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If you have sold or otherwise transferred, or you sell or otherwise transfer, all of your registered holding of Existing Ordinary Shares held in certificated form prior to the Ex-entitlement Date, please immediately forward this document, together with the accompanying Form of Proxy but not the accompanying personalised Application Form, to the purchaser or transferee or to the stockbroker, bank or other agent through or by whom the sale or transfer was or is effected for onward delivery to the purchaser or transferee. If you have sold or otherwise transferred, or you sell or otherwise transfer, Existing Ordinary Shares held in uncertificated form prior to the Ex-entitlement Date, a claim transaction will automatically be generated by Euroclear which, on settlement, will transfer the appropriate number of Open Offer Entitlements to the purchaser or transferee through CREST. If you have sold or otherwise transferred, or you sell or otherwise transfer, only part of your registered holding of Existing Ordinary Shares held in certificated form prior to the Ex-entitlement Date, please immediately contact your stockbroker, bank or other agent through or by whom the sale or transfer was effected and refer to the instructions regarding split applications set out in the Application Form.

The Existing Ordinary Shares are admitted to trading on AIM. Applications will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM in respect of EIS/VCT Admission and General Admission. Subject to, amongst other things, the passing of the Resolutions at the General Meeting, it is expected that EIS/VCT Admission will become effective, and dealings in the EIS/VCT Placing Shares will commence on AIM, at or around 8.00 a.m. on 29 July 2021. It is expected that General Admission will become effective, and dealings in the General Placing Shares, the Open Offer Shares, the Retail Offer Shares and the Director Subscription Shares will commence on AIM, at or around 8.00 a.m. on 30 July 2021. Shareholders and potential investors should be aware of the possibility that EIS/VCT Admission may occur, but General Admission may not take place. The New Ordinary Shares will not be admitted to trading on any other investment exchange. The New Ordinary Shares will, on Admission, rank *pari passu* in all respects with the Existing Ordinary Shares and will rank in full for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company.

The total consideration under the Open Offer and the Retail Offer will be less than €8.0 million (or an equivalent amount) in aggregate and the Placing Shares will only be available to qualified investors for the purposes of the Prospectus Regulation Rules Sourcebook or otherwise in circumstances not resulting in an offer of transferable securities to the public under section 102B of FSMA. Neither the Placing, the Open Offer nor the Retail Offer constitutes an offer to the public requiring an approved prospectus under section 85 of FSMA and, accordingly, this document does not constitute, and is not required to be, a prospectus for the purposes of the Prospectus Regulation Rules Sourcebook. This document has not been, and will not be, approved by, or filed with, the FCA. In addition, this document does not constitute an AIM admission document drawn up in accordance with the AIM Rules. This document has not been approved for issue by any person for the purposes of section 21 of FSMA.

The Company and the Directors, whose names and positions are set out on page 9 of this document, 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 for which they take responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

ILIKA PLC

(incorporated in England and Wales with registered number 07187804)

Placing of 12,846,428 new Ordinary Shares at 140 pence per new Ordinary Share

Open Offer of up to 2,673,811 new Ordinary Shares at 140 pence per new Ordinary Share

Retail Offer of 2,142,857 new Ordinary Shares at 140 pence per new Ordinary Share

Notice of General Meeting

Liberum Capital Limited (“**Liberum**”), which is authorised and regulated in the United Kingdom by the FCA, is acting as nominated adviser and joint bookrunner to the Company in connection with the Capital Raising and is not acting for any other persons in relation to the Capital Raising. Liberum is retained by the Company in connection with the Capital Raising and shall not be responsible to any other party for providing advice or taking any other action in relation to the Capital Raising. Persons receiving this document should note that Liberum will not be responsible to anyone other than the Company for providing the protections afforded to clients of Liberum or for advising any other person on the arrangements described in this document. Liberum has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Liberum nor does it make any representation or warranty, express or implied, for the accuracy of any information or opinion contained in this document or for the omission of any information. No representation, responsibility or warranty, express or implied, is made by Liberum or any of its directors, officers, employees or agents as to the contents of this document in connection with the Capital Raising or any other matters referred to in this document. Accordingly, Liberum disclaims all and any responsibility or liability whether arising in tort, contract or otherwise which it might otherwise have in respect of this document. Nothing in this paragraph shall serve to exclude or limit any responsibilities which Liberum may have under FSMA or the regulatory regime established thereunder.

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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 FCA. 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. The London Stock Exchange has not itself examined or approved the contents of this document. A prospective investor should consider carefully whether an investment in the Company is suitable for him or her in light of his or her personal circumstances and the financial resources available to him or her. The AIM Rules are less demanding than those of the Official List of the FCA. It is emphasised that no application is being made for admission of the New Ordinary Shares to the Official List of the FCA.

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company which is set out in Part 3 of this document, which contains the unanimous recommendation of the Directors that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting. In addition, your attention is drawn to the risk factors in Part 4 of this document which contain certain general and specific risks and uncertainties for the Group that should be considered by prospective investors when considering whether or not to make an investment in the Company.

Notice of the General Meeting of the Company to be held at Walbrook PR Limited, 75 King William Street, London, EC4N 7BE at 11.00 a.m. on 28 July 2021 is set out at the end of this document. The Form of Proxy for use at the General Meeting accompanies this document and, to be valid, should be completed and returned in accordance with the instructions set out thereon by post to Computershare Investor Services PLC, Corporate Actions Project, Bristol, BS99 6AH, so as to be received by not later than 11.00 a.m. on 26 July 2021 (or, in the case of an adjournment of the General Meeting, not later than 48 hours (excluding any part of a day that is not a working day) before the time fixed for the holding of the adjourned meeting). Shareholders who hold their Existing Ordinary Shares in CREST may appoint a proxy to vote at the General Meeting on their behalf by completing and transmitting a CREST Proxy Instruction so as to be received by the Company's agent, Computershare Investor Services PLC (ID Number 3RA50), by no later than 11.00 a.m. on 26 July 2021 (or, in the case of an adjournment of the General Meeting, not later than 48 hours (excluding any part of a day that is not a working day) before the time fixed for the holding of the adjourned meeting). The completion and return of a Form of Proxy (or the electronic appointment of a proxy) will not preclude you from attending and voting at the General Meeting in person if you so wish.

IMPORTANT NOTICE REGARDING COVID-19 GENERAL MEETING ARRANGEMENTS

In response to the COVID-19 pandemic, the UK Government has introduced a number of measures in England aimed at controlling the spread of the COVID-19 virus. The Board has been closely monitoring the ongoing COVID-19 situation and, on the basis of the UK government's roadmap out of lockdown, the General Meeting has been arranged on the assumption that it will be able to be held as an open, physical meeting. If the position changes, the Company will communicate any updates on its website at www.ilika.com and, where appropriate, through an announcement to the market, before the General Meeting.

The latest time and date for acceptance and payment in full under the Open Offer is 11.00 a.m. on 27 July 2021. The procedure for application and payment for Qualifying Shareholders is set out in Part 5 of this document and, where relevant, in the accompanying Application Form. Shareholders are advised to return the Application Form using the enclosed reply-paid envelope, which can also be used for return of completed Forms of Proxy.

NOTICE TO OVERSEAS PERSONS

The distribution of this document and the accompanying Form of Proxy and, where applicable, Application Form and/or the transfer of Open Offer Entitlements through CREST or otherwise in jurisdictions other than the United Kingdom may be restricted by applicable laws or regulations and, therefore, persons into whose possession these documents come should inform themselves about and observe any of those restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction.

The New Ordinary Shares, the Open Offer Entitlements and the Excess Open Offer Entitlements have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, (the "**US Securities Act**") and may not be offered, sold or delivered in, into or from the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. This document and the Application Form do not constitute an offer of Ordinary Shares to any person with a registered address, or who is resident, in the United States. There will be no public offer in the United States. Outside of the United States, the New Ordinary Shares are being offered in reliance on Regulation S under the US Securities Act. The New Ordinary Shares will not qualify for distribution under the relevant securities laws of Australia, Canada, New Zealand, the Republic of South Africa or Japan, nor has any prospectus in relation to the New Ordinary Shares been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance. Accordingly, subject to certain exemptions, the New Ordinary Shares may not be offered, sold, taken up, delivered or transferred in, into or from the United States, Australia, New Zealand, Canada, the Republic of South Africa, Japan or any other jurisdiction where to do so would constitute a breach of local securities laws or regulations (each a "**Restricted Jurisdiction**") or to or for the account or benefit of any national, resident or citizen of a Restricted Jurisdiction. This document does not constitute an offer to issue or sell, or the solicitation of an offer to subscribe for or purchase, any New Ordinary Shares to any person in a Restricted Jurisdiction and is not for distribution in, into or from a Restricted Jurisdiction.

The New Ordinary Shares, the Open Offer Entitlements and the Excess Open Offer Entitlements have not been approved or disapproved by the US Securities and Exchange Commission, or any other securities commission or regulatory authority of the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the New Ordinary Shares nor have they approved this document or confirmed the accuracy or adequacy of the information contained in this document. Any representation to the contrary is a criminal offence in the US.

In addition, Application Forms are not being posted to, and no Open Offer Entitlements or Excess Open Offer Entitlements will be credited to a stock account of, any person in the United States, Canada, Australia, New Zealand, Japan or the Republic of South Africa. The attention of Overseas Shareholders and other recipients of this document who are residents or citizens of any country other than the United Kingdom is drawn to the section entitled "Overseas Shareholders" at paragraph 6 of Part 5 of this document.

PRESENTATION OF FINANCIAL INFORMATION

Certain data in this document, including financial, statistical and operational information has been rounded. As a result of the rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data. Percentages in tables have been rounded and, accordingly, may not add up to 100 per cent. In this document, references to "pounds sterling", "£", "pence" and "p" are to the lawful currency of the United Kingdom and references to "Euros" and "€" are to a lawful currency of the European Union.

PRESENTATION OF MARKET, ECONOMIC AND INDUSTRY DATA

Where information contained in this document originates from a third party source, it is identified where it appears in this document together with the name of its source. Such third party information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

NO INCORPORATION OF WEBSITE INFORMATION

A copy of this document will also be available from the Company's website, www.ilika.com. The contents of the Company's website or any hyperlinks accessible from the Company's website do not form part of this document and Shareholders should not rely on them.

No person has been authorised to give any information or to make any representation other than those contained in this document in connection with the Capital Raising and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Company, Liberum, Berenberg or their respective associates, directors, officers or advisers.

FORWARD-LOOKING STATEMENTS

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 developments 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 statements and (other than in accordance with their legal or regulatory obligations) neither the Company, nor Liberum, nor Berenberg, 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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PART 1

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Open Offer Record Date	6.00 p.m. on 8 July 2021
Announcement of the Capital Raising	9 July 2021
Date Existing Ordinary Shares marked 'ex-entitlement' by the London Stock Exchange	8.00 a.m. on 12 July 2021
Date of this document and of the posting of this document, Application Forms and Forms of Proxy	12 July 2021
Open Offer Entitlements and Excess Open Offer Entitlements credited to CREST stock accounts of Qualifying CREST Shareholders	13 July 2021
Recommended latest time and date for requesting withdrawal of Open Offer Entitlements and Excess Open Offer Entitlements from CREST	4.30 p.m. on 21 July 2021
Latest time and date for depositing Open Offer Entitlements and/or Excess Open Offer Entitlements into CREST	3.00 p.m. on 22 July 2021
Latest time and date for splitting Application Forms (to satisfy <i>bona fide</i> market claims in relation to Open Offer Entitlements only)	3.00 p.m. on 23 July 2021
Latest time and date for receipt of completed Forms of Proxy and receipt of electronic proxy appointments via CREST	11.00 a.m. on 26 July 2021
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of the relevant CREST instructions (as appropriate)	11.00 a.m. on 27 July 2021
General Meeting	11.00 a.m. on 28 July 2021
Results of the General Meeting and the Open Offer expected to be announced through a Regulatory Information Service	28 July 2021
Expected date for EIS/VCT Admission and commencement of dealings in the EIS/VCT Placing Shares	8.00 a.m. on 29 July 2021
Expected date on which CREST accounts to be credited with EIS/VCT Placing Shares in uncertificated form	29 July 2021
Expected date for General Admission and commencement of dealings in the General Placing Shares, the Open Offer Shares, the Retail Offer Shares and any Director Subscription Shares	8.00 a.m. on 30 July 2021
Expected date on which CREST accounts to be credited with General Placing Shares, Open Offer Shares, Retail Offer Shares and Director Subscription Shares in uncertificated form	30 July 2021
Expected date for despatch of definitive share certificates in respect of EIS/VCT Placing Shares to be issued in certificated form	By 13 August 2021
Expected date for despatch of definitive share certificates in respect of General Placing Shares, Open Offer Shares, Retail Offer Shares and Director Subscription Shares to be issued in certificated form	By 14 August 2021
Long Stop Date	8.00 a.m. on 17 August 2021

Notes:

- (1) References to times in this document are to London time (unless otherwise stated).
- (2) Each of the times and dates above are indicative only and are subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified by the Company to the Shareholders by announcement through a Regulatory Information Service.
- (3) Admission and the commencement of dealings in the New Ordinary Shares on AIM are conditional on, *inter alia*, the passing of the Resolutions at the General Meeting.
- (4) In order to subscribe for Open Offer Shares under the Open Offer, Qualifying Shareholders will need to follow the procedure set out in Part 5 of this document and, where relevant, complete the accompanying Application Form. If Qualifying Shareholders have any queries on the procedure for acceptance and payment, or wish to request another Application Form, they should contact Computershare Investor Services PLC on 0370 707 1898 or, if phoning from outside the UK, on +44 (0)370 707 1898. Calls may be recorded and monitored randomly for security and training purposes. Computershare Investor Services PLC cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

CAPITAL RAISING STATISTICS

Number of Existing Ordinary Shares in issue ⁽¹⁾	139,038,172
Open Offer Entitlement	1 Open Offer Share for every 52 Existing Ordinary Shares
Issue Price of each New Ordinary Share	140 pence
Number of EIS/VCT Placing Shares to be issued pursuant to the Placing	1,428,571
Number of General Placing Shares to be issued pursuant to the Placing	11,417,857
Aggregate number of Placing Shares to be issued pursuant to the Placing	12,846,428
Gross proceeds of the Placing	Approximately £18 million
Net proceeds of the Placing ⁽²⁾	Approximately £17 million
Aggregate number of Director Subscription Shares	10,713
Number of Open Offer Shares to be offered for subscription by Qualifying Shareholders pursuant to the Open Offer	Up to 2,673,811
Maximum gross proceeds of the Open Offer	Up to approximately £3.7 million
Number of Retail Offer Shares to be issued to retail investors pursuant to the Retail Offer	2,142,857
Gross proceeds of the Retail Offer	Approximately £3.0 million
Enlarged Issued Share Capital following EIS/VCT Admission	140,466,743
Enlarged Issued Share Capital following General Admission ⁽³⁾	156,711,981
Percentage of Enlarged Issued Share Capital following General Admission represented by the Placing Shares ⁽³⁾	Approximately 8 per cent.
Maximum percentage of Enlarged Issued Share Capital following General Admission represented by the Open Offer Shares ⁽³⁾	Approximately 2 per cent.
Percentage of Enlarged Issued Share Capital following General Admission represented by the Retail Offer Shares ⁽³⁾	Approximately 1.37 per cent.
Maximum number of New Ordinary Shares to be issued pursuant to the Capital Raising ⁽³⁾	17,673,809
Maximum percentage of Enlarged Issued Share Capital following General Admission represented by the New Ordinary Shares ⁽³⁾	Approximately 11.3 per cent.
Maximum number of New Ordinary Shares to be issued pursuant to the Capital Raising as a percentage of the Existing Ordinary Shares ⁽³⁾	Approximately 13 per cent.
ISIN for Open Offer Entitlements	GB00BP2PQ872
ISIN for Excess Open Offer Entitlement	GB00BP2PQ989
ISIN for Existing Ordinary Shares and, following Admission, the New Ordinary Shares	GB00B608Z994
LEI	213800TMDNIE3Z8XXD26

Notes:

- (1) On 8 July 2021, being the latest practicable date prior to the date of this document.
- (2) After deducting commissions and expenses in the aggregate amount of approximately £1 million.
- (3) Assuming full subscription under the Open Offer and the issue of the Placing Shares and the Director Subscription Shares.

PART 2

DIRECTORS, SECRETARY AND ADVISERS

Directors:	Prof. Keith Jackson <i>Non-Executive Chairman</i> Graeme Purdy <i>Chief Executive Officer</i> Stephen Boydell <i>Finance Director</i> Prof. Brian Hayden <i>Chief Scientific Officer</i> Jeremy Millard <i>Non-Executive Director</i> Monika Biddulph <i>Non-Executive Director</i>
	all of:
	Unit 10a The Quadrangle Premier Way Romsey SO51 9DL
Secretary and Registered office:	Stephen Boydell Unit 10a The Quadrangle Premier Way Romsey SO51 9DL
Nominated adviser and joint bookrunner to the Company:	Liberum Capital Limited Ropemaker Place Level 12 25 Ropemaker Street London EC2Y 9LY
Joint bookrunner to the Company:	Joh. Berenberg, Gossler & Co. KG London Branch 60 Threadneedle Street London EC2R 8HP
Auditors to the Company:	BDO LLP 55 Baker Street London W1U 7EU
Solicitors to the Company:	Eversheds Sutherland (International) LLP One Wood Street London EC2V 7WS
Registrars:	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS99 6AH

PART 3

LETTER FROM THE CHAIRMAN OF ILIKA PLC

(incorporated and registered in England and Wales with registered number 07187804)

Directors:

Prof. Keith Jackson (*Non-Executive Chairman*)
Graeme Purdy (*Chief Executive Officer*)
Stephen Boydell (*Finance Director*)
Prof. Brian Hayden (*Chief Scientific Officer*)
Jeremy Millard (*Non-Executive Director*)
Monika Biddulph (*Non-Executive Director*)

Registered Office:

Unit 10a
The Quadrangle
Premier Way
Romsey
SO51 9DL

12 July 2021

To Shareholders and, for information only, to the holders of options under the Company's share option schemes

Dear Shareholder

Placing of 12,846,428 new Ordinary Shares at 140 pence per new Ordinary Share
Open Offer of up to 2,673,811 new Ordinary Shares at 140 pence per new Ordinary Share
Retail Offer of 2,142,857 new Ordinary Shares at 140 pence per new Ordinary Share
Notice of General Meeting

1. Introduction

On 9 July 2021, the Company announced a conditional Placing to raise gross proceeds of approximately £18.0 million, an associated Open Offer to raise gross proceeds of up to approximately £3.7 million and a Retail Offer via PrimaryBid to raise gross proceeds of up to approximately £3.0 million, in each case at a price of 140 pence per New Ordinary Share. Certain of the Directors have also conditionally agreed to subscribe directly with the Company for, in aggregate, 10,713 new Ordinary Shares at the Issue Price.

The net proceeds of the Capital Raising are expected to be utilised to drive Ilika's roadmap across its portfolio of solid-state battery projects. In particular, the net proceeds of the Placing are expected to be utilised to: (i) accelerate the development of the Company's Goliath technology, including through targeting and exceeding lithium ion battery equivalence around December 2022; (ii) enable a tenfold increase in the capacity of the Goliath pre-pilot line, targeted by Q1 2023; and (iii) strengthen the balance sheet and provide additional working capital and to support the Company's planned Goliath product development until mid-calendar year 2023.

All of the net proceeds of the Open Offer, the Retail Offer and the Director Subscriptions will be used to further support the Group's working capital requirements.

The Capital Raising is conditional upon, *inter alia*, the passing of the Resolutions at the General Meeting. As part of the Placing, the Directors consider that up to approximately £2 million of the gross proceeds of the Placing should qualify for EIS Relief and VCT Relief. Applications will be made in due course to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. EIS/VCT Admission is expected to become effective and dealings in the EIS/VCT Placing Shares are expected to commence at 8.00 a.m. on 29 July 2021. General Admission is expected to become effective and dealings in the General Placing Shares, the Open Offer Shares, the Retail Offer Shares and the Director Subscription Shares are expected to commence at 8.00 a.m. on 30 July 2021.

If the conditions relating to the issue of the Placing Shares are not satisfied or the Placing Agreement is terminated in accordance with its terms, the Placing Shares will not be issued and the Company will not receive the related placing monies. In this scenario, the Open Offer, the Retail Offer and the Director Subscriptions will similarly not proceed.

The Issue Price represents a discount of approximately 30.0 per cent. to the closing mid-market price of 200 pence per Existing Ordinary Share on the Latest Practicable Date.

The purpose of this document is to provide Shareholders with information regarding the Capital Raising, to explain why the Directors consider the Capital Raising to be in the best interests of the Company and its Shareholders as a whole, to convene a General Meeting at which the Resolutions seeking Shareholder authority for the issue of the New Ordinary Shares will be put to Shareholders and to explain why the Directors unanimously recommend that you vote in favour of the Resolutions to be proposed at the General Meeting. If the Resolutions are not passed, the Company will be unable to issue the New Ordinary Shares.

Further information about the Capital Raising and the Company's current trading and prospects is set out below.

You will find set out at the end of this document the Notice of the General Meeting to be held at Walbrook PR Limited, 75 King William Street, London, EC4N 7BE at 11.00 a.m. on 28 July 2021, at which the Resolutions will be proposed, in the case of Resolution 1, as an ordinary resolution, and, in the case of Resolution 2, as a special resolution.

The Company announced its results for the year ended 30 April 2021 on 6 July 2021. A copy of the Company's full year results is available on the Company's website at <https://www.ilika.com/investors>.

2. Background to, and reasons for, the Capital Raising

Ilika is a world-renowned independent expert in the design and manufacture of solid-state batteries.

Ilika has patented expertise in solid-state battery materials, cell designs and processes for manufacturing. There are a number of sectors where original equipment manufacturers ("OEMs") are interested in accessing Ilika's solid state battery technology to power their products. These include EVs, industrial sensors (otherwise known as the Industrial Internet of Things or "IoT"), medical technology ("MedTech") and consumer electronics.

Designs of conventional large format lithium ion cells are reaching their maximum theoretical energy density of 300-350 Wh/kg. Solid state cell designs offer the promise of theoretical energy densities of 475-525 Wh/kg depending on the choice of architecture and materials. Developers around the world are designing and making prototype solid state cells that are gradually increasing in energy density. These new designs are expected to yield energy densities that will exceed conventional lithium ion cells in 2022 and move towards the theoretical limit of such designs over the next five years.

Solid-state cells have a number of environmental benefits over traditional lithium ion cells. Currently, only 5 per cent. of lithium ion cells are recycled and yet they are environmentally harmful due to liquid electrolyte toxicity and the risk of fire and explosions. Traditional lithium ion cells cannot be landfilled or incinerated. In contrast, solid-state cells present no risk of explosion from a flammable electrolyte and commonly available process technologies can be used for recycling, including the oxide electrolytes preferred by Ilika's cells.

In March 2020, Ilika completed an over-subscribed £15 million equity placing, allowing the Company to support the implementation of its Stereax manufacturing scale-up in its own manufacturing operation based within four miles of Ilika's headquarters. This is expected to result in a 70x increase in Stereax production capacity by the end of 2021. Following product qualification, initial product sales are expected in the first half of 2022. Substantial progress has been made towards the completion of the manufacturing facility, including factory acceptance tests for key tools. To date, the Company has spent £2.5 million of the £4.0 million total expected spend on fabrication facility implementation. Once the technology transfer into the manufacturing facility has been achieved, Ilika's business model will continue to be to sell Stereax batteries, although some parts of the manufacturing workflow will be managed on an outsourced basis. The manufacturing facility will be capable of processing 3,500 wafers per annum with an expected revenue generating capability at peak capacity of £12 million per annum. In order to manage the scale-up in production, Ilika hired a Technology Transfer Director in 2020 and is hiring a team with relevant industrial experience. A further step-up in production capacity with a larger manufacturing partner is expected to be required further into the future, when a licensing model may be more appropriate.

In September 2019, Ilika announced the opening of its new large format battery facility, the Goliath pre-pilot line, in Romsey, UK, to support its portfolio of industrial collaborations. On this pre-pilot line, Ilika is developing low-cost printing processes suitable for forming batteries several orders of magnitude larger than miniature Stereax batteries. Establishing this facility formed part of the activities covered by the scope of three Goliath projects being carried out on a collaborative basis with the support of the Faraday Battery Challenge, which is managed by Innovate UK. The three projects supported the production of A6 format composite battery structures by the fourth quarter of 2019, followed by continuously improving cell designs which delivered greater than 100 cycles without failure and conversion efficiencies greater than 90 per cent. by the fourth quarter of 2020. A reproducible baseline manufacturing process was established by the first quarter of 2021.

Given the accelerating demand and addressable market for EVs, underpinned by government policies, scaling Goliath presents a large opportunity for the Company. The Company's Goliath technology development path is aligned with the EV revolution currently taking place, as annual sales accelerate to meet international commitments to reduce carbon emissions. The Company is able to utilise the experience gained from its Stereax technology to help with the scale-up of the Goliath programme.

According to International Energy Agency data, after a decade of rapid growth, in 2020, the global electric car stock reached 10 million, a 43 per cent. increase over 2019, and now represents a 1 per cent. share of all car stock. Battery electric vehicles ("BEVs") accounted for two-thirds of new electric car registrations and two-thirds of the stock in 2020. OEMs are expected to embrace electric mobility more widely in the 2020s. Notably, 18 of the 20 largest OEMs (by vehicles sold in 2020), which combined accounted for almost 90 per cent. of all worldwide new car registrations in 2020, have announced intentions to increase the number of available models and boost production of electric light-duty vehicles ("LDVs") and more than 10 of the largest OEMs worldwide have declared electrification targets for 2030 and beyond. The development path for Goliath batteries is aligned with this market growth. BloombergNEF expects that production of solid state cells will ramp up steadily from 2028 and that, by 2035, they will account for nearly 50 per cent. of total EV batteries in Europe, amounting to 150 GWh of production. Solid-state batteries are expected to reach price parity with conventional lithium ion cells the year prior to this in 2034.

The adoption of EVs is being driven by legislation around the world in order to reduce carbon emissions and tackle climate change. The EV industry has a roadmap to improve the characteristics of batteries. In the UK, the Automotive Council has published a set of market needs, setting out the improvements in the principal characteristics required to 2035 and beyond. Solid-state batteries have the promise of being able to deliver performance improvements aligned with the industry EV roadmap over and above what the incremental improvements in traditional, liquid-electrolyte-based lithium-ion cells are expected to deliver.

Ilika expects that the initial commercial adoption of its Goliath technology will be led by high value consumer appliance applications such as beauty products including hair straighteners and curling tongs, power tools, cameras, e-cigarettes and medical devices, which can also benefit from some of the unique properties of solid-state batteries.

The three Goliath projects, supported by £5.2 million grant funding to date, are enabling Ilika to interact with leading companies in the UK automotive sector. In the PowerDrive Line project, Ilika, as the lead partner, is working with Honda Europe and Ricardo to develop battery modules that can be charged in under 20 minutes. As part of a consortium led by McLaren Automotive, Ilika is participating in the Multi Optimal Solutions for Energy Storage Systems project to develop battery systems for performance cars. The consortium considers that current electric technology is not sufficiently mature for the demands of high performance cars due to high weight, range limitations and battery management challenges. Through the development of new materials for cells and a modular-designed battery, the consortium aims to deliver the advances it considers are needed to achieve improved levels of functionality and performance. Ilika's third project, Granite, for which it most recently received an award of funding from the Faraday Battery Challenge, is being led by Jaguar Land Rover and is designed to assess the compatibility of Ilika's process with established lithium-ion production techniques. The Goliath programme is closely aligned with UK government industrial strategy and is supported by government bodies tasked with encouraging the UK's EV industry, including the Faraday Battery Challenge.

In April 2021, Ilika announced it had partnered with Comau, part of the Fiat Group, and a world leader in the industrial automation field, to scale up Ilika's existing Goliath pre-pilot line and deliver a plant design for a Goliath manufacturing line at a mega-scale facility. The design study is being supported by the Advanced Propulsion Centre (APC) over the 12-month project. The project, which is led by Ilika, has two objectives,

firstly to design the scale up of Ilika's existing Goliath pre-pilot line to increase production of solid-state cells from 1kWh per week to 10kWh per week until the development of a pilot line, targeted by Q1 2023. Secondly, following the signing of a framework agreement with the BIC in September 2020 for the production of Goliath solid-state pouch cells, Comau will undertake a full study of Ilika's processes and deliver a plant design for a megawatt scale solid-state manufacturing line for ultimate installation at a facility such as the BIC. The target of this stage of scale-up will involve Ilika reaching 5 MWh per week by 2024.

£10.0 million of the net proceeds of the Placing are expected to be used to fund the development of Goliath technology through targeting and exceeding LIB equivalence around December 2022. £5.0 million of those net proceeds is expected to be invested in increasing the capacity of the Goliath pre-pilot line from 1kWh to 10kWh per week, targeted by Q1 2023. In addition, £2.0 million of those net proceeds will be used to strengthen the balance sheet and provide additional working capital and to support the Company's planned Goliath product development until mid-calendar year 2023.

Following product development of Goliath technology to LIB equivalence, the Company plans to further develop Goliath technology until manufacturing readiness in 2024 and the planned subsequent transfer of production to a mega-scale production partner facility (i.e. one that produces MWh per annum of cell capacity), such as the BIC, to help facilitate its manufacturing scale-up targeting a further 500x growth in production capacity from 10kWh to 5MWh per week in line with the framework agreement entered into with the BIC. The Company will require further funding to facilitate the development of Goliath technology until manufacturing readiness and the planned move of production to a partner facility. Following LIB equivalence being reached, however, the Board believes there will be a range of funding options available to the Company, including strategic partners, government grants and additional equity financing.

Ilika is currently experiencing demand from OEM customers and their direct suppliers ("Tier 1") for prototype cells for evaluation. Ilika expects to generate revenue for the sale of evaluation samples from pilot line production, particularly for consumer appliance applications. Revenue is expected to ramp up significantly to c.£70 million per annum once Ilika's process is established at a mega-scale facility, initially from the sale of cells into consumer appliance applications, followed by the automotive sector. Assuming the transfer of Goliath production into a mega-scale production facility commences in 2024, annual revenues of £50 million from the consumer sector supplemented by an additional £20 million from the automotive sector are expected by the financial year to 30 April 2028. Further growth in revenue beyond that is expected from licensing. Ilika's forecast is made up of expected demand from a portfolio of around 62 OEMs and Tier 1 companies.

3. Current trading and prospects

Ilika's annual results for the year ended 30 April 2021 announced on 6 July 2021 contained the following statements:

Operating Highlights

Ilika has continued to develop and commercialise its thin-film Stereax® miniature solid-state batteries for powering medical devices and industrial wireless sensors ("IIoT") in hostile environments, as well as progressing its development of large-format Goliath cells for electric vehicles ("EV") and cordless appliances. Progress includes:

- Achieved substantial progress towards completion of manufacturing facility for Stereax batteries to support 70x increase in production capacity
- Progressed factory acceptance tests for key Stereax manufacturing tools
- Sold Stereax evaluation samples to a portfolio of 16 Medtech and IIoT customers from pilot line
- Strengthened senior management team through appointment of Paul Marron to new position of Technology Transfer and Manufacturing Director, to oversee implementation of the Stereax manufacturing facility
- Continued with the execution of a portfolio of 3 collaborative projects supported by the UK Government's Faraday Battery Challenge, supported by £5.2 million grant funding enabling work on rapid charging with Honda and Ricardo, battery packs for high performance vehicles with McLaren and cost-effective routes for the mass production of Goliath cells with JaguarLandRover

- Signed a framework agreement with the UK Battery Industrialisation Centre (UK-BIC) for the production of Goliath pouch cells, targeting a growth in production 1kWh per week to 5MWh per week by 2024
- Commenced a collaboration with Comau, part of the Fiat Group, to scale up Ilika's existing Goliath pre pilot line and deliver a plant design for a manufacturing line at a facility such as the UK-BIC
- Grew patent portfolio with a further 4 granted patents in 4 jurisdictions

Financial highlights

- Turnover £2.3 million (2020: £2.8 million)
- EBITDA Loss adjusted for share based payments for the year £2.3 million (2020: £2.1 million)
- Loss per share 2.53p (2020: 2.95p)
- Cash, cash equivalents and bank deposits of £9.8 million (2020: £14.8 million)

Outlook

Ilika has an intensive period of operational implementation ahead of it for the remainder of this financial year and into next year as it deploys the capital it raised in March 2020 to establish a manufacturing facility for Stereax to satisfy the demand from our medical and IoT customers. The technical maturity of Goliath is expected to continue to rise as prototype cell performance continuously improves. Ilika is looking to accelerate its plans for the scale-up of its Goliath technology such that it can reach a point of manufacturing readiness. These plans would require additional financing to realise, with potential sources of financing including additional government grant funding, equity financing and investment from strategic partners. The Board's confidence continues to build in the commercial opportunity for Ilika's technology across the large markets it addresses and this will provide a strong platform for future growth.

4. The Placing

4.1 Details of the Placing

The Company has conditionally raised, approximately £18.0 million (before commissions, fees and expenses) by means of the Placing, which comprises the EIS/VCT Placing and the General Placing. The Placing Shares, in aggregate, will represent approximately 9.2 per cent. of the Existing Ordinary Shares. The aggregate net proceeds after costs related to the Placing are expected to be approximately £17.0 million.

The Joint Bookrunners' obligations under the Placing Agreement in respect of the EIS/VCT Placing are conditional, *inter alia*, upon:

- the Placing Agreement becoming unconditional in all respects (save for any condition relating to EIS/VCT Admission) and not having been terminated in accordance with its terms prior to EIS/VCT Admission;
- the passing of the Resolutions at the General Meeting (or any adjournment thereof); and
- EIS/VCT Admission becoming effective by no later than 8.00 a.m. on 29 July 2021 (or such later time and/or date (being no later than 8.00 a.m. on the Long Stop Date) as the Joint Bookrunners and the Company may agree).

If any of the conditions above are not satisfied, the EIS/VCT Placing Shares will not be issued.

The Joint Bookrunners' obligations under the Placing Agreement in respect of the General Placing are conditional, *inter alia*, upon:

- EIS/VCT Admission having occurred;
- the Placing Agreement becoming unconditional in all respects (save for any condition relating to General Admission) and not having been terminated in accordance with its terms prior to General Admission; and

- (iii) General Admission becoming effective by no later than 8.00 a.m. on 30 July 2021 (or such later time and/or date (being no later than 8.00 a.m. on the Long Stop Date) as the Joint Bookrunners and the Company may agree).

If any of the conditions above are not satisfied, the General Placing Shares will not be issued. The EIS/VCT Placing is not conditional on the issue of the General Placing Shares and General Admission, nor is the EIS/VCT Placing (or the General Placing) conditional on the Open Offer or the Retail Offer.

The Placing Shares are not subject to clawback. The Placing is not being underwritten.

The Placing Shares will be issued free of all liens, charges and encumbrances and will, when issued, be fully paid, and rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive dividends and other distributions declared, paid or made after the date of their issue.

The Company received advance assurance on 24 May 2021 from HMRC that it is a qualifying company for the purposes of the Enterprise Investment Scheme (“**EIS Advance Assurance**”). Accordingly, whilst the Company currently expects to satisfy the relevant conditions for EIS Relief and VCT Relief in respect of the issue of the EIS/VCT Placing Shares, and the Directors are not aware of any subsequent change in the qualifying conditions or the Company’s circumstances that would prevent the EIS/VCT Placing Shares from being eligible for EIS and VCT investments on Admission, neither the Directors nor the Company give any representation, warranty or undertaking that relief will be available in respect of the EIS/VCT Placing Shares nor is any representation, warranty or undertaking given that the Company will continue to conduct its activities in a way that qualifies for, or preserves, its eligibility status. HMRC does not consider VCT advance assurance applications where the details of the potential qualifying holding are not given.

Subject to, *inter alia*, the passing of the Resolutions, application will be made to the London Stock Exchange, by means of the EIS/VCT Application, for the admission of the EIS/VCT Placing Shares to trading on AIM. EIS/VCT Admission is expected to occur and dealings are expected to commence in the EIS/VCT Placing Shares at 8.00 a.m. on 29 July 2021. Application will be made to the London Stock Exchange, by means of the General Application, for the admission of the General Placing Shares, the Open Offer Shares, the Retail Offer Shares and the Director Subscription Shares to trading on AIM. General Admission is expected to occur and dealings are expected to commence in the General Placing Shares, the Open Offer Shares, the Retail Offer Shares and the Director Subscription Shares at 8.00 a.m. on 30 July 2021. Shareholders and potential investors should be aware of the possibility that EIS/VCT Admission may occur but General Admission may not occur. If either Admission does not occur, then the Company will not receive the relevant net proceeds in respect of such Admission and the Company may not be able to finance the activities it intends to utilise the net proceeds of the Placing for, as described in this document, and may have to seek additional funding.

Director Subscriptions

The following Directors intend to subscribe for new Ordinary Shares in the following amounts and pursuant to the Director Subscription Agreements:

<i>Director</i>	<i>Existing beneficial shareholding</i>	<i>new Ordinary Shares subscribed for</i>	<i>Shareholding on completion of the Capital Raising</i>	<i>Shareholding as a percentage of the Enlarged Issued Share Capital</i>
Keith Jackson	95,000	7,142	102,142	0.1
Monika Biddulph	12,500	3,571	16,071	0.0

In addition, Steve Boydell, Brian Hayden and Graeme Purdy intend to exercise options entitling them to 10,000, 8,000 and 30,000 new Ordinary Shares respectively in accordance with the terms of the Company’s bonus scheme as soon as reasonably practicable following the General Meeting, conditionally on the Capital Raising becoming unconditional.

4.2 **The Placing Agreement**

Pursuant to the terms of the Placing Agreement, the Joint Bookrunners, as agents for the Company, have each severally agreed to use their respective reasonable endeavours to procure places for the Placing Shares at the Issue Price.

The Placing Agreement provides, *inter alia*, for the payment by the Company to the Joint Bookrunners of fees based on the number of Placing Shares placed by the Joint Bookrunners multiplied by the Issue Price.

The Company will bear all other expenses of, and incidental to, the Capital Raising, including a corporate finance fee payable to Liberum, the fees of the London Stock Exchange, printing costs, Registrars' fees and all legal and other professional fees and expenses of the Company.

The Placing Agreement contains warranties from the Company in favour of the Joint Bookrunners which are customary for a transaction of this nature. In addition, the Company has agreed to indemnify the Joint Bookrunners in customary terms in relation to certain liabilities that they may incur in respect of the Capital Raising.

The Placing Agreement is conditional, *inter alia*, upon:

- (i) the Placing Agreement becoming unconditional in all respects (save for the conditions relating to each Admission) and not having been terminated in accordance with its terms prior to EIS/VCT Admission and/or General Admission (as the case may be);
- (ii) the passing of the Resolutions at the General Meeting (or any adjournment thereof);
- (iii) EIS/VCT Admission becoming effective by no later than 8.00 a.m. on the Long Stop Date; and
- (iv) General Admission becoming effective by no later than 8.00 a.m. on the Long Stop Date.

EIS/VCT Admission is not conditional on General Admission but General Admission is conditional on EIS/VCT Admission.

Either of the Joint Bookrunners may terminate the Placing Agreement prior to either Admission in certain circumstances, including, *inter alia*:

- (i) if the Company is in breach of any of its obligations under the Placing Agreement (including the warranties contained in the Placing Agreement);
- (ii) if there is a material adverse change in the financial position or prospects of the Group; or
- (iii) if there is a material adverse change in national or international financial, monetary, economic, political, environmental or stock market conditions which (in the opinion of the relevant Joint Bookrunner, acting in good faith) is or will be or is likely to be prejudicial to the Group or to the Placing or Admission.

If one Joint Bookrunner (the "**Withdrawing Joint Bookrunner**") but not both Joint Bookrunners serves notice to terminate the Placing Agreement, the other Joint Bookrunner (the "**Continuing Joint Bookrunner**") may, in its absolute discretion and without obligation, within 24 hours thereafter, elect, by giving notice to the Company, to allow the Placing to proceed on the basis that the Continuing Joint Bookrunner shall assume any and all obligations of the Withdrawing Joint Bookrunner save (i) where the Withdrawing Joint Bookrunner is the Company's nominated adviser, as nominated adviser to the Company and (ii) as regards any breach of the terms of the Placing Agreement by the Withdrawing Joint Bookrunner prior to the date of such termination, which remain to be performed under the Placing Agreement. If the Continuing Joint Bookrunner fails to make that election to the Company within such 24 hour period then the Placing Agreement will terminate.

5. **The Open Offer and the Retail Offer**

5.1 **The Open Offer**

The Company considers it important that Qualifying Shareholders have an opportunity (where it is practicable for them to do so) to participate at the same price per New Ordinary Share as investors in the Placing and, accordingly, the Company is making the Open Offer to Qualifying Shareholders. The

Company is proposing to raise a maximum of approximately £3.7 million (before expenses) (assuming full take up of the Open Offer but being less than the €8.0 million maximum amount permitted without requiring the publication by the Company of a prospectus under the Prospectus Regulation Rules Sourcebook) through the issue of up to 2,673,811 Open Offer Shares.

The Open Offer Shares are available to Qualifying Shareholders (including Qualifying Shareholders who are also participants in the Placing) pursuant to the Open Offer at the Issue Price of 140 pence per Open Offer Share, payable in full on acceptance. The Issue Price represents a discount of approximately 30.0 per cent. to the closing mid-market price of 200 pence per Existing Ordinary Share on the Latest Practicable Date. Any Open Offer Shares not applied for by Qualifying Shareholders will be available to other Qualifying Shareholders under the Excess Application Facility.

Qualifying Shareholders may apply for Open Offer Shares under the Open Offer *pro rata* to their holdings of Existing Ordinary Shares as at the Record Date at the Issue Price on the following basis:

1 Open Offer Share for every 52 Existing Ordinary Shares held by the Qualifying Shareholder on the Record Date

Entitlements of Qualifying Shareholders to apply for Open Offer Shares will be rounded down to the nearest whole number of Open Offer Shares. Fractional entitlements which would otherwise arise will not be issued to Qualifying Shareholders but will be aggregated and made available under the Excess Application Facility. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlements. Not all Shareholders will be Qualifying Shareholders. Shareholders who are located in, or are citizens of, or have a registered office in, Restricted Jurisdictions will not qualify to participate in the Open Offer.

Valid applications by Qualifying Shareholders will be satisfied in full up to their Open Offer Entitlements. Applicants can apply for less or more than their Open Offer Entitlements but the Company cannot guarantee that any application for Excess Shares under the Excess Application Facility will be satisfied as this will depend, in part, on the extent to which other Qualifying Shareholders apply for less than or more than their own Open Offer Entitlements. The Company may satisfy valid applications for Excess Shares of applicants in whole or in part but reserves the right not to satisfy any excess above any Open Offer Entitlement. The Board may scale back applications made in excess of Open Offer Entitlements on such basis as it reasonably considers to be appropriate.

Qualifying Shareholders should note that the Open Offer is not a rights issue and therefore the Open Offer Shares which are not applied for by Qualifying Shareholders will not be sold in the market for the benefit of Qualifying Shareholders who do not apply under the Open Offer. The Application Form will not constitute a document of title and will not be able to be traded or otherwise transferred.

The Open Offer is subject to the satisfaction, *inter alia*, of the following conditions on or before 30 July 2021 (or such later date (being no later than the Long Stop Date) as the Joint Bookrunners and the Company may agree):

- (i) the Placing becoming unconditional in all respects (save for any condition relating to General Admission);
- (ii) the passing of the Resolutions at the General Meeting (or any adjournment thereof); and
- (iii) General Admission becoming effective by 8.00 a.m. on 30 July 2021 (or such later time and/or date (being no later than 8.00 a.m. on the Long Stop Date) as the Joint Bookrunners and the Company may agree).

Accordingly, if the above conditions are not satisfied, the Open Offer will not proceed and the Open Offer Shares will not be issued and all monies received by the Receiving Agent will be returned to the applicants (at the applicant's risk and without interest) as soon as possible but, in any event, within 14 days thereafter. Any Open Offer Entitlements admitted to CREST will thereafter be disabled.

The Open Offer Shares will be issued free of all liens, charges and encumbrances and will, when issued, be fully paid, and rank *pari passu* in all respects with the Placing Shares and the Existing Ordinary Shares, including the right to receive dividends and other distributions declared, paid or made after the date of their issue.

Application will be made to the London Stock Exchange, by means of the General Application, for the admission of the Open Offer Shares to trading on AIM. General Admission is expected to occur and dealings are expected to commence in the Open Offer Shares at 8.00 a.m. on 30 July 2021.

Application has been made for the Open Offer Entitlements to be admitted to CREST. It is expected that such Open Offer Entitlements will be credited to CREST stock accounts on 13 July 2021. Application has also been made for the Excess CREST Open Offer Entitlements to be admitted to CREST and it is also expected that such Excess CREST Open Offer Entitlements will be credited to CREST stock accounts on 13 July 2021. The Open Offer Entitlements and Excess CREST Open Offer Entitlements will be enabled for settlement in CREST until 11.00 a.m. on 27 July 2021.

Applications through the CREST system may only be made by the Qualifying CREST Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim. The Open Offer Shares must be paid for in full on application.

The latest time and date for receipt of completed Application Forms or CREST instructions and payment in respect of the Open Offer is 11.00 a.m. on 27 July 2021. The Open Offer is not being made to certain Overseas Shareholders.

The procedure for application and payment depends on whether, at the time at which such application and payment is made, a Qualifying Shareholder has an Application Form in respect of their Open Offer Entitlement or has their Open Offer Entitlement credited to their stock account in CREST. Further information in respect of the procedure for application is set out at paragraph 9 below.

If you are in any doubt about the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under FSMA if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser.

5.2 ***The Retail Offer***

Pursuant to the Retail Offer, certain retail investors in the United Kingdom have agreed to subscribe for 2,142,857 Retail Offer Shares via the PrimaryBid platform, at the Issue Price of 140 pence per Retail Offer Share, raising approximately £3.0 million in aggregate (before expenses).

The Retail Offer Shares to be issued pursuant to the Retail Offer represent approximately 1.5 per cent. of the Existing Ordinary Shares and will, on General Admission (assuming the Resolutions are passed at the General Meeting and full subscription under the Open Offer), represent approximately 1.4 per cent. of the Enlarged Issued Share Capital.

6. Sources and uses of proceeds

The net proceeds of the Capital Raising are expected to support the development of Ilika's solid-state EV pouch cells through its Goliath programme until the programme reaches and exceeds LIB equivalence.

In particular, the net proceeds of the Placing (being approximately £17 million) will be utilised as follows:

- i. £10 million to accelerate the development of the Company's Goliath technology, including through targeting and exceeding lithium ion battery equivalence around December 2022;
- ii. £5 million to enable a tenfold increase in the capacity of the Goliath pre-pilot line, from 1kWh to 10 kWh per week, targeted by Q1 2023; and
- iii. £2 million for general working capital purposes and to support the Company's planned Goliath product development until mid-calendar year 2023.

All of the net proceeds of the Open Offer, the Retail Offer and the Director Subscriptions will be used to further support the Group's working capital requirements.

7. Effects of the Capital Raising

Upon General Admission, and assuming full take up of Open Offer Entitlements and the Retail Offer, the Enlarged Issued Share Capital is expected to be 156,711,981 Ordinary Shares. On this basis, the New Ordinary Shares will represent approximately 11.3 per cent. of the Enlarged Issued Share Capital.

Following the issue of the New Ordinary Shares pursuant to the Capital Raising, assuming full take up of Open Offer Entitlements and the Retail Offer, Qualifying Shareholders who neither take up any of their Open Offer Entitlements nor participate in the Retail Offer nor the Placing will suffer a dilution of approximately 11.3 per cent. to their interests in the Company. If a Qualifying Shareholder takes up their Open Offer Entitlement in full, but does not participate in the Placing or the Retail Offer, they will suffer a dilution of approximately 9.6 per cent. to their interest in the Company.

The Directors have concluded that proceeding with the Capital Raising is the most suitable option available to the Company for raising additional funds through the issue of the New Ordinary Shares and that issuing the New Ordinary Shares at a discount is fair and reasonable so far as all existing Shareholders are concerned. The Issue Price has been set by the Joint Bookrunners, after consultation with the Company, following their assessment of market conditions and following discussions with a number of institutional investors.

8. General Meeting

The Directors currently have existing authorities to allot shares and dis-apply pre-emption rights under section 551 and section 570 of the Act which were obtained at the Company's Annual General Meeting held on 22 September 2020. However, these are insufficient to enable the Company to allot and issue the full amount of New Ordinary Shares pursuant to the Capital Raising. Accordingly, in order for the Company to allot and issue the New Ordinary Shares, the Company needs to first obtain approval from its Shareholders to grant to the Board additional authority to allot the New Ordinary Shares and to dis-apply statutory pre-emption rights which would otherwise apply to such allotment. The Company is therefore also seeking Shareholder authority to increase the Directors' general authority to allot securities and dis-apply pre-emption rights pursuant to sections 551 and 570 of the Act, respectively.

Set out at the end of this document is the Notice of the General Meeting to be held at Walbrook PR Limited, 75 King William Street, London, EC4N 7BE at 11.00 a.m. on 28 July 2021, at which the Resolutions will be proposed.

If any Resolution is not passed by the Shareholders at the General Meeting, the Capital Raising will not proceed. The Resolutions can be summarised as follows:

- *Resolution 1* – this will be proposed as an ordinary resolution (requiring a simple majority of votes in favour) and seeks the approval of Shareholders to authorise the Directors to allot the New Ordinary Shares in connection with the Capital Raising; and
- *Resolution 2* – this will be proposed as a special resolution (requiring the approval of at least 75 per cent. of the votes cast) and seeks the approval of Shareholders to authorise the Directors to dis-apply pre-emption rights in connection with the allotment of the New Ordinary Shares in connection with the Capital Raising. This authority is being sought to allow the Directors to issue New Ordinary Shares on a non pre-emptive basis in connection with the Capital Raising. Whilst Shareholders may apply for Open Offer Shares under the Open Offer *pro rata* to their holdings of Existing Ordinary Shares, this resolution is nevertheless required to deal with, *inter alia*, Excess Open Offer Entitlements and other practical issues in the context of the Open Offer, in particular, in relation to fractional entitlements to Open Offer Shares and legal and/or practical restrictions under the laws of certain territories or the requirements of relevant regulatory bodies or stock exchanges.

Save in respect of the allotment of the New Ordinary Shares, the grant of options to employees under employee share plans or other similar incentive arrangements and pursuant to any exercise of existing options in respect of Ordinary Shares (including in relation to the proposed exercise of options by certain Directors referred to in paragraph 11 below), the Directors have no current intention to allot shares, or rights to subscribe or convert into shares, in the capital of the Company.

9. Action to be taken

9.1 In respect of the General Meeting

Shareholders have been sent a Form of Proxy for use in connection with the General Meeting.

Whether or not you intend to attend the General Meeting in person, you are requested to complete and sign the Form of Proxy in accordance with the instructions printed thereon and to return it by post to the Company's Registrars, Computershare Investor Services PLC, Corporate Actions Project, Bristol, BS99 6AH, so as to arrive by not later than 11.00 a.m. on 26 July 2021 (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 (excluding any part of a day that is not a working day)).

Shareholders who hold their Existing Ordinary Shares in CREST may appoint a proxy to vote at the General Meeting on their behalf by completing and transmitting a CREST Proxy Instruction so as to be received by the Company's agent, Computershare Investor Services PLC (ID Number 3RA50), by no later than 11.00 a.m. on 26 July 2021 (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 (excluding any part of a day that is not a working day)).

The completion and return of a Form of Proxy (or a CREST Proxy Instruction) will not preclude you from attending and voting at the General Meeting in person if you so wish.

9.2 In respect of the Open Offer

Qualifying Non-CREST Shareholders wishing to apply for Open Offer Shares and/or Excess Shares must complete and sign the accompanying Application Form in accordance with the instructions set out in paragraph 4.1 of Part 5 of this document and on the accompanying Application Form and return it by post, together with the appropriate payment, in the envelope provided to the Receiving Agent, Computershare Investor Services PLC, Corporate Actions Project, Bristol, BS99 6AH, so as to arrive by no later than 11.00 a.m. on 27 July 2021.

If you are a Qualifying CREST Shareholder, no Application Form has been sent to you. Qualifying CREST Shareholders will have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to their stock accounts in CREST. You should refer to the procedure for application set out in paragraph 4.2 of Part 5 of this document. The relevant CREST instructions must have settled in accordance with the instructions in paragraph 4.2 of Part 5 of this document by no later than 11.00 a.m. on 27 July 2021.

Qualifying CREST Shareholders who are CREST Sponsored Members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Open Offer.

9.3 General

If you do not wish to apply for any Open Offer Shares or Excess Shares under the Open Offer, you should not complete or return the Application Form or make an application in CREST. Shareholders who hold their Existing Ordinary Shares in uncertificated form are nevertheless requested to complete and return the Form of Proxy.

If you have sold or otherwise transferred, or you sell or otherwise transfer, all of your registered holding of Existing Ordinary Shares held in certificated form prior to the Ex-entitlement Date, please immediately forward this document, together with the accompanying Form of Proxy but not the accompanying personalised Application Form, to the purchaser or transferee or to the stockbroker, bank or other agent through or by whom the sale or transfer was or is effected for onward delivery to the purchaser or transferee. If you have sold or otherwise transferred, or you sell or otherwise transfer, Existing Ordinary Shares held in uncertificated form prior to the Ex-entitlement Date, a claim transaction will automatically be generated by Euroclear which, on settlement, will transfer the appropriate number of Open Offer Entitlements to the purchaser or transferee through CREST. If you have sold or otherwise transferred, or you sell or otherwise transfer, only part of your registered holding of Existing Ordinary Shares held in certificated form prior to the Ex-entitlement Date, please immediately contact your

stockbroker, bank or other agent through or by whom the sale or transfer was effected and refer to the instructions regarding split applications set out in the Application Form.

If you are in any doubt about the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under FSMA if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser.

Your attention is drawn to the risk factors set out in Part 4 of this document. You should read all of the information contained in this document (including the risk factors contained in Part 4 of this document, the terms and conditions of the Open Offer in Part 5 of this document and the questions and answers about the Open Offer in Part 6 of this document) carefully before deciding the action to take in respect of the General Meeting or the Open Offer (or both).

10. Overseas Shareholders

Information for Overseas Shareholders who have registered addresses outside the United Kingdom or who are citizens or residents of countries other than the United Kingdom appears in paragraph 6 of Part 5 of this document, which sets out the restrictions applicable to such persons. If you are an Overseas Shareholder, it is important that you pay particular attention to that paragraph of this document.

11. Director Subscriptions

In connection with the Placing and the Open Offer, the following Directors have conditionally agreed to subscribe for the Director Subscription Shares in the following amounts and pursuant to the Director Subscription Agreements:

<i>Director</i>	<i>Existing beneficial shareholding</i>	<i>New Ordinary Shares subscribed for</i>	<i>Shareholding on completion of the Capital Raising</i>	<i>Shareholding as a percentage of the Enlarged Issued Share Capital</i>
Keith Jackson	95,000	7,142	102,142	0.1 per cent.
Monika Biddulph	12,500	3,571	16,071	0.0 per cent.

In addition, Steve Boydell, Brian Hayden and Graeme Purdy intend to exercise options entitling them to 10,000, 8,000 and 30,000 new Ordinary Shares respectively in accordance with the terms of the Company's bonus scheme as soon as reasonably practicable following the General Meeting, conditionally on the Capital Raising becoming unconditional.

12. Related Party Transactions

GPIM Limited and Henderson Global Investors, which are conditionally subscribing for 331,146 and 1,285,714 Placing Shares at the Issue Price respectively, by virtue of each of them holding more than 10 per cent. of the Existing Ordinary Shares, are considered to be related parties of the Company for the purposes of the AIM Rules and their participations in the Placing are therefore related party transactions under the AIM Rules. The Directors consider, having consulted with Liberum, the Company's nominated adviser, that the terms of the Placing are fair and reasonable in so far as Shareholders are concerned.

13. Recommendation

The Directors consider the Capital Raising and the Resolutions to be proposed at the General Meeting of the Company to be in the best interests of the Company and its Shareholders as a whole.

Accordingly, the Directors unanimously recommend that Shareholders vote, or procure the vote, in favour of the Resolutions set out in the Notice of the General Meeting, as they intend to do, or procure to be done, in respect of their own beneficial holdings of Existing Ordinary Shares which amount, in aggregate, to 971,773 Existing Ordinary Shares (representing approximately 0.7 per cent. of the existing issued ordinary share capital of the Company) as at the Latest Practicable Date.

The Capital Raising is conditional, *inter alia*, upon the passing of the Resolutions at the General Meeting. Shareholders should be aware that, if the Resolutions are not passed at the General Meeting, then the Capital Raising will not proceed.

Yours faithfully

Prof. Keith Jackson

Chairman

PART 4

RISK FACTORS

In addition to the other information set out in this document, the risks described below should be carefully considered by investors prior to making any investment decision relating to the Ordinary Shares. The risks set out below are those risks which the Directors consider to be material as at the date of this document, but do not necessarily comprise all those risks associated with an investment in the Ordinary Shares or the Company and are not intended to be presented in any assumed order of priority. There may be additional risks that the Directors do not currently consider to be material or of which the Directors are not aware, which may affect the Group's financial condition, performance, prospects, results and/or the price of the Ordinary Shares.

An investment in the Ordinary Shares involves significant risks and uncertainties and investors may lose a substantial portion, or even all, of the money that they invest in the Company. An investment in the Company is therefore only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear losses (which may equal the whole amount invested) that may result from such an investment. An investment in the Ordinary Shares should constitute part of a diversified investment portfolio. Typical investors are expected to be professionally advised private investors and professional investors. Prospective investors should review carefully and evaluate the risks and other information contained in this document before making a decision to invest in the Ordinary Shares.

1. GENERAL RISKS

An investment in the Company is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which may result from the investment. A prospective investor should consider with care whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them.

Investment in the Company should not be regarded as short-term in nature. There can be no guarantee that any appreciation in the value of the Ordinary Shares will occur or that the objectives of the Company will be achieved. Investors may not get back the full amount initially invested.

The prices of shares and income derived from them can go down as well as up. Past performance is not necessarily a guide to future performance.

2. RISKS RELATING TO THE SECTOR IN WHICH THE GROUP OPERATES

2.1 Regulatory risk

The Group's products and materials are subject to various European and other legislative and regulatory requirements. Failure to satisfy such requirements could result in the imposition of sanctions on members of the Group, including fines, injunctions, civil penalties, import bans, delays, suspensions or withdrawals of approvals, licence revocations, seizures or recalls of products, operating restrictions and criminal prosecutions, any of which could materially harm the Company's product development and commercialisation efforts. Legislative changes in, or regulatory reform of, the relevant sectors in the countries in which the Group operates or in which the end-products are sold may also affect the Group's ability to sell products and materials profitably or at all. Furthermore, the Company and its partners may not be successful in securing regulatory approval in a timely manner, or at all, for materials and products that may be developed in the future. Any or a combination of these factors could have a material adverse effect on the Group's business, financial condition and results of operations.

2.2 The Group is largely dependent on its partners to commercialise the end-products containing the Group's materials

The Group's ability to develop future products largely depends on its ability to maintain existing relationships with its commercialisation partners (such as Semefab) and enter into relationships with new commercialisation partners. In addition, the majority of the Group's development programmes

are dependent on its commercialisation partners successfully marketing the end-products of which the Group's materials are an integral component. There can be no guarantee that partners:

- (a) will fulfil their obligations to the Group (for example, they may be relatively small and have limited financial resources and therefore be exposed to the risk of insolvency or otherwise cease trading); or
- (b) will continue to manufacture sufficient quantities of the Group's finished end-products on a timely basis, at an acceptable cost or at all (for example, as the Group does not control its commercialisation partners, there is a risk that they may transfer production capacity to third parties before the Group has entered into binding contractual commitments with them for the utilisation of that capacity or, notwithstanding that the Group may have entered into such binding contractual commitments, utilise production capacity not being used at any time for the manufacture of the Group's products for the manufacture of third parties' products, which, in each case, may potentially inhibit the Group's ability to produce and commercialise its products and/or to increase or scale-up the manufacture and commercialisation of its products in line with its growth strategy and/or increase the costs to the Group of producing its products, all of which could have a material adverse impact on the Group's operations, financial position and ability to pursue its growth strategy).

Furthermore, there is a limited number of companies which have the scale and technological capability to manufacture the Group's products and/or to create and develop the new markets that some of the Group's materials may enable. Accordingly, the Group is exposed to the risk of its commercialisation partners being acquired by third parties who may cease to contract with the Group on an ongoing basis or, in the case of an overseas acquirer, potentially transfer the commercialisation partner's manufacturing technology overseas or otherwise prevent the Group from being able to access it, which, again, could have a material adverse impact on the Group's operations, financial position and ability to pursue its growth strategy.

2.3 Protection of the Group's intellectual property rights

Policing unauthorised use of the Group's technology is difficult and expensive. The Group relies to great extent on patent protection for its inventions but there can be no assurance that the steps the Group takes will prevent misappropriation of, or prevent an unauthorised third party from obtaining or using, the technologies which the Company relies on. Many of the Group's patent applications for its existing inventions are still pending. In addition, effective protection may be unavailable or limited in some jurisdictions.

Also, no assurance can be given that the Group will develop products which are patentable or that patents will be sufficiently broad in their scope to provide protection for the Group's intellectual property rights against third parties.

The Group also relies upon unpatented proprietary technology, processes, know-how and in-house software. The Group has confidentiality agreements in place with customers, partners, suppliers and employees who have access to its proprietary information and know-how but such agreements may be breached and the Group may not have adequate remedies for any breach. Finally, the Group's trade secrets may become known otherwise or be independently developed by competitors.

Any misappropriation of the Group's proprietary technology and intellectual property could have a negative impact on the Group's business and its operating results. Litigation may be necessary in the future to enforce or protect the Group's rights or to determine the validity or scope of the proprietary rights of others. Litigation could cause the Group to incur substantial costs and divert resources and management attention away from its daily business and there can be no guarantees as to the outcome of any such litigation.

2.4 The Group may inadvertently infringe a third party's intellectual property rights

Although the Group believes that its technologies do not currently infringe upon patents held by others, no assurance can be given that such infringements do not exist or will not exist in the future. The Group may be unaware of filed patent applications and issued patents that could include claims covering the Company's products. There is a risk that the Group may inadvertently infringe a patent held by another

party. In order to mitigate this risk, the Company engages external patent attorneys and technical consultants when appropriate. Further, there can be no assurances that others have not developed, or will not develop, similar or competing products, duplicate any of the products of the Group or design around any pending patent application or patents (if any) subsequently granted in favour of the Group. Parties making claims of infringement may be able to obtain injunctive or other equitable relief that could effectively block the Group's ability to sell or supply its products or to license its technology and could cause the Group to pay substantial royalties, licensing fees or damages or incur substantial costs in redesigning those products that contain the allegedly infringing intellectual property or in obtaining alternative technology. There can be no assurance that the Group will be able to obtain alternative technology on a timely basis or, if any licences are required, that the Group will be able to obtain any such licence on commercially favourable terms, if at all. This may have a material adverse effect on the Group and its ability to compete.

The defence of any lawsuit could divert management's efforts and attention from ordinary business operations and result in time-consuming and expensive litigation, regardless of the merits of such claims, which could materially and adversely affect the Group's business, results of operations and financial condition. Any potential intellectual property litigation could also involve the Group losing the opportunity to license its technology to others or to collect royalty payments based upon successful protection and assertion of its intellectual property against others. In addition, the Group may be required to develop alternative non-infringing solutions that may require significant time and substantial unanticipated resources. There can be no assurance that such claims will not have a material adverse effect on the Group's business, financial condition or results.

2.5 The Group is exposed to potential product liability

Some of the Group's activities expose it to potential product liability and professional indemnity risks, as well as litigation and reputational risks, which are inherent in the development and manufacture of its products and future products. Any product liability claim brought against the Group, with or without merit, could result in the increase of the Group's product liability insurance rates or the inability to secure coverage in the future. There can be no assurance that the necessary insurance cover will be available to the Group at a commercially acceptable cost or that, in the event of any claim, the level or extent of insurance carried by the Group now or in the future will be adequate, or that a product liability or other claim would not materially and/or adversely affect the business of the Group.

2.6 Contravention of environmental and safety regulation could have an adverse impact on the Group

The Company's operations, including its development facilities, are subject to environmental and safety laws and regulations, including those governing the use of hazardous materials. The cost of compliance with these and similar future regulations could be substantial. Although the Directors believe that the Group's procedures comply with applicable regulations, the risk of accidental contamination or injury from such materials cannot be eliminated. In the event of an incident, the resulting liabilities could have an adverse impact on the Group. Similarly, many of the Company's suppliers, collaborators and customers are subject to similar laws and regulations. Contravention of these laws and regulations by such parties could have an adverse impact on the Group.

3. RISKS RELATING TO THE GROUP'S BUSINESS AND OPERATIONS

3.1 The Group is reliant on core technology and development

If any part of the Group's technology suffers a technical malfunction, the Group's ability to continue operations and perform work for customers and partners may be affected. If faults and breakdowns cannot be rectified in a timely and economic manner, these factors could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group has limited capacity to run experiments and process data. If capacity constraints lead to development programme delays and termination of contracts with customers, this could have a material adverse effect on the Group's business, financial condition and results of operations. The Group's current development capacity limits the number of new projects and partners with which it can work.

3.2 The Group has historically been loss making and its future capital needs are uncertain and may necessitate the need to raise additional funds in the future

The Group has historically been loss making and there can be no certainty when, or if, profitability or positive operating cash flow will be achieved. Further the Group cannot be certain of its future financing needs or that suitable financing will be available in the required amounts or on acceptable terms. The Group's future capital needs, and other business reasons at that time, may require the Company to issue additional equity or obtain a credit facility. If additional equity or equity-linked securities were to be issued this may result in the dilution of existing Shareholders' holdings. The incurrence of indebtedness would result in increased debt service obligations and could result in operating and financing covenants that would restrict the Group's operations or the Group's ability to pay dividends to Shareholders or, in the worst scenario, it may not be able to continue operations.

3.3 The Group may not achieve anticipated revenues or growth

The Group's future success will depend on the ability of the Directors to implement their objectives and strategy. Whilst the Directors are confident about the Group's prospects, there is no certainty that anticipated revenues or growth can be achieved. The Group has over 10 years of operating history but this may not be operating experience upon which its performance and prospects during its anticipated expansion can be properly compared and evaluated against and it has experienced operating losses in each year since its formation. The Group's ability to become and remain profitable depends on a number of factors, including, in particular, being able to find and contract with appropriate partners and customers. The rapidly evolving markets in which the Company sells its products, its limited experience and progress in winning partners and customers, as well as other factors, make it difficult for the Group to forecast revenues accurately. As a result, the Group could experience budgeting and cash flow management problems, unexpected fluctuations in its results of operations and other difficulties, any of which would make it difficult for the Group to gain and maintain profitability. Potential investors should be aware of the risks associated with an investment in companies with limited trading histories. There can be no assurance that the Group will operate profitably, produce a reasonable return, if any, on investment, or remain solvent. If the Group's strategy proves unsuccessful, Shareholders could lose all or part of their investment.

3.4 Management of the Group's growth strategy

There can be no certainty that the Group will be able to implement successfully its stated strategy. The ability of the Group to implement its strategy in rapidly evolving and competitive markets will require effective management planning and operational controls. The Directors anticipate that significant expansion will be required to respond to market opportunities. The Group's growth plans may place a significant strain on the Group's management, operational, financial and personnel resources. The Group's future growth and prospects will depend on its ability to manage this growth and to continue to expand and improve operational and financial performance, whilst at the same time maintaining effective cost controls. The Group's future growth may depend, in part, on its ability to identify suitable acquisition targets. There can be no assurance that any targets identified will be available at a value which makes them suitable for acquisition at the relevant time, or that third party finance required to fund the acquisition will be available on acceptable terms. Any failure to expand and improve operational, financial and quality control systems in line with the Group's growth could have a material adverse effect on the Group's business, financial condition and results of operations.

3.5 The Group's competitors may take actions which adversely affect its financial condition

The Company faces competition from other companies within its industry and, in addition, there is a risk that the Group's commercialisation partners, and potential commercialisation partners, may elect to undertake in-house the technology and product development that the Group currently operates for them instead of partnering with the Group. There may also be products and competitors that the Group is currently unaware of that could have a detrimental effect on the business performance of the Group. There can be no assurance that the Group's current and future competitors will not develop superior technology, offer superior products to the Group, sell products at a lower price to the Group, or achieve greater market acceptance in the Group's target markets, or precede the Group in receiving any necessary regulatory approvals, which may render one or more of the Group's technologies or products obsolete and/or otherwise uncompetitive.

Technologies and products developed by the Group may have a shorter commercial life than anticipated, if any, due to the invention or development of more successful technologies or products by competitors. Competitors of the Group may have longer operating histories, greater name recognition, access to larger customer bases and significantly greater financial, research, development, sales and marketing, operational, manufacturing, distribution and personnel resources than the Group. As a result, such competitors may be able to respond more quickly and effectively to changing customer demands or to devote greater resources to the development, promotion and sale of their products than the Company can, giving them a competitive advantage. While the Directors are confident that the Group's technologies and products are generally well-protected by its patent portfolio and by the Company's proprietary know-how and expertise, there can be no assurance that new technology and new competitive products or solutions will not emerge, or that they will not be equally or more attractive than the Group's products or solutions and therefore threaten the Group's market position. There can be no assurance that the Group will be able to compete successfully with existing or new competitors and, if that proves to be the case, this may have an adverse effect on the Group's business, financial condition and results.

3.6 The Group is dependent on technology and product development

Although the Group has successfully completed the initial development of several products, continued research and development of additional products will be required. There can be no assurance that any of the Group's product candidates will be successfully developed or commercialised. The Group may encounter delays and incur additional development and production costs and expenses, over and above those expected by the Directors, in order to develop products at sufficient quality and low enough cost for future partnership. Furthermore, there can be no assurance that any of the Group's developed products will successfully complete any applicable regulatory certification or clinical testing process or that they will meet the regulatory and production requirements necessary for commercial distribution. If the Group's development programme is curtailed due to any of the above issues, this may have an adverse material effect on the Group's business and financial conditions.

The Group's success and ability to compete are dependent on underlying technologies which the Group has developed or may develop in the future. There is a risk that the technology that the Group has developed or may develop in the future may not work as well as planned or that the marketing of the technology may not be as successful as the Group hopes. Further, the markets in which the Group and its commercialisation partners compete, or plan to compete, are characterised by constantly and rapidly changing technologies and technological obsolescence. The Group's ability to compete successfully depends on the technological and creative skill of the Company's personnel, consultants and contractors and their ability to design, develop, manufacture, assemble, test, market and support new products and enhancements on a timely and cost effective basis to satisfy the demands and expectations of customers. There is no assurance that the Group will be able to do this. Any failure to anticipate technological changes, to develop, use or procure new technologies, or to react to changes in existing technologies could materially delay its development of new products or enhancements, which could result in product obsolescence, loss of revenue opportunities and customer migration, negatively affecting the Group's financial results.

3.7 Dependence on key executives and personnel

The Group's development and prospects are dependent upon training and retaining qualified professional, scientific and technical operating staff. In particular, the Group's success depends to a significant degree upon the vision, technical and specialist skills, experience, performance, and continued service of its Directors, senior management and other key personnel. Whilst the Group has entered into contractual arrangements with these individuals with the aim of securing the services of each of them, retention of these services cannot be guaranteed and the loss of the services of any of the Directors, senior management or key personnel may have a material adverse effect on the Group and its commercial and financial performance and damage the value of an investment in the Ordinary Shares.

3.8 Ability to recruit and retain skilled personnel

The ability to continue to attract and retain employees with the appropriate expertise and skills cannot be guaranteed. Identifying and hiring any additional personnel and replacements could be costly and might require the Group to grant significant equity awards or other incentive compensation, which could adversely impact its financial results, and there can be no assurance that the Group will have sufficient financial resources. Effective product development and innovation, upon which the Group's success is dependent, is in turn dependent upon attracting and retaining talented technical, engineering and marketing personnel, who represent a significant asset and serve as the source of the Company's technological and product innovations. In addition, to expand the Company's customer base and increase sales, the Group will need to hire additional qualified sales personnel. If the Group is unable to hire, train and retain such personnel in a timely manner, the development and introduction of the Group's products could be delayed and its ability to sell its products and otherwise to grow its business will be impaired and such delay and inability may have a detrimental effect upon the performance of the Group.

3.9 The success of the Group's present business model is, in part, dependent on third parties

The Group relies on a number of relationships, including a key relationship with the University of Southampton, where the Stereax® pilot line is created. The termination of these relationships could restrict the Group's workflow capacity and/or ability to develop new techniques and solutions to technical problems. Any of these factors could have a material adverse effect on the business, financial condition, results of operations and cash-flows of the Group.

In addition, the Group is reliant on a small number of significant customers for its contract research business and a small number of partners for its joint development programmes as well as a relatively small number of suppliers of parts used in the design and build of the bespoke equipment installed, or to be installed, in its third party fabrication facilities (such as that provided by Semefab). Failure to deliver products to such customers and partners or the termination by any of these customers, partners or suppliers of their agreements with the Group or any of such customers, partners or suppliers becoming insolvent, being acquired by third parties or otherwise ceasing to trade with the Group for any reason or significant increases in prices charged by the Group's parts and/or equipment suppliers as a consequence of increased demand, for example, could therefore have a material adverse effect on the business, financial condition, results of operations and cash-flows of the Group.

3.10 The Group may be subject to force majeure risks

The Group's operations now or in the future may be adversely affected by risks outside the control of the Group such as labour unrest, civil disorder, war, terrorist attacks, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics including the Coronavirus (COVID-19) outbreak or quarantine restrictions.

3.11 The Group's disaster recovery plans may not be sufficient

The Group depends on the performance, reliability and availability of its laboratory equipment and information technology systems. Any damage to or failure of its equipment and/or systems could result in disruptions to the Group's research and operations. The Group's disaster recovery plans may not adequately address every potential event and its insurance policies may not cover any loss in full or in part (including losses resulting from business interruptions) or damage that it suffers fully or at all, which could have a material adverse effect on the Group's business, financial position or prospects.

3.12 The Group's counterparties may become insolvent

There is a risk that parties with whom the Group trades or has other business relationships (including partners, customers, suppliers and other parties) may become insolvent. This may be as a result of general economic conditions or factors specific to that company. In the event that a party with whom the Group trades becomes insolvent, this could have an adverse impact on the revenues and profitability of the Group.

3.13 Financial risk

There are a number of financial risks which are outside the control of the Group and which can affect revenues and/or costs. The Group does not fully hedge against such risks currently. These include varying international exchange rates, interest rates, world commodity prices, energy prices and supplies, raw materials prices and supplies, inflation and international trends in trade, tariffs and protectionism and changes in the legal and regulatory framework. The Group's operations, business and financial performance are affected by these factors, which are beyond the control of the Group.

3.14 Tax risk

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

The nature and amount of tax which members of the Group expect to pay and the reliefs expected to be available to any member of the Group are each dependent upon a number of assumptions, any one of which may change and which would, if so changed, affect the nature and amount of tax payable and reliefs available. In particular, the nature and amount of tax payable is dependent on the availability of relief under tax treaties and is subject to changes to the tax laws or practice in any of the jurisdictions affecting the Group. Any limitation in the availability of relief under these treaties, any change in the terms of any such treaty or any changes in tax law, interpretation or practice could increase the amount of tax payable by the Group.

While the Directors will seek to maintain the conditions required for the Company's status as a qualifying EIS/VCT investment, there can be no guarantee that this will remain the case.

4. RISKS RELATING TO THE CAPITAL RAISING AND THE ORDINARY SHARES

4.1 The price of the Ordinary Shares may fluctuate significantly and investors could lose all or part of their investment

The share price of AIM companies can be highly volatile, which may prevent Shareholders from being able to sell their Ordinary Shares at or above the price they paid for them. The Issue Price may not be indicative of prices that will prevail in the trading market and investors may not be able to resell the Ordinary Shares at or above the price they paid for them. The market price and the realisable value for the Ordinary Shares could fluctuate significantly for various reasons, many of which are outside the Group's control. In addition, the published market price of the Ordinary Shares will be, typically, their middle market price. Due to the potential difference between the middle market price of the Ordinary Shares and the price at which the Ordinary Shares can be sold, there is no guarantee that the realisable value of the Ordinary Shares will be the same as the published market price.

4.2 There may not be a liquid secondary market for the Ordinary Shares, the price of which may fluctuate significantly, and Shareholders could lose all or part of their investment

The Company is currently traded on AIM which is perceived to involve a higher degree of risk and to be less liquid than the Official List. Shareholders do not have a right for their Ordinary Shares to be redeemed and the Company does not have a fixed winding-up date. Those Shareholders wishing to realise their investment will be required to dispose of their Ordinary Shares on the stock market or vote to wind-up the Company. Admission should not be taken as implying that there will be a liquid market for the New Ordinary Shares. There is no guarantee that an active market will arise or be sustained for the Ordinary Shares. If an active trading market is not maintained, the liquidity and trading price of the Ordinary Shares could be adversely affected. Even if an active trading market is maintained, the market price for the Ordinary Shares may fall below their original issue price and Shareholders may not realise their initial investment.

4.3 **There is no guarantee that dividends will be paid by the Company**

Any dividend on the Ordinary Shares will be limited by the Group's performance. As the Company has not yet generated a profit, it has not yet paid any dividends to Shareholders. The Company continues to keep its dividend policy under review and may revise it from time to time as its business develops. As a holding company, the Company's ability to pay dividends in the future will be affected by a number of factors, principally the Company's generation of distributable profits and the receipt of sufficient dividends from its subsidiaries. The Group's members may be precluded from paying dividends by various factors, such as their own financial condition, restrictions in existing or future financing documents to which they are party or applicable law. Under English law, a company can only pay dividends to the extent that it has distributable reserves and cash available for this purpose. In addition, the Company may not pay dividends if the Directors believe this would cause the Company to be inadequately capitalised or if, for any other reason, the Directors conclude it would not be in the best interests of the Company. Any of the foregoing could limit the payment of dividends to Shareholders or, if the Company does pay dividends, the amount of such dividends.

4.4 **Shareholders may suffer dilution as a consequence of the Capital Raising**

Regardless of whether a Qualifying Shareholder takes up their entitlements under the Open Offer, the effect of the Capital Raising will be a reduction of their proportionate ownership and voting interests in the Company (unless a Shareholder applies for, and obtains, Excess Shares under the Open Offer).

For those Qualifying Shareholders who do not participate in the Open Offer, their proportionate ownership and voting interest in the Company will be reduced further as a consequence of the Open Offer. In particular, to the extent that Qualifying Shareholders do not take up the offer of Open Offer Shares under the Open Offer, their proportionate ownership and voting interest in the Company will be further reduced and the percentage that their shareholdings represent of the ordinary share capital of the Company will, following Admission, be reduced accordingly.

Subject to certain exceptions, Qualifying Shareholders in the United States and other Restricted Jurisdictions will not be able to participate in the Open Offer.

4.5 **EIS and VCT eligibility**

Although it is envisaged that qualifying potential investors who subscribe for EIS/VCT Placing Shares pursuant to the EIS/VCT Placing may be able to obtain tax relief on those investments under applicable EIS Relief or VCT Relief, neither the Company nor the Directors provides any representation, warranty, undertaking or guarantee that such reliefs will, in fact, be, and continue to be, available. Further, neither the Company nor the Directors provides any representation, warranty, undertaking or guarantee that EIS Relief and/or VCT Relief will not be withdrawn. Potential investors must take their own advice and rely on it. If the Company carries on activities beyond those disclosed to HMRC, then Shareholders may cease to qualify for the relevant tax benefits.

4.6 **Future issuances of Ordinary Shares may dilute the holdings of Shareholders and may depress the price of the Ordinary Shares**

Other than in connection with the Capital Raising or pursuant to employee share plans or other similar incentive arrangements, the Company has no current plans for an offering of Ordinary Shares. However, it is possible that the Company may decide to offer additional Ordinary Shares in the future. Future sales or the availability for sale of substantial amounts of Ordinary Shares in the public market could dilute the holdings of Shareholders, adversely affect the prevailing market price of the Ordinary Shares and impair the Company's ability to raise capital through future offerings of equity securities.

4.7 **The UK's withdrawal from the European Union**

The UK formally left the European Union on 31 January 2020 ("**Brexit**"). Brexit could have a significant impact on the Group, the value of the Company's investments and the value of the Ordinary Shares. The extent of the impact of Brexit on the Group will depend, in part, on 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 Group may be subject to a period of

uncertainty during the negotiation of the UK's ongoing trading relationship with the EU including, among other things, uncertainty in relation to any potential regulatory or tax changes. Furthermore, the long-term macroeconomic effect of Brexit on the Group's business is unknown. As such, it is not possible to state the impact that Brexit will have on the Group and its business. Brexit may also make it more difficult for the Group to do business and raise capital in the EU and/or increase the regulatory compliance burden on the Group. This could restrict the Group's future activities and thereby negatively affect returns. In addition, Brexit could continue to cause volatility in the value of sterling, which, to the extent the Group makes investments denominated in currencies other than sterling, could result in greater volatility in the value of those investments. Continued volatility in the value of sterling may also increase the cost of any currency hedging employed by the Group. The Group has reviewed the impact of Brexit and believes that, whilst intellectual property risk will remain largely unaffected, there may be an impact in the future regarding the Group's ability to attract and retain highly skilled individuals.

4.8 Covid-19

The COVID-19 pandemic may adversely affect the Group's business and exacerbate other risks set out in this Part 4. The spread of COVID-19 globally has caused significant business disruption, significant volatility in international debt and equity markets and significant disruption to the economy. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the global economy. The Group continues to monitor the evolving COVID-19 pandemic and, although the Group's operations have not incurred any significant disruption related to COVID-19 yet, the situation is uncertain and could change quickly. In connection with COVID-19 or any governmental responses to COVID-19, the Group may experience, among other risks: operational shutdowns due to governmental restrictions or the unavailability of personnel; delayed execution of projects or increased project costs due to governmental restrictions, measures put in place to safeguard personnel or the effects of COVID-19 on suppliers; and difficulty in attracting and retaining key personnel. To the extent that the COVID-19 pandemic adversely affects the Group's business, prospects, financial condition and results of operations, it may also have the effect of exacerbating other risks set out in this Part 4.

4.9 Importance of passing the Resolutions to complete the Capital Raising

The Resolutions to be proposed at the General Meeting will be proposed as an ordinary resolution and a special resolution and, to be passed, will require the support of, in the case of the ordinary resolution, a simple majority of the total voting rights of Shareholders who (being entitled to do so) vote on such resolution at the General Meeting and in relation to the special resolution, three-quarters of the total voting rights of Shareholders who (being entitled to do so) vote on such resolution at the General Meeting. The Capital Raising is conditional, *inter alia*, on the passing of the Resolutions.

In the event that the Resolutions are not passed, the Company will not be able to proceed with the Capital Raising, with the result that the anticipated net proceeds of the Capital Raising will not become available to fund proposed upcoming expenditure and achieve the objectives currently being pursued by the Board. The Group's business plan and growth prospects may also be adversely affected as a result.

4.10 EIS/VCT Admission and General Admission

To claim either EIS Relief or VCT Relief, specific details are required in respect of each investment, which include the date of issue of shares and the annual investment limit of the Company. As such, HMRC will require the EIS/VCT Placing Shares claiming EIS Relief or VCT Relief to be issued and admitted to trading on AIM separately from the General Placing Shares, Open Offer Shares, Retail Offer Shares and Director Subscription Shares not claiming such reliefs. Shareholders should note that it is possible that EIS/VCT Admission occurs but that General Admission does not. If General Admission does not occur then the Company will not receive the relevant net proceeds in respect of the issue of the General Placing Shares, the Open Offer Shares, the Retail Offer Shares and the Director Subscription Shares and the Company may not be able to finance the activities referred to in this document.

PART 5

TERMS AND CONDITIONS OF THE OPEN OFFER

1. INTRODUCTION

The Company has conditionally raised approximately £18.0 million (before expenses) through the Placing and is proposing to raise a maximum of £6.7 million (before expenses) (assuming full take up of the Open Offer and the Retail Offer but being less than the €8.0 million maximum amount permitted without requiring the publication by the Company of a prospectus under the Prospectus Regulation Rules Sourcebook) in addition and separate to the funds raised pursuant to the Placing, through the issue of Open Offer Shares to Qualifying Shareholders at the Issue Price and the issue of the Retail Offer Shares at the Issue Price.

The Issue Price represents a discount of approximately 30.0 per cent. to the closing middle market price of 200 pence per Existing Ordinary Share on the Latest Practicable Date.

The purpose of this Part 5 is to set out the terms and conditions of the Open Offer. Up to 2,673,811 Open Offer 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.

The Record Date for entitlements under the Open Offer for Qualifying CREST Shareholders and Qualifying Non-CREST Shareholders is 6.00 p.m. on 8 July 2021. Qualifying Non-CREST Shareholders will have received Application Forms with this document and Open Offer Entitlements are expected to be credited to stock accounts of Qualifying CREST Shareholders in CREST by 13 July 2021.

Subject to availability, the Excess Application Facility will enable Qualifying Shareholders to apply for Excess Shares.

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 11.00 a.m. on 27 July 2021 with General Admission and commencement of dealings in the Open Offer Shares expected to take place at 8.00 a.m. on 30 July 2021.

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 4 of this Part 5, 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 Open Offer Shares will, when issued and fully paid, rank equally in all respects with the 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 a maximum of 2,673,811 Open Offer Shares, in aggregate, *pro rata* (excepting 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 Entitlements 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.

Any Qualifying Shareholder who has sold or transferred all or part of his or her 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 or it by the purchasers under the rules of the London Stock Exchange.

2. DETAILS OF 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 hereby invited to apply for Open Offer Shares at the Issue Price, payable in full in cash on application, free of all expenses, on the basis of:

- **1 Open Offer Share for every 52 Existing Ordinary Shares held by Qualifying Shareholders at the Record Date and so in proportion for any other number of Ordinary Shares then held; and**
- **further Open Offer Shares in excess of their Open Offer Entitlements through the Excess Application Facility (although such Open Offer Shares will only be allotted to the extent that not all Qualifying Shareholders apply for their Open Offer Entitlements in full).**

Entitlements under the Open Offer will be rounded down to the nearest whole number of Open Offer Shares, with fractional entitlements being aggregated and made available under the Excess Application Facility. Qualifying Shareholders with fewer than 52 Existing Ordinary Shares will not be able to apply for Open Offer Shares but can apply under the Excess Application Facility.

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 1) and your Open Offer Entitlement (in Box 2).

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 stock account. Open Offer Entitlements and Excess CREST Open Offer Entitlements are expected to be credited to CREST accounts on 13 July 2021. 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.

Subject to availability, the Excess Application Facility will enable Qualifying Shareholders, provided that they have taken up their Open Offer Entitlements in full, to apply for further Open Offer Shares in excess of their Open Offer Entitlements. 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 4.2 of this Part 5 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.

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 will be scaled back *pro rata* to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility and/or 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 4.1.6 and 4.2.10 of this Part 5 for further details of the Excess Application Facility.

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 for them 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 5.

The Open Offer Shares will be issued free of all liens, charges and encumbrances and will, when issued, be fully paid, and rank *pari passu* in all respects with the Placing Shares, the Retail Offer Shares, the Director Subscription Shares and the Existing Ordinary Shares, including the right to receive dividends and other distributions declared, paid or made after the date of their issue. 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.

The maximum proceeds of the Capital Raising (assuming full subscription under the Open Offer), will be approximately £18.0 million (before expenses). The Open Offer Shares will represent up to approximately 2 per cent. of the Enlarged Issued Share Capital following Admission (assuming full subscription under the Open Offer).

3. CONDITIONS AND FURTHER TERMS OF THE OPEN OFFER

The Open Offer is conditional, *inter alia*, upon the following:

- the passing of the Resolutions without amendment at the General Meeting;
- EIS/VCT Admission having occurred by not later than 8.00 a.m. on 29 July 2021 (or such later time and/or date (being no later than 8.00 a.m. on the Long Stop Date) as the Company and the Joint Bookrunners may agree);
- General Admission becoming effective by not later than 8.00 a.m. on 30 July 2021 (or such later time and/or date (being no later than 8.00 a.m. on the Long Stop Date) as the Company and the Joint Bookrunners may agree); and
- the Placing Agreement becoming unconditional in all respects (save for the condition relating to General Admission and the condition relating to EIS/VCT Admission) and not having been terminated in accordance with its terms before General Admission.

Accordingly, if any of those conditions are not satisfied or waived (where capable of waiver) by 8.00 a.m. on 30 July 2021 (or such later time and/or date (being no later than 8.00 a.m. on the Long Stop Date) as the Company and the Joint Bookrunners may agree), the Open Offer will not proceed and any applications made by Qualifying Shareholders will be rejected. In such circumstances, application monies will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable but, in any event, within 14 days, thereafter. Any Open Offer Entitlements admitted to CREST will thereafter be disabled. Revocation of applications for Open Offer Shares cannot occur after dealings have commenced.

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 14 August 2021.

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 on or after 30 July 2021.

Application will be made for the Open Offer Shares to be admitted to trading on AIM. General Admission is expected to occur on 30 July 2021, when dealings in the Open Offer Shares are expected to commence.

All monies received by the Receiving Agent in respect of Open Offer Shares will be held in a separate non-interest bearing bank account opened solely for the Open Offer.

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.

4. PROCEDURE FOR APPLICATION AND PAYMENT

If you are in any doubt about the contents of this document and/or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised for the purposes of FSMA who specialises in advising on the acquisition of shares and other securities if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser.

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

Qualifying Shareholders who hold all their Existing Ordinary Shares in certificated form have been sent an Application Form together with this document. Box 1 of the Application Form shows the number of Existing Ordinary Shares held on the Open Offer Record Date. Box 2 of the Application Form shows Qualifying Shareholders the number of Open Offer Shares available under 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 Shares in CREST. Qualifying Shareholders who hold part of their Existing Ordinary Shares in uncertificated form will be allotted Open Offer Shares 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 4.2.6 of this Part 5.

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 wish to apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form, or send a USE instruction through CREST.

4.1 If you have received an Application Form in respect of your Open Offer Entitlements under the Open Offer

4.1.1 General

Subject to paragraph 6 of this Part 5 in relation to Overseas Shareholders, Qualifying Non-CREST Shareholders will have received an Application Form enclosed with this document. The Application Form shows the number of Existing Ordinary Shares registered in their name on the Record Date in Box 1. It also shows the Open Offer Entitlement allocated to them set out in Box 2. Entitlements to Open Offer Shares are rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will be aggregated and made available under the Excess Application Facility. Box 3 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. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement at the Record Date. The Excess Shares will be scaled back *pro rata* to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility and/or 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. Qualifying Shareholders with fewer than 52 Existing Ordinary Shares will not be able to apply for Open Offer Shares but can apply under the Excess Application Facility.

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

4.1.2 ***Bona fide market claims***

Applications to subscribe for Open Offer Shares may only be made on the Application Form which is personal to the Qualifying Non-CREST Shareholder named thereon 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 in relation to purchases of Existing Ordinary Shares through the market up to 3.00 p.m. on 23 July 2021. 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 their 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 consult their stockbroker, bank or other agent authorised under FSMA through whom the sale or transfer was effected as soon as possible and refer to the instructions on split applications set out on page 2 of the Application Form, since the invitation to subscribe for Open Offer Shares under the Open Offer may represent a benefit which can be claimed from them by the purchaser(s) or transferee(s).

Qualifying Non-CREST Shareholders who have sold all or part of their registered holdings should, if the market claim is to be settled outside CREST, complete Box 8 on the Application Form and immediately send it to the stockbroker, bank or other agent authorised under FSMA through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. The Application Form should not, however, be forwarded to or transmitted in or into the United States or any other Restricted Jurisdiction, nor in or into any other jurisdiction where the extension of the Open Offer would breach any applicable law or regulation. 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 procedures set out in paragraph 4.2.2 below.

Qualifying CREST Shareholders claiming Excess Open Offer Entitlements by virtue of a *bona fide* market claim are advised to contact the Receiving Agent to request a credit of the appropriate number of entitlements to their CREST stock account.

4.1.3 ***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 and sign the accompanying Application Form in accordance with the instructions printed on it. Qualifying Non-CREST Shareholders may only apply for additional Open Offer Shares under the Excess Application Facility if they have agreed to take up their Open Offer Entitlements in full. If applications under the Excess Application Facility are received for more than the total number of Excess Shares available following take up of Open Offer Entitlements, the Excess Shares may be scaled back *pro rata* to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility and/or allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that any applications under the Excess Application Facility by Qualifying Shareholders will be met in full or in part or at all.

Completed Application Forms should be posted in the accompanying pre-paid envelope or returned to the Receiving Agent by post at Computershare Investor Services PLC, Corporate Actions Project, Bristol, BS99 6AH, together with a cheque or banker’s draft for the full amount payable in respect of the number of Open Offer Shares applied for, so as to be received by the Receiving Agent by no later than 11.00 a.m. on 27 July 2021, after which time Application Forms will not be valid.

Qualifying Non-CREST Shareholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged. 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 at 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:

- Application Forms and remittances received after 11.00 a.m. on 27 July 2021; or
- applications in respect of which remittances are received before 11.00 a.m. on 27 July 2021 from authorised persons (as defined in FSMA) specifying the Open Offer Shares applied for and undertaking to lodge the Application Form(s) in due course but, in any event, within two Business Days.

Multiple applications will not be accepted. All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant's own risk.

4.1.4 **Payments**

All payments must be made in pounds sterling and by cheque or banker's draft made payable to "CIS PLC re: Ilika plc Open Offer" 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 confirmed the name of the account holder by stamping or endorsing the cheque or draft to confirm that the relevant Qualifying Non-CREST Shareholder has title to the underlying funds. 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 the Receiving Agent 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 cheques or banker's drafts are presented for payment before the conditions of the Capital Raising are satisfied or waived (where capable of waiver), the application monies will be credited to a non-interest bearing account by the Receiving Agent. If the Capital Raising 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 but, in any event, within 14 days of the lapse of the Capital Raising.

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, the Receiving Agent 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 the Registrar, the Receiving Agent, Liberum, Berenberg 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.

4.1.5 **Incorrect sums**

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

- to reject the application in full and return the cheque or refund the payment to the Qualifying non-CREST Shareholder in question (without interest); or
- 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 interest), save that any sums of less than £1.00 will be retained for the benefit of the Company; or
- 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 interest), save that any sums of less than £1.00 will be retained for the benefit of the Company.

All monies received by the Receiving Agent in respect of Open Offer Shares will be held in a separate non-interest bearing bank account.

4.1.6 **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 Box 5 of the Application Form.

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. There is no limit on the amount of Open Offer Shares that can be applied for by Qualifying Shareholders under the Excess Application Facility, save that the maximum amount of Open Offer Shares to be allotted under the Excess Application Facility will be limited by the maximum size of the Open Offer being 2,673,811 Open Offer Shares, in aggregate. The total number of Open Offer Shares is fixed and will not be increased in response to any excess applications. Applications pursuant to the Excess Application Facility will therefore only be satisfied to the extent that other Qualifying Shareholders do not apply for their Open Offer Entitlements in full. 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 scaled back *pro rata* to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility and/or allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that any applications under the Excess Application Facility by Qualifying Shareholders will be met in full or in part or at all.

Should the Capital Raising become unconditional and applications for Open Offer Shares exceed the total number of Open Offer Shares available following take up of Open Offer Entitlements, resulting in a scale back of applications, each Qualifying Non-CREST Shareholder who has made a valid application for Excess Shares under the Excess Application Facility and from whom payment in full for 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. Excess monies in respect of applications which are not met in full will be returned as soon as reasonably practicable thereafter but, in any event, within 14 days, by way of cheque, without payment of interest and at the applicant's sole risk.

4.1.7 **Effect of application**

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 at the applicant's own risk. By completing and delivering an Application Form, the applicant:

- 4.1.7.1 represents and warrants to the Company and the Joint Bookrunners that he, she or it 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, her or its rights, and perform his, her or its obligations under any contracts resulting therefrom and that he, she or it 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;
- 4.1.7.2 agrees with the Company and the Joint Bookrunners that all applications under the Open Offer, and contracts resulting therefrom, and any non-contractual obligations related thereto, shall be governed by, and construed in accordance with, the laws of England;
- 4.1.7.3 confirms to the Company and the Joint Bookrunners that, in making the application, they are not relying on any information or representation 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, they will be deemed to have had notice of all information in relation to Company contained in this document (including any information incorporated by reference, if applicable);
- 4.1.7.4 acknowledges that no person has been authorised to give any information or make any representation concerning the Company or the Group or the Open Offer Shares (other than as contained in this document) and, if given or made, any such information or representation should not be and is not being relied upon as having been authorised by the Company and/or the Joint Bookrunners;
- 4.1.7.5 represents and warrants to the Company and the Joint Bookrunners that they are the Qualifying Shareholder originally entitled to the Open Offer Entitlements or, if they have received some or all of their Open Offer Entitlements from a person other than the Company, they are entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;
- 4.1.7.6 requests that the Open Offer Shares to which they will become entitled be issued to them on the terms set out in this document and in the Application Form and subject to the articles of association of the Company;
- 4.1.7.7 represents and warrants to the Company and the Joint Bookrunners that they are not, nor are they applying on behalf of any person who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law and they are not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of their application in the United States or to, or for the benefit of, a person who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company and the Joint Bookrunners has been provided to the Company that they are able to accept the invitation by the Company free of any requirement which the Company and the Joint Bookrunners (in their absolute discretion) regard as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;

- 4.1.7.8 acknowledges that the offer and sale of the Open Offer Shares to applicants has been made outside of the United States in an “offshore transaction” as defined in, and pursuant to, Regulation S under the US Securities Act;
- 4.1.7.9 confirms that the Open Offer Shares have not been offered to them by the Company, Liberum, Berenberg or any of their affiliates, by means of any “directed selling efforts” (as defined in Regulation S of the US Securities Act) or “general solicitation” or “general advertising” (as defined in Regulation D of the US Securities Act);
- 4.1.7.10 represents and warrants to the Company and the Joint Bookrunners that they are not, and nor are they 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
- 4.1.7.11 confirms that, in making the application, they are not relying, and have not relied, on either the Company or Liberum or Berenberg or any person affiliated with any of them in connection with any investigation of the accuracy of any information contained in this document or their investment decision.

Should you have any enquiries in connection with the procedure for application and completion of the Application Form, you should contact the Receiving Agent, Computershare Investor Services PLC, on +44 (0)370 707 1898. The helpline is open between 8.30 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that the Receiving Agent cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

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, signing and returning the accompanying Form of Proxy in accordance with the instructions printed thereon and as referred to in paragraph 9.1 of the Letter from the Chairman in Part 3 of this document.**

A Qualifying Non-CREST Shareholder who is also a CREST Member may elect to receive the Open Offer Shares to which they are entitled in uncertificated form in CREST. Please see paragraph 4.2.6 below for more information.

4.2 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

4.2.1 General

Subject as provided in paragraph 6 of this Part 5 in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to their stock account in CREST of their Open Offer Entitlements, and also Excess CREST Open Offer Entitlements equal to the maximum number of Open Offer Shares available under the Open Offer. 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 Open Offer Entitlements and Excess CREST Open Offer Entitlements have been allocated. Entitlements to Open Offer Shares will be rounded down to the nearest whole number and any Excess Open Offer Entitlements will also be rounded down. Any fractional entitlements to Open Offer Shares arising will be aggregated and made available under the Excess Application Facility.

If for any reason the 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 13 July 2021, 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 Entitlements and Excess CREST Open Offer

Entitlements which should have been credited to their 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 such Application Forms.

CREST Members who wish to take-up some or all of their entitlements to Open Offer Shares and apply for 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 the Receiving Agent, Computershare Investor Services PLC, on +44 (0)370 707 1898. The helpline is open between 8.30 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that the Receiving Agent cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Please note that, for legal reasons, the Shareholder helpline is only able to provide information contained in this document and information relating to the Company's register of members and is unable to give advice on the merits of the Open Offer, as to whether applicants should take up their Open Offer Entitlements or apply for Excess CREST Open Offer Entitlements or to provide legal, business, financial, tax or investment advice. 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.

4.2.2 ***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 and will have a separate ISIN. 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 (in respect of Open Offer Entitlements only) 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 will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) will thereafter be transferred accordingly. Excess CREST Open Offer Entitlements will not be subject to Euroclear's market claims process. Qualifying CREST Shareholders claiming Excess CREST Open Offer Entitlements by virtue of a *bona fide* market claim are advised to contact the Receiving Agent to request a credit of the appropriate number of entitlements to their CREST account.

4.2.3 ***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) a USE instruction to Euroclear which, on its settlement, will have the following effect:

- 4.2.3.1 the crediting of a stock account of the Receiving Agent under the Participant ID and Member Account ID specified below, with a number of Open Offer Entitlements or Excess CREST Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and
- 4.2.3.2 the creation of a CREST payment, in accordance with the CREST payment arrangements in favour of the payment bank of the Receiving Agent 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 4.2.3.1 above.

4.2.4 **Content of USE instructions 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:

- 4.2.4.1 the number of Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to the Receiving Agent);
- 4.2.4.2 the ISIN of the Open Offer Entitlements. This is GB00BP2PQ872;
- 4.2.4.3 the CREST Participant ID of the accepting CREST Member;
- 4.2.4.4 the CREST Member Account ID of the accepting CREST Member from which the Open Offer Entitlements are to be debited;
- 4.2.4.5 the Participant ID of the Receiving Agent, in its capacity as a CREST receiving agent. This is 3RA49;
- 4.2.4.6 the Member Account ID of the Receiving Agent, in its capacity as a CREST receiving agent. This is ILIKOPEN;
- 4.2.4.7 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 paragraph 4.2.4.1 above;
- 4.2.4.8 the intended settlement date. This must be on or before 11.00 a.m. on 27 July 2021; and
- 4.2.4.9 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 27 July 2021.

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:

- a contact name and telephone number (in the free format shared note field); and
- 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 27 July 2021 in order to be valid is 11.00 a.m. on that day.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 30 July 2021 (or such later time and/or date as the Company and the Joint Bookrunners may agree and determine (being no later than 8.00 a.m. on the Long Stop Date)), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable but within 14 days thereafter.

4.2.5 **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:

- 4.2.5.1 the number of Excess Shares for which application is being made (and hence the number of Excess CREST Open Offer Entitlement(s) being delivered to the Receiving Agent);
- 4.2.5.2 the ISIN of the Excess CREST Open Offer Entitlement. This is GB00BP2PQ989;
- 4.2.5.3 the CREST Participant ID of the accepting CREST Member;

- 4.2.5.4 the CREST Member Account ID of the accepting CREST Member from which the Excess CREST Open Offer Entitlements are to be debited;
- 4.2.5.5 the Participant ID of the Receiving Agent, in its capacity as a CREST Receiving Agent. This is 3RA49;
- 4.2.5.6 the Member Account ID of the Receiving Agent, in its capacity as a CREST Receiving Agent. This is ILIKOPEN;
- 4.2.5.7 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 paragraph 4.2.5.1 above;
- 4.2.5.8 the intended settlement date. This must be on or before 11.00 a.m. on 27 July 2021; and
- 4.2.5.9 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 27 July 2021.

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:

- a contact name and telephone number (in the free format shared note field); and
- 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 27 July 2021 in order to be valid is 11.00 a.m. on that day. Please note that automated CREST generated claims and buyer protection will not be offered on the Excess CREST Open Offer Entitlements security.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 30 July 2021 (or such later time and date as the Company and the Joint Bookrunners may agree and determine (being no later than 8.00 a.m. on the Long Stop Date)), the Open Offer will lapse, the Open Offer Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable but within 14 days thereafter.

4.2.6 ***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 their 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 holder of an Application Form who is proposing to deposit the entitlement set out in such form into CREST is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility following their deposit into CREST to take all necessary steps in connection with taking up such entitlements prior to 11.00 a.m. on 27 July 2021. 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 the Receiving Agent.

In particular, having regard to normal processing times in CREST and on the part of the Receiving Agent, 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 22 July 2021, 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 21 July 2021, 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 27 July 2021.

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, the Joint Bookrunners and the Receiving Agent by the relevant CREST Member(s) that they are not in breach of the provisions of the notes under the paragraph headed "Instructions for depositing Open Offer Entitlements into CREST" on page 2 of the Application Form, and a declaration to the Company, the Joint Bookrunners and the Receiving Agent from the relevant CREST Member(s) that they are not in the United States or citizen(s) or resident(s) of any Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law 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.

4.2.7 **Validity of application**

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 27 July 2021 will constitute a valid application under the Open Offer.

4.2.8 **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 27 July 2021. 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.

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.

4.2.9 **Incorrect or incomplete applications**

If a USE instruction includes a CREST payment for an incorrect sum, the Company, through the Receiving Agent, reserves the right:

- to reject the application in full and refund the payment to the CREST Member in question (without interest);

- 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 interest); and
- 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 interest).

4.2.10 **The Excess Application Facility**

Provided they choose to take up their Open Offer Entitlement in full, the Excess Application Facility enables Qualifying CREST Shareholders to apply for Excess Shares in excess of their Open Offer Entitlements.

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 scaled back *pro rata* to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility and/or allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that any applications under the Excess Application Facility by Qualifying Shareholders will be met in full or in part or at all.

Qualifying CREST Shareholders will receive a credit to their stock accounts in CREST of Excess CREST Open Offer Entitlements equal to the maximum Open Offer Shares available.

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 Entitlement(s) and the relevant Open Offer Entitlement(s) be transferred, the Excess CREST Open Offer Entitlements will not transfer with the Open Offer Entitlement(s) claim, but will be transferred as a separate claim. Should a Qualifying CREST Shareholder cease to hold all of their Existing Ordinary Shares as a result of one or more *bona fide* market claims, the Excess CREST Open Offer Entitlement credited to CREST and allocated to the relevant Qualifying Shareholder will be transferred to the purchaser. Please note that an additional USE instruction must be sent in respect of any application under the Excess CREST Open Offer Entitlement.

Qualifying CREST Shareholders claiming Excess Open Offer Entitlements by virtue of a *bona fide* market claim are advised to contact the Receiving Agent to request a credit of the appropriate number of entitlements to their CREST account.

Should the Capital Raising become unconditional and applications for Open Offer Shares by Qualifying Shareholders under the Open Offer exceed the total number of Open Offer Shares available following take up of Open Offer Entitlements, resulting in a scale back of applications under the Excess Application Facility, each Qualifying CREST Shareholder who has made a valid application pursuant to their Excess CREST Open Offer Entitlements and from whom payment in full for the excess Open Offer 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. Excess monies in respect of applications which are not met in full will be returned as soon as reasonably practicable thereafter but, in any event, within 14 days, by way of cheque, without payment of interest and at the applicant’s sole risk.

4.2.11 **Effect of a valid application**

A CREST Member who makes, or is treated as making, a valid application in accordance with the above procedures thereby:

- 4.2.11.1 represents and warrants to the Company and the Joint Bookrunners that they have the right, power and authority, and have taken all action necessary, to make the

application under the Open Offer and to execute, deliver and exercise their rights, and perform their obligations under any contracts resulting therefrom and that they are 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;

- 4.2.11.2 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 the Receiving Agent'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);
- 4.2.11.3 agrees with the Company and the Joint Bookrunners that all applications under the Open Offer, and contracts resulting therefrom, and any non-contractual obligations related thereto, shall be governed by, and construed in accordance with, the laws of England;
- 4.2.11.4 confirms to the Company and the Joint Bookrunners that, in making the application, they are not relying on any information or representation 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, they will be deemed to have had notice of all information in relation to the Company contained in this document (including any information incorporated by reference, if applicable);
- 4.2.11.5 acknowledges that no person has been authorised to give any information or make any representation concerning the Company or the Group or the New Ordinary Shares (other than as contained in this document) and, if given or made, any such information or representation should not be and is not being relied upon as having been authorised by the Company and/or the Liberum and/or Berenberg;
- 4.2.11.6 represents and warrants to the Company and the Joint Bookrunners that they are the Qualifying Shareholder originally entitled to the Open Offer Entitlements or, if they have received some or all of their Open Offer Entitlements from a person other than the Company, they are entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;
- 4.2.11.7 requests that the Open Offer Shares to which they will become entitled, be issued to them on the terms set out in this document and, in the case of Qualifying Non-CREST Shareholders, also the Application Form, subject to the articles of association of the Company;
- 4.2.11.8 represents and warrants to the Company and the Joint Bookrunners that they are not, nor are they applying on behalf of any person who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law and they are not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of their application in the United States or to, or for the benefit of, a person who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company and the Joint Bookrunners has been provided to the Company that they are able to accept the invitation by the Company free of any requirement which the Company and the Joint Bookrunners (in their absolute discretion) regard as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;

- 4.2.11.9 acknowledges that the offer and sale of the Open Offer Shares to applicants has been made outside of the United States in an “offshore transaction” as defined in, and pursuant to, Regulation S under the US Securities Act;
- 4.2.11.10 confirms that the Open Offer Shares have not been offered to them by the Company, Liberum, Berenberg or any of their affiliates, by means of any “directed selling efforts” (as defined in Regulation S of the US Securities Act) or “general solicitation” or “general advertising” (as defined in Regulation D of the US Securities Act);
- 4.2.11.11 represents and warrants to the Company and the Joint Bookrunners that they are not, and nor are they 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
- 4.2.11.12 confirms that, in making the application, they are not relying, and have not relied, on either the Company or Liberum or Berenberg or any person affiliated with any of them in connection with any investigation of the accuracy of any information contained in this document or their investment decision.

4.2.12 ***Company’s discretion as to the rejection and validity of applications***

The Company may in its sole discretion:

- 4.2.12.1 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 5;
- 4.2.12.2 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;
- 4.2.12.3 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 the Receiving Agent receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Receiving Agent 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
- 4.2.12.4 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 the Receiving Agent in connection with CREST.

4.2.13 ***Lapse of the Open Offer***

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 30 July 2021 (or such later time and/or date as the Company and the Joint Bookrunners may determine (being no later than 8.00 a.m. on the Long Stop Date)), the Open Offer will lapse, the Open Offer Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable but, in any event, within 14 days, thereafter.

5. MONEY LAUNDERING REGULATIONS

5.1 Holders of Application Forms

To ensure compliance with the Money Laundering Regulations, the Receiving Agent 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 the Receiving Agent. 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 the Receiving Agent 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 5 the “**relevant Open Offer Shares**”) shall thereby be deemed to agree to provide the Receiving Agent with such information and other evidence as the Receiving Agent may require to satisfy the verification of identity requirements.

If the Receiving Agent 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. The Receiving Agent 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 the Receiving Agent 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, the Receiving Agent 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 representation, warranty and undertaking to each of the Company and the Receiving Agent 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:

- 5.1.1 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));
- 5.1.2 if the acceptor is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations;
- 5.1.3 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
- 5.1.4 if the aggregate subscription price for the Open Offer Shares is less than €15,000 (approximately £12,900 as at the Latest Practicable Date).

In the case of paragraph 5.1.4 above, if the value at the Issue Price of the Open Offer Shares for which you are applying does not exceed fifteen thousand euros (€15,000) (or the sterling equivalent) (and is not one of a series of linked applications, the aggregate value of which exceeds that amount), you will not be required to satisfy the verification of identity requirements described below. However, if such a value exceeds that amount, then failure to provide the necessary evidence of identity may result in your application being treated as invalid or in delaying acceptance of your application. In order to avoid this, all payments should be made by means of a cheque drawn by the person named in the Application

Form (or one of such persons). If this is not practicable and you use a cheque drawn by a third party (for example, a building society cheque or banker's draft), you should:

- 5.1.5 write the name, address and date of birth of the person named on the Application Form (or one of such persons) on the back of the cheque, building society cheque or banker's draft;
- 5.1.6 if a building society cheque or banker's draft is used, ask the building society or bank to:
 - (i) insert on the cheque or banker's draft the full name and account number of the account holder whose building society or bank account is being debited on the cheque or banker's draft; and
 - (ii) add the building society or bank branch stamp;
- 5.1.7 if you are making the application as agent for one or more persons, indicate on the Application Form whether you are a UK or EU-regulated person or institution (e.g. a bank or broker) and specify your status. If you are not a UK or EU-regulated person or institution, you should contact the Receiving Agent, Computershare Investor Services PLC.

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

- 5.1.8 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 "CIS PLC re: Ilika plc Open Offer" 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 confirmed the name of the account holder by stamping or endorsing the cheque/banker's draft to such effect. The account name should be the same as that shown on the Application Form; or
- 5.1.9 if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in paragraph 5.1.8 above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force (the non-European Union members of which are Argentina, Australia, Brazil, Canada, China, Gibraltar, Hong Kong, Iceland, Japan, Mexico, New Zealand, Norway, the Russian Federation, Singapore, South Africa, Switzerland, Turkey, UK Crown Dependencies and the US and, by virtue of their membership of the Gulf Cooperation Council, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), 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 the Receiving Agent. If the agent is not such an organisation, it should contact the Receiving Agent.

If the Application Form(s) is/are in respect of Open Offer Shares with an aggregate subscription price of €15,000 (approximately £12,900 as at the Latest Practicable Date) or more and is/are lodged by hand by the acceptor in person, or if the Application Form(s) in respect of Open Offer Shares is/are lodged by hand by the acceptor and the accompanying payment is not the acceptor's own cheque, they should ensure that they have with them evidence of identity bearing their photograph (for example, their passport) and separate evidence of their address.

If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 11.00 a.m. on 27 July 2021, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Receiving Agent 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 account at the drawee bank from which such monies were originally debited (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).

5.2 Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST

If you hold your Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST and apply for Open Offer Shares in respect of some or all of your Open Offer Entitlements and Excess CREST Open Offer Entitlements 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, the Receiving Agent 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 the Receiving Agent before sending any USE 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 representation, warranty and undertaking by the applicant to provide promptly to the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to the Receiving Agent as to identity, the Receiving Agent may, in its absolute discretion, take, or omit to take, such action as it may determine to prevent or delay the 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.

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 making of the Open Offer to 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. Those persons should 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.

It is also the responsibility of all persons (including, without limitation, custodians, nominees, agents and trustees) outside the United Kingdom wishing to take up their entitlements under the Open Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental or other consents which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction.

No public offer of New Ordinary Shares is being made by virtue of this document or the Application Form in or into any jurisdiction outside the United Kingdom in which such offer would be unlawful. No action has been, or will be, taken by the Company, Liberum, Berenberg or any other person, to permit a public offering or distribution of this document (or any other offering or publicity materials or application form(s) 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 Open Offer Entitlements or Excess CREST Open Offer Entitlements 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 purposes 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 the United States or any other Restricted Jurisdiction or their agent(s) or intermediary/ies, except where the Company and the Joint Bookrunners are satisfied 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 them, nor should they 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 them and such Application Form and/or credit of Open Offer Entitlements 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 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 purposes 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, Liberum, Berenberg nor any of their respective representatives is making any representation or warranty 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 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 Open Offer Entitlements or 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 or Excess CREST Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by their custodian, agent, nominee or trustee, they must not seek to apply for Open Offer Shares in respect of the Open Offer unless the Company and/or the Joint Bookrunners 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 or Excess CREST Open Offer Entitlements in or 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 5 of this document 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 another Restricted Jurisdiction or 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 if it provides an address for delivery of the share certificates for the 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 the United States or another 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 reserves 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 Restricted Jurisdictions, and subject to certain exceptions, Qualifying Shareholders in the United States or who have registered addresses in, or who are resident or 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. No public offer of Open Offer Shares is being made by virtue of this document or the Application Form 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 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 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 purposes only and should not be copied or redistributed.

6.2 United States

The Open Offer Shares have not been, and will not be, registered under the US Securities Act 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 except in reliance on an exemption from the registration requirements of the US 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 unless an exemption from the registration requirements of the US 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 Open Offer Shares in the United States. Subject to certain exceptions, neither this document nor an Application Form will be sent to, and no Open Offer Shares will be credited to a stock account in CREST of, any Qualifying 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 Open Offer Shares and wishing to hold such Open Offer Shares in registered form must provide an address for registration of the Open Offer Shares issued upon exercise thereof outside the United States.

Subject to certain exceptions, any person who acquires Open Offer Shares will be deemed to have declared, warranted and agreed, by accepting delivery of this document or the Application Form and delivery of the Open Offer Shares, that they are not, and that at the time of acquiring the Open Offer Shares they will not be, in the United States or acting on behalf of, or for the account or benefit of a person on a non-discretionary basis in the United States or any state of the United States. The Company reserves the right to treat as invalid any Application Form that appears to the Company or its agents to have been executed in, or despatched from, the United States, or that provides an address in the United States for the receipt of Open Offer Shares, or which does not make the warranty set out in the Application Form to the effect that the person completing the Application Form does not have a registered address and is not otherwise located in the United States and is not acquiring the Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares in the United States 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 Open Offer Shares to any person with an address in, or who is otherwise located in, the United States in whose favour an Application Form or any Open Offer Shares may be transferred. In addition, the Company reserves the right to reject any USE instruction sent by or on behalf of any CREST Member with a registered address in the United States in respect of the Open Offer Shares. In addition, until 45 days after the commencement of the Open Offer, an offer, sale or transfer of the Open Offer Shares within the United States by a dealer (whether or not participating in the Capital Raising) may violate the registration requirements of the Securities Act.

6.3 Restricted Jurisdictions

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

6.5.1 *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 and the Registrar 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 requesting registration of the relevant Open Offer Shares from within the United States or any Restricted Jurisdiction; (ii) 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; (iii) 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 (iv) such person is not acquiring Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into any of the above territories. The Company and/or the Registrar 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, effected or dispatched from the United States or a Restricted Jurisdiction or 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 a Restricted Jurisdiction for delivery of the share certificates for the 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 paragraph 6.5.1.

6.5.2 **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 5 represents and warrants to the Company, the Joint Bookrunners and the Receiving Agent 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) they are not within the United States or any Restricted Jurisdiction; (ii) they are not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares; (iii) they are 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) they are not acquiring any Open Offer Shares with a view to 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 in its 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. **ADMISSION, SETTLEMENT AND DEALINGS**

The result of the Open Offer is expected to be announced on 28 July 2021. Application, by means of the General Application, will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. It is expected that General Admission will become effective and that dealings in the Open Offer Shares, fully paid, will commence at 8.00 a.m. on 30 July 2021.

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the Open Offer 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 27 July 2021 (the latest date for receipt of applications under the Open Offer).

If the condition(s) to the Open Offer described above are satisfied, Open Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by the Company. On 28 July 2021, the Registrar will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Open Offer Shares with effect from General Admission (expected to be 8.00 a.m. on 30 July 2021). 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 the Registrar 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 (including excess Open Offer Shares successfully applied for under the Excess Application Facility) are expected to be despatched by post by 14 August 2021. 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 or to applicants, or as they may direct, will be sent through the post at their own risk.

For more information as to the procedure for application, Qualifying Non CREST Shareholders are referred to paragraph 4.1 above and their respective Application Forms.

8. TIMES AND DATES

The Company shall, in agreement with the Joint Bookrunners and after consultation with its financial and legal advisers, be entitled to amend the date 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 AIM (as appropriate), and make an announcement on a Regulatory Information Service approved by the Board but Qualifying Shareholders may not receive any further written communication.

If a supplementary circular is issued by the Company two or fewer Business Days prior to the latest time and date for acceptance and payment in full under the Open Offer specified in this document, the latest date for acceptance under the Open Offer shall be extended to the date that is three Business Days after the date of issue of the supplementary circular (and the dates and times of principal events due to take place following such date shall be extended accordingly).

9. UK TAXATION

The following information is given in summary form only and is intended to apply only as a general guide to certain UK tax considerations and does not purport to be a complete analysis of all potential UK tax consequences of the Open Offer. The information is based on UK tax legislation and, where relevant, current HMRC practice, at the date of this document. Such legislation and practice is liable to change (in some cases with retrospective effect). The information relates to the tax position of Qualifying Shareholders who (i) are resident (and, in the case of individuals, domiciled) in (and only in) the United Kingdom for United Kingdom tax purposes, (ii) hold their Open Offer Shares as an investment (other than under a self-invested personal pension plan or an Individual Savings Account), and (iii) are the absolute beneficial owners of their Open Offer Shares.

The statements below do not constitute advice to any Qualifying Shareholder on their tax position. The tax positions of certain types of Qualifying Shareholders (such as charities, persons holding their Open Offer Shares in the course of a trade, persons who have or could be treated for tax purposes as having acquired their Open Offer Shares by reason of their employment, persons who hold the shares as trustees persons who are exempt from tax, collective investment schemes and insurance companies) are not considered. Qualifying Shareholders should be aware that future legislative, administrative and judicial changes could affect the taxation consequences described below. Any Qualifying Shareholder should obtain advice from their own investment and/or taxation adviser before subscribing for Open Offer Shares.

9.1 Inheritance tax relief

The Open Offer Shares should be treated as unquoted shares for UK inheritance tax (“IHT”) purposes (on the basis that they will be traded on AIM and not listed on a recognised stock exchange), with the result that individuals and trustees subject to IHT may be entitled to business property relief of up to 100 per cent. after a holding period of two years, providing that all relevant conditions for the relief are satisfied at the appropriate time.

9.2 Taxation of dividends

9.2.1 Income tax

Under current United Kingdom taxation legislation, no withholding tax will be deducted from dividends paid by the Company.

Individual Qualifying Shareholders resident in the UK receiving dividends from the Company may be liable to income tax on such dividends, subject to any applicable reliefs and exemptions. In the tax year ending 5 April 2022, no income tax is payable in respect of the

first £2,000 of dividend income received from all sources in the tax year (although such income would still count towards the basic, higher and additional rate thresholds). For dividends received above £2,000 in the 2019/2020 tax year, the dividend income would be taxable at 7.5 per cent., 32.5 per cent. and 38.1 per cent. for basic rate, higher rate and additional rate taxpayers, respectively.

9.2.2 **Corporation tax**

With certain exceptions for traders in securities, a holder of Open Offer Shares that is a company resident (for United Kingdom taxation purposes) in the United Kingdom and receives a dividend paid by the Company, should usually not be subject to corporation tax on the dividend received.

9.3 Taxation of chargeable gains

9.3.1 Under current published practice of HMRC, the subscription by a Qualifying Shareholder for Open Offer Shares up to that Qualifying Shareholder's Open Offer Entitlement is expected to be treated as a reorganisation of share capital for the purposes of the UK taxation of chargeable gains. To the extent that it is so treated, a Qualifying Shareholder would not be treated as disposing of the Existing Ordinary Shares already held by them and the Open Offer Shares would be treated as acquired at the same time as the Existing Ordinary Shares held by that Qualifying Shareholder in respect of which the Open Offer Shares were offered, and the cost of acquisition of the Open Offer Shares would be pooled with the allowable costs on the relevant Existing Ordinary Shares for the purposes of determining the amount of any chargeable gains arising on a subsequent disposal. Any subscription by a Qualifying Shareholder for Excess Shares under the Open Offer pursuant to the Excess Application Facility should be treated as a new acquisition outside the scope of the rules on reorganisations of share capital.

As a matter of UK tax law, the acquisition of Open Offer Shares may not, strictly speaking, constitute a reorganisation of share capital, and there is no guarantee that the HMRC practice mentioned above will be followed.

9.3.2 A UK resident individual Qualifying Shareholder who disposes of, or is deemed to dispose of, their Ordinary Shares may be liable to capital gains tax in relation thereto, subject to the availability of reliefs, exemptions or allowable losses. For a UK resident individual Qualifying Shareholder who is subject to income tax at the basic rate, the applicable rate would be 10 per cent. to the extent that the gain, when added to the Qualifying Shareholder's other taxable income for the relevant tax year, does not exceed the upper limit of the income tax basic rate band. To the extent that the gain exceeds this limit, or if an individual Qualifying Shareholder is subject to income tax at either the higher or the additional rate, the applicable rate of UK capital gains tax on the disposal of the Ordinary Shares will be 20 per cent. In computing the gain, the Qualifying Shareholder should be entitled to deduct from the proceeds the cost to that Qualifying Shareholder of the Ordinary Shares (together with incidental costs of acquisition and disposal). The capital gains tax annual exemption, which is £12,300 for individuals in the tax year 2021/2022, will also be available to offset any chargeable gain, to the extent that it has not already been utilised.

9.3.3 As the Ordinary Shares are traded on AIM, a market operated and regulated by the London Stock Exchange and which is not a recognised investment exchange for the purposes of FSMA, a Qualifying Shareholder (other than an employee of the Group or a person connected with any such employee) may qualify for investors' relief on a disposal of Ordinary Shares which they have held for at least 3 years. If investors' relief is available the rate of capital gains tax payable on the disposal of Ordinary Shares would be 10 per cent. capped at a lifetime limit of gains of £10 million.

9.3.4 Subject to the availability of reliefs, exemptions or allowable losses (including but not limited to the UK substantial shareholding exemption), for Qualifying Shareholders within the charge to UK corporation tax, any gain on the disposal or part disposal of Ordinary Shares will form part of the Qualifying Shareholder's profits chargeable to corporation tax. The current rate of corporation tax is 19 per cent.

9.4 Stamp Duty and Stamp Duty Reserve Tax

No United Kingdom ad valorem stamp duty should be payable on the issue by the Company of the Open Offer Shares. No ad valorem stamp duty or stamp duty reserve tax should be payable on transactions in shares traded on AIM where the shares are not also listed on a recognised stock exchange.

Qualifying 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 UK, should immediately consult a suitable professional adviser.

10. 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.

11. 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 obligations 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, whether by way of their Open Offer Entitlement or through the Excess Application Facility (as applicable), in accordance with the instructions set out in this document and, where applicable, the Application Form, Qualifying 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 6

QUESTIONS AND ANSWERS ABOUT THE OPEN OFFER

*The questions and answers set out in this Part 6 are intended to be in general terms only and, as such, you should read Part 5 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 manager, fund manager, solicitor, accountant or other appropriate independent financial adviser, who is duly authorised under FSMA if you are in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser. **For certainty, the Open Offer is not being extended into the United States or in or into any other Restricted Jurisdiction where such offer is not permitted pursuant to applicable securities laws.***

This Part 6 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 5 of this document and you should take professional advice as to whether you are eligible and/or 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 5 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 Shareholder helpline on +44 (0)370 707 1898. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday, excluding public holidays in England and Wales. Calls may be recorded and monitored for security and training purposes. Please note that, for legal reasons, the Shareholder helpline is only able to provide information contained in this document and information relating to the Company's register of members and is unable to give advice on the merits of the Open Offer or to provide legal, business, financial, tax or investment advice.

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 particular instance, shareholders will also be offered the opportunity to apply for additional shares in excess of their entitlement to the extent that other Qualifying Shareholders do not take up their entitlements in full.

This Open Offer is an invitation by the Company to Qualifying Shareholders to apply to acquire up to an aggregate of 2,673,811 Open Offer Shares at a price of 140 pence per share. If you hold Existing Ordinary Shares on the Open Offer 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 in the United States, or a Restricted Jurisdiction, you will 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 52 Existing Ordinary Shares held by Qualifying Shareholders on the Open Offer 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 Open Offer Share and your entitlement will be rounded down to the nearest whole number. Open Offer Shares are being offered to Qualifying Shareholders at a share price of 140 pence per Open Offer Share.

The Excess Application Facility allows Qualifying Shareholders to apply for Open Offer Shares in excess of their Open Offer Entitlements. 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 scaled back *pro rata* to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility and/or allocated in such manner as the Directors may

determine, in their absolute discretion, and no assurance can be given that any applications under the Excess Application Facility 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 Open Offer Entitlements can themselves be traded. Shareholders will not be able to apply for any new Ordinary 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 have received an Application Form and, subject to certain exceptions, are not a holder with a registered address or located in the United States or any other Restricted Jurisdiction, then you should be eligible to participate in the Open Offer as long as you have not sold all of your Existing Ordinary Shares before 8.00 a.m. on 12 July March 2021 (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 in the United States or any other Restricted Jurisdiction, you should have been sent an Application Form with this document 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 Open Offer Entitlement; and
- how much you need to pay if you want to take up your right to buy all your entitlement to Open Offer Shares.

Subject to certain exceptions, if you have a registered address in the United States or any other Restricted Jurisdiction, you should not have received an Application Form.

If you would like to apply for any of or all of the Open Offer Shares comprised in your Open Offer 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 posted in the accompanying pre-paid envelope or returned to the Receiving Agent by post at Computershare Investor Services PLC, Corporate Actions Project, Bristol, BS99 6AH, together with a cheque or banker's draft for the full amount payable in respect of the number of Open Offer Shares applied for, so as to be received by the Receiving Agent by no later than 11.00 a.m. on 27 July 2021, 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?

4.1 If you do not want to take up your Open Offer 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 Open Offer 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 27 July 2021, the Company has made arrangements under which it has agreed to issue the Open Offer Shares to other Qualifying Shareholders under the Excess Application Facility.

If you do not take up your Open Offer Entitlement, then, following the issue of the Open Offer Shares pursuant to the Open Offer, your interest in the Company will be significantly diluted.

Even if a Qualifying Shareholder subscribes for their basic Open Offer Entitlement under the Open Offer, their economic interest will be proportionately diluted by the issue of the Placing Shares, the Retail Offer Shares and the Director Subscription Shares pursuant to the Capital Raising.

4.2 If you want to take up some, but not all, of your Open Offer 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 4 and 6 of your Application Form; for example, if you are entitled to take up 200 Open Offer Shares but you only want to take up 100 Open Offer Shares, then you should write '100' in Box 4, '0' in Box 5 and '100' in Box 6. 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, '100') by 140 pence, which is the price of each Open Offer Share (giving you an amount of £140 in this example). You should write this amount in Box 7, rounding down to the nearest whole pence and this should be the amount your cheque or banker's draft is made out for. You should then return the completed Application Form (ensuring that all joint holders sign (if applicable)), together with a cheque or banker's draft for that amount, in the accompanying pre-paid envelope or return by post to the Receiving Agent at Computershare Investor Services PLC, Corporate Actions Project, Bristol, BS99 6AH, so as to be received by the Receiving Agent by no later than 11.00 a.m. on 27 July 2021, 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 or banker's draft made payable to "CIS PLC re: Ilika plc Open Offer" 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 will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder and the number of an account held in the applicant's name at the building society or bank by stamping or endorsing the cheque or draft to such effect. The account name should be the same as that shown on the Application Form. Post-dated cheques will not be accepted. Third party cheques (other than building society cheques or banker's drafts where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds) will not be accepted (see paragraph 4.1.4 of Part 5 of this document).

Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be paid on payments made before they are due. 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.

Subject to the issue of the Open Offer Shares and General Admission becoming effective, 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 at your own risk by no later than 14 August 2021.

4.3 If you want to take up all of your Open Offer 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 completed Application Form (ensuring that all joint holders sign (if applicable)), together with your cheque or banker's draft for the amount (as indicated in Box 3 of your Application Form), payable to "CIS PLC re: Ilika plc Open Offer" and crossed "A/C Payee Only", in the accompanying pre-paid envelope by post to the Receiving Agent at Computershare Investor Services PLC, Corporate Actions Project, Bristol, BS99 6AH, so as to be received by the Receiving Agent by no later than 11.00 a.m.

on 27 July 2021, 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 or banker's draft made payable to "CIS PLC re: Ilika plc Open Offer" 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 will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder and the number of an account held in the applicant's name at the building society or bank by stamping or endorsing the cheque or draft to such effect. The account name should be the same as that shown on the Application Form. Post-dated cheques will not be accepted. Third party cheques (other than building society cheques or banker's drafts where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds) will not be accepted (see paragraph 4.1.4 of Part 5 of this document).

Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be paid on payments made before they are due. 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.

Subject to the issue of the Open Offer Shares and General Admission becoming effective, 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 at your own risk by no later than 14 August 2021.

4.4 If you want to apply for more than your Open Offer Entitlement

Provided you have agreed to take up your Open Offer Entitlement in full, you can apply for further Open Offer Shares under the Excess Application Facility. You should write the number of Open Offer Shares comprised in your Open Offer Entitlement (as indicated in Box 3 of the Application Form) in Box 4 and write the number of Excess Shares for which you would like to apply in Box 5. You should then add the totals in Boxes 4 and 5 and insert the total number of Open Offer Shares for which you would like to apply in Box 6. For example, if you have an Open Offer Entitlement for 1,000 Open Offer Shares but you want to apply for 1,100 Open Offer Shares in total, then you should write '1,000' in Box 4, '100' in Box 5 and '1,100' in Box 6. 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, '1,100') by 140 pence, which is the price of each Open Offer Share (giving you an amount of £1,540 in this example). You should write this amount in Box 7, rounding down to the nearest whole pence. You should then return the completed Application Form (ensuring that all joint holders sign (if applicable)), together with a cheque or banker's draft for that amount, in the accompanying pre-paid envelope or return by post to the Receiving Agent at Computershare Investor Services PLC, Corporate Actions Project, Bristol, BS99 6AH, so as to be received by the Receiving Agent by no later than 11.00 a.m. on 27 July 2021, 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 Open Offer Entitlements, such applications may be scaled back *pro rata* to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility and/or allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that any applications under the Excess Application Facility by Qualifying Shareholders will be met in full or in part or at all.

All payments must be in pounds sterling and made by cheque or banker's draft made payable to "CIS PLC re: Ilika plc Open Offer" 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 will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder and the number of an account held in the applicant's name at the building society or bank by stamping or endorsing the cheque or draft to such effect. The account name should be the same as that shown on the Application Form. Post-dated cheques will not be accepted. Third party cheques (other than building society cheques or banker's drafts where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds) will not be accepted (see paragraph 4.1.4 of Part 5 of this document).

Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be paid on payments made before they are due. 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.

Subject to the issue of the Open Offer Shares and General Admission becoming effective, 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 at your own risk by no later than 14 August 2021.

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

Qualifying CREST Shareholders should follow the instructions set out in Part 5 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 Open Offer Entitlement; and (ii) how to apply for Open Offer Shares in excess of their Open Offer Entitlement under the Excess Application Facility provided they choose to take up their Open Offer 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 Qualifying 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 8 July 2021 and who have converted them to certificated form;
- Qualifying Non-CREST Shareholders who bought Existing Ordinary Shares before 12 July 2021 but were not registered as the holders of those shares at close of business on 8 July 2021; and
- certain Overseas Shareholders who are not resident in or subject to the laws of a Restricted Jurisdiction.

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 Agent, Computershare Investor Services PLC, on +44 (0)370 707 1898. The helpline is open between 8.30 a.m. and 5.30 p.m., Monday to Friday,

excluding public holidays in England and Wales. Please note that the Receiving Agent 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 the Open Offer Entitlements will be admitted to CREST they will have limited settlement capabilities (for the purposes of market claims only), the Open Offer 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 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 Open Offer Entitlement will have no rights under the Open Offer or receive any proceeds from it. The Open Offer Shares have not been placed subject to clawback nor have they been 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 Agent, 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 directly and you sell some or all of your Existing Ordinary Shares before 12 July 2021, 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.

If you sell any of your Existing Ordinary Shares on or after 12 July 2021, 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 or banker's draft drawn in the appropriate form. All payments must be in pounds sterling and made by cheque or banker's draft made payable to "CIS PLC re: Ilika plc Open Offer" 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. 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 confirmed the name of the account holder and the number of an account held in the applicant's name at the building society or bank by stamping or endorsing the cheque or draft to such effect. The account name should be the same as that shown on the Application Form. Post-dated cheques will not be accepted. Third party cheques (other than building society cheques or banker's drafts where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds) 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?

Completed Application Forms should be posted in the accompanying pre-paid envelope or returned to the Receiving Agent by post at Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH, together with a cheque or banker's draft for the full amount payable in respect of the number of Open Offer Shares applied for, so as to be received by the Receiving Agent by no later than 11.00 a.m. on 27 July 2021, 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 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 Agent must receive the Application Form by no later than 11.00 a.m. on 27 July 2021, 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 Registrar will post all new share certificates by 14 August 2021.

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

If you bought your Ordinary Shares after the Record Date, you are unlikely to be able to participate in the Open Offer in respect of such Ordinary Shares.

18. What should I do if I live 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 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 and/or Excess Open Offer Entitlement. Shareholders with registered addresses or who are located 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 5 of this document.

19. Further assistance

Should you require further assistance please call the Receiving Agent, Computershare Investor Services PLC, on +44 (0)370 707 1898. The helpline is open between 8.30 a.m. and 5.30 p.m., Monday to Friday, excluding public holidays in England and Wales. Please note that the Receiving Agent cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

PART 7

DEFINITIONS

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

“Act”	the Companies Act 2006
“Admission”	EIS/VCT Admission, in the case of the EIS/VCT Placing Shares, and/or General Admission, in the case of the General Placing Shares, the Open Offer Shares, the Retail Offer Shares and the Director Subscription Shares, as the context requires
“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”	the EIS/VCT Application and/or the General Application, as the context requires
“Application Form”	the personalised application form accompanying this document (where appropriate) pursuant to which Qualifying Non-CREST Shareholders (other than certain Overseas Shareholders) may apply to subscribe for Open Offer Shares under the Open Offer
“Berenberg”	Joh. Berenberg, Gossler & Co. KG, London Branch the Company’s joint bookrunner in connection with the Capital Raising
“Board” or “Directors”	the board of directors of the Company
“Capital Raising”	the Placing, the Open Offer, the Retail Offer and the Director Subscriptions
“Company” or “Ilika”	Ilika plc
“CREST” or “CREST system”	the relevant system (as defined in the CREST Regulations) for the paperless settlement of trades and the holding of uncertificated securities operated by Euroclear
“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, CCSS Operations Manual 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)
“CREST Member”	a person who has been admitted to Euroclear as a system-member (as defined in the CREST Regulations)
“CREST Participant”	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations)
“CREST Payment”	has the meaning given thereto in the CREST Manual
“CREST Proxy Instruction”	has the meaning ascribed to it in paragraph 8 of the notes to the Notice of the General Meeting
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI2001/3755)

“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
“Director Subscriptions”	the subscriptions to be made at the Issue Price by, or on behalf of, the following Directors: (a) Keith Jackson, in respect of 7,142 new Ordinary Shares; and (b) Monika Biddulph, in respect of 3,571 new Ordinary Shares
“Director Subscription Agreements”	the subscription agreements dated on or about the date of this document between the Company and each of the Directors subscribing for Director Subscription Shares
“Director Subscription Shares”	the 10,713 new Ordinary Shares to be issued pursuant to the Director Subscriptions
“EIS”	Enterprise Investment Scheme under the provisions of Part 5 of the ITA 2007 (as amended)
“EIS/VCT Admission”	admission of the EIS/VCT Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules
“EIS/VCT Application”	the application to the London Stock Exchange for EIS/VCT Admission as required by Rule 29 of the AIM Rules
“EIS/VCT Placing”	the conditional placing of the EIS/VCT Placing Shares by the Joint Bookrunners, as agents on behalf of the Company, pursuant to the Placing Agreement
“EIS/VCT Placing Shares”	the 1,428,571 new Ordinary Shares proposed to be allotted and issued to certain persons seeking to invest in “eligible shares” for the purposes of the applicable legislation in relation to EIS or VCT for cash pursuant to the terms and subject to the conditions set out in the Placing Agreement
“EIS Relief”	the relief claimed by any holder of the EIS/VCT Placing Shares under Part 5 of the ITA 2007 or exemption or relief available under sections 150A, 150C and Schedule 5B Taxation of Chargeable Gains Act 1992
“Enlarged Issued Share Capital”	the issued ordinary share capital of the Company immediately following each Admission
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“Excess Application Facility”	the arrangement pursuant to which Qualifying Shareholders may apply for any number of Open Offer Shares in excess of their Open Offer Entitlement provided that they have agreed to take up their Open Offer Entitlement in full in accordance with the terms and conditions of the Open Offer
“Excess CREST Open Offer Entitlement”	in respect of each Qualifying CREST Shareholder, the entitlement (in addition to their Open Offer Entitlement) to apply for Open Offer Shares pursuant to the Excess Application Facility, which is conditional on them taking up their Open Offer Entitlement in full and which may be subject to scaling back in accordance with the provisions of this document

“Excess Open Offer Entitlement”	in respect of each Qualifying Shareholder, the entitlement (in addition to their Open Offer Entitlement) to apply for Open Offer Shares pursuant to the Excess Application Facility, which is conditional on them taking up their Open Offer Entitlement in full and which may be subject to scaling back in accordance with the provisions of this document
“Excess Shares”	Open Offer Shares applied for by Qualifying Shareholders under 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 8.00 a.m. on 12 July 2021
“Existing Ordinary Shares”	the 139,038,172 existing Ordinary Shares in issue as at the Latest Practicable Date
“FCA”	the Financial Conduct Authority
“Form of Proxy”	the form of proxy for use by Shareholders in connection with the General Meeting and accompanying this document
“FSMA”	the Financial Services and Markets Act 2000
“General Admission”	admission of the General Placing Shares, the Open Offer Shares, the Retail Offer Shares and the Director Subscription Shares to trading on AIM becoming effective in accordance with the AIM Rules
“General Application”	the application to the London Stock Exchange for General Admission as required by Rule 29 of the AIM Rules
“General Meeting”	the general meeting of the Company to be held at Walbrook PR Limited, 75 King William Street, London, EC4N 7BE at 11.00 a.m. on 28 July 2021, or any adjournment thereof, notice of which is set out at the end of this document
“General Placing”	the conditional placing of the General Placing Shares by the Joint Bookrunners, as agents on behalf of the Company, pursuant to the Placing Agreement
“General Placing Shares”	the 11,417,857 new Ordinary Shares proposed to be allotted and issued by the Company to certain persons for cash pursuant to the terms and subject to the conditions set out in the Placing Agreement which are not EIS/VCT Placing Shares, the Retail Offer Shares and the Director Subscription Shares
“Group”	the Company and its subsidiary undertakings from time to time
“GWh”	gigawatt hour
“HMRC”	HM Revenue & Customs in the UK
“Issue Price”	the price at which the New Ordinary Shares are to be allotted and issued pursuant to the Capital Raising, being 140 pence per New Ordinary Share
“ITA 2007”	the Income Tax Act 2007
“Joint Bookrunners”	Liberum and Berenberg

“KWh”	kilowatt hour
“Latest Practicable Date”	close of business (5.00 p.m. London time) on 8 July 2021, being the latest practicable date prior to the date of this document
“LIB”	lithium ion battery
“Liberum”	Liberum Capital Limited, the Company’s nominated adviser and joint bookrunner in connection with the Capital Raising
“London Stock Exchange”	London Stock Exchange plc
“Long Stop Date”	17 August 2021
“Member Account ID”	the identification code or number attached to any member account in CREST
“Money Laundering Regulations”	the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended), the money laundering provisions of the Criminal Justice Act 1993, the Proceeds of Crime Act 2002 and the Criminal Finances Act 2017
“MWh”	megawatt hour
“New Ordinary Shares”	the Placing Shares, the Open Offer Shares, the Retail Offer Shares and the Director Subscription Shares
“Notice of the General Meeting”	the notice of the General Meeting set out at the end of this document
“Official List”	the Official List of the FCA
“Open Offer”	the conditional invitation to be made by the Company to Qualifying Shareholders to subscribe for the Open Offer Shares at the Issue Price on the terms and subject to the conditions set out in Part 5 of this document and, in the case of Qualifying Non-CREST Shareholders, in the Application Form accompanying this document
“Open Offer Entitlement”	the <i>pro rata</i> basic entitlement of a Qualifying Shareholder, pursuant to the Open Offer, to apply to subscribe for 1 Open Offer Share for every 52 Existing Ordinary Shares registered in its name as at the Record Date
“Open Offer Record Date” or “Record Date”	the record date in relation to the Open Offer, being 6.00 p.m. on or 8 July 2021
“Open Offer Shares”	up to 2,673,811 new Ordinary Shares to be issued by the Company to Qualifying Shareholders pursuant to the Open Offer
“Ordinary Shares”	ordinary shares of £0.01 each in the capital of the Company
“Overseas Shareholders”	Shareholders with registered addresses in, or who are citizens, residents or nationals of, jurisdictions outside of the UK
“Participant ID”	the identification code or membership number used in CREST to identify a particular CREST Member or other CREST Participant
“Placing”	the conditional placing by the Joint Bookrunners, as agents for the Company, of the Placing Shares at the Issue Price on the terms and conditions set out in the Placing Agreement

“Placing Agreement”	the placing agreement dated 9 July 2021 between the Company and the Joint Bookrunners
“Placing Shares”	the EIS/VCT Placing Shares and the General Placing Shares
“PrimaryBid”	the website operated by PrimaryBid Limited and known as PrimaryBid.com which will host the Retail Offer
“Prospectus Regulation Rules Sourcebook”	the prospectus rules made by the FCA in exercise of its functions as competent authority pursuant to Part VI of FSMA, as amended from time to time
“Qualifying CREST Shareholders”	Qualifying Shareholders whose Existing Ordinary Shares on the register of members of the Company on the Record Date are held in uncertificated form
“Qualifying Non-CREST Shareholders”	Qualifying Shareholders whose Existing Ordinary Shares on the register of members of the Company on the Record Date are held in certificated form
“Qualifying Shareholders”	Shareholders on the register of members of the Company on the Record Date with the exclusion (subject to exemptions) of persons with a registered address or located or resident in a Restricted Jurisdiction
“Receiving Agent” or “Registrar”	Computershare Investor Services PLC
“Regulatory Information Service”	a service approved by the FCA for the distribution to the public of regulatory announcements and included within the list maintained on the FCA’s website
“Resolutions”	the resolutions set out in the Notice of the General Meeting
“Restricted Jurisdiction”	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure for the Company if information or documentation concerning the proposals set out in this document is sent or made available to Shareholders in that jurisdiction including, without limitation, the United States of America, Canada, Australia, New Zealand, Japan and the Republic of South Africa
“Retail Offer”	the offer made by the Company on the PrimaryBid platform of the Retail Offer Shares at the Issue Price
“Retail Offer Shares”	2,142,857 new Ordinary Shares to be issued by the Company to retail investors pursuant to the Retail Offer
“Shareholders”	holders of Ordinary Shares
“Tier 1”	advanced supplier to OEMs prior to product finalisation
“uncertificated” or “in uncertificated form”	recorded on the relevant register of Ordinary Shares 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 “United Kingdom” or “UK” the United Kingdom of Great Britain and Northern Ireland
“United Kingdom”	the United Kingdom of Great Britain and Northern Ireland

“United States” or “US”	the United States of America, each state thereof, its territories and possessions (including the District of Columbia) and all other areas subject to its jurisdiction
“USE Instruction” or “USE”	an unmatched stock event instruction which, on its settlement, will have the effect of crediting a stock account of the Receiving Agent under the Participant ID and Member Account ID specified in paragraph 4.2 of Part 5 of this document, with a number of Open Offer Entitlements or Excess CREST open Offer Entitlements corresponding to the number of Open Offer Shares applied for
“US Securities Act”	the US Securities Act of 1933, as amended from time to time and the rules and regulations promulgated thereunder
“VCT”	a Venture Capital Trust under Part 6 of the Income Tax Act 2007
“VCT Relief”	the relief claimed by any holder of the EIS/VCT Placing Shares under Part 6 of the ITA 2007 or exemption or relief available under sections 151A, 151B and Schedule 5C Taxation of Chargeable Gains Act 1992 or Chapter 5 of Part 6 of the Income Tax (Trading and Other Income) Act 2005
“Wh/kg”	watt-hour per kilogram
“£”, “pounds sterling”, “pence” or “p”	are references to the lawful currency of the United Kingdom
“€” or “Euros”	are references to the lawful currency of the European Union.

PART 8

NOTICE OF GENERAL MEETING

Ilika plc

(incorporated in England and Wales with registered number 07187804)

NOTICE IS HEREBY GIVEN that a general meeting of Ilika plc (the “**Company**”) will be held at Walbrook PR Limited, 75 King William Street at 11.00 a.m. on 28 July 2021 for the purpose of considering and, if thought fit, passing the following resolutions, which will be proposed as to resolution 1 as an ordinary resolution and as to resolution 2 as a special resolution (each a “**Resolution**”).

In response to the COVID-19 pandemic, the UK Government has introduced a number of measures in England aimed at controlling the spread of the COVID-19 virus. The Board has been closely monitoring the ongoing COVID-19 situation and, on the basis of the UK government’s roadmap out of lockdown, the General Meeting has been arranged on the assumption that it will be able to be held as an open, physical meeting. If the position changes, the Company will communicate any updates on its website at www.ilika.com and, where appropriate, through an announcement to the market, before the General Meeting.

1. THAT, in addition to all existing authorities granted to the directors of the Company (the “**Directors**”), the Directors be and are hereby generally and unconditionally authorised, in accordance with section 551 of the Companies Act 2006 (the “**Act**”), to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company up to a maximum aggregate nominal amount of £176,738.09 in connection with the Capital Raising (as defined in the circular to shareholders dated 12 July 2021 of which this notice of general meeting forms part (the “**Circular**”)), such authority to be in addition to all existing authorities granted to the Directors and provided that this authority shall expire on the earlier of the anniversary of the date on which it is passed and the Company’s annual general meeting to be held in 2022, but so that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after such expiry and the Directors may allot shares or grant rights to subscribe for or convert securities into shares pursuant to such an offer or agreement as if this authority had not expired.
2. THAT, in addition to all existing authorities granted to the Directors and subject to and conditional on the passing of Resolution 1 above, the Directors be empowered, pursuant to section 570 of the Act, to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred by Resolution 1 above as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities up to the maximum aggregate nominal amount of £176,738.09 in connection with the Capital Raising (as defined in the Circular) and shall expire on the earlier of the anniversary of the date on which it is passed and the Company’s annual general meeting to be held in 2022, 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 may allot equity securities in pursuance of any such an offer or agreement as if this power had not expired.

Dated: 12 July 2021

Registered Office:

Unit 10a
The Quadrangle
Premier Way
Romsey
SO51 9DL

By order of the Board:

Stephen Boydell
Secretary

NOTES

In response to the COVID-19 pandemic, the UK Government has introduced a number of measures in England aimed at controlling the spread of the COVID-19 virus. The Board has been closely monitoring the ongoing COVID-19 situation and, on the basis of the UK government's roadmap out of lockdown, the meeting has been arranged on the assumption that it will be able to be held as an open, physical meeting. If the position changes, the Company will communicate any updates on its website at www.ilika.com and, where appropriate, through an announcement to the market, before the meeting.

Members' right to vote

1. The right of members to vote at the meeting is determined by reference to the register of members. As permitted by section 360B(3) of the Companies Act 2006 (the "**Act**") and Regulation 41 of the Uncertificated Securities Regulations 2001, shareholders (including those who hold shares in uncertificated form) must be entered on the Company's share register at 6.00 p.m. on 26 July 2021 in order to be entitled to attend and vote at the meeting. Such shareholders may only cast votes in respect of shares held at such time. Changes to entries on the relevant register after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
2. Any member entitled to attend and vote at the above meeting is entitled (unless they have, pursuant to article 92 of the Company's articles of association, nominated someone else to enjoy such a right, in which case only the person so nominated may exercise the right) to appoint one or more proxies (who need not be a member of the Company) to attend and on a poll to vote instead of the member. Completion and return of a form of proxy will not preclude a member from attending and voting at the meeting in person, should he subsequently decide to do so.
3. 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).
4. A shareholder of the Company which is a corporation may authorise a person or persons to act as its representative(s) at the meeting. In accordance with the provisions of the Act, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual shareholder of the Company, provided that they do not do so in relation to the same shares. It is no longer necessary to nominate a designated corporate representative.

Corporate members are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives – www.icsa.org.uk – for further details of this procedure. The guidance includes a sample form of representation letter to appoint the Chairman as a corporate representative.

5. In order to be valid, any form of proxy and any power of attorney or other authority under which it is signed, or a notarially certified or office copy of such power or authority, in order to be valid, must be completed and returned in accordance with the instructions set out thereon by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH, so as to be received by not later than 11.00 a.m. on 26 July 2021 or, if the meeting is adjourned, not less than 48 hours (excluding any part of a day which is a non-working day) before the time of the adjourned meeting.
6. Any member attending the meeting (unless they have, pursuant to article 92 of the Company's articles of association, nominated someone else to enjoy such a right in which case only the person so nominated may exercise the right) is entitled, pursuant to section 319A of the Act to ask any question relating to the business being dealt with at the meeting. The Company will cause any such questions to be answered unless (i) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; or (ii) the answer has already been given on a website in the form of an answer to a question; or (iii) it is undesirable in the interests of the company or the good order of the meeting that the question be answered.

Voting by CREST members

7. CREST members who wish to appoint a proxy or proxies by using the CREST electronic proxy appointment service may do so for the meeting (and any adjournment of the meeting) by following the procedures laid down in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed 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.
8. In order for a proxy appointment or instruction 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 Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent (ID Number 3RA50) by no later than 11.00 a.m. on 26 July 2021. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
9. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
10. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited 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, 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. Please see sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Publication of documents

11. From the date of this notice and for the following two years the following information will be available on the Company's website and can be accessed at www.ilika.com/investors:

- (i) the matters set out in this notice of meeting;
- (ii) the total numbers of shares in the Company and shares of each class, in respect of which members are entitled to exercise voting rights at the meeting; and
- (iii) the totals of the voting rights that members are entitled to exercise at the meeting in respect of the shares of each class.

Any members' statements, members' resolutions and members' matters of business received by the Company after the date of this notice will be added to the information already available on the website as soon as reasonably practicable and will also be made available for the following two years.

12. A statement or summary of transactions made by the directors (and their family interests) in the share capital of the Company and copies of their service contracts are available for inspection at the Company's registered office during normal business hours (Saturdays and public holidays excepted) from the date of this notice until the conclusion of the general meeting and will also be available for inspection at the place of the general meeting for at least 15 minutes prior to and during the meeting.

Total voting rights

13. The total number of ordinary shares of 1 pence each in issue as at 8 July 2021, the last practicable day before printing this document, was 139,038,172 ordinary shares and the total level of voting rights was 139,038,172. No shares were held in treasury.

