

THIS DOCUMENT AND THE ENCLOSED FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the contents of this Document or as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or from another appropriately authorised independent financial adviser if you are resident in a territory outside the United Kingdom. The whole of this Document should be read.

If you have sold or otherwise transferred all of your Existing Ordinary Shares prior to the Ex-entitlement Date, please immediately forward this Document, together with the accompanying Form of Proxy and the Application Form as soon as possible, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. However, these documents should not be forwarded into a Restricted Jurisdiction or transmitted in or into any jurisdiction in violation of local securities laws. If you have sold only part of your holding of Existing Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately and refer to the instructions regarding split applications which will be in the Application Form.

The distribution of this Document and/or any accompanying documents into a jurisdiction other than the United Kingdom may be restricted by law or regulation and therefore should not be distributed, forwarded to or transmitted in or into Australia, Canada, Japan, New Zealand, the Republic of Ireland, the Republic of South Africa or the United States, nor in or into any other jurisdiction where the extension of the Open Offer would breach any applicable law or regulation. If you have sold or transferred part of your holding of Existing Ordinary Shares prior to the Ex-entitlement Date, you are advised to consult your stockbroker, bank or other agent through whom the sale or transfer was effected and refer to the instructions regarding split applications set out in the accompanying Application Form.

The total consideration under the Open Offer shall be less than €8 million (or an equivalent amount) in aggregate and the Placing Shares shall only be available to qualified investors for the purposes of the Prospectus Rules or otherwise in circumstances not resulting in an offer of transferable securities to the public under section 102B of FSMA. Neither the Placing nor the Open Offer constitute an offer to the public requiring an approved prospectus under section 85 of FSMA and accordingly this Document does not constitute a prospectus for the purposes of the Prospectus Rules made by the Financial Conduct Authority of the United Kingdom ("FCA") pursuant to sections 73A(1) and (4) of FSMA and has not been pre-approved by the FCA pursuant to sections 85 and 87 of FSMA, the London Stock Exchange, any securities commission or any other authority or regulatory body. In addition this Document does not constitute an admission document drawn up in accordance with the AIM Rules for Companies.

The Company and the Directors, whose names are set out on page 6, accept responsibility, both collectively and individually, for the information contained in this Document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

MedaPhor Group plc

(Incorporated in England and Wales under the Companies Act 1985 with registered no. 09028611)

**Placing of 58,823,530 New Ordinary Shares at 8.5 pence per share and
Open Offer of up to 24,219,354 New Ordinary Shares at 8.5 pence per share**

and

Notice of General Meeting

Your attention is drawn to the letter from the Chairman of the Company which is set out in Part I of this Document and which recommends that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below and to the section headed "Risk Factors" in Part II of this Document. The latest time and date for acceptance and payment in full under the Open Offer is 11.00 a.m. on 11 December 2018. The procedure for application and payment under the Open Offer is set out in paragraph 3 of Part III of this Document, and, where relevant, in the accompanying Application Form to be sent to Qualifying Non-CREST Shareholders.

Notice of a General Meeting of the Company, to be held at the offices of Memery Crystal LLP, 165 Fleet St, London EC4A 2DY, at 11.00 a.m. on 12 December 2018, is set out at the end of this Document. To be valid, the accompanying Form of Proxy for use in connection with the General Meeting should be completed, signed and returned as soon as possible and, in any event, so as to reach the Company's registrars, Link Asset Services, by not later than 11.00 a.m. on 10 December 2018 (or, in the case of an adjourned meeting, no later than 48 hours before the time of such meeting, excluding any part of a day that is not a Business

Day). Completion and return of Forms of Proxy will not preclude Shareholders from attending and voting at the General Meeting should they so wish.

The Existing Ordinary Shares of the Company are admitted to trading on AIM. Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected, subject to, *inter alia*, the passing of the Resolutions at the General Meeting, that Admission of the New Ordinary Shares will become effective and that dealings will commence at 8.00 a.m. on 13 December 2018. The New Ordinary Shares will, when issued, rank in full for all dividends and other distributions declared, made or paid on the Ordinary Shares and otherwise rank *pari passu* in all respects with the Existing Ordinary Shares.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority (being the FCA acting as competent authority for the purposes of Part V of FSMA) ("UKLA"). A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Neither the London Stock Exchange nor the UKLA has examined or approved the contents of this document. The AIM Rules for Companies are less demanding than those of the Official List of the UKLA. It is emphasised that no application is being made for admission of the Existing Ordinary Shares or the New Ordinary Shares to the Official List of the UKLA.

Cenkos Securities plc, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as nominated adviser and broker to the Company in connection with the Placing and Open Offer. Persons receiving this Document should note that Cenkos Securities plc will not be responsible to anyone other than the Company for providing the protections afforded to customers of Cenkos Securities plc or for advising any other person on the arrangements described in this Document. No representation or warranty, expressed or implied, is made by Cenkos Securities plc as to any of the contents of this Document and Cenkos Securities plc has not authorised the contents of, or any part of, this Document and no liability whatsoever is accepted by Cenkos Securities plc for the accuracy of any information or opinions contained in this Document or for the omission of any information. Cenkos Securities plc, as nominated adviser and broker to the Company, owes certain responsibilities to the London Stock Exchange which are not owed to the Company or the Directors.

This Document does not constitute an offer to sell or an invitation to subscribe for, or solicitation of an offer to subscribe for or buy New Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation. In particular, this Document must not be taken, transmitted, distributed or sent, directly or indirectly, in, or into, the United States of America, Canada, Australia, the Republic of Ireland, South Africa or Japan or transmitted, distributed or sent to, or by, any national, resident or citizen of such countries. Accordingly, the New Ordinary Shares may not, subject to certain exceptions, be offered or sold, directly or indirectly, in, or into, the United States of America, Canada, Australia, the Republic of Ireland, South Africa or Japan or in any other country, territory or possession where to do so may contravene local securities laws or regulations. The New Ordinary Shares have not been, and will not be, registered under the United States Securities Act of 1933 as amended (the "Securities Act") or qualified for sale under the laws of any state of the United States or under the applicable laws of any of Canada, Australia, the Republic of Ireland, South Africa or Japan and, subject to certain exceptions, may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) or to any national, resident or citizen of Canada, Australia, the Republic of Ireland, South Africa or Japan.

Copies of this Document will be available free of charge to the public during normal business hours on any day (Saturdays, Sundays and public holidays excepted) at the offices of MedaPhor Group plc at The Medicentre, Heath Park, Cardiff, Wales CF14 4UJ, for a period of one month from the date of this Document.

IMPORTANT INFORMATION

The New Ordinary Shares have not been and will not be registered under the Securities Act, or under the applicable securities laws of any state or other jurisdiction of the United States or qualified for distribution under any applicable securities laws in any other restricted jurisdiction. The New Ordinary Shares may not be offered, sold, taken up, resold, transferred or delivered, directly or indirectly, within, into or in the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. Subject to certain exceptions, the New Ordinary Shares are being offered and sold only outside the United States in offshore transactions within the meaning of, and in accordance with, the safe harbour from the registration requirements in Regulation S under the Securities Act. There will be no public offer of the New Ordinary Shares in the United States.

Cenkos makes no representation or warranty to any offeree or subscriber for the New Ordinary Shares regarding the legality of any investment in the securities by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his, her or its own advisers as to the legal, tax, business, financial and related aspects of a purchase of the New Ordinary Shares. None of the New Ordinary Shares, the Application Form, this Document, the Form of Proxy, nor any other document connected with the Transaction have been or will be approved or disapproved by the United States Securities and Exchange Commission or by the securities commissions of any state or other jurisdiction of the United States or any other regulatory authority, nor have any of the foregoing authorities or any securities commission passed upon or endorsed the merits of the offering of the New Ordinary Shares, the Application Form or the accuracy or adequacy of this Document or any other document connected with the Transaction. Any representation to the contrary is a criminal offence.

Notwithstanding anything to the contrary herein, each prospective investor may disclose to any and all persons, without limitation of any kind, the US federal income tax treatment and tax structure of the Company and of the transactions contemplated by the Company. For this purpose, "tax structure" shall mean any fact that may be relevant to understanding the purported or claimed US federal tax treatment of the transaction; provided that none of the following shall for this purpose constitute tax treatment or tax structure information: the name of or other identifying information relating to the performance of the Company or its operations.

Not all Shareholders will be Qualifying Shareholders. Subject to certain exceptions, Shareholders in the United States or who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any other Restricted Jurisdiction will not qualify to participate in the Transaction and will not be sent an Application Form or otherwise be permitted to participate in the Transaction. The attention of Overseas Shareholders is drawn to paragraph 6 of Part III of this Document.

The latest time and date for acceptance and payment in full under the Open Offer is 11.00 a.m. on 11 December 2018. The procedure for application and payment for under the Open Offer is set out in Part III of this Document, and, where relevant, in the accompanying Application Form.

This Document includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "forecasts", "plans", "prepares", "anticipates", "projects", "expects", "intends", "may", "will", "seeks", "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Document and include statements regarding the Company's and the Directors' intentions, beliefs or current expectations concerning, amongst other things, the Company's prospects, growth and strategy. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company's actual performance, achievements and financial condition may differ materially from those expressed or implied by the forward-looking statements in this Document. In addition, even if the Company's results of operations, performance, achievements and financial condition are consistent with the forward-looking statements in this Document, those results or development may not be indicative of results or developments in subsequent periods. Any forward-looking statements that the Company makes in this Document speak only as of the date of such statement and (other than in

accordance with their legal or regulatory obligations) neither the Company, nor Cenkos nor any of their respective associates, directors, officers or advisers undertakes any obligation to update such statements. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

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DIRECTORS AND ADVISERS

Directors	Riccardo Pigliucci (<i>Non-Executive Chairman</i>) Stuart Gall (<i>Chief Executive Officer</i>) Wilson Jennings (<i>Finance Director</i>) Nicholas Sleep (<i>Chief Technology Officer</i>) Ian Whittaker (<i>Chief Operating Officer</i>) Nazar Amso (<i>Non-Executive Director</i>) David Baynes (<i>Non-Executive Director</i>) Nick Avis (<i>Non-Executive Director</i>) Andrew Barker (<i>Non-Executive Director</i>)
Registered Office	The Cardiff Medicentre Heath Park, Cardiff Wales CF14 4UJ
Company website	www.investors.medaphor.com
Nominated Adviser and Broker	Cenkos Securities plc 6.7.8 Tokenhouse Yard London EC2R 7AS
Legal advisers to the Company	Memery Crystal LLP 165 Fleet Street London EC4A 2DY
Legal advisers to Cenkos	CMS Cameron Mckenna Nabarro Olswang LLP Cannon Place 78 Cannon St London EC4N 6AF
Registrars	Link Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Receiving Agent	Link Asset Services Corporate Actions The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

PLACING STATISTICS

Issue Price (per share)	8.5p
Number of Existing Ordinary Shares	96,877,418
Number of General Placing Shares	33,374,224
Number of EIS/VCT Placing Shares	25,449,306
Total number of Placing Shares	58,823,530
Placing Shares as a percentage of the Enlarged Share Capital*	32.7%
Gross proceeds of the Placing	£5.0 million

OPEN OFFER STATISTICS

Issue Price (per share)	8.5p
Number of Open Offer Shares	up to 24,219,354
Basis of the Open Offer	1 Open Offer Share for every 4 Existing Ordinary Shares
Gross proceeds of the Open Offer*	up to approximately £2.1 million
Enlarged Share Capital following the Placing and the Open Offer*	up to 179,920,302
Open Offer Shares as a percentage of the Enlarged Share Capital*	up to 13.5%

** on the assumption that the maximum number of Placing Shares are issued pursuant to the Placing and that the Open Offer is fully subscribed*

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record Date for the Open Offer	6.00 p.m. on 21 November 2018
Announcement of the Placing and the Open Offer, publication and posting of this Document, Form of Proxy and to Qualifying Non-CREST shareholders only, the Application Form	26 November 2018
Existing Ordinary Shares marked “ex” by the London Stock Exchange	8.00 a.m. on 26 November 2018
Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to stock accounts of Qualifying CREST Shareholders	27 November 2018
Recommended latest time and date for requesting withdrawal of Open Offer Entitlements from CREST	4.30 p.m. on 5 December 2018
Latest time for depositing Basic Entitlements and/or Excess Entitlements into CREST	3.00 p.m. on 6 December 2018
Latest time and date for splitting Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 7 December 2018
Latest time and date for receipt of completed Forms of Proxy	11.00 a.m. on 10 December 2018
Record time and date for entitlement to vote at the General Meeting	Close of business on 10 December 2018
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instruction (as appropriate)	11.00 a.m. on 11 December 2018
General Meeting	11.00 a.m. on 12 December 2018
Announcement of result of General Meeting and the Open Offer	12 December 2018
Admission and commencement of dealings in the New Ordinary Shares on AIM	8.00 a.m. on 13 December 2018
New Ordinary Shares credited to CREST members’ accounts	13 December 2018
Despatch of definitive share certificates in certificated form	within 5 business days of Admission

Notes:

- (i) References to times in this Document are to London time (unless otherwise stated).
- (ii) If any of the details contained in the timetable above should change, the revised times and dates will be notified by means of an announcement through a Regulatory Information Service.

DEFINITIONS

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

ACR	American College of Radiology
Act	the Companies Act 2006 (as amended)
Admission	admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules
AI	artificial intelligence
AIM	the market of that name operated by the London Stock Exchange
AIM Rules	the AIM Rules for Companies published by the London Stock Exchange from time to time
Application Form	the application form relating to the Open Offer which accompanies this Document
Basic Entitlement	the number of Open Offer Shares which Qualifying Holders are entitled to subscribe for at the Issue Price <i>pro rata</i> to their holding of Existing Ordinary Shares pursuant to the Open Offer as described in Part III of this Document
Business Day	a day (other than a Saturday or Sunday) on which commercial banks are open for general business in London, England
Cenkos or Cenkos Securities	Cenkos Securities plc
certificated form or in certificated form	an Ordinary Share recorded on a company's share register as being held in certificated form (namely, not in CREST)
Clinical Products	ScanNav Audit, ScanNav AutoCapture, ScanNav AnatomyGuide, ScanNav NeedleGuide, ScanNav Assist and ScanNav HealthCheck
Company or MedaPhor	MedaPhor Group plc, a company incorporated and registered in England and Wales under the Companies Act 2006 with registered number 09028611
CREST	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in those regulations)
CREST Manual	the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules, CREST Courier and Sorting Services Manual, Daily Timetable, CREST Application Procedures and CREST Glossary of Terms (all as defined in the CREST Glossary of Terms promulgated by Euroclear on 15 July 1996 and as amended since) as published by Euroclear
CREST member	a person who has been admitted to CREST as a system-member (as defined in the CREST Manual)
CREST member account ID	the identification code or number attached to a member account in CREST

CREST participant	a person who is, in relation to CREST, a system-participant (as defined in the CREST regulations)
CREST participant ID	shall have the meaning given in the CREST Manual issued by Euroclear
CREST payment	shall have the meaning given in the CREST Manual issued by Euroclear
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended)
CREST sponsor	a CREST participant admitted to CREST as a CREST sponsor
CREST sponsored member	a CREST member admitted to CREST as a sponsored member
Dealing Day	a day on which the London Stock Exchange is open for business in London
Directors or Board	the directors of the Company whose names are set out on page 6 of this document, or any duly authorised committee thereof
Document	this document which, for the avoidance of doubt, does not comprise a prospectus (under the Prospectus Rules) or an admission document (under the AIM Rules)
EIS	enterprise investment scheme
EIS/VCT Placing	Placing Shares to be issued in respect of which either (i) EIS relief is to be claimed or (ii) consisting of a qualifying holding for VCT purposes
EIS/VCT Placing Shares	the 25,449,306 new Ordinary Shares to be issued and allotted to the Placees pursuant to the EIS/VCT Placing
Enlarged Share Capital	the entire issued share capital of the Company following completion of the Placing and Open Offer on Admission, assuming the Open Offer is fully subscribed
EU	the European Union
Euroclear	Euroclear UK & Ireland Limited, the operator of CREST
Excess Application Facility	to the extent that Basic Entitlements to Open Offer Shares are not subscribed for by Qualifying Shareholders, such Open Offer Shares will be available to satisfy excess applications, subject to a maximum of 24,219,354 Open Offer Shares in aggregate, as described in Part III of this Document
Excess CREST Open Offer Entitlement	in respect of each Qualifying CREST Shareholder who has taken up his Basic Entitlement in full, the entitlement to apply for Open Offer Shares in addition to his Basic Entitlement credited to his stock account in CREST, pursuant to the Excess Application Facility, which may be subject to scaling back in accordance with the provisions of this Document
Excess Entitlements	the entitlement for Qualifying Shareholders to apply to acquire any number of Open Offer Shares subject to the limit on applications under the Excess Application Facility, as described in Part III of this Document

Excess Shares	Open Offer Shares applied for by Qualifying Shareholders in accordance with the Excess Application Facility
Ex-entitlement Date	the date on which the Existing Ordinary Shares are marked “ex” for entitlement under the Open Offer, being 26 November 2018
Existing Ordinary Shares	the 96,877,418 Ordinary Shares in issue at the date of this Document, all of which are admitted to trading on AIM
FCA	the UK Financial Conduct Authority
FDA	the US Food and Drug Administration
Form of Proxy	the form of proxy for use in connection with the General Meeting which accompanies this Document
FSMA	the Financial Services and Markets Act 2000 (as amended)
General Meeting	the general meeting of the Company to be held at the offices of Memery Crystal LLP at 11.00 a.m. on 12 December 2018, notice of which is set out at the end of this Document
General Placing	the Placing Shares to be issued which do not constitute EIS/VCT Shares
Group	the Company and its subsidiaries
HMRC	Her Majesty’s Revenue and Customs (which shall include its predecessors, the Inland Revenue and HM Customs and Excise)
ISIN	International Securities Identification Number
Issue Price	8.5 pence per Placing Share and per Open Offer Share
ISUOG	the International Society of Ultrasound in Obstetrics and Gynecology
IUL	Intelligent Ultrasound Limited, a wholly owned subsidiary of the Company
Link Asset Services or Link	a trading name of Link Market Services Limited
London Stock Exchange	London Stock Exchange plc
Long Stop Date	28 December 2018
Money Laundering Regulations	The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, the Criminal Justice Act 1993, the Proceeds of Crime Act 2002
New Ordinary Shares	together, the Placing Shares and the Open Offer Shares
Notice of General Meeting	the notice convening the General Meeting which is set out at the end of this document
OEM	Original Equipment Manufacturer
Open Offer	the conditional invitation made to Qualifying Shareholders to apply to subscribe for the Open Offer Shares at the Issue Price on the terms and subject to the conditions set out in Part III of this Document and, where relevant, in the Application Form

Open Offer Shares	up to 24,219,354 new Ordinary Shares being made available to Qualifying Shareholders pursuant to the Open Offer
Open Offer Entitlement	the entitlement of Qualifying Shareholders to subscribe for Open Offer Shares allocated to Qualifying Shareholders on the Record Date pursuant to the Open Offer
Ordinary Shares	ordinary shares of £0.01 each in the capital of the Company
Overseas Shareholders	a Shareholder with a registered address outside the United Kingdom
Placee	the subscribers for the Placing Shares pursuant to the Placing
Placing	the EIS/VCT Placing and General Placing
Placing and Open Offer Agreement	the agreement entered into between the Company and Cenkos Securities in respect of the Placing and Open Offer dated 26 November 2018, as described in this Document
Placing Shares	the 58,823,530 New Ordinary Shares to be issued pursuant to the Placing
Prospectus Rules	the Prospectus Rules made in accordance with the EU Prospectus Directive 2003/71/EC in relation to offers of securities to the public and the admission of securities to trading on a regulated market
Qualifying CREST Shareholders	Qualifying Shareholders holding Existing Ordinary Shares in a CREST account
Qualifying Non-CREST Shareholders	Qualifying Shareholders holding Existing Ordinary Shares in certificated form
Qualifying Shareholders	holders of Existing Ordinary Shares on the register of members of the Company at the Record Date (but excluding any Overseas Shareholder who has a registered address in the United States or any other Restricted Jurisdiction)
Receiving Agents	Link Asset Services
Record Date	6.00 p.m. on 21 November 2018 in respect of the entitlements of Qualifying Shareholders under the Open Offer
Regulatory Information Service	has the meaning given in the AIM Rules for Companies
Resolutions	the resolutions set out in the Notice of General Meeting
Restricted Jurisdiction	each and any of Australia, Canada, Japan, New Zealand, the Republic of Ireland, the Republic of South Africa or the United States and any other jurisdiction where the Offer would breach any applicable law or regulations
Shareholders	holders of Ordinary Shares
Simulation Products	ScanTrainer, HeartWorks and BodyWorks ultrasound training simulators
Transaction	the Placing and the Open Offer
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland

Uncertificated or Uncertificated form	recorded on the relevant register or other record of the Shares or other security concerned as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
US Person	has the meaning given in the United States Securities Act 1933 (as amended)
VCT	Venture Capital Trust
voting rights	means all voting rights attributable to the share capital of the Company which are currently exercisable at a general meeting
£ and p	United Kingdom pounds sterling and pence respectively, the lawful currency of the United Kingdom

PART I

LETTER FROM THE CHAIRMAN OF MEDAPHOR GROUP PLC

MedaPhor Group plc

(Incorporated in England and Wales under the Companies Act 1985 with registered no. 09028611)

Directors:

Riccardo Pigliucci *(Non-Executive Chairman)*
Stuart Gall *(Chief Executive Officer)*
Wilson Jennings *(Finance Director)*
Nicholas Sleep *(Chief Technology Officer)*
Ian Whittaker *(Chief Operating Officer)*
Nazar Amso *(Non-Executive Director)*
David Baynes *(Non-Executive Director)*
Nick Avis *(Non-Executive Director)*
Andrew Barker *(Non-Executive Director)*

Registered office:

The Cardiff Medicentre
Heath Park, Cardiff
Wales
CF14 4UJ

26 November 2018

Dear Shareholder

PROPOSED PLACING OF 58,823,530 NEW ORDINARY SHARES AT 8.5 PENCE PER SHARE AND OPEN OFFER OF UP TO 24,219,354 NEW ORDINARY SHARES AT 8.5 PENCE PER SHARE AND NOTICE OF GENERAL MEETING

1. Introduction

On 26 November 2018, the Company announced a proposed Placing and Open Offer, pursuant to which it proposes to raise, subject to certain conditions (i) £5.0 million (before expenses) by the conditional Placing of 58,823,530 new Ordinary Shares at the Issue Price to certain institutional and other investors; and (ii) up to approximately £2.1 million (before expenses) by way of an Open Offer made to Qualifying Shareholders of up to 24,219,354 new Ordinary Shares at the Issue Price.

The proceeds of the Placing and the Open Offer will be used to develop the Company's products and provide additional working capital for the Group, as described in more detail in paragraph 2 of this Part I. The Placing and the Open Offer are conditional (amongst other things) upon the passing of certain resolutions in order to ensure that the Directors have the necessary authorities and powers to allot the New Ordinary Shares. The Issue Price equates to the closing middle market price of 8.5 pence per Ordinary Share on 23 November 2018 (being the last business day before publication of this Document).

The Placing, which has been arranged by Cenkos pursuant to the terms of the Placing and Open Offer Agreement, is also conditional on the Company obtaining approval from its Shareholders to disapply statutory pre-emption rights and to grant the Board authority to allot the New Ordinary Shares and upon Admission.

The purpose of this Document is to provide you with information about the background to and the reasons for the Placing and the Open Offer, to explain why the Board considers the Placing and the Open Offer to be in the best interests of the Company and its Shareholders, as a whole, and why the Board recommends that you vote in favour of the Resolutions to be proposed at the General Meeting, notice of which is set out at the end of this Document.

2. Background to and reasons for the Placing and Open Offer

Following the acquisition of IUL in October 2017, MedaPhor has two divisions: the revenue generating Simulation Division and the AI software based Clinical AI Division. Both divisions focus on the ultrasound market, with the former offering training simulators and the latter targeting the clinical ultrasound market.

IUL was a spin-out from The University of Oxford and its development was supported by a team led by one of the world's leading academics in ultrasound image analysis using AI, Professor Alison Noble OBE, FREng, FRS. IUL forms the core of the Group's Clinical AI Division and develops software algorithms with the potential to automatically identify key anatomical structures within an ultrasound scan. The Clinical AI Division has planned a software development pathway, under the "ScanNav" family brand name, which in the first phase comprises ScanNav Audit, ScanNav AutoCapture and ScanNav AnatomyGuide; and subsequently expects to include the development of ScanNav NeedleGuide, ScanNav Assist and ScanNav HealthCheck.

Current ScanNav products in development

The Company is developing ScanNav, ScanNav AutoCapture and ScanNav AnatomyGuide which are detailed below.

ScanNav Audit software is being developed by the Group to provide discrete, real-time support for ultrasound practitioners performing scans under the 20 week pregnancy scanning protocol. In the UK this protocol is called the Fetal Anomaly Screening Programme or "FASP". ScanNav Audit aims to ensure that a complete set of scan images which are fit for purpose are captured during the procedure. The software is designed to act as a live virtual peer review, ensuring that the scan is performed correctly by highlighting issues to the sonographer as he or she saves each image. The software will also provide an auditable record of sonographer's performance, allowing managers to monitor staff and form part of the record keeping requirements of the clinic. In February 2018, MedaPhor announced the initiation of its first pilot of ScanNav Audit, at the Fetal Medicine Department of St George's University Hospitals NHS Trust, London. Subsequently a second UK site, the Princess Anne Wing Ultrasound Department of the Royal United Hospitals, Bath also initiated a pilot of the ScanNav Audit system. ScanNav Audit is currently a pre-commercial CE marked product in the UK, that will require further development and regulatory approval. However, the Directors believe that a product with the capability to automatically capture the correct ultrasound image ("ScanNav AutoCapture", described below) and which also includes the ScanNav Audit features, will have more commercial value, as it is more likely to attract interest from OEMs looking to incorporate the software in their ultrasound machines. Consequently, the immediate focus will be to bring ScanNav AutoCapture (with Audit) to market, leaving the option to sell ScanNav Audit as a stand-alone offering, if permitted under the terms of any OEM deal or in the event that no agreement is entered into with an OEM.

ScanNav AutoCapture software is being developed by the Group to automatically capture the correct ultrasound images during the 20-week FASP scan. As the sonographer moves the ultrasound probe around the patient the ScanNav software analyses the image planes in real time and automatically selects and saves the key images required by the protocol. Subject to entering into an agreement with an OEM, ScanNav AutoCapture is expected to be expanded from the UK FASP protocol to include the ISOUG global protocol and the US ACR protocol and as such the Directors anticipate that the CE and FDA regulatory approval processes will commence at the end of 2019.

The Directors believe that the ScanNav AutoCapture software has the potential to:

- speed up workflow – as the software automatically captures the correct images, the operator does not need to manually freeze and save each image required by the protocol – allowing them to focus on their dynamic assessment of the foetus; and
- improve accuracy and consistency – the use of AI software should reduce the operator variability from the procedure, which is expected to result in more accurate and consistent image capture.

The Group expects to develop further obstetrics variants of ScanNav AutoCapture to complement the 20 week protocol software described above.

ScanNav AnatomyGuide is an AI based ultrasound software product which can identify and highlight anatomical structures on a live ultrasound image. The product is being developed for use during peripheral nerve block (PNB) procedures to support less experienced practitioners. PNB is a form of local anaesthetic that can be used in certain surgical procedures as an alternative to general anaesthetic. By making PNB accessible to more medical practitioners, the Directors believe that ScanNav AnatomyGuide has the potential to allow PNB to be used in more surgical procedures. MedaPhor is currently gathering clinical data for the product and it is proposed that certain of the net proceeds raised from the Placing and Open Offer are to be applied towards the development of this new product. It is anticipated that the product will be sold into

hospitals through the ultrasound reseller market. The Directors expect that development of ScanNav AnatomyGuide will be completed in 2019 and that the regulatory approval process for its sale in Europe and the United States will commence thereafter.

Future ScanNav products

The Company is looking to develop future products including: **ScanNav NeedleGuide**, which will use commercially available augmented reality hardware, combined with AI needle guidance tools, to enable live tracking of a needle during procedures such as PNB, kidney biopsy and cyst aspiration. The initial development work for this project has been part funded by the award of an Innovate UK grant of £466,000. This is a long-term development project that will be reviewed at the end of the Innovate UK grant in 2019.

ScanNav Assist is the next logical development for the ScanNav technology and, once developed, may facilitate the automatic recognition of abnormalities within a general radiology scan. ScanNav Assist aims to confirm that a clinician has correctly scanned the anatomical area of interest and then highlight any areas of abnormality. The Directors believe that once developed, ScanNav Assist has the potential to allow more point of care medical practitioners to use ultrasound imaging for front line diagnosis. The Directors believe that such a device would be likely to support the practice of a broad range of medical professionals including GPs, midwives, paramedics and doctors working in Emergency Rooms.

MedaPhor's strategy is to focus on the provision of professional AI ultrasound image analysis software before moving into the consumer AI market, as and when the relevant hardware becomes affordable for the consumer.

ScanNav HealthCheck takes the concept of the ScanNav Assist product, which is designed for use by healthcare professionals to the next level by enabling consumers to perform scans on themselves. When combined with the next generation of low cost ultrasound devices, this software, once developed, could have the potential to enable health conscious individuals to benefit from the ability to scan themselves at home.

3. Use of proceeds

The Company intends to raise £5.0 million (before expenses) by way of the conditional Placing and up to approximately a further £2.1 million (before expenses) under the Open Offer. The expenses for the Transaction are expected to be up to approximately £0.275 million.

The primary purpose behind the Transaction is to fund the first phase of development of MedaPhor's portfolio of clinical AI products and to allow MedaPhor to sign an OEM agreement for ScanNav Audit/AutoCapture and commence the regulatory approval process for ScanNav AnatomyGuide.

The net proceeds of the Transaction will be used by the Company for the following purposes:

- (a) to attempt to sign an OEM agreement for ScanNav Audit/AutoCapture;
- (b) to complete development of ScanNav Audit/AutoCapture for global 20-week obstetrics protocols (e.g. ACR and ISUOG);
- (c) to work with the OEM to submit ScanNav Audit/AutoCapture for CE and FDA regulatory approval;
- (d) to complete development of ScanNav AnatomyGuide and to have submitted the product for CE and FDA regulatory approval; and
- (e) for general working capital purposes.

It is anticipated that further financing will be required to complete the FDA regulatory approval process for ScanNav AnatomyGuide. To this effect, the Company is also seeking Shareholders' authority at the General Meeting to allot further equity securities up to a nominal value of £411,764.71 for cash on a non-pre-emptive basis, subject to such Ordinary Shares being allotted for a subscription price of no less than the Issue Price.

It is also anticipated that additional financing will be required in 2020 to launch AutoCapture (with Audit) and AnatomyGuide to market and also to facilitate the development of the next phase of products. The Company is not seeking Shareholders' authority to allot equity securities for these purposes at this time.

4. Current trading and prospects

The Company announced its interim results for the six months ended 30 June 2018 on 25 July 2018. The Company reported revenues for the period under review of £2.5 million up 22.7 per cent. (H1 2017: £2.1 million) and a cash balance of £2.5 million (31 December 2017: £4.3 million). Since that time the Company's Simulation Division has met its milestones for the development of its AI based ScanNav clinical software. The funds raised by the Placing and Open Offer will enable the Group to attempt to sign its first OEM agreement and commence the regulatory approval process for ScanNav AnatomyGuide and provide a platform for future revenue growth in the potentially significant clinical ultrasound AI software market.

5. Directors' and related parties' participation in the Transaction

Related parties' participation in the Transaction

The following substantial Shareholders (being a Shareholder holding 10 per cent. or more of the Company's Ordinary Shares as at 23 November 2018, the latest practicable date prior to publication of this Document) are participating in the Placing as described below:

	<i>Number of Existing Ordinary Shares</i>	<i>Percentage of Existing Ordinary Shares</i>	<i>Amount subscribed</i>	<i>Number of Placing Shares</i>	<i>Number of Ordinary Shares held including the Placing Shares</i>	<i>Percentage of enlarged share capital*</i>
IP Group plc (across its various entities)	35,304,141	36.4%	£1,822,102.50	21,436,500	56,740,641	36.4
Parkwalk Advisors Ltd	16,000,000	16.5%	£1,700,000	20,000,000	36,000,000	23.1

* on the assumption that the maximum number of Placing Shares are issued pursuant to the Placing but not including any Open Offer Shares that may be subscribed for pursuant to the Open Offer

The participation by the Shareholders referred to above in the Placing is classified as a related party transaction for the purposes of the AIM Rules by virtue of such Shareholder being a substantial shareholder (as defined in the AIM Rules for Companies) in the Company. The Directors, having consulted with Cenkos, the Company's nominated adviser, consider that the terms of the transaction are fair and reasonable insofar as the Company's Shareholders are concerned.

Directors' participation in the Placing

As part of the Transaction, certain Directors and their connected persons and an employee intend to subscribe (either personally or through a nominee) for an aggregate of 1,847,064 Placing Shares at the Issue Price. Details of the Placing Shares for which the Directors intend to subscribe (either personally or through a nominee) are displayed below:

<i>Name</i>	<i>Title</i>	<i>Number of existing Ordinary Shares[#]</i>	<i>Number of Placing Shares intended to be subscribed for[#]</i>	<i>Value of Placing Shares intended to be subscribed for[#]</i>	<i>Resulting shareholding following proposed subscription[#]</i>	<i>Percentage of enlarged share capital following proposed subscription^{##}</i>
Riccardo Pigliucci	Non-Executive Chairman	–	117,648	£10,000.08	117,648	0.1%
Stuart Gall	Chief Executive Officer	40,000	588,236	£50,000.06	628,236	0.4%
Wilson Jennings	Finance Director	–	294,118	£25,000.03	294,118	0.2%
Nicholas Sleep	Chief Technology Officer	50,000	176,471	£15,000.04	226,471	0.1%
Ian Whittaker	Chief Operating Officer	232,334	117,648	£10,000.08	349,982	0.2%
Nick Avis	Non-Executive Director	200,000	141,177	£12,000.05	341,177	0.2%
Andrew Barker	Non-Executive Director	200,344	117,648	£10,000.08	317,992	0.2%

* On the assumption that the maximum number of Placing Shares are issued pursuant to the Placing but not including any Open Offer Shares that may be subscribed for pursuant to the Open Offer

[#] The number of Ordinary Shares presented in this table as being held or subscribed for by Directors refers to the number of Ordinary Shares held or subscribed for by them either personally or through a nominee.

6. Details of the Placing

MedaPhor is proposing to raise £5.0 million (before expenses) pursuant to the Placing. The Placing has conditionally raised a total of approximately £2.16 million through the placing of up to 25,449,306 EIS/VCT Placing Shares and a total of approximately £2.84 million through the placing of 33,374,224 General Placing Shares. The Issue Price of 8.5 pence per Placing Share equates to the closing price of 8.5 pence on 23 November 2018, the latest Business Day prior to publication of this Document.

The New Ordinary Shares will represent approximately 46.2 per cent. of the Enlarged Share Capital (on the assumption that the maximum number of Placing Shares are issued pursuant to the Placing and that the Open Offer is fully subscribed). The New Ordinary Shares will, following Admission, rank in full for all dividends and distributions declared, made or paid in respect of the issued Ordinary Share capital of the Company after the date of their issue and will otherwise rank equally in all other respects with the Existing Ordinary Shares.

7. The Placing and Open Offer Agreement

Pursuant to the terms of the Placing and Open Offer Agreement, Cenkos has conditionally agreed to use its reasonable endeavours, as agent for the Company, to place the Placing Shares with certain institutional and other investors. The Placing has not been underwritten.

The Placing and Open Offer Agreement is conditional upon, *inter alia*:

- Resolutions 1 and 2 below being passed without amendment;
- compliance by the Company in all material respects with its obligations under the Placing Agreement; and
- Admission of the New Ordinary Shares to trading on AIM becoming effective by not later than 8.00 a.m. on 13 December 2018 (or such later date as is agreed between the Company and Cenkos, being not later than 8.00 a.m. on the Long Stop Date).

The Placing and Open Offer Agreement contains warranties from the Company in favour of Cenkos in relation to, *inter alia*, the accuracy of the information in this Document and other matters relating to the Group and its business. In addition, the Company has agreed to indemnify Cenkos in relation to certain liabilities it may incur in respect of the Placing. Cenkos has the right to terminate the Placing and Open Offer Agreement in certain circumstances prior to Admission, in particular, in the event of a breach of the warranties given to Cenkos in the Placing and Open Offer Agreement, the failure of the Company to comply in any material respect with its obligations under the Placing and Open Offer Agreement, the occurrence of a force majeure event or a material adverse change affecting the condition, or the earnings, management business, affairs, solvency or prospects of the Group as a whole.

Cenkos will subscribe for 1,674,378 Placing Shares at the Issue Price in lieu of receiving £142,322.13 of its fee from the Company.

8. Details of the Open Offer

MedaPhor is proposing to raise up to approximately £2.1 million (before expenses) pursuant to the Open Offer. The Issue Price per Open Offer Share equates to the closing price of 8.5 pence on 23 November 2018, the latest Business Day prior to publication of this Document. The Open Offer is being made on a pre-emptive basis, allowing all Qualifying Shareholders the opportunity to participate.

The Open Offer provides Qualifying Shareholders with the opportunity to apply to acquire Open Offer Shares at the Issue Price *pro rata* to their holdings of Existing Ordinary Shares as at the Record Date on the following basis:

1 Open Offer Share for every 4 Existing Ordinary Shares

Entitlements to apply to acquire Open Offer Shares will be rounded down to the nearest whole number and any fractional entitlement to Open Offer Shares will be disregarded in calculating the Basic Entitlement. Qualifying Shareholders who do not take up their Basic Entitlements in full will experience a dilution to their interests of approximately 46.2 per cent. following Admission (assuming full subscription under the Placing and the Open Offer).

Qualifying Shareholders should note that the Open Offer Shares have neither been placed under the Placing subject to clawback under the Open Offer nor have they been underwritten, and that the Placing is not conditional upon the number of applications received under the Open Offer.

The Open Offer is subject to, amongst other matters, the satisfaction of the conditions set out in paragraph 7 of Part I of this Document and the passing of Resolutions 1 and 2, as set out in the Notice of General Meeting. The Open Offer Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of Admission.

Excess applications

The Open Offer is structured to allow Qualifying Shareholders to subscribe for Open Offer Shares at the Issue Price *pro rata* to their existing holdings of Ordinary Shares on the Record Date.

Qualifying Shareholders may also make applications in excess of their Basic Entitlements. To the extent that Basic Entitlements are not subscribed by Qualifying Shareholders, such Open Offer Shares will be available to satisfy such excess applications, subject to a maximum of 24,219,354 Open Offer Shares in aggregate. To the extent that applications are received in respect of an aggregate of more than 24,219,354 Open Offer Shares, excess applications will be scaled back accordingly.

However, excess applications will be rejected if and to the extent that acceptance would result in the Qualifying Shareholder, together with those acting in concert with him/her/it for the purposes of the City Code on Takeovers and Mergers, holding 30 per cent. or more of the Enlarged Share Capital immediately following Admission. Those Placees who are Qualifying Shareholders will also be entitled to participate in the Open Offer.

Qualifying Shareholders should note that the Open Offer is not a rights issue

Qualifying Non-CREST Shareholders should be aware that the Application Form is not a negotiable document and cannot be traded. Qualifying Shareholders should also be aware that, in the Open Offer, unlike in a rights issue, any entitlements to Open Offer Shares not applied for or not taken up will not be sold in the market or placed for the benefit of Qualifying Shareholders who do not apply under the Open Offer.

Overseas Shareholders

The attention of Qualifying Shareholders who have registered addresses outside the United Kingdom, or who are citizens or residents of countries other than the United Kingdom, or who are holding Existing Ordinary Shares for the benefit of such persons (including, without limitation, custodians, nominees, trustees and agents), or who have a contractual or other legal obligation to forward this Document, Form of Proxy, or the Application Form to such persons, is drawn to the information which appears in paragraph 6 of Part III of this Document.

In particular, Qualifying Shareholders who have registered addresses in or who are resident in, or who are citizens of, countries other than the UK (including without limitation the United States of America), should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their entitlements under the Open Offer.

CREST Instructions

Application has been made for the Basic Entitlements for Qualifying CREST Holders to be admitted to CREST. It is expected that the Basic Entitlements will be admitted to CREST on 27 November 2018.

The Excess CREST Open Offer Entitlements will also be admitted to CREST on 27 November 2018. Applications through the CREST system may only be made by the Qualifying Holder originally entitled or by a person entitled by virtue of a *bona fide* market claim.

Qualifying Non-CREST Shareholders will receive an Application Form which gives details of their Basic Entitlement under the Open Offer (as shown by the number of the Open Offer Shares allocated to them) with this Document. If they wish to apply for Open Offer Shares under the Open Offer, they should complete the accompanying Application Form in accordance with the procedure for application set out in this Document and on the Application Form itself. The completed Application Form, accompanied by full payment, should be returned by post or by hand (during normal business hours only) to Link Asset Services,

Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, so as to arrive as soon as possible and in any event no later than 11.00 a.m. on 11 December 2018.

Qualifying CREST Shareholders, will receive no Application Form with this Document but will receive a credit to their appropriate stock account in CREST in respect of their Basic Entitlement and if appropriate their Excess Entitlement. They should refer to the procedure for application set out in Part III of this Document. The relevant CREST instruction must have settled by no later than 11.00 a.m. on 11 December 2018.

The latest time for applications under the Open Offer to be received is 11.00 a.m. on 11 December 2018. The procedure for application and payment depends on whether, at the time at which application and payment is made, a Qualifying Shareholder has an Application Form in respect of their Basic Entitlement or have their Basic Entitlement credited to their stock account in CREST.

If you are in any doubt as to what action you should take, you should immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent professional adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

9. General Meeting

The Directors do not currently have authority to allot all of the New Ordinary Shares and, accordingly, the Board is seeking the approval of Shareholders to allot the New Ordinary Shares at the General Meeting. The Directors are also seeking approval of Shareholders to allot further Ordinary Shares up to an aggregate nominal amount of £411,764.71 for the purposes set out in paragraph 3 of this Part I of this document, subject to such Ordinary Shares being allotted for a subscription price of no less than the Issue Price.

A notice convening the General Meeting, which is to be held at the offices of Memery Crystal LLP, 165 Fleet Street, London EC4A 2DY at 11.00 a.m. on 12 December 2018, is set out at the end of this document. At the General Meeting, the following Resolutions will be proposed:

- Resolution 1, which is an ordinary resolution, to authorise the Directors to allot relevant securities up to an aggregate nominal amount of £830,428.84, being equal to 83,042,884 New Ordinary Shares (i.e. the maximum number of New Ordinary Shares available under the Placing and Open Offer);
- Resolution 2, which is conditional on the passing of Resolution 1 and is a special resolution, to authorise the Directors to allot 83,042,884 New Ordinary Shares pursuant to the Placing and Open Offer on a non-pre-emptive basis;
- Resolution 3, which is an ordinary resolution, to authorise the Directors to allot relevant securities up to an additional aggregate nominal amount of £411,764.71, being equal to 41,176,471 new Ordinary Shares, subject to such Ordinary Shares being allotted for a subscription price of no less than the Issue Price;
- Resolution 4, which is conditional on the passing of Resolution 3 and is a special resolution, to authorise the Directors to allot the 41,176,471 new Ordinary Shares referred to in Resolution 3 on a non-pre-emptive basis; and
- Resolution 5, which is a special resolution, to change the name of the Company to Intelligent Ultrasound Group plc.

The authorities to be granted pursuant to Resolutions 1 to 4 (inclusive) shall expire on whichever is the earlier of (a) the conclusion of the Annual General Meeting of the Company to be held in 2019; and (b) in the case of Resolutions 1 and 2, the date falling 6 months from the date of the passing of the Resolutions and, in the case of Resolutions 3 and 4, the date falling 12 months from the date of the passing of the Resolutions (in each case unless renewed varied or revoked by the Company prior to or on that date) and shall be in addition to the Directors' authorities to allot relevant securities and dis-apply statutory pre-emption rights granted at the Company's Annual General Meeting held on 17 May 2018.

The Board believes that the proposed new name of the Company reflects the fact that the Group is no longer only a simulation business aimed at ultrasound training following the expansion of its activities into the development of AI software for use in clinical ultrasound.

Shareholders will find accompanying this Document a Form of Proxy for use in connection with the General Meeting. The Form of Proxy should be completed and returned in accordance with the instructions thereon so as to be received by Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, as soon as possible and in any event not later than two Business Days before the time of the General Meeting. Completion and return of the Form of Proxy will not prevent a Shareholder from attending and voting at the General Meeting should he/she/it so wish.

10. Recommendation

The Directors believe the Placing and the Open Offer and the passing of the Resolutions to be in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors unanimously recommend Shareholders to vote in favour of the Resolutions as they intend so to do in respect of their beneficial shareholdings amounting to 1,986,678 Ordinary Shares, representing approximately 2.1 per cent. of the existing issued ordinary share capital of the Company.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Riccardo Pigliucci', written over a light blue horizontal line.

Riccardo Pigliucci

Non-Executive Chairman

PART II

RISK FACTORS

Any investment in the Company is subject to a number of risks. Accordingly, prospective investors should carefully consider the risks set out below as well as the other information contained in this document and any other publicly available information about the Company before making a decision whether to invest in the Company. The risks described below are not the only risks that the Company faces. Additional risks and uncertainties that the Directors are not aware of or that the Directors currently believe are immaterial may also impair the Company's operations. Any of these risks may have a material adverse effect on the Company's business, financial condition, results of operations and prospects. In that case, the price of the Ordinary Shares could decline and investors may lose all or part of their investment. Prospective investors should consider carefully whether an investment in the Company is suitable for them in light of the information in this document and their personal circumstances.

Before making an investment, prospective investors are strongly advised to consult an investment adviser authorised under the FSMA who specialises in investments of this kind. A prospective investor should consider carefully whether an investment in the Company is suitable in the light of his or her personal circumstances, the financial resources available to him or her and his or her ability to bear any loss which might result from such investment.

The following factors, which are not presented in any order of priority, do not purport to be a complete list or explanation of all the risks involved in investing in the Company. In particular, the Company's performance may be affected by changes in the market and/or economic conditions and in legal, regulatory, tax and operational requirements.

1. Risks relating specifically to the Group

VCT and EIS eligibility

The Company has received advance assurance from HMRC that the Placing Shares and Open Offer Shares should, on the basis of the information provided by the Company, satisfy the requirements for tax relief under EIS and constitute a qualifying holding for a VCT. However, if the Company were to cease to carry on its business as outlined in this Document or were to acquire or commence a business which is not insubstantial to the Company's activities and which is a non-qualifying trade under the VCT or EIS legislation, this could prejudice the qualifying status of the Company under the EIS/VCT schemes. This will be monitored by the Directors with a view to preserving the Company's qualifying status but such preservation cannot be guaranteed.

Current and future profitability

To date the Group has not been profitable and future Group profitability will depend on generating significant revenue from its product offerings. The Group has incurred significant losses since its inception and it anticipates that it will continue to incur significant losses until significant revenues are generated from its Clinical Products. The Group's products are at a development stage and have not generated revenues to date. The Group's ability to generate revenue and become profitable depends on its ability to successfully complete the development of, obtain the necessary regulatory approvals for and successfully commercialise these products. While the Group is currently generating revenues from its Simulation Products, there can be no assurance that the Group will ever be able to generate revenue from the sale of any of its Clinical Products nor that the revenues for its Simulation Products alone would ever generate sufficient cash to reach operational break even for the Group. The Group has sustained losses in each year since its inception, including net losses of £2.4 million and £5.4 million for the years ended 31 December 2016 and 2017 respectively and £1.8 million for the six months ended 30 June 2018. As of 30 June 2018, the Group had an accumulated deficit of £14.3 million. Prior losses, combined with expected future losses, have had and may continue to have, an adverse effect on working capital. Moreover, the net losses that the Group incurs may fluctuate from year-to-year, such that a period-to-period comparison of results of operations may not be a good indicator of future performance.

Product development and regulatory approvals

All new product development has an inherent level of risk. New products may take longer to develop than planned, impacting potential future revenue, may require more resources than planned which will increase development costs and may pose technical challenges that the Group cannot solve. Given that some of the Group's Simulation Products rely on scanning real patients with a wide variety of rare conditions, these patients may not be available within the timescales anticipated by the Group. In addition, the Group's new Clinical Products require access to large numbers of clinical ultrasound images to teach their algorithms and it cannot be guaranteed that access to these images will be obtained or that competitors will not have access to equivalent images.

The Group's prospects for the foreseeable future, including its ability to achieve profitability, will depend heavily on its ability to successfully: (i) develop; (ii) obtain regulatory approval for; and (iii) commercialise its Clinical Products which are currently under development as well as to continue to successfully commercialise its Simulation Products. This will require, amongst other things:

- successfully completing clinical development, including clinical studies and obtaining regulatory approvals in multiple jurisdictions (if regulatory approval can be obtained at all);
- setting prices for the Clinical Products which are acceptable in the target markets and generate a contribution to profit for the Group;
- agreeing licencing terms with ultrasound machine manufacturers and/or securing supply of ultrasound hardware from a third-party manufacturer; and
- significant investment in sales and marketing.

The Group will not be permitted to market or promote its Clinical Products (once developed) in a jurisdiction before receiving regulatory approvals from such relevant regulatory authorities as the FDA in the US and it may never receive such regulatory approvals. If some or all of the Group's Clinical Products are not approved and commercialised, the Group will be unable to generate product revenues, which would materially adversely affect its business, financial condition and results of operations. Moreover, any delay or setback in the development or approval of the Group's Clinical Products could have a material adverse effect on the Group's business and prospects.

Commercialisation of the Group's Clinical Products and growing sales of its Simulation Products

Even if the Group obtains regulatory approval for its Clinical Products, it may be unable to commercialise such products and may fail to grow sales of its Simulation Products. To commercialise its Clinical Products, the Group plans to sign licensing agreements with OEMs and/or develop partnerships with third party distributors or resellers as well as potentially expanding its direct sales operations. The Group may fail to launch or market its Clinical Products effectively given its limited experience in the sale and marketing of products for clinical ultrasound applications. Factors that may inhibit the Group's efforts to commercialise its Clinical Products and grow sales of its Simulation Products include, among other things:

- failure to enter into a sales agreement with any OEM on favourable or acceptable terms or at all;
- the inability to sign sales agreements with any or a sufficient number of ultrasound hardware resellers;
- the inability of the Group's sales personnel to obtain access to, or persuade adequate numbers of potential customers to, purchase the Group's products;
- the Group's inability to recruit, train and retain adequate numbers of effective sales and marketing personnel;
- the Group's inability to recruit, train and retain adequate numbers of effective R&D personnel;
- the Group's inability to retain the services of key personnel and relationships with its current scientific and medical advisors and collaborators;
- the dependency on third party partners outside of the North America and the UK to successfully sell the Group's Simulation Products and invest sufficient resources to adequately market and sell these products;
- the costs of marketing, promotion and sales above those anticipated by the Group;
- negative public and industry attitudes to the use of Artificial Intelligence products in general, reducing market appetite for the Group's products;

- the development of competitive offerings from potential OEM partners that could not only preclude the Group's ability to reach a viable agreement with them but would create major obstacles to its ability to successfully commercialise the Group's own offerings;
- the emergence of new competition from companies with larger financial resources or access to bigger and/or better data sets or more advanced technologies; and
- the emergence of new AI technologies that may or may not be available to the Group.

If the Group does not establish and develop sales and marketing capabilities successfully, either on its own or in collaboration with third parties, it will not be successful in commercialising its Clinical Products or growing sales of its Simulation Products, which in turn would have a material effect on its business, financial condition, results of operations and prospects.

Sales of the Group's future products are dependent on developments within the ultrasound hardware industry

The sales potential of the Group's future products, ScanNav Assist and ScanNav HealthCheck, is dependent on the Directors' expectation that the price and size of ultrasound hardware will continue to fall, and ease of use and open platform accessibility of the hardware will increase, making the technology more accessible both to the Group and the Group's target market (front-line medical professionals and non-medical consumers). These expectations are dependent on technical developments by ultrasound hardware manufacturers along with other industry and market dynamics that the Group cannot control. If these dynamics do not come together as expected to generate the environment for the Group's future products to flourish, then the potential to generate sales of these future products will be impaired, which in turn would have a material impact on the Group's future business, financial condition, results of operations and prospects.

Strategic relationships or collaboration

If the Group fails to enter into strategic relationships or collaboration with one or more OEMs, its business, financial condition, commercialisation prospects and results of operations may be materially adversely affected.

The Group's strategy with respect to the potential commercialisation of its Clinical Products involves the use of third party collaborations. The Group faces significant competition in seeking appropriate collaborators. Collaborations are complex and time-consuming to negotiate and document.

Whether the Group reaches a definitive agreement for any collaboration will depend upon, among other things, its assessment of the collaborator's resources and expertise, the terms and conditions of the proposed collaboration and the proposed collaborator's evaluation of a number of factors. These factors may include the design or results of clinical studies, the likelihood of approval by regulatory authorities, the potential market for the products, the costs and complexities of manufacturing and delivering such products to customers, the potential of competing products, any uncertainty with respect to the Group's ownership of technology in the event of a challenge to such ownership without regard to the merits of the challenge and industry and market conditions generally. The collaborator may also consider alternative products or technologies which could prove to be more attractive than a collaboration with the Group.

Any collaboration agreement into which the Group may enter may call for licensing or cross-licensing of potentially blocking patents, know-how or other intellectual property. Due to the potential overlap of data, know-how and intellectual property rights, there can be no assurance that one of the Group's collaborators will not dispute its right to use, license or distribute such data, know-how or other intellectual property rights and this may potentially lead to disputes, liability or termination of the collaboration. In addition, the Group may also be restricted under future licence agreements from entering into agreements on certain terms with potential collaborators.

The Group may also be restricted under existing and future collaboration agreements from entering into agreements on certain terms with other potential collaborators and may not be able to negotiate collaborations on a timely basis, on acceptable terms, or at all. If that were to occur, the Group may have to curtail development of a particular product, reduce or delay its development programme, or one or more of its other development programmes, delay commercialisation, or reduce the scope of sales or marketing activities, or increase expenditures and undertake development or commercialisation activities at the Group's

own expense. If the Group elects to increase its expenditures to fund development or commercialisation activities on its own, it may need to obtain additional capital, which may not be available on acceptable terms or at all. Without sufficient funds, the Group will not be able to bring some or all of its Clinical Products to market and generate revenue. If it enters into a collaboration agreement, the Group could be subject to, among other things, the following risks, each of which may materially harm the Group's business, commercialisation prospects and financial condition:

- the Group may not be able to control the amount and timing of resources that the collaborator devotes to the product development programme;
- the collaborator may experience financial difficulties and thus not commit sufficient financial resources to the product development programme;
- the Group may be required to relinquish important rights to the collaborator such as marketing, distribution and intellectual property rights;
- a collaborator could move forward with a competing product developed independently or in collaboration with third parties, including the Group's competitors;
- a collaborator could terminate the agreement (for convenience if permitted) or for the Group's breach; or
- business combinations or significant changes in a collaborator's business strategy may adversely affect the Group's willingness to complete its obligations under any arrangement.

Intellectual property

If the Group fails to adequately protect or defend its intellectual property rights throughout the world, or spends significant time and money in doing so, this could have a material and adverse effect on the Group's business and, in instances where the technology is not patentable, if the Group fails to maintain its investment in research and development this would have a material and adverse effect on the Group's business.

The commercial success of the Group and its ability to compete effectively is, in a large part, dependent on its ability to obtain, maintain, protect, enforce and defend its intellectual property rights such as knowhow, trademarks and patents that cover its Simulation Products and Clinical Products and to operate without having third parties circumvent such rights which it owns, has licensed or has been licensed. If the Group is unable to obtain, maintain, enforce or defend its intellectual property rights, third parties may be able to make, dispose (or offer to dispose) of, use, import or keep products that would otherwise infringe the Group's intellectual property (both owned and in-licensed) which would materially adversely affect its ability to compete in the market. The Group cannot guarantee the degree of future protection of its intellectual property rights that it will have in respect of its Clinical Products which are currently under development and other technology. The Group deems protection of its intellectual property rights to be of importance to the competitive position of its products and a failure to obtain and retain adequate protection could have a material and adverse effect on the Group's business prospects, financial condition and results of operations. If the Group is compelled to spend significant time and money prosecuting, protecting or enforcing patents, designing around patents held by others, or licensing or acquiring, potentially for large fees, patents or other proprietary rights held by others, its business and financial prospects may be harmed.

All technology-based companies face the risk of being overtaken by superior solutions or undercut by low cost competitors and if the Group is not in a position to maintain its investment in research and development, this would have a material and adverse effect on the Group's business prospects, financial condition and results of operations.

AI and deep learning have significant academic and commercial prior art and, consequently, intellectual property protection in this space is often based on the protection of know-how, rather than patenting. Moreover, in instances where the Group may be able to prosecute patents for its technology, the Group cannot predict:

- the degree and range of protection any patents will afford against potential competitors and competing technologies, including whether third parties will find ways to invalidate or otherwise circumvent the patents by producing a competitive product that falls outside its scope;
- if, when and where patents will be granted;

- even if patents are granted, that they will not be contested, invalidated or found to be unenforceable;
- whether any patents and patent applications will be sufficiently broad in scope to provide adequate protection to the Group's business;
- whether the Group will need to initiate litigation or administrative proceedings, or whether such litigation or proceedings will be initiated by third parties against the Group, which may be costly and time consuming, regardless of whether the Group wins or loses;
- whether third parties will claim that the Group's technology infringes upon their rights;
- if it will be prohibitively expensive to file, prosecute and defend patents in all territories;
- if enforcement of patent rights will be permitted or effective in all territories;
- if there will be changes in patent laws or patent jurisprudence which could diminish the value of any patents held or filed by the Group; and
- if others will obtain patents claiming aspects similar to those covered by the Group's patents and patent applications.

The Directors are not aware of any current infringement by the Group's products and services of the intellectual property rights of any third parties. However, it is not possible to be aware of all third party intellectual property rights and a comprehensive freedom to operate search has not been conducted on behalf of the Group. Third parties may assert claims that the Group and/or the products or services it supplies infringe intellectual property rights or misuse confidential information belonging to them. Any such claims, with or without merit, could be time consuming and expensive to defend or settle and could divert management resources and attention. There may also be related costs implications and/or potential monetary damages to be paid if in violation and/or implications for the products marketed by the Group. Some of the Group's proprietary rights in its software and systems are not currently protected by registered rights (such as patents) and, therefore, the Group is reliant on internal processes and systems to protect such rights. Whilst the Directors believe the Group's efforts to protect its proprietary rights in the proprietary systems, processes and software are adequate, there is a risk that they may not be sufficient to prevent misappropriation of its intellectual property and it may not be able to detect unauthorised use of, or take appropriate steps to enforce, its intellectual property rights. No assurance is given that the Group will continue to develop products which are capable of being protected, or that any protection gained will be sufficiently broad in scope to protect the Group's intellectual property rights and exclude competitors from producing similar competing technology. There can be no guarantee that third parties have not or will not manage to independently develop software with the same or similar functionality as the Group's products without infringing the Group's intellectual property rights, and there can be no guarantee that any such competing software would not have a material adverse effect on revenues, results of operations and prospects of the Group. In particular, it is difficult to prevent third parties from copying the functionality of the software (if they can do so without copying the underlying source code) as functionality is not protected by copyright. Monitoring unauthorised use of intellectual property is difficult and costly.

Competition

The markets in which the Group operates are highly competitive and rapidly changing. Competitors may have access to considerably greater financial, technical and marketing resources. New products may enter the market and make the Group's products obsolete or a competitor's products may be more effective, cheaper or more effectively marketed than the Group's products and may have an adverse impact on the Group's business.

Dependence on a limited number of suppliers for its simulator hardware

The Group purchases hardware from a number of suppliers to sell to customers. The Group has historically enjoyed good relations with its suppliers; however, any increase in the purchase price of equipment or a material change in the terms of supply of such equipment could have a material adverse effect on the business, financial condition and results of the Group. It is possible that if the price or exchange rate fluctuated severely or the terms of supply changed, the Group would have to locate an alternative supply stream, which may not be readily available.

Litigation

All technology-based companies face the risk of litigation. In 2016, the Group was involved in an intellectual property action brought by one of its US based competitors. The action was settled in February 2017. The Group continues to review its position in relation to its use of intellectual property rights relative to those of its competitors.

Wide market adoption

Although the Company believes the addressable market for its services has the potential for global reach, the Group currently serves only a small part of the simulation market and is yet to launch its first Clinical Product. Fully addressing the global market opportunity requires considerable investment, which may involve currently unforeseen challenges, some of which may not be solvable.

The Group is selling into a market where budget cuts can have a material effect on demand

The Group does not have a proven recurring revenue model. The Group currently sells ultrasound simulators for use in training within the medical profession. The Group's trading history has been impacted by budget cuts within the health service and education sectors. The Group's Clinical Products have yet to be developed and sold. Although the Group would like to develop a recurring revenue stream model for its current Simulation Products and future Clinical Products is yet to be developed and is unproven.

Indicative orders may not necessarily lead to signed contracts

Whilst management are able to give indications of orders that are currently being considered by a number of customers, such proposals may not lead to a sale and, therefore, may not become revenue generating for the Group. No commitment is given by target customers during the negotiations with the Group until a sale agreement is signed.

Additional capital requirements in the future

The Group will need to obtain additional funding in the longer-term in connection with the further development of its Clinical Products. The funds raised by this Placing and Open Offer will be applied to the purposes set out in paragraph 3 of Part I of this Circular. The following future objectives will require additional funding:

- complete the global regulatory approval for ScanNav AnatomyGuide;
- bring AutoCapture (with Audit) and AnatomyGuide to market;
- complete the development of ScanNav NeedleGuide and bring this product to market; and
- once the proof of concept has been completed successfully, to develop ScanNav Assist and ScanNav HealthCheck and bring these products to market.

The Group's ability to obtain additional financing will be subject to a number of factors, including market conditions, its operating performance and investor sentiment. As such, additional financing may not be available when needed, on acceptable terms, or at all. If the Group is unable to raise capital when needed or on attractive terms, the Group could be forced to delay, reduce or terminate its research and development programmes or any future commercialisation efforts, or it could be forced to obtain funds by entering agreements on unattractive terms, or may be forced to enter into additional strategic collaborations that could require the Group to share commercial rights to its products with third parties in ways that it does not currently intend, or on terms that may not be favourable to the Group. The Group's resource allocation decisions and the termination of development programmes may result in a failure to capitalise on profitable market opportunities. Furthermore, any additional fundraising in capital markets may be dilutive for shareholders and any debt-based funding may bind the Group to restrictive covenants and curb its operating activities and ability to pay potential future dividends even when profitable.

Personnel

The Group is dependent upon a relatively small number of staff who might be hard to replace. Talented software developers and experts in simulation technology are in demand in today's environment and MedaPhor is not immune to the risk of having its best talent "received by other employers". The Group's

response to this risk has been to offer competitive remuneration to encourage talented graduates to join and remain with the Group.

Credit

The Group aims to minimise its exposure to credit risk through a mixture of credit limits and credit checks on new customers and requiring up-front payments where appropriate.

Foreign currency

The Group has a US subsidiary, it makes purchases of inventory and incurs other costs in foreign currencies (principally Swiss Francs) and makes sales denominated in Sterling, US Dollars and Euro. The US Dollar costs incurred by the Company's US subsidiary are partially hedged by revenues invoiced in US Dollars. The Group has utilised foreign currency hedging instruments to mitigate the impact of unhedged currency fluctuations. Currency movements arising since the referendum decision to leave the European Union have resulted in additional costs for hardware components not priced in Sterling, but equally the Group's systems have become more attractive to overseas customers.

2. General industry risks

General economic conditions

Market conditions may affect the value of the Company's share price regardless of operating performance. The Group could be affected by unforeseen events outside its control, including natural disasters, terrorist attacks and political unrest and/or government legislation or policy. General economic conditions may affect interest rates and inflation rates. Movements in these rates will have an impact on the Group's cost of raising and maintaining debt financing. Similarly, general economic conditions may impact on the customers impacting on the ability of the Group ability to win new business and the potential recoverability of amounts owed.

Political, economic, legal or regulatory changes

Adverse developments in the political, legal, economic and regulatory environment may materially and adversely affect the financial position and business prospects of the Group. Political and economic uncertainties include, but are not limited to, expropriation, nationalisation, changes in interest rates, the retail prices index, changes in taxation, changes in trade tariffs and trade treaties and changes in law. The extent of the impact of the US government imposing increased tariffs on overseas products sold into the US would depend on the scope and nature of the tariffs. Consequently, it is not possible to state the impact that increased US protectionism might have on the Group. It could potentially make it more difficult for the Group to operate its business in the US as a result of any increase in tariffs and/or more burdensome regulations being imposed on UK companies. This could restrict the Group's future prospects and adversely impact its financial condition.

While the Group strives to continue to take effective measures such as prudent financial management and efficient operating procedures, there is no assurance that adverse political, economic, legal and regulatory factors will not materially and adversely affect the Group. In the event of changes in regulatory requirements and guidance, the Group may need to amend clinical trial protocols submitted to applicable regulatory authorities or conduct additional studies to reflect these changes. Amendments and additional studies may require the Group to resubmit clinical trial protocols to institutional review boards and regulatory authorities for re-examination, which may impact the costs, timing or completion of a clinical trial.

Taxation

Any change in the Company's tax status or in taxation legislation could affect the Company's ability to provide returns to Shareholders. Any statements in this Document concerning the taxation of investors in Ordinary Shares are based on current UK tax law and practice which is subject to change. The taxation of an investment in the Company depends on the individual circumstances of investors.

3. Risks relating to an investment in Ordinary Shares

Dilution

Regardless of whether a Qualifying Shareholder takes up his/her/its entitlements under the Open Offer, the effect of the Placing will be a reduction of his/her/its proportionate ownership and voting interests in MedaPhor (unless a Shareholder applies for and obtains Excess Shares under the Open Offer to such an extent that his/her proportionate interest is not reduced). Shareholders will experience greater dilution in their ownership of, and voting interests in, the Company to the extent they do not subscribe in full for their Basic Entitlement and/or Excess Entitlement. Those Shareholders in a Restricted Jurisdiction, subject to certain exceptions, will in any event not be able to participate in the Open Offer.

The Company intends to seek further financing in the near future. If this financing is secured by way of an equity fundraising, as is intended, Shareholders will be further diluted. The subscription price for Ordinary Shares under any future equity fundraising may be different from the Issue Price, meaning that investors under future fundraisings may have the opportunity to subscribe for Ordinary Shares at a lower price than the Issue Price.

Realisation of investment

Potential investors should be aware that the value of shares and income from these shares can go down as well as up and that Admission should not be taken as implying that there will be a liquid market in the Ordinary Shares. An investment in the Existing Ordinary Shares and/or the New Ordinary Shares may thus be difficult to realise.

Investment risk and AIM

The New Ordinary Shares will be admitted to AIM and it is emphasised that no application is being made for admission of the New Ordinary Shares to the Official List or to any other stock exchange at this time. An investment in shares quoted on AIM may be less liquid and may carry a higher risk than an investment in shares quoted on the Official List. The rules of AIM are less demanding than those of the Official List. Further, London Stock Exchange has not itself examined or approved the contents of this Document. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

Market for the Company's shares and volatility of share price

Prospective investors should be aware that the value of an investment in the Company may go down as well as up. In addition, the Company can give no assurance that an active trading market for its shares will develop, or if developed, be sustained in the future. If an active trading market is not developed or maintained, the liquidity and trading price of the Company's shares could be adversely affected. Furthermore, the trading price of the Company's shares may not reflect the underlying value of the investments held by the Company and may be subject to wide fluctuations in response to a number of events and factors, such as variations in operating results, the timing of investments, changes in the regulatory environment and stock market sentiment towards investment companies.

United Kingdom exit from the European Union

The determination by the United Kingdom to serve notice on 29 March 2017 to exit the European Union ("EU") pursuant to Article 50 of the Treaty of Lisbon ("Brexit") means the United Kingdom is likely to leave the EU no later than April 2019. Brexit could have significant impact on the Group. The extent of the impact would depend in part on the nature of the arrangements that are put in place between the UK and the EU following Brexit and the extent to which the UK continues to apply laws that are based on EU legislation. In addition, the macroeconomic effect of Brexit on the Group's business is unknown. As such, it is not possible to state the impact that Brexit would have on the Group. It could also potentially make it more difficult for the Group to operate its business in the EU as a result of any increase in tariffs and/or more burdensome regulations being imposed on UK companies. This could restrict the Group's future prospects and adversely impact its financial condition.

Investors should consider carefully whether an investment in MedaPhor is suitable for them in light of the risk factors outlined above, their personal circumstances and the financial resources available to them. This list should not be considered an exhaustive statement of all potential risks and uncertainties.

PART III

TERMS AND CONDITIONS OF THE OPEN OFFER

Introduction

As explained in the letter from the Chairman set out in Part I of this Document, the Company is proposing to raise up to approximately £7.1 million (before expenses) by way of the Placing and the Open Offer, of which up to approximately £2.1 million (before expenses) will be raised from the offer of the Open Offer Shares at the Issue Price to Qualifying Shareholders (assuming the Open Offer is subscribed in full).

The purpose of this Part III is to set out the terms and conditions of the Open Offer. Up to 24,219,354 new Ordinary Shares will be issued through the Open Offer. Qualifying Shareholders are being offered the right to subscribe for Open Offer Shares in accordance with the terms of the Open Offer. The Open Offer has not been underwritten and none of the Open Offer Shares have been conditionally placed with institutional or other investors.

The latest time and date for receipt of a completed Application Form and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate) is expected to be 11.00 a.m. on 11 December 2018 with Admission and commencement of dealings in the Open Offer Shares expected to take place at 8.00 a.m. on 13 December 2018.

This Document and, for Qualifying Non-CREST Shareholders only, the Application Form contains the formal terms and conditions of the Open Offer. Your attention is drawn to paragraph 3 of this Part III “Terms and Conditions of the Open Offer” which gives details of the procedure for application and payment for the Open Offer Shares and any Excess Shares applied for pursuant to the Excess Application Facility. The attention of Overseas Shareholders is drawn to paragraph 6 of this Part III.

The Open Offer Shares will, when issued and fully paid, rank *pari passu* in all respects with Existing Ordinary Shares, including the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.

The Open Offer is an opportunity for Qualifying Shareholders to apply for up to 24,219,354 Open Offer Shares *pro rata* (except fractional entitlements) to their current holdings at the Issue Price in accordance with the terms of the Open Offer.

Qualifying Shareholders are also being offered the opportunity to apply for additional Open Offer Shares in excess of their Open Offer Entitlement to the extent that other Qualifying Shareholders do not take up their Open Offer Entitlements in full. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlements as at the Record Date. Further details in relation to the Excess Application Facility are set out in Part IV “Questions and Answers about the Open Offer” in this Document and, for Qualifying Non-CREST Shareholders, within the Application Form. The Open Offer is not conditional upon the level of applications made to subscribe under the Open Offer or upon any minimum level of proceeds being raised. For the purposes of section 578 of the Act, the Open Offer is being made on the basis that the Open Offer Shares subscribed for will be allotted in any event. Accordingly, even if the Open Offer is not fully subscribed, Open Offer Shares will be issued to Qualifying Shareholders who have applied (subject to the terms and conditions set out in this Document and the Application Form).

Any Qualifying Shareholder who has sold or transferred all or part of his/her/its registered holding(s) of Ordinary Shares prior to the Ex-entitlement Date is advised to consult his or her stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for Open Offer Shares under the Open Offer may be a benefit which may be claimed from him/her by the purchasers under the rules of the London Stock Exchange.

1. The Open Offer

Subject to the terms and conditions set out below (and, in the case of Qualifying Non-CREST Shareholders, in the Application Form), Qualifying Shareholders are being given the opportunity under the Open Offer to subscribe for Open Offer Shares at the Issue Price *pro rata* to their holdings as at the Record Date, payable

in full on application. The Issue Price equates to the closing middle market price of 8.5 pence per Existing Ordinary Share on 23 November 2018 (being the last practicable date before publication of this Document).

The Open Offer provides Qualifying Shareholders with the opportunity to apply to acquire Open Offer Shares at the Issue Price *pro rata* to their holdings of Existing Ordinary Shares as at the Record Date on the following basis:

1 Open Offer Share for every 4 Existing Ordinary Shares

Entitlements to apply to acquire Open Offer Shares will be rounded down to the nearest whole number and any fractional entitlement to Open Offer Shares will be disregarded in calculating the Basic Entitlement. Qualifying Shareholders who do not take up their Basic Entitlements in full will experience a dilution to their interests of approximately 46.2 per cent. following Admission (assuming full subscription under the Placing and the Open Offer).

Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer, as will holdings under different designations and in different accounts.

If you are a Qualifying Non-CREST Shareholder, the Application Form shows the number of Existing Ordinary Shares registered in your name on the Record Date (in Box 3) and your Open Offer Entitlement (in Box 4).

If you are a Qualifying CREST Shareholder, application will be made for your Open Offer Entitlement and Excess CREST Open Offer Entitlement to be credited to your CREST account. Open Offer Entitlements and Excess CREST Open Offer Entitlements are expected to be credited to CREST accounts on 27 November 2018. The Existing Ordinary Shares are already admitted to CREST. Accordingly, no further application for admission to CREST is required for the New Ordinary Shares. All such shares, when issued and fully paid, may be held and transferred by means of CREST.

Qualifying Shareholders holding fewer than 4 Existing Ordinary Shares will have no entitlement to subscribe under the Open Offer.

Subject to availability, the Excess Application Facility will enable Qualifying Shareholders, provided they have taken up their Open Offer Entitlement in full, to apply for further Open Offer Shares in excess of their Open Offer Entitlement. Further details in relation to the Excess Application Facility are set out in Part IV “Questions and Answers about the Open Offer” and, for Qualifying Non-CREST Shareholders, the Application Form. Qualifying CREST Shareholders will have their Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to their stock accounts in CREST and should refer to paragraph 3.2 of this Part III “Terms and Conditions of the Open Offer” for information on the relevant CREST procedures and further details on the Excess Application Facility. Qualifying CREST Shareholders can also refer to the CREST Manual for further information on the relevant CREST procedures.

The aggregate number of New Ordinary Shares available for subscription pursuant to the Open Offer is 24,219,354.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, such applications may be allocated in such manner as the Directors may determine in their absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

Please refer to paragraphs 3.1(f) and 3.2(k) of this Part III “Terms and Conditions of the Open Offer” for further details of the Excess Application Facility.

If you have sold or otherwise transferred all your Existing Ordinary Shares before the Ex-Entitlement Date, you are not entitled to participate in the Open Offer. Qualifying Shareholders should be aware that the Open Offer is not a rights issue. Qualifying Non-CREST Shareholders should also note that their respective Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements and Excess CREST Open Offer Entitlements will be credited through CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona*

***fide* market claim raised by Euroclear's Claims Processing Unit. Open Offer Shares not applied for under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer. Any Open Offer Shares which are not applied for by Qualifying Shareholders under the Open Offer will not be issued by the Company as the Open Offer is not underwritten.**

The attention of Overseas Shareholders is drawn to paragraph 6 of this Part III.

The Open Offer Shares will when issued and fully paid, rank in full for all dividends and other distributions declared, made or paid by reference to a record date after the date of this Document and otherwise *pari passu* in all respects with the Existing Ordinary Shares. The Open Offer Shares are not being made available in whole or in part to the public except under the terms of the Open Offer.

2. Conditions and further terms of the Open Offer

The Open Offer is conditional on the Placing becoming or being declared unconditional in all respects and not being terminated before Admission. The principal conditions to the Placing are:

- (a) the passing of all of the Resolutions at the General Meeting;
- (b) the Placing and Open Offer Agreement having become or being declared unconditional in all respects (save for the condition relating to Admission) and not having been terminated in accordance with its terms; and
- (c) Admission of the Placing Shares occurring no later than 8.00 a.m. on 13 December 2018 (or such later time and/or date as the Company and Cenkos Securities may agree being not later than 8.00 a.m. on 28 December 2018).

Accordingly, if these conditions are not satisfied or waived (where capable of waiver) by 8.00 a.m. on 13 December 2018 (or such later time and/or date as the Company and Cenkos may agree being not later than 8.00 a.m. on 28 December 2018) the Open Offer will not proceed and any applications made by Qualifying Shareholders will be rejected. In such circumstances, application monies will be returned (in each case at the applicant's sole risk) without payment of interest, as soon as practicable thereafter. Any Open Offer Entitlements admitted to CREST will thereafter be disabled.

No temporary documents of title will be issued in respect of Open Offer Shares held in uncertificated form. Definitive certificates in respect of Open Offer Shares taken up are expected to be posted to those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in certificated form by 20 December 2018.

In respect of those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in uncertificated form, the Open Offer Shares are expected to be credited to their stock accounts maintained in CREST as soon as reasonably practicable after 8.00 a.m. on 13 December 2018.

Application will be made for the Open Offer Shares to be admitted to trading on AIM. Admission is expected to occur on 13 December 2018, when dealings in the Open Offer Shares are expected to begin.

If for any reason it becomes necessary to adjust the expected timetable as set out in this Document, the Company will notify the London Stock Exchange and make an appropriate announcement to a Regulatory Information Service giving details of the revised dates.

3. Procedure for application and payment

The action to be taken by Qualifying Shareholders in respect of the Open Offer depends on whether, at the relevant time, a Qualifying Shareholder is sent an Application Form in respect of his Open Offer Entitlement under the Open Offer or his Open Offer Entitlement and Excess CREST Open Offer Entitlement is credited to his CREST stock account.

Qualifying Shareholders who hold all or part of their Existing Ordinary Shares in certificated form will receive the Application Form, enclosed with this Document. The Application Form shows the number of Existing Ordinary Shares held at the Record Date. It will also show Qualifying Shareholders their Open Offer Entitlement that can be allotted in certificated form.

Qualifying Shareholders who hold all their Existing Ordinary Shares in CREST will be allotted Open Offer Entitlements in CREST. Qualifying Shareholders who hold part of their Existing Ordinary Shares in uncertificated form will be allotted Open Offer Entitlements in uncertificated form to the extent that their entitlement to Open Offer Shares arises as a result of holding Existing Ordinary Shares in uncertificated form. However, it will be possible for Qualifying Shareholders to deposit Open Offer Entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 3.2(f) of this Part III “Terms and Conditions of the Open Offer”.

CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Open Offer Entitlements and Excess CREST Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

Qualifying Shareholders who do not want to apply for Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form, or send a USE message through CREST. Qualifying Shareholders are, however, encouraged to vote at the General Meeting by attending in person or by completing and returning the Form of Proxy enclosed with this Document.

3.1 ***If you have an Application Form in respect of your Open Offer Entitlement under the Open Offer***

(a) *General*

Subject to paragraph 6 of this Part III “Terms and Conditions of the Open Offer” in relation to Overseas Shareholders, Qualifying Non-CREST Shareholders will receive an Application Form. The Application Form shows the number of Existing Ordinary Shares registered in their name on the Record Date in Box 3. It also shows the Open Offer Entitlement allocated to them set out in Box 4. Entitlements to acquire Open Offer Shares will be rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will be disregarded in calculating the Basic Entitlement. Box 5 shows how much they would need to pay if they wish to take up their Open Offer Entitlement in full. Qualifying Non-CREST Shareholders may apply for less than their entitlement should they wish to do so. Qualifying Non-CREST Shareholders may also hold such an Application Form by virtue of a *bona fide* market claim.

Under the Excess Application Facility, provided they have agreed to take up their Open Offer Entitlement in full, Qualifying Non-CREST Shareholders may apply for more than the amount of their Open Offer Entitlement should they wish to do so by completing Boxes 6 to 9. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement as at the Record Date. The Excess Shares may be allocated in such manner as the Directors may determine in their absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

The instructions and other terms set out in the Application Form form part of the terms of the Open Offer in relation to Qualifying Non-CREST Shareholders.

(b) *Bona fide market claims*

Applications to acquire Open Offer Shares may only be made on the Application Form and may only be made by the Qualifying Non-CREST Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Existing Ordinary Shares through the market prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer. Application Forms may not be sold, assigned, transferred or split, except to satisfy *bona fide* market claims up to 3.00 p.m. on 7 December 2018. The Application Form is not a negotiable document and cannot be separately traded. A Qualifying Non-CREST Shareholder who has sold or otherwise transferred all or part of his holding of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer, should contact his broker or other professional adviser authorised under FSMA through whom the sale or purchase was effected as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed by the purchaser(s) or transferee(s).

Qualifying Non-CREST Shareholders who have sold all or part of their registered holding should, if the market claim is to be settled outside CREST, complete Box 11 on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. Subject to certain exceptions, the Application Form should not, however be forwarded to or transmitted in or into any Restricted Jurisdiction. If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedure set out in paragraph 3.2 below

(c) *Application procedures*

Qualifying Non-CREST Shareholders wishing to apply to acquire Open Offer Shares (whether in respect of all or part of their Open Offer Entitlement or in addition to their Open Offer Entitlement under the Excess Application Facility) should complete the Application Form in accordance with the instructions printed on it. Qualifying Non-CREST Shareholders may only apply for Excess Shares if they have agreed to take up their Open Offer Entitlements in full. The Excess Shares may be allocated in such manner as the Directors may determine in their absolute discretion and no assurance can be given that excess applications by Qualifying Non-CREST Shareholders will be met in full or in part or at all. Excess monies in respect of applications by Qualifying Non-CREST Shareholders will be returned to the applicant (at the applicant's risk), without payment of interest, as soon as practicable thereafter.

Completed Application Forms should be posted in the accompanying pre-paid envelope to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, or returned by hand (during normal business hours only) so as to be received by Link Asset Services by not later than 11.00 a.m. on 11 December 2018. Qualifying Non-CREST Shareholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged. Multiple applications will not be accepted. If an Application Form is being sent by first-class post in the UK, Qualifying Non-CREST Shareholders are recommended to allow at least four Business Days for delivery.

The Company may in its sole discretion, but shall not be obliged to, treat an Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. The Company further reserves the right (but shall not be obliged) to accept either:

- (i) Application Forms received after 11.00 a.m. on 11 December 2018; or
- (ii) applications in respect of which remittances are received before 11.00 a.m. on 11 December 2018 from authorised persons (as defined in FSMA) specifying the Open Offer Shares applied for and undertaking to lodge the Application Form in due course but, in any event, within two Business Days.

All documents and remittances sent by post by, to, from or on behalf of an applicant (or as the applicant may direct) will be sent entirely at the applicant's own risk.

(d) *Payments*

All payments must be in pounds sterling and made by cheque made payable to Link Market Services Limited Re: MedaPhor Group plc – Open Offer A/C and crossed "A/C Payee Only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third-party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has inserted details of the full name of the building society or bank account holder and has added the building society or bank branch stamp on the back of the cheque. The account name

should be the same as that shown on the Application Form. Post-dated cheques will not be accepted.

Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct Link to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity (and withhold definitive share certificates (or crediting to the relevant member account, as applicable) pending clearance thereof). No interest will be paid on payments. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques and banker's drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted. If the Open Offer does not become unconditional, no Open Offer Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable following the lapse of the Open Offer.

If Open Offer Shares have already been allotted to a Qualifying Non-CREST Shareholder and such Qualifying Non-CREST Shareholder's cheque or banker's draft is not honoured upon first presentation or such Qualifying Non-CREST Shareholder's application is subsequently otherwise deemed to be invalid, Link shall be authorised (in its absolute discretion as to manner, timing and terms) to make arrangements, on behalf of the Company, for the sale of such Qualifying Non-CREST Shareholder's Open Offer Shares and for the proceeds of sale (which for these purposes shall be deemed to be payments in respect of successful applications) to be paid to and retained by the Company. None of Link, Cenkos Securities or the Company nor any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying Non-CREST Shareholders as a result.

(e) *Incorrect Sums*

If an Application Form encloses a payment for an incorrect sum, the Company through Link reserves the right:

- (i) to reject the application in full and return the cheque or refund the payment to the Qualifying Non-CREST Shareholder in question without payment of interest; or
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the Qualifying Non-CREST Shareholder in question without payment of interest, save that any sums of less than £1 will be retained for the benefit of the Company; or
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all of the Open Offer Shares referred to in the Application Form, refunding any unutilised sums to the Qualifying Non-CREST Shareholder in question without payment of interest, save that any sums of less than £1 will be retained for the benefit of the Company.

All monies received by Link in respect of Open Offer Shares will be held in a separate client account.

(f) *The Excess Application Facility*

Provided they choose to take up their Open Offer Entitlement in full, the Excess Application Facility enables a Qualifying Non-CREST Shareholder to apply for Excess Shares. Qualifying Non-CREST Shareholders wishing to apply for Excess Shares may do so by completing Boxes 6 to 9 of the Application Form.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, the Excess Shares may be allocated in such manner as the Directors may determine in their absolute discretion and no assurance can be given that excess applications by Qualifying Non-CREST Shareholders will be met in full or in part or at all. Qualifying Non-CREST Shareholders who wish to apply for Excess Shares must complete the Application Form in accordance with the instructions set out on the Application Form.

Should the Open Offer become unconditional and applications for Open Offer Shares exceed 24,219,354 Open Offer Shares, resulting in a scale back of applications, each Qualifying Non-CREST Shareholder who has made a valid application for Excess Shares and from whom payment in full for the Excess Shares has been received will receive a pounds sterling amount equal to the number of Excess Shares applied and paid for but not allocated to the relevant Qualifying Non-CREST Shareholder multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable, without payment of interest and at the applicant's sole risk.

(g) *Effect of application*

All documents and remittances sent by post by, to, from, or on behalf of or to an applicant (or as the applicant may direct) will be sent entirely at the applicant's own risk. By completing and delivering an Application Form the applicant:

- (i) represents and warrants to the Company and Cenkos Securities that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees with the Company and Cenkos Securities that all applications under the Open Offer and any contracts resulting therefrom, and any non-contractual obligations related thereto, shall be governed by and construed in accordance with the laws of England;
- (iii) confirms to the Company and Cenkos Securities that in making the application he is not relying on any information or representation in relation to the Group other than that contained in this Document, and the applicant accordingly agrees that no person responsible solely or jointly for this Document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this Document, he will be deemed to have had notice of all information in relation to the Group contained in this Document;
- (iv) represents and warrants to the Company and Cenkos Securities that he is the Qualifying Non-CREST Shareholder originally entitled to the Open Offer Entitlement or that he received such Open Offer Entitlement by virtue of a *bona fide* market claim;
- (v) requests that the Open Offer Shares to which he will become entitled shall be issued to him on the terms set out in this document and the Application Form subject to the Articles of Association of the Company;
- (vi) represents and warrants to the Company and Cenkos Securities that (i) he is not, nor is he applying for the account or benefit of, or acting on a non-discretionary basis on behalf of, any person who is (A) a US Person or (B) within, or is a resident of, or is a corporation, partnership or other entity created or organised in or under the laws of the United States or any other Restricted Jurisdiction;
- (vii) he is acquiring the Open Offer Shares for his own account and is not applying with a view to reoffering, reselling, transferring or delivering any of the Open Offer Shares which are the subject of his application in the United States or to, or for the benefit of, a person who is a US Person or within any other Restricted Jurisdiction, or to, or for the benefit of, a person who is a resident of, or which is a corporation, partnership or other entity created or organised in or under any laws of, any Restricted Jurisdiction (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which the Company (in its absolute discretion) regards as unduly burdensome); and he is not otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer or the Excess Application Facility;
- (viii) represents and warrants to the Company and Cenkos Securities that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986; and

- (ix) confirms that in making the application he is not relying and has not relied on the Company or Cenkos Securities or any person affiliated with the Company or Cenkos Securities in connection with any investigation of the accuracy of any information contained in this document or his investment decision.

All enquiries in connection with the procedure for application and completion of the Application Form should be addressed to Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

(h) *Form of Proxy*

Qualifying Non-CREST Shareholders who do not want to take up or apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form. However, you are encouraged to vote at the General Meeting by completing and returning the enclosed Form of Proxy. A Qualifying Non-CREST Shareholder who is also a CREST member may elect to receive the Open Offer Shares to which he is entitled in uncertificated form in CREST. Please see paragraph 3.2(f) below for more information.

3.2 If you have an Open Offer Entitlement and an Excess CREST Open Offer Entitlement credited to your stock account in CREST in respect of your entitlement under the Open Offer

(a) *General*

Subject to paragraph 6 of this Part III “Terms and Conditions of the Open Offer” in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his Open Offer Entitlement equal to the maximum number of Open Offer Shares for which he is entitled to apply under the Open Offer plus the number of Excess Shares for which he is entitled to apply under the Excess CREST Open Offer Entitlement. Entitlements to Open Offer Shares will be rounded down to the nearest whole number and any fractional entitlement to Open Offer Shares will be disregarded in calculating the Basic Entitlement.

The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Ordinary Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the relevant Open Offer Entitlement and Excess CREST Open Offer Entitlement have been allocated. If for any reason Open Offer Entitlements and/or the Excess CREST Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by, 5.00 p.m. on 27 November 2018, or such later time and/or date as the Company may decide, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlement and Excess CREST Open Offer Entitlement which should have been credited to his stock account in CREST. In these circumstances the expected timetable as set out in this Document will be adjusted as appropriate and the provisions of this Document applicable to Qualifying Non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive an Application Form.

CREST members who wish to apply to acquire some or all of their entitlements to Open Offer Shares and their Excess CREST Open Offer Entitlements should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Open Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

(b) *Bona fide market claims*

Each of the Open Offer Entitlements and Excess CREST Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Open Offer Entitlements and Excess CREST Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements and Excess CREST Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Transactions identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlements and Excess CREST Open Offer Entitlements will generate appropriate market claim transactions and the relevant Open Offer Entitlements and Excess CREST Open Offer Entitlements will thereafter be transferred accordingly.

(c) *Unmatched Stock Event (“USE”) instructions*

Qualifying CREST Shareholders who are CREST members and who want to apply for Open Offer Shares in respect of all or some of their Open Offer Entitlements and their Excess CREST Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) an USE instruction to Euroclear which, on its settlement, will have the following effect:

- (i) the crediting of a stock account of Link under the participant ID and member account ID specified below, with a number of Open Offer Entitlements and Excess CREST Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and
- (ii) the creation of a CREST payment, in accordance with the CREST payment arrangements in favour of the payment bank of Link in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph 3.2(c)(i) above.

(d) *Content of USE instruction in respect of Open Offer Entitlements*

The USE instruction must be properly authenticated in accordance with Euroclear’s specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlements being delivered to Link);
- (ii) the ISIN of the Open Offer Entitlements. This is **GB00BG1X8Y90**;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (v) the participant ID of Link in its capacity as a CREST receiving agent. This is 7RA33;
- (vi) the member account ID of Link in its capacity as a CREST receiving agent. This is 29929MED;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of New Ordinary Shares referred to in (d)(i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 11 December 2018; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 11 December 2018. In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 11 December 2018 in order to be valid is 11.00 a.m. on that day. In the event that the Placing and the Open Offer do not become unconditional by 8.00 a.m. on 13 December 2018 (or such later time and date as the Company and Cenkos Securities determine being not later than 8.00 a.m. on 28 December 2018), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and Link will refund the amounts paid by Qualifying CREST Shareholders by way of a CREST payment, without interest, as soon as practicable thereafter.

(e) *Content of USE instruction in respect of Excess CREST Open Offer Entitlements*

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Excess Shares for which application is being made (and hence the number of Excess CREST Open Offer Entitlements being delivered to Link);
- (ii) the ISIN of the Excess CREST Open Offer Entitlement. This is **GB00BG1X8Z08**;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Excess CREST Open Offer Entitlements are to be debited;
- (v) the participant ID of Link in its capacity as a CREST receiving agent. This is 7RA33;
- (vi) the member account ID of Link in its capacity as a CREST receiving agent. This is 29929MED;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in (e)(i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 11 December 2018; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application in respect of an Excess CREST Open Offer Entitlement under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 11 December 2018.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (i) a contract name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 11 December 2018 in order to be valid is 11.00 a.m. on that day. In the event that the Placing and the Open Offer do not become unconditional by 8.00 a.m. on 13 December 2018 (or such later time and date as the Company and Cenkos Securities determine being not later than 8.00 a.m. on 28 December 2018), the Open Offer will lapse, the Excess CREST Open Offer Entitlements admitted to CREST will be disabled and Link will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

(f) *Deposit of Open Offer Entitlements into, and withdrawal from, CREST*

A Qualifying Non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements set out in Box 4 on his Application Form may be deposited into CREST (either into the account of the Qualifying Shareholder named in the Application Form or into the name of a person entitled by virtue of a *bona fide* market claim), provided that such Qualifying Non-CREST Shareholder is also a CREST member. Similarly, Open Offer Entitlements and Excess

CREST Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer and entitlement to apply under the Excess Application Facility is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A Qualifying Non-CREST Shareholder who wishes to make such a deposit should sign Box 2 and complete Box 13 of their Application Form, entitled 'CREST Deposit Form' and then deposit their Application Form with the CREST Courier and Sorting Service. In addition, the normal CREST stock deposit procedures will need to be carried out, except that (a) it will not be necessary to complete and lodge a separate CREST transfer form (as prescribed under the Stock Transfer Act 1963) with the CREST Courier and Sorting Service and (b) only the Open Offer Entitlement shown in Box 4 of the Application Form may be deposited into CREST. After depositing their Open Offer Entitlement into their CREST account, CREST holders will shortly thereafter receive a credit for their Excess CREST Open Offer Entitlement, which will be managed by Link.

If you have received your Application Form by virtue of a *bona fide* market claim, the declaration below Box 10 must be made or (in the case of an Application Form which has been split) marked 'Declaration of sale or transfer duly made'. If you wish to take up your Open Offer Entitlement, the CREST Deposit Form in Box 13 of your Application Form must be completed and deposited with the CREST Courier and Sorting Service in accordance with the instructions above. A holder of more than one Application Form who wishes to deposit Open Offer Entitlements shown on those Application Forms into CREST must complete Box 13 of each Application Form.

In particular, having regard to normal processing times in CREST and on the part of Link, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST, is 3.00 p.m. on 6 December 2018 and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST is 4.30 p.m. on 5 December 2018 in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility, as the case may be, prior to 11.00 a.m. on 11 December 2018. CREST holders inputting the withdrawal of their Open Offer Entitlements from their CREST account must ensure that they withdraw both their Open Offer Entitlements and Excess CREST Open Offer Entitlements.

Delivery of an Application Form with the CREST deposit form duly completed whether in respect of a deposit into the account of the Qualifying Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to the Company and Link by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes under the paragraph headed "Instructions for depositing entitlements under the Open Offer into CREST" on page 4 of the Application Form, and a declaration to the Company and Link from the relevant CREST member(s) that it/they is/ are not in the United States or any other Restricted Jurisdiction or citizen(s) or resident(s) of any Restricted Jurisdiction and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

(g) *Validity of application*

A USE instruction complying with the requirements as to authentication and contents set out above which settles by not later than 11.00 a.m. on 11 December 2018 will constitute a valid application under the Open Offer.

(h) *CREST procedures and timings*

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 11 December 2018. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(i) *Form of Proxy*

If a Qualifying CREST Shareholder does not wish to apply for the Open Offer Shares under the Open Offer, they should take no action. They are however, encouraged to vote at the General Meeting by completing and returning the enclosed Form of Proxy.

(j) *Incorrect or incomplete applications*

If a USE instruction includes a CREST payment for an incorrect sum, the Company, through Link, reserves the right: (i) to reject the application in full and refund the payment to the CREST member in question (without payment of interest); (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question (without payment of interest); and (iii) in the case that an excess sum is paid, to treat the application as a valid application for all the Open Offer Shares referred to in the USE instruction, refunding any unutilised sum to the CREST member in question (without payment of interest).

(k) *The Excess Application Facility*

The Excess Application Facility enables Qualifying CREST Shareholders, who have taken up their Open Offer Entitlement in full, to apply for Excess Shares in excess of their Open Offer Entitlement as at the Record Date. If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, the Excess Shares may be allocated in such manner as the Directors may determine in their absolute discretion and no assurance can be given that excess applications by Qualifying CREST Shareholders will be met in full or in part or at all. Excess CREST Open Offer Entitlements may not be sold or otherwise transferred. Subject as provided in paragraph 6 of this Part III in relation to Overseas Shareholders, the CREST accounts of Qualifying CREST Shareholders will be credited with Excess CREST Open Offer Entitlements to enable applications for Excess Shares to be settled through CREST. Qualifying CREST Shareholders should note that, although the Open Offer Entitlement and the Excess CREST Open Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities. Neither the Open Offer Entitlement nor the Excess CREST Open Offer Entitlements will be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

To apply for Excess Shares pursuant to the Open Offer, Qualifying CREST Shareholders should follow the instructions above and must not return a paper form and cheque.

Should a transaction be identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlements and the relevant Open Offer Entitlements be transferred, the Excess CREST Open Offer Entitlements will not transfer with the Open Offer Entitlements claim, but will be transferred as a separate claim.

Should a Qualifying CREST Shareholder cease to hold all of his Existing Ordinary Shares as a result of one or more *bona fide* market claims, the Excess CREST Open Offer Entitlements credited to CREST and allocated to the relevant Qualifying Shareholder will be transferred to the purchaser or transferee. Please note that an additional USE instruction must be sent in respect of any application under the Excess CREST Open Offer Entitlement. Should the Open Offer become unconditional and applications for Open Offer Shares by Qualifying Shareholders under

the Open Offer exceed 24,219,354 Open Offer Shares, the Excess Shares may be allocated in such manner as the Directors may determine in their absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all. Each Qualifying CREST Shareholder who has made a valid application pursuant to his Excess CREST Open Offer Entitlement and from whom payment in full for the Excess Shares has been received, will receive a pounds sterling amount equal to the number of Open Offer Shares validly applied and paid for but which are not allocated to the relevant Qualifying CREST Shareholder multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable following the completion of the scale back, without payment of interest and at the applicant's sole risk by way of a CREST payment as appropriate.

All enquiries in connection with the procedure for applications under the Excess Application Facility and Excess CREST Open Offer Entitlements should be addressed to Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

(l) *Effect of application*

A CREST member who makes or is treated as making an application in accordance with the above procedures:

- (i) represents and warrants to the Company and Cenkos Securities that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations, under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to Link's payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);
- (iii) agrees with the Company and Cenkos Securities that all applications under the Open Offer and any contracts resulting therefrom, and non-contractual obligations related thereto, under the Open Offer shall be governed by, and construed in accordance with, the laws of England;
- (iv) confirms to the Company and Cenkos Securities that in making the application he is not relying on any information or representation in relation to the Group other than that contained in this Document, and the applicant accordingly agrees that no person responsible solely or jointly for this Document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this Document, he will be deemed to have had notice of all the information in relation to the Group contained in this Document;
- (v) represents and warrants to the Company and Cenkos that he is the Qualifying CREST Shareholder originally entitled to the Open Offer Entitlements and Excess CREST Open Offer Entitlements or that he received such Open Offer Entitlements and Excess CREST Open Offer Entitlements by virtue of a *bona fide* market claim;
- (vi) requests that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this Document, subject to the Articles of Association of the Company;
- (vii) represents and warrants to the Company and Cenkos Securities that he is not, nor is he applying for the account or benefit of, or acting on a non-discretionary basis on behalf of, any person who is (A) a US Person or (B) within, or is a resident of, or is a corporation, partnership or other entity created or organised in or under the laws of the United States or any other Restricted Jurisdiction;

- (viii) he is acquiring the Open Offer Shares for his own account and is not applying with a view to re offering, re selling, transferring or delivering any of the Open Offer Shares which are the subject of his application in the United States or to, or for the benefit of, a person who is a US Person or within any other Restricted Jurisdiction, or to, or for the benefit of, a person who is a resident of, or which is a corporation, partnership or other entity created or organised in or under any laws of, any Restricted Jurisdiction (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which the Company (in its absolute discretion) regards as unduly burdensome); and (iii) he is not otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer or the Excess Application Facility;
- (ix) represents and warrants to the Company and Cenkos Securities that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986; and
- (x) confirms that in making the application he is not relying and has not relied on the Company or Cenkos Securities or any person affiliated with the Company or Cenkos Securities in connection with any investigation of the accuracy of any information contained in this Document or his investment decision.

(m) *Company's discretion as to the rejection and validity of applications*

The Company may in its sole discretion:

- (i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part III "Terms and Conditions of the Open Offer";
- (ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
- (iii) treat a properly authenticated dematerialised instruction (in this sub-paragraph the "first instruction") as not constituting a valid application if, at the time at which Link receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or Link has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- (iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Open Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by Link in connection with CREST.

(n) *Lapse of the Open Offer*

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 13 December 2018 or such later time and date as the Company and Cenkos Securities may agree (being not later than 8.00 a.m. on 28 December 2018), the Open Offer will lapse, the Open Offer Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will be disabled and Link will refund the amount paid by Qualifying CREST Shareholders by way of a CREST payments, without interest, as soon as practicable thereafter.

4. Money Laundering Regulations

4.1 Holders of Application Forms

To ensure compliance with the Money Laundering Regulations, Link may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf the Application Form is lodged with payment (which requirements are referred to below as the “verification of identity requirements”). If the Application Form is submitted by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of Link. In such case, the lodging agent’s stamp should be inserted on the Application Form.

The person lodging the Application Form with payment and in accordance with the other terms as described above (the “acceptor”), including any person who appears to Link to be acting on behalf of some other person, accepts the Open Offer in respect of such number of Open Offer Shares as is referred to therein (for the purposes of this paragraph 4 the “relevant Open Offer Shares”) and shall thereby be deemed to agree to provide Link with such information and other evidence as they may require to satisfy the verification of identity requirements.

If Link determines that the verification of identity requirements apply to any acceptor or application, the relevant Open Offer Shares (notwithstanding any other term of the Open Offer) will not be issued to the relevant acceptor unless and until the verification of identity requirements have been satisfied in respect of that acceptor or application. Link is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any acceptor or application and whether such requirements have been satisfied, and neither Link nor the Company will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays in the despatch of share certificates or in crediting CREST accounts. If, within a reasonable time following a request for verification of identity, Link has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant application as invalid, in which event the monies payable on acceptance of the Open Offer will be returned (at the acceptor’s risk) without interest to the account of the bank or building society on which the relevant cheque or banker’s draft was drawn.

Submission of an Application Form with the appropriate remittance will constitute a warranty to each of the Company, Link and Cenkos Securities from the applicant that the Money Laundering Regulations will not be breached by application of such remittance.

The verification of identity requirements will not usually apply:

- (i) if the applicant is an organisation required to comply with the Money Laundering Directive (the Council Directive on prevention of the use of the financial system for the purpose of money laundering (no.91/308/EEC));
- (ii) if the acceptor is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations;
- (iii) if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the applicant’s name; or
- (iv) if the aggregate subscription price for the Open Offer Shares is less than €15,000 (approximately £13,200).

In other cases the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:

- (a) if payment is made by cheque or banker’s draft in sterling drawn on a branch in the United Kingdom of a bank or building society which bears a UK bank sort code number in the top right hand corner the following applies. Cheques should be made payable to Link Market Services Limited Re: MedaPhor Group plc – Open Offer A/C in respect of an application by a Qualifying Shareholder and crossed “A/C Payee Only”. Third-party cheques may not be accepted with the exception of building society cheques or banker’s drafts where the building society or bank has

inserted details of the full name of the building society or bank account holder and has added the building society or bank branch stamp to the back of the cheque. The account name should be the same as that shown on the Application Form; or

- (b) if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in (i) above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force, the agent should provide with the Application Form written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to Link. If the agent is not such an organisation, it should contact Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.

To confirm the acceptability of any written assurance referred to in (b) above, or in any other case, the acceptor should contact Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

If an Application Form is/are in respect of Open Offer Shares with an aggregate subscription price of €15,000 (approximately £13,200) or more and is lodged by hand by the acceptor in person, or if the Application Forms in respect of Open Offer Shares is lodged by hand by the acceptor and the accompanying payment is not the acceptor's own cheque, he or she should ensure that he or she has with him or her evidence of identity bearing his or her photograph (for example, his or her passport) and separate evidence of his or her address.

If, within a reasonable period of time following a request for verification of identity, and in any case by not later than 11.00 a.m. on 11 December 2018, Link has not received evidence satisfactory to it as aforesaid, Link may, at its discretion, as agent of the Company, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the applicant (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

4.2 **Open Offer Entitlements in CREST**

If you hold your Open Offer Entitlement and Excess CREST Open Offer Entitlement in CREST and apply for Open Offer Shares in respect of some or all of your Open Offer Entitlement and Excess CREST Open Offer Entitlement as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, Link is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact Link before sending any USE instruction or other instruction so that appropriate measures may be taken.

Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the applicant to the Company and Link to provide promptly to Link such information as may be specified by Link as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to Link as to identity, who may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the Open Offer Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Open Offer Shares represented by the USE instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence.

5. **Admission, settlement and dealings**

The result of the Open Offer is expected to be announced on 12 December 2018. Subject to the Placing and the Open Offer becoming unconditional in all respects (save only as to Admission), it is expected that

Admission will become effective and that dealings in the Open Offer Shares, fully paid, will commence at 8.00 a.m. on 13 December 2018.

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the New Ordinary Shares. All such shares, when issued and fully paid, may be held and transferred by means of CREST.

Open Offer Entitlements and Excess CREST Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 11 December 2018 (the latest date for applications under the Open Offer). If the conditions to the Open Offer described above are satisfied, New Ordinary Shares will be issued in uncertificated form to those persons who submitted a valid application for New Ordinary Shares by utilising the CREST application procedures and whose applications have been accepted by the Company.

On 13 December 2018, Link will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Open Offer Shares with effect from Admission. The stock accounts to be credited will be accounts under the same CREST participant IDs and CREST member account IDs in respect of which the USE instruction was given. Notwithstanding any other provision of this Document, the Company reserves the right to send Qualifying CREST Shareholders an Application Form instead of crediting the relevant stock account with Open Offer Entitlements and Excess CREST Open Offer Entitlements, and to allot and/or issue any Open Offer Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by Link in connection with CREST.

For Qualifying Non-CREST Shareholders who have applied by using an Application Form, share certificates in respect of the Open Offer Shares validly applied for are expected to be despatched by post by 20 December 2018.

No temporary documents of title will be issued and, pending the issue of definitive certificates, transfers will be certified against the share register of the Company. All documents or remittances sent by, to, from or on behalf of applicants, or as they may direct, will be sent through the post at the risk of the applicant. For more information as to the procedure for application, Qualifying Non-CREST Shareholders are referred to paragraph 3.1 above and their respective Application Form.

6. Overseas Shareholders

The comments set out in this paragraph 6 are intended as a general guide only and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisers without delay.

6.1 General

The distribution of this Document and the Application Form and the making or acceptance of the Open Offer to or by persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the United Kingdom or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the United Kingdom, may be affected by the laws or regulatory requirements of the relevant jurisdictions. It is the responsibility of those persons to consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirements or other formalities to enable them to apply for Open Offer Shares under the Open Offer.

No action has been or will be taken by the Company, Genkos Securities, or any other person, to permit a public offering or distribution of this Document (or any other offering or publicity materials or application forms relating to the Open Offer Shares) in any jurisdiction where action for that purpose may be required, other than in the United Kingdom. Receipt of this Document and/or an Application Form and/or a credit of an Open Offer Entitlement or an Excess CREST Open Offer Entitlement to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in any jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this Document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

Application Forms will not be sent to, and Open Offer Entitlements and Excess CREST Open Offer Entitlements will not be credited to stock accounts in CREST of, persons with registered addresses in a Restricted Jurisdiction or their agent or intermediary, except where the Company is satisfied, at its sole and absolute discretion, that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

No person receiving a copy of this Document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use any such Application Form and/or credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her and such Application Form and/or credit of Open Offer Entitlements and/or Excess CREST Open Offer Entitlements to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any applicable registration or other legal or regulatory requirements. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

It is the responsibility of any person (including, without limitation, custodians, agents, nominees and trustees) outside the United Kingdom wishing to apply for Open Offer Shares under the Open Offer to satisfy themselves as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory.

None of the Company, Cenkos Securities, nor any of their respective representatives, is making any representation to any offeree or purchaser of the Open Offer Shares regarding the legality of an investment in the Open Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this Document and/or an Application Form and/or a credit of Open Offer Entitlements and/or Excess CREST Open Offer Entitlements to a stock account in CREST, in connection with the Open Offer or otherwise, should not distribute or send either of those documents nor transfer any Open Offer Entitlements or any Excess CREST Open Offer Entitlements in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this Document and/or an Application Form and/or a credit of Open Offer Entitlements and/or Excess CREST Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by his or her custodian, agent, nominee or trustee, he or she must not seek to apply for Open Offer Shares in respect of the Open Offer unless the Company and Cenkos Securities determine that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this Document and/or an Application Form and/or transfers Open Offer Entitlements and/or Excess CREST Open Offer Entitlements into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this Part III "Terms and Conditions of the Open Offer" and specifically the contents of this paragraph 6.

The Company reserves the right to treat as invalid any application or purported application for Open Offer Shares that appears to the Company or its agents to have been executed, effected or dispatched from the United States or any other Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any other jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates of Open Offer Shares or in the case of a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, to a CREST member whose registered address would be, in a Restricted Jurisdiction or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates or make such a credit.

Notwithstanding any other provision of this Document or the relevant Application Form, the Company and Cenkos Securities reserve the right to permit any person to apply for Open Offer Shares in respect of the Open Offer if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Overseas Shareholders who wish, and are permitted, to apply for Open Offer Shares should note that payment must be made in sterling denominated cheques or banker's drafts or where such Overseas Shareholder is a Qualifying CREST Shareholder, through CREST. Due to restrictions under the securities laws of the United States and the other Restricted Jurisdictions, and subject to certain exceptions, Qualifying Shareholders who have registered addresses in, or who are ordinarily resident in, or citizens of, any Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements. No public offer of Open Offer Shares is being made by virtue of this Document or the Application Forms into the United States or any other Restricted Jurisdiction. Receipt of this Document and/or an Application Form and/or a credit of an Open Offer Entitlement and/or Excess CREST Open Offer Entitlement to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this Document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

6.2 **United States**

The New Ordinary Shares have not been and will not be registered under the Securities Act or under any laws of, or with any securities regulatory authority of, any state or other jurisdiction of the United States and, accordingly, may not be offered or sold, re-sold, taken up, transferred, delivered or distributed, directly or indirectly, within the United States or to, or for the account or benefit of, a US Person, except in reliance on an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

Accordingly, the Company is not extending the Open Offer into the United States or to any US Persons unless an exemption from or in a transaction not subject to, the registration requirements of the Securities Act is available and, subject to certain exceptions, neither this Document nor the Application Form constitutes or will constitute an offer or an invitation to apply for or an offer or an invitation to acquire any New Ordinary Shares in the United States or to any US Person. Subject to certain exceptions, neither this Document nor an Application Form will be sent to, and no New Ordinary Shares will be credited to a stock account in CREST of, any Qualifying CREST Shareholder with a registered address in the United States. Subject to certain exceptions, Application Forms sent from or postmarked in the United States will be deemed to be invalid and all persons acquiring New Ordinary Shares and wishing to hold such New Ordinary Shares in registered form must provide an address for registration of the New Ordinary Shares issued upon exercise thereof outside the United States.

Subject to certain exceptions, any person who acquires New Ordinary Shares will be deemed to have declared, warranted and agreed, by accepting delivery of this Document or the Application Form and delivery of the New Ordinary Shares, that they are not, and that at the time of acquiring the New Ordinary Shares they will not be (i) a US Person; (ii) in the United States or (iii) acting on behalf of, or for the account or benefit of a US Person.

The Company reserves the right to treat as invalid any Application Form that (i) appears to the Company or its agents to have been executed or effected (A) by, or for the account or benefit of, a US Person, or (B) in, or despatched from, the United States, (ii) provides an address in the United States for the receipt of New Ordinary Shares, or (iii) does not make the warranty set out in the Application Form, to the effect that the person completing the Application Form is not a US Person, does not have a registered address and is not otherwise located in the United States and is not acquiring the New Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such New Ordinary Shares in the United States or to, or for the account or benefit of, a US Person, or where the Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements.

The Company will not be bound to allot or issue any New Ordinary Shares to any person who is a US Person, or to any person with an address in, or who is otherwise located in, the United States in whose favour an Application Form or any New Ordinary Shares may be transferred. In addition, the Company and Cenkos Securities reserve the right to reject any USE instruction sent by or on behalf of any CREST member with a registered address in, or who is otherwise located in, the United States in respect of the New Ordinary Shares.

6.3 **Other Restricted Jurisdictions**

Due to restrictions under the securities laws of any Restricted Jurisdictions and subject to certain exemptions, Qualifying Shareholders who have registered addresses in, or who are ordinarily resident

in, or citizens of, any Restricted Jurisdiction, will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements or Excess CREST Open Offer Entitlements. The Open Offer Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption.

No offer or invitation to apply for Open Offer Shares is being made by virtue of this Document or the Application Form into any Restricted Jurisdiction.

6.4 **Other overseas territories**

Application Forms will be sent to Qualifying Non-CREST Shareholders and Open Offer Entitlements and Excess CREST Open Offer Entitlements will be credited to the stock account in CREST of Qualifying CREST Shareholders. Qualifying Shareholders in jurisdictions other than the United States or other Restricted Jurisdictions may, subject to the laws of their relevant jurisdiction, take up Open Offer Shares under the Open Offer in accordance with the instructions set out in this Document and the Application Form. Qualifying Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, countries other than the United Kingdom should, however, consult appropriate professional advisers as to whether they require any governmental or other consents or need to observe any further formalities to enable them to apply for any Open Offer Shares in respect of the Open Offer.

6.5 **Representations and warranties relating to Overseas Shareholders**

(a) *Qualifying Non-CREST Shareholders*

Any person completing and returning an Application Form or requesting registration of the Open Offer Shares comprised therein represents and warrants to the Company, Cenkos Securities and Link that, except where proof has been provided to the Company's satisfaction that such person's use of the Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction: (i) such person is not a US Person; (ii) such person is not in the United States or any other Restricted Jurisdiction; (iii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares in respect of the Open Offer or to use the Application Form in any manner in which such person has used or will use it; (iv) such person is not acting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (v) such person is not acquiring Open Offer Shares with a view to offer, sale, resale, transfer, deliver or distribute, directly or indirectly, any such Open Offer Shares into any of the above territories. The Company and/or Link may treat as invalid any acceptance or purported acceptance of the allotment of Open Offer Shares comprised in an Application Form if it: (i) appears to the Company or its agents to have been executed or effected (A) by, or for the account or benefit of, a US Person, (B) in, or dispatched from the United States or another Restricted Jurisdiction or (C) in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or (ii) provides an address in the United States or another Restricted Jurisdiction for delivery of the share certificates of Open Offer Shares (or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates); or (iii) purports to exclude the warranty required by this sub-paragraph (a).

(b) *Qualifying CREST Shareholders*

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this Part III "Terms and Conditions of the Open Offer" represents and warrants to the Company and Cenkos Securities that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) he or she is not within the United States or any other Restricted Jurisdiction and is not a US Person; (ii) he or she is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares; (iii) he or she is not accepting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as otherwise agreed with the Company) or any territory referred to in (ii) above at the time

the instruction to accept was given; and (iv) he or she is not acquiring any Open Offer Shares with a view the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into any of the above territories.

6.6 Waiver

The provisions of this paragraph 6 and of any other terms of the Open Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company and Cenkos Securities in their absolute discretion. Subject to this, the provisions of this paragraph 6 supersede any terms of the Open Offer inconsistent herewith. References in this paragraph 6 to Shareholders shall include references to the person or persons executing an Application Form and, in the event of more than one person executing an Application Form, the provisions of this paragraph 6 shall apply to them jointly and to each of them.

7. No withdrawal rights

An application under the Open Offer once made is irrecoverable and cannot be withdrawn or changed.

8. Times and Dates

The Company shall, in agreement with Cenkos Securities and after consultation with its financial and legal advisers, be entitled to amend the dates that Application Forms are despatched or amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this document and in such circumstances shall notify the London Stock Exchange, and make an announcement on a Regulatory Information Service but Qualifying Shareholders may not receive any further written communication.

9. Taxation

Shareholders who are in any doubt as to their tax position in relation to taking up their entitlements under the Open Offer, or who are subject to tax in any jurisdiction other than the United Kingdom, should immediately consult a suitable professional adviser.

10. Share option schemes

The Open Offer is not being extended to the holders of share options, save to the extent that any such share options are or have been validly exercised and Ordinary Shares have been allotted in consequence of such exercise prior to the Record Date.

11. Further information

Your attention is drawn to the further information set out in this Document and also, in the case of Qualifying Non-CREST Shareholders and other Qualifying Shareholders to whom the Company has sent Application Forms, to the terms, conditions and other information printed on the accompanying Application Form.

12. Governing law and jurisdiction

The terms and conditions of the Open Offer as set out in this document, the Application Form and any non-contractual obligation related thereto shall be governed by, and construed in accordance with, English law.

The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this document or the Application Form. By taking up Open Offer Shares, by way of their Open Offer Entitlements and the Excess Application Facility (as applicable), in accordance with the instructions set out in this document and, where applicable, the Application Form, Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

PART IV

QUESTIONS AND ANSWERS ABOUT THE OPEN OFFER

The questions and answers set out in this Part IV “Questions and Answers about the Open Offer” are intended to be in general terms only and, as such, you should read Part III “Terms and Conditions of the Open Offer” of this Document for full details of what action to take. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank, fund manager, solicitor, accountant or other appropriate independent financial adviser, who is authorised under FSMA if you are in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

This Part IV deals with general questions relating to the Open Offer and more specific questions relating principally to persons resident in the United Kingdom who hold their Existing Ordinary Shares in certificated form only. If you are an Overseas Shareholder, you should read paragraph 6 of Part III “Terms and Conditions of the Open Offer” of this Document and you should take professional advice as to whether you are eligible for, and/or whether you need to observe any formalities to enable you to take up, your Open Offer Entitlement. If you hold your Existing Ordinary Shares in uncertificated form (that is, through CREST) you should read Part III “Terms and Conditions of the Open Offer” of this Document for full details of what action you should take.

If you are a CREST sponsored member, you should also consult your CREST sponsor. If you do not know whether your Existing Ordinary Shares are in certificated or uncertificated form, please call the Receiving Agents Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

The contents of this Document should not be construed as legal, business, accounting, tax, investment or other professional advice. Each prospective investor should consult his, her or its own appropriate professional advisers for advice. This Document is for your information only and nothing in this Document is intended to endorse or recommend a particular course of action.

1. What is an open offer?

An open offer is a way for companies to raise money. Companies usually do this by giving their existing shareholders a right to acquire further shares at a fixed price in proportion to their existing shareholdings. In this instance Shareholders will also be offered the opportunity to apply for additional Ordinary Shares in excess of their entitlement to the extent that other Qualifying Shareholders do not take up their entitlement in full. The fixed price is normally at a discount to the market price of the Existing Ordinary Shares prior to the announcement of the Open Offer.

This Open Offer is an invitation by the Company to Qualifying Shareholders to apply to acquire up to an aggregate of 24,219,354 new Ordinary Shares at a price of 8.5 pence per share. If you hold Existing Ordinary Shares on the Record Date or have a *bona fide* market claim, other than, subject to certain exceptions, where you are a Shareholder with a registered address or located or resident in the United States, or another Restricted Jurisdiction, you will likely be entitled to buy Open Offer Shares under the Open Offer.

The Open Offer is being made on the basis of 1 Open Offer Share for every 4 Existing Ordinary Shares held by Qualifying Shareholders on the Record Date. If your entitlement to Open Offer Shares is not a whole number, you will not be entitled to buy a fraction of an Offer Share and your entitlement will be rounded down to the nearest whole number. The Issue Price of 8.5 pence per Open Offer Share equates to the closing middle market price of 8.5 pence per Ordinary Share on 23 November 2018 (being the latest practicable date prior to the date of this Document).

The Excess Application Facility allows Qualifying Shareholders to apply for Excess Shares in excess of their Basic Entitlement. Applications made under the Excess Application Facility may be allocated in such manner

as the Directors and Cenkos may determine in their absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

Unlike in a rights issue, Application Forms are not negotiable documents and neither they nor the Basic Entitlements can themselves be traded. Shareholders will not be able, under the Open Offer, to apply for any Placing Shares which are the subject of the Placing.

2. I hold my Existing Ordinary Shares in certificated form. How do I know I am eligible to participate in the Open Offer?

If you receive an Application Form and, subject to certain exceptions, are not a holder with a registered address or located or resident in the United States or any other Restricted Jurisdiction, then you will likely be eligible to participate in the Open Offer as long as you have not sold all of your Existing Ordinary Shares on 26 November 2018 (the time when the Existing Ordinary Shares are expected to be marked “ex-entitlement” by the London Stock Exchange).

3. I hold my Existing Ordinary Shares in certificated form. How do I know how many Open Offer Shares I am entitled to take up?

If you hold your Existing Ordinary Shares in certificated form and, subject to certain exceptions, do not have a registered address and are not located or resident in the United States or any other Restricted Jurisdiction, you will be sent an Application Form that shows:

- how many Existing Ordinary Shares you held at the close of business on the Record Date;
- how many Open Offer Shares are comprised in your Basic Entitlement; and
- how much you need to pay if you want to take up your right to buy all your entitlement to the Open Offer Shares.

Subject to certain exceptions, if you have a registered address in the United States or any other Restricted Jurisdiction, you will not receive an Application Form. If you would like to apply for any of or all of the Open Offer Shares comprised in your Basic Entitlement you should complete the Application Form in accordance with the instructions printed on it and the information provided in this Document. Completed Application Forms should be returned, along with a cheque drawn in the appropriate form, by post or by hand (during normal office hours only) to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, so as to be received by them by no later than 11.00 a.m. on 11 December 2018, after which time Application Forms will not be valid.

4. I hold my Existing Ordinary Shares in certificated form and am eligible to receive an Application Form. What are my choices in relation to the Open Offer?

(a) If you do not want to take up your Basic Entitlement

If you do not want to take up the Open Offer Shares to which you are entitled, you do not need to do anything. In these circumstances, you will not receive any Open Offer Shares. You will also not receive any money when the Open Offer Shares you could have taken up are sold, as would happen under a rights issue.

You cannot sell your Application Form or your Basic Entitlement to anyone else. If you do not return your Application Form subscribing for the Open Offer Shares to which you are entitled by 11.00 a.m. on 11 December 2018, the Company has made arrangements under which it has agreed to issue those Open Offer Shares to other Qualifying Shareholders under the Excess Application Facility.

If you do not take up your Basic Entitlement then, following the issue of the Open Offer Shares pursuant to the Open Offer, your interest in the Company will be diluted. Even if a Qualifying Shareholder subscribes for the basic entitlement under the Open Offer, their proportionate economic interest will be diluted by the issue of New Ordinary Shares pursuant to the Excess Application Facility and the Placing.

(b) ***If you want to take up some but not all of your Basic Entitlement***

If you want to take up some but not all of the Open Offer Shares to which you are entitled, you should write the number of Open Offer Shares you want to take up in Boxes 6, 8 and 9 of your Application Form; for example, if you are entitled to take up 50 shares but you only want to take up 25 shares, then you should write '25' in Boxes 6 and 8. To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares you want (in this example, '25') by £0.085, which is the price in pounds of each Open Offer Share (giving you an amount of £2.125 in this example). You should write this amount in Box 9, rounding up to the nearest whole pence and this should be the amount your cheque is made out for. You should then return the completed Application Form, together with a cheque for that amount, by post or by hand (during normal office hours only) to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, so as to be received by them by no later than 11.00 a.m. on 11 December 2018, after which time Application Forms will not be valid. If you post your Application Form by first class post, you should allow at least four Business Days for delivery.

All payments must be in pounds Sterling and made by cheque made payable to "Link Market Services Limited re MedaPhor Group plc Open Offer A/C." and crossed "A/C payee only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third-party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has inserted details of the full name of the building society or bank account holder and has added the building society or bank branch stamp to the back of the cheque. The account name should be the same as that shown on the Application Form. Post-dated cheques will not be accepted.

Cheques will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agents to seek special clearance of cheques to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be paid on payments made. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents and cheques sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.

A definitive share certificate will then be sent to you for the Open Offer Shares that you take up. Your definitive share certificate for Open Offer Shares is expected to be dispatched to you on 20 December 2018.

(c) ***If you want to take up all of your Basic Entitlement***

If you want to take up all of the Open Offer Shares to which you are entitled, all you need to do is send the Application Form (ensuring that all joint holders sign (if applicable)), together with your cheque for the amount (as indicated in Box 5 of your Application Form), by post or by hand (during normal office hours only) to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, so as to be received by them by no later than 11.00 a.m. on 11 December 2018, after which time Application Forms will not be valid. If you post your Application Form by first-class post, you should allow at least four Business Days for delivery.

All payments must be in Sterling and made by cheque made payable to "Link Market Services Limited re MedaPhor Group plc Open Offer A/C" and crossed "A/C payee only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third-party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has inserted details of the full name of the building society or bank account holder and has added the building society or

bank branch stamp on the back of the cheque. The account name should be the same as that shown on the Application Form. Post-dated cheques will not be accepted.

Cheques will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agents to seek special clearance of cheques to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be paid on payments made. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents and cheques sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.

A definitive share certificate will then be sent to you for the Open Offer Shares that you take up. Your definitive share certificate for Open Offer Shares is expected to be despatched to you on 20 December 2018.

(d) ***If you want to apply for more than your Basic Entitlement***

Provided you have agreed to take up your Basic Entitlement in full, you can apply for further Open Offer Shares under the Excess Application Facility. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Basic Entitlement as at the Record Date. You should write the number of Open Offer Shares comprised in your Basic Entitlement (as indicated in Box 4 of the Application Form) in Box 6 and write the number of Excess Shares for which you would like to apply in Box 7. You should then add the totals in Boxes 6 and 7 and insert the total number of Open Offer Shares for which you would like to apply in Box 8. For example, if you have a Basic Entitlement for 50 Open Offer Shares but you want to apply for 75 Open Offer Shares in total, then you should write '50' in Box 6, '25' in Box 7 and '75' in Box 8. To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares you want (in this example, '75') by £0.085, which is the price in Sterling of each Open Offer Share (giving you an amount of £6.375 in this example). You should write this amount in Box 9. You should then return your Application Form by post or by hand (during normal office hours only) to Link Asset Services Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, so as to be received by them by no later than 11.00 a.m. on 11 December 2018, after which time Application Forms will not be valid. If you post your application form by first class post, you should allow at least four Business Days for delivery.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Basic Entitlements, the Excess Shares may be allocated in such manner as the Directors and Cenkos may determine in their absolute discretion. No assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

A definitive share certificate will then be sent to you for the Open Offer Shares that you take up and otherwise successfully apply for using the Excess Application Facility. Your definitive share certificate for Open Offer Shares is expected to be despatched to you, at your own risk, on 20 December 2018.

5. I hold my Existing Ordinary Shares in uncertificated form in CREST. What do I need to do in relation to the Open Offer?

CREST members should follow the instructions set out in Part III "Terms and Conditions of the Open Offer" of this Document. Persons who hold Existing Ordinary Shares through a CREST member should be informed by the CREST member through which they hold their Existing Ordinary Shares of (i) the number of Open Offer Shares which they are entitled to acquire under their Basic Entitlement and (ii) how to apply for Open Offer Shares in excess of their Basic Entitlement under the Excess Application Facility provided they choose to take up their Basic Entitlement in full and should contact them should they not receive this information.

6. I acquired my Existing Ordinary Shares prior to the Record Date and hold my Existing Ordinary Shares in certificated form. What if I do not receive an Application Form or I have lost my Application Form?

If you do not receive an Application Form, this probably means that you are not eligible to participate in the Open Offer. Some Non-CREST Shareholders, however, will not receive an Application Form but may still be eligible to participate in the Open Offer, namely:

- Qualifying CREST Shareholders who held their Existing Ordinary Shares in uncertificated form on 21 November 2018 and who have converted them to certificated form;
- Qualifying Non-CREST Shareholders who bought Existing Ordinary Shares before 21 November 2018 but were not registered as the holders of those shares at the close of business on 21 November 2018; and
- certain Overseas Shareholders.

If you do not receive an Application Form but think that you should have received one or you have lost your Application Form, please contact the Receiving Agents Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

7. Can I trade my Open Offer Entitlement?

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying Non-CREST Shareholders should also note that their Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although Basic Entitlements will be admitted to CREST they will have limited settlement capabilities (for the purposes of market claims only), Basic Entitlements will not be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim. Open Offer Shares for which an application has not been made under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Shareholders who do not apply to take up their Basic Entitlement will have no rights under the Open Offer or receive any proceeds from it. The Open Offer Shares are not being underwritten.

8. What if I change my mind?

If you are a Qualifying Non-CREST Shareholder, once you have sent your Application Form and payment to the Receiving Agents, you cannot withdraw your application or change the number of Open Offer Shares for which you have applied.

9. What if the number of Open Offer Shares to which I am entitled is not a whole number; am I entitled to fractions of Open Offer Shares?

If the number is not a whole number, you will not receive a fraction of an Open Offer Share and your entitlement will be rounded down to the nearest whole number.

10. I hold my Existing Ordinary Shares in certificated form. What should I do if I have sold some or all of my Existing Ordinary Shares?

If you hold Existing Ordinary Shares in the Company directly and you sell some or all of your Existing Ordinary Shares before 21 November 2018, you should contact the buyer or the person/company through whom you sell your shares. The buyer may be entitled to apply for Open Offer Shares under the Open Offer. However, notwithstanding the above, you should not contact the buyer if he is located or resident in, is a citizen of, or has a registered office in a Restricted Jurisdiction. If you sell any of your Existing Ordinary Shares on or after 21 November 2018, you may still take up and apply for the Open Offer Shares as set out on your Application Form.

11. I hold my Existing Ordinary Shares in certificated form. How do I pay?

Completed Application Forms should be returned with a cheque drawn in the appropriate form. All payments must be in pounds sterling and made by cheque made payable to "Link Market Services Limited re MedaPhor Group plc Open Offer A/C." and crossed "A/C payee only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third-party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has inserted details of the full name of the building society or bank account holder and has added the building society or bank branch stamp to the back of the cheque. The account name should be the same as that shown on the Application Form. Post-dated cheques will not be accepted.

12. Will the Existing Ordinary Shares that I hold now be affected by the Open Offer?

If you decide not to apply for any of the Open Offer Shares to which you are entitled under the Open Offer, or only apply for some of your entitlement, your proportionate ownership and voting interest in the Company will be reduced.

13. I hold my Existing Ordinary Shares in certificated form. Where do I send my Application Form?

You should send your completed Application Form together with the monies in the appropriate form, by post or by hand (during normal office hours only) to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU. If you post your Application Form by first-class post, you should allow at least four Business Days for delivery. If you do not want to take up or apply for Open Offer Shares then you need take no further action.

14. I hold my Existing Ordinary Shares in certificated form. When do I have to decide if I want to apply for Open Offer Shares?

The Receiving Agents must receive the Application Form by no later than 11.00 a.m. on 11 December 2018, after which time Application Forms will not be valid. If an Application Form is being sent by first class post in the UK, Qualifying Shareholders are recommended to allow at least four Business Days for delivery.

15. How do I transfer my entitlements into the CREST system?

If you are a Qualifying Non-CREST Shareholder, but are a CREST member and want your Open Offer Shares to be in uncertificated form, you should complete the CREST deposit form (contained in the Application Form), and ensure it is delivered to the CREST Courier and Sorting Service in accordance with the instructions in the Application Form. CREST sponsored members should arrange for their CREST sponsors to do this.

16. I hold my Existing Ordinary Shares in certificated form. When will I receive my new share certificate?

It is expected that the Receiving Agents will post all new share certificates on 20 December 2018.

17. If I buy Existing Ordinary Shares after the Record Date, will I be eligible to participate in the Open Offer?

If you bought your Existing Ordinary Shares after the Record Date but before the ex-entitlement date, you are likely to be able to participate in the Open Offer in respect of such Ordinary Shares.

18. Will I be taxed if I take up my entitlements?

Shareholders who are in any doubt as to their tax position should consult an appropriate professional adviser immediately.

19. What should I do if I live or am located outside the United Kingdom?

Your ability to apply to acquire Open Offer Shares may be affected by the laws of the country in which you live or are located and you should take professional advice as to whether you require any governmental or other consents or need to observe any other formalities to enable you to take up your Open Offer Entitlement. Shareholders with registered addresses or who are located or resident in the United States or any other Restricted Jurisdiction are, subject to certain exceptions, not eligible to participate in the Open Offer. Your attention is drawn to the information in paragraph 6 of Part III “Terms and Conditions of the Open Offer” of this Document.

20. Further assistance

Please call Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

NOTICE OF GENERAL MEETING

MedaPhor Group plc

(Incorporated in England and Wales under the Companies Act 1985 with registered no. 09028611)

Notice is hereby given that a general meeting (the "General Meeting" or the "Meeting") of MedaPhor Group plc (the "Company") will be held at 11.00 a.m. at the offices of Memery Crystal LLP, 165 Fleet Street, London EC4A 2DY on 12 December 2018, for the purpose of considering and, if thought fit, passing the following resolutions, of which resolutions 1 and 3 will each be proposed as ordinary resolutions and resolutions 2, 4 and 5 will each be proposed as special resolutions.

ORDINARY RESOLUTION

1. That, in addition to all other powers granted to the directors of the Company at the annual general meeting of the Company held on 17 May 2018, the directors of the Company be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "**Act**") to allot Relevant Securities (as defined below) up to an aggregate nominal amount of £830,428.84 pursuant to the Placing and Open Offer (as defined and set out in the document in which this notice of Meeting is included) provided that this authority shall, unless renewed, varied or revoked by the Company in general meeting, expire on the date falling 6 months from the date of the passing of this resolution, or if earlier, at the conclusion of the next annual general meeting of the Company, save that the Company may at any time before such expiry make an offer or agreement which might require Relevant Securities to be allotted after such expiry and the directors of the Company may allot Relevant Securities in pursuance of such offer or agreement notwithstanding that the authority hereby conferred has expired. In this resolution 1, "**Relevant Securities**" means any shares in the capital of the Company and the grant of any right to subscribe for, or to convert any security into, shares in the capital of the Company.

SPECIAL RESOLUTION

2. That, in addition to all other powers granted to the directors of the Company at the annual general meeting of the Company held on 17 May 2018 and subject to the passing of resolution 1, the directors of the Company be generally empowered pursuant to section 570 of the Act to allot equity securities (as defined in section 560 of the Act) for cash as if section 561(1) of the Act did not apply to any such allotment pursuant to the general authority conferred on them by resolution 1, unless renewed, varied or revoked by the Company in general meeting, provided that such power shall:
 - (a) be limited to the allotment of equity securities up to an aggregate nominal amount of £830,428.84, in connection with the Placing and Open Offer (as defined and set out in the document in which this notice of Meeting is included); and
 - (b) expire on the date falling 6 months from the date of the passing of this resolution, or if earlier, at the conclusion of the next annual general meeting of the Company, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors of the Company may allot equity securities in pursuance of such offer or agreement notwithstanding that the power conferred by this resolution has expired.

ORDINARY RESOLUTION

3. That, in addition to all other powers granted to the directors of the Company at the annual general meeting of the Company held on 17 May 2018 and pursuant to resolution 1, the directors of the Company be generally and unconditionally authorised in accordance with section 551 of the Act to allot Relevant Securities (as defined below) up to an aggregate nominal amount of £411,764.71 provided that:
 - (a) such Relevant Securities are allotted for a subscription price of no less than the Issue Price; and

- (b) this authority shall, unless renewed, varied or revoked by the Company in general meeting, expire on the date falling 12 months from the date of the passing of this resolution, or if earlier, at the conclusion of the next annual general meeting of the Company, save that the Company may at any time before such expiry make an offer or agreement which might require Relevant Securities to be allotted after such expiry and the directors of the Company may allot Relevant Securities in pursuance of such offer or agreement notwithstanding that the authority hereby conferred has expired.

In this resolution 3, "**Relevant Securities**" means any shares in the capital of the Company and the grant of any right to subscribe for, or to convert any security into, shares in the capital of the Company.

SPECIAL RESOLUTIONS

4. That, in addition to all other powers granted to the directors of the Company at the annual general meeting of the Company held on 17 May 2018 and pursuant to resolution 2, and subject to the passing of resolution 3, the directors of the Company be generally empowered pursuant to section 570 of the Act to allot equity securities (as defined in section 560 of the Act) for cash as if section 561(1) of the Act did not apply to any such allotment pursuant to the general authority conferred on them by resolution 3, unless renewed, varied or revoked by the Company in general meeting, provided that such power shall:
- (a) be limited to the allotment of equity securities up to an aggregate nominal amount of £411,764.71; and
- (b) expire on the date falling 12 months from the date of the passing of this resolution, or if earlier, at the conclusion of the next annual general meeting of the Company, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors of the Company may allot equity securities in pursuance of such offer or agreement notwithstanding that the power conferred by this resolution has expired.
5. That, the name of the Company be changed to Intelligent Ultrasound Group plc.

By order of the Board



Stuart Gall
Chief Executive Officer
MedaPhor Group plc
26 November 2018

Registered Office
The Cardiff Medicentre
Heath Park, Cardiff
Wales
CF14 4UJ

Notes:

1. Pursuant to Regulation 41(3) of the Uncertificated Securities Regulations 2001/3755, the Company specifies that only those members registered on the Company's register of members at close of business on 10 December 2018 shall be entitled to attend and vote at the General Meeting.
2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the General Meeting and you should have received a proxy form with this notice of General Meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. A proxy does not need to be a member of the Company but must attend the General Meeting to represent you. Details of how to appoint the Chairman of the General Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the General Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the Company's registrars, Link Asset Services, at the address set out in note 5.
5. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote. To appoint a proxy using the proxy form, the form must be:
 - (a) completed and signed by you;
 - (b) sent or delivered to Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU ; and
 - (c) received by them no later than 11.00 a.m. on 10 December 2018.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

6. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first named being the most senior).
7. As at 5.00 p.m. on the business day immediately prior to the date of posting of this Notice of General Meeting, the Company's issued share capital comprised 96,877,418 ordinary shares of £0.01 each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 5.00 p.m. on the business day immediately prior to the date of posting of this Notice of General Meeting is 96,877,418.
8. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members (www.euroclear.com), and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent Link Asset Services, (ID:RA10), by 11.00 a.m. on 10 December 2018 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities 2001 (as amended).

