST NOT BE ACTED ON OR RELIED ON BY PERSONS IN A MEMBER STATE OF THE EEA WHO ARE NOT QUALIFIED INVESTORS OR BY PERSONS IN THE UNITED KINGDOM WHO ARE NOT RELEVANT PERSONS.

THIS ANNOUNCEMENT DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF, OR THE SOLICITATION OF AN OFFER TO ACQUIRE OR SUBSCRIBE FOR, ANY SECURITIES IN THE COMPANY.

PERSONS DISTRIBUTING THIS ANNOUNCEMENT MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. EACH PLACEE SHOULD CONSULT WITH ITS OWN ADVISERS AS TO LEGAL, TAX, BUSINESS AND RELATED ASPECTS OF AN INVESTMENT IN THE PLACING SHARES.

THE PLACING SHARES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER THE SECURITIES LAWS OF, OR WITH ANY SECURITIES REGULATORY AUTHORITY OF, ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD OR TRANSFERRED, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES ABSENT REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE PLACING SHARES ARE BEING OFFERED AND SOLD (A) OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS AS DEFINED IN, AND PURSUANT TO, REGULATION S UNDER THE SECURITIES ACT, OR (B) IN THE UNITED STATES ONLY TO PERSONS REASONABLY BELIEVED TO BE "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A OF THE SECURITIES ACT) IN TRANSACTIONS NOT INVOLVING ANY "PUBLIC OFFERING" WITHIN THE MEANING OF SECTION 4(A)(2) OF THE SECURITIES ACT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. A POTENTIAL PLACEE AND THE PROSPECTIVE BENEFICIAL OWNER OF THE PLACING SHARES IS, AND AT THE TIME THE PLACING SHARES ARE ACQUIRED WILL BE, (I) OUTSIDE THE UNITED STATES AND ACQUIRING THE PLACING SHARES IN AN "OFFSHORE TRANSACTION" AS DEFINED IN, AND IN ACCORDANCE WITH, REGULATION S; OR (II) (A) A QUALIFIED INSTITUTIONAL BUYER AND (B) ACQUIRING THE PLACING SHARES PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS UNDER THE SECURITIES ACT. NO PUBLIC OFFERING OF THE SHARES REFERRED TO IN THIS ANNOUNCEMENT IS BEING MADE IN THE UNITED KINGDOM, THE UNITED STATES, ANY OTHER RESTRICTED TERRITORY (AS DEFINED BELOW) OR ELSEWHERE.

This Announcement is for information only and does not itself constitute or form part of an offer to sell or issue or the solicitation of an offer to buy or subscribe for securities referred to herein in any jurisdiction including, without limitation, the United States or any Restricted Territory (as defined below) or in any jurisdiction where such offer or solicitation is unlawful.

This Announcement, and the information contained herein, is not for release, publication or distribution, directly or indirectly, to persons in the United States, Australia, Canada, the Republic of South Africa or Japan or in any jurisdiction in which such publication or distribution is unlawful (each a "Restricted Territory"). The distribution of this Announcement and the Placing and/or the offer or sale of the Placing Shares in certain jurisdictions

may be restricted by law. No action has been taken by the Company or by Barclays, Citi, Goldman Sachs or Jefferies (together, the "Banks") or any of its or their respective Affiliates or any person acting on its or their behalf which would permit an offer of the Placing Shares or possession or distribution of this Announcement or any other offering or publicity material relating to such Placing Shares in any jurisdiction where action for that purpose is required.

Persons distributing any part of this Announcement must satisfy themselves that it is lawful to do so. Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of this Announcement should seek appropriate advice before taking any such action. Persons into whose possession this Announcement comes are required by the Company and the Banks to inform themselves about, and to observe, any such restrictions.

All offers of the Placing Shares will be made pursuant to an exemption under the EU Prospectus Regulation or the UK Prospectus Regulation, as applicable, from the requirement to produce a prospectus. This Announcement is being distributed and communicated to persons in the UK only in circumstances to which section 21(1) of the Financial Services and Markets Act 2000, as amended ("FSMA") does not apply.

No prospectus has been filed with any securities commission or similar regulatory authority in Canada in connection with the offer and sale of the Placing Shares. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon this document or on the merits of the Placing Shares and any representation to the contrary is an offence. In Canada, the Placing Shares may only be offered and sold in the provinces of Alberta, British Columbia, Ontario and Quebec on a private placement basis only and is exempt from the requirement that the issuer prepares and files a prospectus under applicable Canadian securities laws. Any resale of Placing Shares acquired by a Canadian investor in this offering must be made in accordance with applicable Canadian securities laws, which resale restrictions may under certain circumstances apply to resales of the Placing Shares outside of Canada.

As applicable, each Canadian investor who purchases the Placing Shares will be deemed to have represented to the Company, the Banks and to each dealer from whom a purchase confirmation is received, as applicable, that the investor (i) is purchasing as principal, or is deemed to be purchasing as principal in accordance with applicable Canadian securities laws, for investment only and not with a view to resale or redistribution; (ii) is an "accredited investor" as such term is defined in section 1.1 of National Instrument 45-106 Prospectus Exemptions ("NI 45-106") or, in Ontario, as such term is defined in section 73.3(1) of the Securities Act (Ontario); and (iii) is a "permitted client" as such term is defined in section 1.1 of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, and (iv) is purchasing the Offer Securities from a dealer permitted to rely on the "international dealer exemption" contained in section 8.18 of NI 31-103, in which case, the Purchaser also acknowledges that the Purchaser has been notified by such dealer: (A) that the dealer is not registered in the local jurisdiction to make the trade and that all or substantially all of the assets of the person or company may be situated out of Canada; and (B) of the dealer's jurisdiction of residence and the name and address of the agent for service of process of the person or company in the local jurisdiction and that there may be difficulty enforcing legal rights against the person or company because of the foregoing.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if any document published in connection with the Placing that constitutes an offering memorandum for the purposes of applicable Canadian securities laws (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the

purchaser within the time limit prescribed by securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts ("NI 33-105"), this Placing is conducted pursuant to any exemption from the requirement that Canadian investors be provided with certain underwriter conflicts of interest disclosure that would otherwise be required pursuant to subsection 2.1(1) of NI 33-105.

The Placing has not been approved and will not be approved or disapproved by the U.S. 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 this Announcement. Any representation to the contrary is unlawful.

Subject to certain exceptions, the securities referred to in this Announcement may not be offered or sold in any Restricted Territory or to, or for the account or benefit of, a citizen or resident, or a corporation, partnership or other entity created or organised in or under the laws of a Restricted Territory.

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 any Bank, any of their Affiliates or any person acting on its or their behalf 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 party or its advisers, and any liability therefore is expressly disclaimed.

The Banks are acting exclusively for the Company in connection with the Placing and for no-one else and are not, and will not be, responsible to anyone (including the Placees) other than the Company for providing the protections afforded to their clients nor for providing advice in relation to the Placing, the Subscription and/or any other matter referred to in this Announcement.

None of the Company, the Banks or any of its or their respective Affiliates or any person acting on its or their behalf makes any representation or warranty, express or implied to any Placees regarding any investment in the securities referred to in this Announcement under the laws applicable to such Placees. Each Placee should consult its own advisers as to the legal, tax, business, financial and related aspects of an investment in the Placing Shares.

**By participating in the Placing, Placees (including individuals, funds or otherwise) by whom or on whose behalf a commitment to subscribe for Placing Shares has been given will (i) be deemed to have read and understood this Announcement, in its entirety; and (ii) be making such offer on the terms and conditions contained in this Appendix, including being deemed to be providing (and shall only be permitted to participate in the Placing on the basis that they have provided) the representations, warranties, indemnities, acknowledgements and undertakings set out herein.**

In particular each such Placee represents, warrants and acknowledges that:

- (a) if it is in the United Kingdom, it is a Relevant Person, and if it is in a member state of the EEA, it is a Qualified Investor, and undertakes that it will subscribe for, purchase, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;

- (b) it is and, at the time the Placing Shares are subscribed for, will be, (i) outside the United States and subscribing for the Placing Shares in an "offshore transaction" as defined in, and in accordance with, Rule 903 of Regulation S under the Securities Act; or (ii) (a) a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act) ("QIBs"), and (b) subscribing for the Placing Shares pursuant to an exemption from the registration requirements under the Securities Act; acknowledging that the Placing Shares have not been, and will not be, registered under the Securities Act or with any state or other jurisdiction of the United States; if subscribing for the Placing Shares for the account of one or more other persons, it has full power and authority to make the representations, warranties, agreements and acknowledgements herein on behalf of each such account; and
- (c) if it is a financial intermediary, as that term is used in Article 5(1) of the EU Prospectus Regulation or the UK Prospectus Regulation, as applicable, that it understands the resale and transfer restrictions set out in this Appendix and that any Placing Shares subscribed for by it in the Placing will not be subscribed for on a non-discretionary basis on behalf of, nor will they be subscribed for with a view to their offer or resale to, persons in circumstances which may give rise to an offer of securities to the public other than an offer or resale in a member state of the EEA to Qualified Investors or in the United Kingdom to Relevant Persons, or in circumstances in which the prior consent of the Banks has been given to each such proposed offer or resale.

## **IMPORTANT INFORMATION FOR PLACEEES ONLY REGARDING THE PLACING**

### **Bookbuild**

Following the release of this Announcement, the Banks will commence the Bookbuild to determine the number of Placing Shares and demand for participation in the Placing. No commissions will be paid to Placees or by Placees in respect of any Placing Shares. The book will open with immediate effect. Members of the public are not entitled to participate in the Placing. This Appendix gives details of the terms and conditions of, and the mechanics of participation in, the Placing.

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

The Banks are acting as joint bookrunners in connection with the Placing. The Banks have today entered into an agreement with the Company (the "Placing Agreement") under which, subject to the conditions set out therein, each of the Banks, each as agent for and on behalf of the Company, has agreed to use its reasonable endeavours to procure Placees for the Placing Shares, on the terms and subject to the conditions set out therein.

Each of the Banks has severally (and not jointly or jointly and severally) agreed with the Company, in the event of any default by any Placee in paying the Placing Price (as defined below) in respect of any Placing Shares allotted to it, to subscribe for such Placing Shares itself at the Placing Price, in each case, in the agreed proportions as set out in the Placing Agreement.

The price per Ordinary Share at which the Placing Shares are to be placed (the "Placing Price") is £5.96. The final number of Placing Shares will be decided at the close of the Bookbuild between the Company and the Banks. The timing of the closing of the book and allocations are at the discretion of

the Company and the Banks. Details of the number of Placing Shares will be announced as soon as practicable after the close of the Bookbuild.

The total number of Ordinary Shares to be issued pursuant to the Placing shall not exceed 40,344,398 Ordinary Shares, representing approximately 3.3% of the Company's existing issued Ordinary Share capital.

The Placing Shares will, when issued, 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 declared, made or paid in respect of the Ordinary Shares after the date of issue. The Placing Shares will be issued free of any encumbrances, liens or other security interests.

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

The Company will apply to the FCA for admission of each of the Placing Shares and the Subscription Shares to listing on the standard listing segment of the Official List of the FCA (the "Official List") and to London Stock Exchange plc (the "London Stock Exchange") for admission to trading of each of the Placing Shares and the Subscription Shares on its main market for listed securities ("Admission"). It is expected that Admission will become effective at 8.00 a.m. on 13 May 2021 (or such later date as may be agreed between the Company and the Banks).

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

1. The Banks are acting as joint global coordinators and joint bookrunners on the Placing severally, and not jointly, nor jointly and severally, as agents of the Company. Participation in the Placing will only be available to persons who may lawfully be, and are, invited to participate by any of the Banks. Each of the Banks and their respective Affiliates, or any person acting on their behalf, is entitled to enter bids as principal in the Bookbuild.
2. The Bookbuild, if successful, will establish the number of Placing Shares which will be included in the Placing. The aggregate proceeds to be raised through the Placing will be agreed between the Banks and the Company following completion of the Bookbuild. The Placing Shares will be announced on a Regulatory Information Service following the completion of the Bookbuild.
3. To bid in the Bookbuild, Placees should communicate their bid by telephone or in writing to their usual sales contact at one of the Banks. Each bid should state the number of Placing Shares which the prospective Placee wishes to subscribe for at the Placing Price. Bids may be scaled down by the Banks on the basis referred to in paragraph 6 below. Each of the Banks reserves the right not to accept bids or to accept bids in part rather than in whole.
4. The Bookbuild is expected to close no later than 6.00 a.m. (London time) on 11 May 2021 but may be closed earlier or later, at the absolute discretion of the Banks and the Company. The Banks may, in agreement with the Company, accept bids that are received after the Bookbuild has closed.
5. Each Placee's allocation will be agreed between the Banks and the Company and will be confirmed to Placees orally or in writing (including by email) by the relevant Bank, acting as agent of the Company, following the close of the Bookbuild, and a contract note will be dispatched as soon as possible thereafter. Subject to paragraph 8 below, the relevant Bank's oral or written confirmation to such Placee will constitute an irrevocable legally binding

commitment upon such person (who will at that point become a Placee) in favour of such Bank and the Company, or in favour of such Bank, under which such Placee agrees to subscribe for the number of Placing Shares allocated to it and to pay the relevant Placing Price for each such Placing Share on the terms and conditions set out in this Appendix and in accordance with the Company's corporate documents.

6. The Banks will, in effecting the Placing, agree with the Company the identity of the Placees and the basis of allocation of the Placing Shares, and may scale down any bids on such basis as they may determine. The Banks may also, notwithstanding paragraphs 3 and 4 above and subject to the prior consent of the Company, (i) allocate Placing Shares after the time of any initial allocation to any person submitting a bid after that time and (ii) allocate Placing Shares after the Bookbuild has closed to any person submitting a bid after that time. The acceptance of offers shall be at the absolute discretion of the Banks, subject to agreement with the Company. If within a reasonable time after a request for verification of identity, the Banks have not received such satisfactory evidence, the Banks may, in their absolute discretion, terminate the Placee's Placing participation in which event all funds delivered by the Placee to the Banks will be returned without interest to the account of the drawee bank or CREST account from which they were originally debited.
7. The Placing Shares are being offered and sold (a) outside the United States in offshore transactions as defined in, and pursuant to, Regulation S under the Securities Act; and (b) in the United States only to persons reasonably believed to be QIBs in transactions not involving any "public offering" within the meaning of Section 4(a)(2) of the Securities Act pursuant to an exemption from the registration requirements of the Securities Act. It and the prospective beneficial owner of the Placing Shares is, and at the time the Placing Shares are subscribing for will be, either: (i) outside the United States and subscribing for the Placing Shares in an "offshore transaction" as defined in, and pursuant to, Regulation S under the Securities Act; or (ii) (a) a QIB, and (b) subscribing for the Placing Shares pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the Securities Act, acknowledging that the Placing Shares have not been, and will not be, registered under the Securities Act or with any state or other jurisdiction of the United States. With respect to (ii) above, it is subscribing for the Placing Shares for its own account or for one or more accounts as to each of which it exercises sole investment discretion and each of which is a QIB, for investment purposes only and not with a view to any distribution or for resale in connection with the distribution thereof in whole or in part, in the United States, and it has full power to make the representations, warranties, indemnities, acknowledgements, agreements and undertakings in this Announcement on behalf of each such account.
8. A bid in the Bookbuild will be made on the terms and subject to the conditions in this Appendix and will be legally binding on the Placee on behalf of which it is made and except with the relevant Bank's consent will not be capable of variation or revocation after the time at which it is submitted. Each Placee will also have an immediate, separate, irrevocable and binding obligation, owed to the relevant Bank, to pay 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 that such Placee has agreed to subscribe for. Each Placee's obligations will be owed to the relevant Bank. The Company shall, conditional on Admission, allot the Placing Shares to each Placee following each Placee's payment to the relevant Bank of such amount.

9. Except as required by law or regulation, no press release or other announcement will be made by any of the Banks 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.
10. 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 subscribed for pursuant to the Placing will be required to be made at the same time, on the basis explained below under "Registration and Settlement".
11. All obligations under the Bookbuild and Placing will be subject to fulfilment or (where applicable) waiver of the conditions referred to below under "Conditions of the Placing" and to the Placing not being terminated on the basis referred to below under "Termination of the Placing Agreement".
12. By participating in the Bookbuild, 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 after confirmation (oral or otherwise) by a Bank.
13. To the fullest extent permissible by law, none of the Banks, nor any of their respective Affiliates, nor any person acting on their behalf shall have any responsibility or liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise). In particular, none of the Banks, nor any of their respective Affiliates, nor any person acting on its or their behalf shall have any responsibility or liability (including to the fullest extent permissible by law, any fiduciary duties) in respect of the Banks' conduct of the Bookbuild or of such alternative method of effecting the Placing as the Banks and the Company may agree.

### **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 Banks' obligations under the Placing Agreement are conditional on (but not limited to) the following:

1. the release by the Company of the Placing Results Announcement;
2. the Company having allotted the Placing Shares, subject only to Admission and the Placing Agreement not having been terminated prior to Admission, to the Placees;
3. the delivery to the Banks of customary documentation in connection with the Placing;
4. none of the warranties on the part of the Company in the Placing Agreement being untrue, inaccurate or misleading (i) as at the date of the Placing Agreement; and (ii) immediately prior to Admission, in



each case by reference to the facts and circumstances then subsisting;

5. the Company having performed all of its obligations under the Placing Agreement to be performed prior to Admission and not being in breach of the Placing Agreement;
6. there not having occurred a material adverse change in relation to the Group at any time prior to Admission;
7. the Subscription Agreement and the Option and Collaboration Agreement, having been executed by the parties thereto and there having occurred no default or breach by the Company or relevant members of the SBM Group of any of the terms thereof at any time prior to Admission and such agreements having become wholly unconditional in the form signed (save for the condition in such agreements relating to Admission);
8. Admission occurring at or before 8:00 a.m. (London time) on 13 May 2021, or such later time and/or date (being not later than 3.00 p.m. on 17 May 2021) as the Company and the Banks may agree in writing.

If: (i) any of the conditions contained in the Placing Agreement, including those described above, are not fulfilled or (where applicable) waived by the Banks by the relevant time or date specified (or such later time or date as the Company and the Banks may agree); or (ii) 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 it in respect thereof.

The Banks may, at their discretion and upon such terms as they think fit, extend the time for the satisfaction of any condition or waive 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 (other than those conditions described in points 1, 2 and 8 above, which may not be waived). Any such extension or waiver will not affect Placees' commitments as set out in this Announcement.

None of the Banks, their Affiliates nor any person acting on their behalf shall have any liability or responsibility to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision it 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 it 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 the Banks.

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

### **Termination of the Placing Agreement**

The Banks are entitled, acting jointly and in good faith, at any time before Admission, to terminate the Placing Agreement in accordance with its terms in certain circumstances, including, *inter alia*: (i) if there has been a breach by the Company of any of the warranties or any failure by the Company to perform any of its obligations contained in the Placing Agreement; (ii) if there has been a material adverse change in relation to the Group; (iii) if the

application for Admission is withdrawn or refused by the FCA or the London Stock Exchange; or (iv) upon the occurrence of certain *force majeure* events.

By participating in the Placing, each Placee agrees that its rights and obligations terminate only in the circumstances described above and under 'Conditions of the Placing' above and will not be capable of rescission or termination by it after oral or written confirmation by the Banks following the close of the Bookbuild.

By participating in the Placing, Placees agree that the exercise or non-exercise by the Banks of any right of termination or other discretion under the Placing Agreement shall be within the absolute discretion of the Banks or for agreement between the Company and the Banks (as the case may be) and that none of the Company nor the Banks need make any reference to, or consultation with, Placees and that neither they nor any of their respective Affiliates nor any person acting on its or their behalf shall have any liability to Placees whatsoever in connection with any such exercise or failure to so exercise.

### **No prospectus**

No offering document, prospectus, offering memorandum or admission document has been or will be prepared or submitted to be approved by the FCA (or any other authority) in relation to the Placing, and Placees' commitments will be made solely on the basis of publicly available information taken together with the information contained in this Announcement, and any Exchange Information (as defined below) previously published by or on behalf of the Company simultaneously with or prior to the date of this Announcement and subject to the further terms set forth in the contract note to be provided to individual prospective Placees.

Each Placee, by accepting a participation in the Placing, agrees that the content of this Announcement and the publicly available information released by or on behalf of the Company is exclusively the responsibility of the Company and confirms to the Banks and the Company that it has neither received nor relied on any other information, representation, warranty, or statement made by or on behalf of the Company (other than publicly available information), any of the Banks, any of their respective Affiliates or any person acting on its or their behalf and no such 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 (regardless of whether or not such information, representation, warranty or statement was given or made by or on behalf of any such persons). By participating in the Placing, 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.

### **Restriction on further issue of securities**

The Company has undertaken to the Banks that, between the date of the Placing Agreement and 90 calendar days after (but including) the date of Admission, it will not, without the prior written consent of the Banks, directly or indirectly issue or allot Ordinary Shares, subject to customary exceptions and waiver by the Banks.

### **Registration and settlement**

Settlement of transactions in the Placing Shares (ISIN: GB00BMTV7393) following Admission will take place within the relevant system administered by Euroclear ("CREST"), using the delivery versus payment mechanism, subject to certain exceptions. Subject to certain exceptions, the Banks and the Company reserve the right to require settlement for, and delivery of, the Placing Shares to Placees by such other means that they deem necessary if delivery or settlement is not possible or practicable in CREST within the

timetable set out in this Announcement or would not be consistent with the regulatory requirements in the Placee's jurisdiction.

Following the close of the Bookbuild for the Placing, each Placee allocated Placing Shares in the Placing will be sent a contract note stating the total number of Placing Shares allocated to it at the Placing Price, the aggregate amount owed by such Placee to the relevant Bank and settlement instructions. Placees should settle against CREST ID: 9SMAY with designation CGML. It is expected that such contract note will be despatched on or around 11 May 2021 and that this will also be the trade date.

Each Placee agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with either the standing CREST or certificated settlement instructions that it has in place with the relevant Bank.

The Company will deliver the Placing Shares to a CREST account operated by Citi as agent for the Company and the Banks will enter its delivery (DEL) instruction into the CREST system. Citi will hold any Placing Shares delivered to this account as nominee for the Placees. The input to CREST by a Placee of a matching or acceptance instruction will then allow delivery of the relevant Placing Shares to that Placee against payment.

It is expected that settlement will be on 13 May 2021 on a T+2 basis in accordance with the instructions given to the Banks.

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 as determined by the Banks.

Each Placee agrees that, if it does not comply with these obligations, the Banks may sell any or all of the Placing Shares allocated to that Placee on such Placee's behalf and retain from the proceeds, for the Company'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 shall be required to bear any stamp duty, stamp duty reserve tax or other stamp, securities, transfer, registration, execution, documentary or other similar impost, duty or tax (together with any interest, fines or penalties) imposed in any jurisdiction ("**Transfer Taxes**") which may arise upon the issue, sale or purchase of such Placing Shares on such Placee's behalf. By communicating a bid for Placing Shares, each Placee confers on each Bank all such authorities and powers necessary to carry out any such sale and agrees to ratify and confirm all actions which any Bank 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 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 to as provided below, be so registered free from any liability to UK stamp duty or UK stamp duty reserve tax. If there are any circumstances in which any other Transfer Taxes are payable in respect of the allocation, allotment, sale, purchase, issue or delivery of the Placing Shares (or for the avoidance of doubt if any UK stamp duty or UK stamp duty reserve tax is payable in connection with any subsequent transfer of or agreement to transfer Placing Shares), none of the Banks nor the Company shall be responsible for the payment of such amounts.

### **Representations and warranties**

By submitting a bid and/or participating in the Placing each Placee (and any person acting on such Placee's behalf) irrevocably acknowledges, confirms, undertakes, represents, warrants and agrees (for itself and for any such

prospective Placée) with the Banks (in their capacity as joint global coordinators, joint bookrunners, as placing agents of the Company in respect of the Placing) and the Company, in each case as a fundamental term of its application for Placing Shares, the following:

1. it has read and understood this Announcement, in its entirety and that its participation in the Bookbuild and the Placing and its subscription for, Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, indemnities, acknowledgements, agreements and undertakings and other information contained herein and undertakes not to redistribute or duplicate this Announcement and that other than the information in this Announcement and the Exchange Information, it has not relied on, and will not rely on, any information given or any representations, warranties or statements made at any time by any person in connection with Admission, the Bookbuild, the Placing, the Company, the Placing Shares or otherwise;
2. that no offering document, prospectus, offering memorandum or admission document has been or will be prepared in connection with the Placing or is required under the EU Prospectus Regulation or the UK Prospectus Regulation and it has not received and will not receive a prospectus, offering memorandum, admission document or other offering document in connection with the Bookbuild, the Placing, the Company, Admission or the Placing Shares;
3. that the Ordinary Shares are listed on the standard listing segment of the Official List of the FCA and are admitted to trading on the main market of the London Stock Exchange and that the Company is therefore required to publish certain business and financial information in accordance with UK MAR, the DTRs and the rules and practices of the London Stock Exchange and/or the FCA (collectively, the "Exchange Information"), which includes a description of the nature of the Company's business and the Company's most recent balance sheet and profit and loss account, and similar statements for preceding financial years and that it has reviewed such Exchange Information and that it is able to obtain or access such Exchange Information;
4. that none of the Banks, nor the Company nor any of their respective Affiliates nor any person acting on its or their behalf has provided, and none of them will provide, it with any material or information regarding the Placing Shares, the Bookbuild, the Placing or the Company or any other person other than this Announcement, such information being all that it deems necessary to make any investment decision in respect of the Placing Shares, nor has it requested any of the Banks, the Company or any of their respective Affiliates nor any person acting on behalf of any of them to provide it with any such material or information;
5. unless otherwise specifically agreed with the Banks, that they are not, and at the time the Placing Shares are subscribed for, neither it nor the beneficial owner of the Placing Shares will be, a resident of a Restricted Territory or any other jurisdiction in which it would be unlawful to make or accept an offer to subscribe for the Placing Shares, subject to certain restrictions; and further acknowledges that the Placing Shares have not been and will not be registered or otherwise qualified, for offer and sale nor will an offering document, prospectus or admission document be cleared or approved in respect

of any of the Placing Shares under the securities legislation of the United States or any other Restricted Territory and, subject to certain exceptions, may not be offered, sold, transferred, delivered or distributed, directly or indirectly, in or into those jurisdictions or in any country or jurisdiction where any such action for that purpose is required;

6. that the content of this Announcement is exclusively the responsibility of the Company and that none of the Banks or any of their respective Affiliates nor any person acting on its or their behalf has or shall have any responsibility or liability for any information, representation or statement contained in this Announcement or any information previously or subsequently published by or on behalf of the Company, including, without limitation, any Exchange Information, and will not be liable for any Placee's decision to participate in the Placing based on any information, representation or statement contained in this Announcement or any information previously published by or on behalf of the Company or otherwise;
7. that the only information on which it is entitled to rely and on which such Placee has relied in committing itself to subscribe for the Placing Shares is contained in this Announcement and any Exchange Information, such information being all that it believes is necessary or appropriate to make an investment decision in respect of the Placing Shares, and that it has neither received nor relied on any other information given or investigations, representations, warranties or statements made by the Banks, the Company and none of the Banks, the Company nor any of their respective Affiliates nor any person acting on its or their behalf will be liable for any Placee's decision to accept an invitation to participate in the Placing based on any other information, representation, warranty or statement. Each Placee further acknowledges and agrees that it has relied solely on its own investigation, examination and due diligence of the business, financial or other position of the Company in deciding to participate in the Placing and that none of the Banks nor any of their Affiliates nor any person acting on its or their behalf have made any representations to it, express or implied, with respect to the Company, the Bookbuild, the Placing or the Placing Shares or the accuracy, completeness or adequacy of the Exchange Information, and each of them expressly disclaims any liability in respect thereof;
8. that it has not relied on any information relating to the Company contained in any research reports prepared by any of the Banks, any of their respective Affiliates or any person acting on the Banks or any of their respective Affiliates' behalf and understands that (i) none of the Banks or any of their respective Affiliates nor any person acting on their behalf has or shall have any liability for public information or any representation; (ii) none of the Banks or any of their respective Affiliates nor any person acting on their behalf has or shall have any liability for any additional information that has otherwise been made available to such Placee, whether at the date of publication, the date of this Announcement or otherwise; and that (iii) none of the Banks or any of their respective Affiliates nor any person acting on its or their behalf makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of such information, whether at the date of publication, the date of this Announcement or otherwise;

9. that the allocation, allotment, issue, transfer and delivery to it, or the person specified by it for registration as holder, of Placing Shares will not give rise to a liability under any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and that it is not participating in the Placing as nominee or agent for any person to whom the allocation, allotment, issue or delivery of the Placing Shares would give rise to such a liability and that the Placing Shares are not being subscribed for in connection with arrangements to issue depository receipts or to issue or transfer Placing Shares into a clearance service;
10. it acknowledges that no action has been or will be taken by the Company, the Banks, their respective Affiliates or any person acting on behalf of the Company or the Banks 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;
11. that it and any person acting on its behalf is entitled to subscribe for the Placing Shares under the laws of all relevant jurisdictions which apply to it and that it has fully observed such laws and obtained all such governmental and other guarantees, permits, authorisations, approvals and consents which may be required thereunder and complied with all necessary formalities and that it has not taken any action or omitted to take any action which will or may result in the Banks, the Company or any of their respective Affiliates or any person acting on its or their behalf acting in breach of the legal or regulatory requirements of any jurisdiction in connection with the Placing;
12. that it (and any person acting on its behalf) has all necessary capacity and has obtained all necessary consents and authorities to enable it to commit to its participation in the Placing and to perform its obligations in relation thereto (including, without limitation, in the case of any person on whose behalf it is acting, all necessary consents and authorities to agree to the terms set out or referred to in this Announcement) and will honour such obligations;
13. that it has complied with its obligations under the Criminal Justice Act 1993, EU MAR, UK MAR and in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2000, the Anti-Terrorism Crime and Security Act 2001, the Terrorism Act 2006, the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and the Money Laundering Sourcebook of the FCA and any related or similar rules, regulations or guidelines issued, administered or enforced by any government agency having jurisdiction in respect thereof (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;
14. that it is acting as principal only in respect of the Placing or, if it is acting for any other person: (i) it is duly authorised to do so and has full power to make, and does make, the acknowledgments, representations and agreements herein on behalf of each such person; and (ii) it is and will remain liable to the Banks and the Company for the performance of all its obligations as a Placee in respect of the Placing (regardless of the fact that it is acting for another person);

15. if it is in the United Kingdom it is a Relevant Person and if it is in a member state of the EEA it is a Qualified Investor and undertakes that it will subscribe for, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;
16. it understands that any investment or investment activity to which this Announcement relates to is available only to, in the United Kingdom, Relevant Persons and, in any member state of the EEA, Qualified Investors, and will only be engaged in only with such persons, and further understands that this Announcement must not be acted on or relied on by persons who are not, in the United Kingdom, Relevant Persons and, in any member state of the EEA, Qualified Investors;
17. that 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 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;
18. where it is subscribing for the Placing Shares for one or more managed accounts, it represents, warrants and undertakes that it is authorised in writing by each managed account to subscribe for the Placing Shares for each managed account and it has full power to make the acknowledgements, representations and agreements herein on behalf of each such account;
19. that if it is a pension fund or investment company, it represents, warrants and undertakes that its acquisition of Placing Shares is in full compliance with applicable laws and regulations;
20. if it is acting as a financial intermediary, as that term is used in Article 5(1) of the EU Prospectus Regulation or the UK Prospectus Regulation, as applicable, that the Placing Shares subscribed for by it in the Placing will not be subscribed for on a non-discretionary basis on behalf of, nor will they be subscribed for with a view to their offer or resale to, persons in a member state of the EEA other than Qualified Investors or persons in the United Kingdom other than Relevant Persons, or in circumstances in which the prior consent of the Banks has been given to the proposed offer or resale;
21. that it has not offered or sold and will not offer or sell any Placing Shares to persons in the United Kingdom, except to Relevant Persons or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of Article 2(d) of the UK Prospectus Regulation;
22. that any offer of Placing Shares may only be directed at persons in member states of the EEA who are Qualified Investors and represents, warrants and undertakes that it has not offered or sold and will not offer or sell any Placing Shares to persons in the EEA prior to Admission except to Qualified Investors or otherwise in circumstances which have not resulted in and which will not result in an offer to the public in any member state of the EEA within the meaning of the EU Prospectus Regulation;
23. that any offer of Placing Shares may only be directed at persons in the United Kingdom who are Relevant Persons and represents, warrants

and undertakes that it has not offered or sold and will not offer or sell any Placing Shares to persons in the United Kingdom prior to Admission except to Relevant Persons or otherwise in circumstances which have not resulted in and which will not result in an offer to the public in the United Kingdom within the meaning of the UK Prospectus Regulation and that 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 the FSMA) relating to the Placing Shares in circumstances in which section 21(1) of the FSMA does not require approval of the communication by an authorised person and agrees that this Announcement has not been approved by the Banks in their respective 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 financial promotion by an authorised person;

24. that it has complied and will comply with all applicable laws (including all relevant provisions of the FSMA in the UK) with respect to anything done by it in relation to the Placing Shares;
25. if it has received any inside information (as defined under UK MAR) about the Company in advance of the Placing, it has not: (i) dealt in the securities of the Company; (ii) encouraged or required another person to deal in the securities of the Company; or (iii) disclosed such information to any person except as permitted by UK MAR, prior to the information being made publicly available;
26. that (i) it (and any person acting on its behalf) has the funds available to pay for, and has capacity and authority and is otherwise entitled to subscribe for the Placing Shares under the laws of all relevant jurisdictions which apply to it; (ii) it has paid any issue, transfer or other taxes due in connection with its participation in any territory; (iii) it has not taken any action which will or may result in the Company, the Banks, any of their respective Affiliates or any person acting on its or their behalf being in breach of the legal and/or regulatory requirements and/or any anti-money laundering requirements of any territory in connection with the Placing; and (iv) that the subscription for the Placing Shares by it or any person acting on its behalf will be in compliance with applicable laws and regulations in the jurisdiction of its residence, the residence of the Company, or otherwise;
27. that it (and any person acting on its behalf) will make payment for the Placing Shares allocated to it in accordance with the Terms and Conditions of this Announcement on the due time and date set out herein against delivery of such Placing Shares to it, failing which the relevant Placing Shares may be placed with other Placees or sold as the Banks may in their absolute discretion determine and without liability to such Placee. Such Placee will, however, 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 Transfer Taxes 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;
28. that its allocation (if any) of Placing Shares will represent a maximum number of Placing Shares to which it will be entitled, and required, to subscribe for, and that the Banks or the Company may



call upon it to subscribe for a lower number of Placing Shares (if any), but in no event in aggregate more than the aforementioned maximum;

29. that none of the Banks nor any of their respective Affiliates nor any person acting on its or their behalf, is making any recommendations to it, or advising it regarding the suitability or merits of any transactions it may enter into in connection with the Placing and that participation in the Placing is on the basis that it is not and will not be a client of the Banks and that the Banks do not have any duties or responsibilities to it for providing the protections afforded to their respective clients or customers or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor for the exercise or performance of the Banks' rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;
30. that the person whom it specifies for registration as holder of the Placing Shares will be (i) itself or (ii) its nominee, as the case may be. None of the Banks nor the Company nor any of their respective Affiliates nor any person acting on its or their behalf will be responsible for any liability to any Transfer Taxes resulting from a failure to observe this requirement. Each Placee and any person acting on behalf of such Placee agrees to indemnify each of the Banks, the Company, any of their respective Affiliates and any person acting on its or their behalf in respect of the same on an after-tax basis on the basis that the Placing Shares will be allotted to the CREST stock account of Citi who will hold them as nominee on behalf of such Placee until settlement in accordance with its standing settlement instructions with payment for the Placing Shares being made simultaneously upon receipt of the Placing Shares in the Placee's stock account on a delivery versus payment basis;
31. that these Terms and Conditions and any agreements entered into by it pursuant to these Terms and Conditions, and any non-contractual obligations arising out of or in connection with such agreements, 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 Banks or the Company 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;
32. that each of the Banks, the Company, their respective Affiliates and any person acting on its or their behalf will rely upon the truth and accuracy of the representations, warranties, agreements, undertakings and acknowledgements set forth herein and which are given to each of the Banks on their own behalf and on behalf of the Company and are irrevocable and it irrevocably authorises each of the Banks and the Company to produce this Announcement, pursuant to, in connection with, or as may be required by any applicable law or regulation, administrative or legal proceeding or official inquiry with respect to the matters contained in this Announcement;

33. that it will indemnify on an after-tax basis and hold each of the Banks, the Company and their respective Affiliates and any person acting on their behalf harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of, directly or indirectly, or in connection with any breach by it of the representations, warranties, acknowledgements, agreements and undertakings in this Appendix and further agrees that the provisions of this Appendix shall survive after completion of the Placing;
34. it acknowledges that it irrevocably appoints any director or authorised signatories of the Banks as its agent for the purposes 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 agreed to be taken up by it under the Placing;
35. that it acknowledges that its commitment to subscribe for Placing Shares on the terms set out herein 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 the Banks conduct of the Placing;
36. that in making any decision to subscribe for the Placing Shares (i) it has sufficient knowledge, sophistication and experience in financial, business and international investment matters as is required to evaluate the merits and risks of subscribing for the Placing Shares, (ii) it is experienced in investing in securities of this nature in the Company's sectors and is aware that it may be required to bear, and is able to bear, the economic risk of participating in, and is able to sustain a complete loss in connection with, the Placing, (iii) it has relied on its own examination, due diligence and analysis of the Company and its Affiliates taken as a whole, including the markets in which the Group operates, and the terms of the Placing, including the merits and risks involved and not upon any view expressed or information provided by or on behalf of the Banks, (iv) it has had sufficient time and access to information to consider and conduct its own investigation with respect to the offer and purchase of the Placing Shares, including the legal, regulatory, tax, business, currency and other economic and financial considerations relevant to such investment and has so conducted its own investigation to the extent it deems necessary to enable it to make an informed and intelligent decision with respect to making an investment in the Placing Shares, (v) it is aware and understands that an investment in the Placing Shares involves a considerable degree of risk and (vi) it will not look to the Banks, any of their respective Affiliates or any person acting on its or their behalf for all or part of any such loss or losses it or they may suffer;
37. it acknowledges and agrees that none of the Banks nor the Company, their respective Affiliates nor any person acting on its or their behalf, owe any fiduciary or other duties to it or any Placee in respect of any representations, warranties, undertakings or indemnities in the Placing Agreement;
38. it understands and agrees that it may not rely on any investigation that the Banks, their Affiliates or any person acting on their behalf may or may not have conducted with respect to the Company and its Affiliates or the Placing and each of the Banks has not made any

representation or warranty to it, express or implied, with respect to the merits of the Placing, the subscription for the Placing Shares, or as to the condition, financial or otherwise, of the Company and its Affiliates, or as to any other matter relating thereto, and nothing herein shall be construed as any investment or other recommendation to it to subscribe for the Placing Shares. It acknowledges and agrees that no information has been prepared by, or is the responsibility of, the Banks, their Affiliates or any person acting on their behalf for the purposes of this Placing;

39. it acknowledges and agrees that it will not hold the Banks or any of their respective Affiliates or any person acting on their behalf responsible or liable for any misstatements in or omission from any publicly available information relating to the Group or information made available (whether in written or oral form) relating to the Group and that no such person makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of such information or accepts any responsibility for any of such information;
40. that in connection with the Placing, each of the Banks, any of their respective Affiliates and any person acting on its or their behalf may take up a portion of the Placing Shares as a principal position and in that capacity may retain, purchase or sell for its own account such shares in the Company and any other securities of the Company or related investments and may offer or sell such shares, securities or other investments otherwise than in connection with the Placing. Accordingly, references in this Announcement to Placing Shares being issued, offered or placed should be read as including any issue, offering or placement of such shares in the Company to the Banks, any of their respective Affiliates or any person acting on its or their behalf, in each case, acting in such capacity. In addition the Banks, any of their respective Affiliates and any person acting on its or their behalf may enter into financing arrangements (including swaps, warrants or contracts for difference) with investors in connection with which such person(s) may from time to time acquire, hold or dispose of such securities of the Company, including the Placing Shares. Neither the Banks, nor any of their respective Affiliates nor any person acting on their behalf intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so;
41. that a communication that the transaction or the book is "covered" (i.e. indicated demand from investors in the book equals or exceeds the amount of the securities being offered) is not any indication or assurance that the book will remain covered or that the transaction and securities will be fully distributed by the Banks. The Banks reserve the right to take up a portion of the securities in the Placing as a principal position at any stage at their sole discretion, inter alia, to take account of the Company's objectives, UK MiFIR and MiFID II requirements, and/or their allocation policies;
42. it acknowledges that 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 prepared 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, nor approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon

or endorsed the merits of the Placing or the accuracy or adequacy of this Announcement. The Placing Shares have not been registered or otherwise qualified for offer and sale nor will a prospectus be cleared or approved in respect of the Placing Shares under the securities laws of Australia, Canada, South Africa or Japan and, subject to certain exceptions, may not be offered, sold, taken up, renounced or delivered or transferred, directly or indirectly, within the United States, Australia, Canada, South Africa or Japan or in any country or jurisdiction where any action for that purpose is required;

43. it understands and acknowledges that the Placing Shares are being offered and sold by the Company (a) outside the United States in offshore transactions as defined in, and pursuant to, Regulation S; and (b) in the United States only to persons reasonably believed to be QIBs in transactions not involving any "public offering" within the meaning of Section 4(a)(2) of the Securities Act pursuant to an exemption from the registration requirements of the Securities Act. It and the prospective beneficial owner of the Placing Shares is, and at the time the Placing Shares are acquired will be, either: (i) outside the United States and acquiring the Placing Shares in an "offshore transaction" as defined in, and pursuant to, Regulation S; or (ii) (a) a QIB, and (b) acquiring the Placing Shares pursuant to an exemption from the registration requirements under the Securities Act, acknowledging that the Placing Shares have not been, and will not be, registered under the Securities Act or with any state or other jurisdiction of the United States. With respect to (ii) above, a potential Placee is acquiring the Placing Shares for its own account or for one or more accounts as to each of which it exercises sole investment discretion and each of which is a QIB, for investment purposes only and not with a view to any distribution or for resale in connection with the distribution thereof in whole or in part, in the United States, and it has full power to make the representations, warranties, indemnities, acknowledgements, agreements and undertakings herein on behalf of each such account;
44. that the Placing Shares offered and sold in the United States are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and for so long as the Placing Shares are "restricted securities", it will not deposit such shares in any unrestricted depository facility established or maintained by any depository bank and it agrees to notify any transferee to whom it subsequently reoffers, resells, pledges or otherwise transfers the Placing Shares of the foregoing restrictions on transfer;
45. it will not directly or indirectly offer, reoffer, resell, transfer, assign, pledge or otherwise dispose of any Placing Shares except: (a) outside the United States in "offshore transactions" defined in, and in accordance with, Regulation S; (b) in the United States to a person that it and any person acting on its behalf reasonably believes is a QIB who is purchasing for its own account or for the account of another person who is a QIB pursuant to Rule 144A under the Securities Act (it being understood that all offers or solicitations in connection with such a transfer are limited to QIBs and do not involve any means of general solicitation or general advertising); (c) pursuant to Rule 144 under the Securities Act (if available); or (d) pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, subject, if the Company shall so require, to delivery to the Company of an opinion of counsel (and such other evidence as the Company may reasonably require) that such transfer or sale is in compliance with the Securities Act, in each case in accordance with any applicable

securities laws of any state or other jurisdiction of the United States; and that that it will notify any transferee to whom it subsequently reoffers, resells, pledges or otherwise transfers the Placing Shares of the foregoing restrictions on transfer; and

46. that no representation has been made as to the availability of the exemption provided by Rule 144 or any other exemption under the Securities Act for the reoffer, resale, pledge or transfer of the Placing Shares.

The foregoing acknowledgements, agreements, undertakings, representations, warranties and confirmations are given for the benefit of the Company as well as each of the Banks (for their own benefit and, where relevant, the benefit of their respective Affiliates and any person acting on their behalf) and are irrevocable. Each Placee, and any person acting on behalf of a Placee, acknowledges that none of the Company nor any of the Banks owe any fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings or indemnities in the Placing Agreement or these Terms and Conditions.

Please also note that the agreement to allot and issue Placing Shares to Placees (or the persons for whom Placees are contracting as nominee or agent) free of UK stamp duty and UK stamp duty reserve tax relates only to their allotment and issue to Placees, or such persons as they nominate as their agents, direct from the Company for the Placing Shares in question. None of the Company, the Banks, their respective Affiliates nor any person acting on its or their behalf will be responsible for any UK stamp duty or UK stamp duty reserve tax (including any interest, fines and penalties relating thereto) arising in relation to the Placing Shares in any other circumstances.

Such agreement is subject to the representations, warranties and further terms above and also assumes, and is based on a warranty from each Placee, that the Placing Shares are not being subscribed for in connection with arrangements to issue depository receipts or to issue or transfer the Placing Shares into a clearance service. None of the Banks, the Company, their respective Affiliates nor any person acting on its or their behalf will be liable to bear any Transfer Taxes that arise (i) if there are any such arrangements (or if any such arrangements arise subsequent to the acquisition by Placees of the Placing Shares) or (ii) on a sale of Placing Shares, or (iii) otherwise than under the laws of the United Kingdom. Each 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, purchase or delivery of Placing Shares has given rise to such Transfer Taxes undertakes to pay such Transfer Taxes (including any interest, fines and penalties relating thereto) forthwith, and agrees to indemnify on an after-tax basis and hold the Banks and/or the Company (as the case may be), their respective Affiliates and any person acting on its or their behalf harmless from any such Transfer Taxes, and all interest, fines or penalties in relation to such Transfer Taxes. Each Placee should, therefore, take its own advice as to whether any such Transfer Tax liability arises.

### **Miscellaneous**

Each Placee and any person acting on behalf of each Placee acknowledges and agrees that each of the Banks or any of their respective Affiliates may, at their absolute discretion, agree to become a Placee in respect of some or all of the Placing Shares. Each Placee acknowledges and is aware that the Banks are receiving a fee in connection with their role in respect of the Placing as detailed in the Placing Agreement.

When a Placee or person acting on behalf of the Placee is dealing with any of the Banks, any money held in an account with any of the Banks 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 rules and regulations of the FCA made under the FSMA. The Placee acknowledges that the money

will not be subject to the protections conferred by the client money rules; as a consequence, this money will not be segregated from the relevant Bank's money in accordance with the client money rules and will be used by each of the Banks in the course of its own business; and the Placee will rank only as a general creditor of the relevant Bank.

All times and dates in this Announcement may be subject to amendment by the Banks and the Company (in their absolute discretion). The Banks shall notify the Placees and any person acting on behalf of the Placees of any changes.

Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser.

The rights and remedies of the Banks and the Company under these Terms and Conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.

Time is of the essence as regards each Placee's obligations under this Appendix.

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 the Banks.

This Appendix and all documents into which this Appendix is incorporated by reference or otherwise validly forms a part will be governed by and construed in accordance with English law. All agreements to subscribe for shares pursuant to the Bookbuild and/or the Placing will be governed by English law and the English courts shall have exclusive jurisdiction in relation thereto except that proceedings may be taken by the Company or the Banks 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.

Each Placee may be asked to disclose in writing or orally to the Banks:

1. if he or she is an individual, his or her nationality; or
2. if it is a discretionary fund manager, the jurisdiction in which the funds are managed or owned.

## **Appendix 2 - Definitions**

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

"£", "GBP", "pounds", "pound sterling" or "sterling", "p", "penny" or "pence" are to the lawful currency of the UK.

"Admission" means admission of the Placing Shares and the Subscription Shares to the standard listing segment of the Official List of the FCA and to trading on the London Stock Exchange's main market for listed securities;

"Affiliate" in respect of the Company or a Bank means any other person that, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such person and specifically includes subsidiaries, branches, associated companies and holding companies and the subsidiaries of such holding companies, branches, associated companies and subsidiaries; and for these purposes "controlling person" means any person who controls any other person; "control" (including the terms "controlling", "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management, policies or activities of a

person whether through the ownership of securities, by contract or agency or otherwise; and the term "person" is deemed to include a partnership and this definition also includes the respective directors, officers, employees, agents or advisers of all such persons;

"Announcement" means this announcement and its appendices;

"Banks" means Barclays, Citi, Goldman Sachs and Jefferies;

"Barclays" means Barclays Bank PLC;

"Bookbuild" means the bookbuilding process to be commenced by the Banks to determine the number of Placing Shares and demand for participation in the Placing, as described in this Announcement and subject to the terms and conditions set out in this Announcement and the Placing Agreement;

"Citi" means Citigroup Global Markets Limited;

"Company" means THG plc;

"CREST" means the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)) in respect of which Euroclear is the Operator (as defined in such Regulations) in accordance with which securities may be held and transferred in uncertificated form;

"DTRs" means the Disclosure Guidance and Transparency Rules made by the FCA pursuant to Part VI of FSMA;

"EU MAR" means Market Abuse Regulation (EU) No.596/2014;

"EU Prospectus Regulation" means Prospectus Regulation (EU) 2017/1129;

"Euroclear" means Euroclear UK & Ireland Limited, a company incorporated under the laws of England and Wales;

"FCA" or "Financial Conduct Authority" means the UK Financial Conduct Authority;

"FSMA" means the Financial Services and Markets Act 2000 (as amended);

"Goldman Sachs" means Goldman Sachs International;

"Group" means the Company and its subsidiary undertakings;

"Jefferies" means Jefferies International Limited and Jefferies GmbH;

"Listing Rules" means the rules and regulations made by the FCA under FSMA;

"LSE" or "London Stock Exchange" means London Stock Exchange plc;

"Option and Collaboration Agreement" means the option and collaboration agreement entered into between the Company, SBM and NSL III LP (a member of the SBM Group);

"Ordinary Share" means an ordinary voting share of £0.005 in the capital of the Company;

"Placee" means a person procured by a Bank to subscribe for Placing Shares;

"Placing" means the placing, conducted by means of an accelerated bookbuilding process with institutional investors, of the Placing Shares pursuant to the provisions of the Placing Agreement and the Terms and Conditions;

"Placing Agreement" means the agreement dated 10 May 2021 entered into between the Banks and the Company relating to the Placing;

"Placing Price" means 596 pence per Ordinary Share;

"Placing Results Announcement" means the announcement published by the Company confirming the results of the Placing on a Regulatory Information Service following completion of the Bookbuild;

"Placing Shares" means the new Ordinary Shares to be allotted by the Company pursuant to the Placing;

"QIBs" means "qualified institutional buyers" as defined in Rule 144A of the Securities Act;

"Regulation S" means Regulation S promulgated under the Securities Act;

"Regulatory Information Service" means any of the services set out in Appendix 3 of the Listing Rules;

"Relevant Person" has the meaning given to it in Appendix 1 to this Announcement;

"Restricted Territory" means the United States, Australia, Canada, the Republic of South Africa or Japan or any jurisdiction in which the publication or distribution of this Announcement is unlawful;

"Securities Act" means the U.S. Securities Act of 1933, as amended;

"Subscription" means the \$730mn subscription of new Ordinary Shares from SB Northstar LP (a member of SBM's group) pursuant to the Subscription Agreement;

"Subscription Agreement" means the agreement entered into between the Company and a member of the SBM Group in relation to the Subscription;

"subsidiary" or "subsidiary undertaking" each have the meaning given to such term in the Companies Act 2006;

"THG Ingenuity" comprises Ingenuity Commerce that provides an end-to-end direct-to-consumer e-commerce solution for consumer brand owners under 'Software as a Service' (SaaS) licences. The wider Ingenuity division provides stand-alone digital services, including hosting, studio content and translation services. Beauty innovation, new product development and manufacturing is expected to move out of THG Ingenuity to THG Beauty (FY20 revenue £49.7m) as part of the separation;

"Terms and Conditions" means the terms and conditions of the Placing set out in Appendix 1 to this Announcement;

"Transfer Taxes" means any stamp duty, stamp duty reserve tax or other stamp, securities, transfer, registration, execution, documentary or other similar impost, duty or tax (together with any interest, fines or penalties) imposed in any jurisdiction;

"uncertificated" or "in uncertificated form" means in respect of a share or other security, where that share or other security is recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which may be transferred by means of CREST;

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

"UK MAR" means Market Abuse Regulation (EU) No.596/2014 as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018;



"UK Prospectus Regulation" means the EU Prospectus Regulation as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018;

"United States" or "US" means the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction and any political subdivision thereof; and

"US\$", "\$" or "dollars" are to the lawful currency of the United States of America.

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