

## News release

### Velocys plc

("Velocys" or "the Company")

**15 May 2017**

### Fund raise of over £10 million

Velocys plc (VLS.L), the company at the forefront of smaller scale gas-to-liquids (GTL), is pleased to announce that it has conditionally raised over £10 million (before expenses).

#### Highlights

- Fund raising of over £10 million (before expenses) through the:
  - Proposed issue of 18 million convertible loan notes ("CLNs") at a price of £0.50 per loan note to the Company's two largest Shareholders, Ervington and Lansdowne, amounting to approximately £9 million.
    - Final maturity date of 18 months following the issue of the relevant CLNs.
    - Interest rate of 8% per annum.
  - Conditional placing ("Placing") of 2,577,777 new Ordinary Shares at a placing price of £0.45 per share to certain institutional and other investors to raise gross proceeds of approximately £1.16 million.
    - Placing price represents a discount of approximately 10% to the closing mid-market price of the Ordinary Shares as at 12 May 2017.
    - Placing Shares will represent approximately 1.8% of the Ordinary Share capital.
- Proceeds raised by the issue of the CLNs and the Placing will be used to provide working capital and to progress specific activities to drive the strategy programme including:
  - Initial engineering for US biomass-to-liquids (BTL) plants.
  - Integrated technology demonstration for BTL.
  - Building the consortium for the renewable fuels focus area and in particular securing commitments for the majority of the funding required for the FEL-3 engineering study of the US renewable fuels plant.
  - Project development activities (for example, site selection and permitting).
  - The engagement of consultants to support financing and other related activities.
- \$3.4 million of the proceeds of the fund raise will also be used to extend the loan arrangement Velocys made available to ENVIA in January 2016 from \$9.3m to \$12.7m. All other terms of the loan, which has a 10% coupon, remain unchanged. As such Velocys will help to support the ENVIA plant achieving steady state operations over the coming months.
- Velocys has agreed that its three largest shareholders, which include Ervington and Lansdowne, have the right to jointly nominate an individual to be appointed to the Board as a Non-Executive Director. These shareholders have nominated Andrew Morris, who is currently CEO of Envirofusion. He has extensive experience as Chairman, CEO, CFO and Group Finance Director for AIM companies, SMEs and private equity backed organisations in the renewable energy, energy from waste and biofuels sectors.
- The issue of the CLNs and the Placing is conditional (amongst other things) upon the passing of certain resolutions. A General Meeting is therefore being convened for the purpose of considering the Resolutions at 11 a.m. on 1 June 2017 at the offices of Mayer Brown International LLP, 201 Bishopsgate, London, EC2M 3AF.

**David Pummell, CEO of Velocys, said:**

“Since announcing our new strategy for sustainable growth, the first Fischer-Tropsch product has successfully been produced at the commercial reference plant for Velocys’ technology in Oklahoma City; the first smaller scale commercial GTL plant in the world and a landmark event for Velocys and the industry. We have also made strong progress delivering the high quality technology partnerships needed to develop an integrated offer for the renewable fuels market in the US, our primary market of focus.

“Today’s funding allows us to accelerate the implementation of the first stage of our strategy, putting in place a consortium of partners with the aim of delivering a wider commercial renewable fuels offer and securing the first final investment decision for a renewable fuels plant.

“We would like to thank our existing shareholders for their support in today’s financing.”

– Ends –

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Certain information contained in this announcement would have constituted inside information (as defined by Article 7 of Regulation (EU) No 596/2014) prior to its release as part of this announcement.

**Notes to editors**

About Velocys

Velocys is the company at the forefront of smaller scale gas-to-liquids (GTL), providing the bridge connecting stranded and low value feedstocks such as natural gas, landfill gas or biomass with markets for premium products such as renewable diesel, jet fuel and waxes.

With its partners, Velocys aims to deliver the most economically compelling conversion solution; a fully integrated offer that can be deployed at scale into the growing, attractive markets on which it focuses. Velocys technology, protected by several hundred patents in over 30 countries, is specifically designed for smaller scales, combining super-active catalysts with intensified reactor systems. Standardised modular plants can be deployed readily in a wide range of locations, and Velocys’ capabilities and extensive experience deliver a proven route to operation.

Velocys plc is admitted to trading on the AIM market of the London Stock Exchange (LSE: VLS). The Company has a strong, multi-disciplinary staff operating from its commercial centre in



Houston, Texas, USA and technical facilities near Oxford, UK and Columbus, Ohio, USA. First product has been produced at its commercial reference plant, which is located adjacent to Waste Management's East Oak landfill site in Oklahoma City.

[www.velocys.com](http://www.velocys.com)



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

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No person has been authorised to give any information or to make any representation other than those contained in this announcement (or the circular to be sent to Shareholders today) in connection with the Placing and Admission 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, Numis or Canaccord or any of their respective directors, employees or officers.



## 1. Introduction

The Board announced on 15 May 2017 that it has proposed to raise, subject to certain conditions, (i) approximately £9 million (before expenses) by the issue of Convertible Loan Notes at a price of £0.50 per loan note to the Company's two largest Shareholders, Ervington and Lansdowne; and (ii) approximately £1.16 million (before expenses) by way of a conditional placing of 2,577,777 new Ordinary Shares at a placing price of £0.45 per share to certain institutional and other investors.

The Company intends to use the proceeds raised by the issue of the Convertible Loan Notes and the Placing to fund its working capital requirements in support of the implementation of its strategy, including funding an initial engineering study for its proposed biomass to liquids plant, project development and the continuing development of its strategic partnerships.

The issue of the Convertible Loan Notes and the Placing is conditional (amongst other things) upon the passing of certain resolutions in order to ensure that the Directors have the necessary authorities and powers to allot the Placing Shares and issue the Convertible Loan Notes. A General Meeting is therefore being convened for the purpose of considering the Resolutions at 11 a.m. on 1 June 2017 at the offices of Mayer Brown International LLP, 201 Bishopsgate, London EC2M 3AF. The Placing is also conditional on the Placing Agreement between the Company, Canaccord and Numis becoming unconditional and not being terminated in accordance with its terms.

The Company has agreed that its three largest Shareholders, which include Ervington and Lansdowne, have the right, for so long as one of the Shareholders (together with any affiliate or person acting in concert with it) holds a minimum of 14 per cent. of the issued share capital of the Company, to jointly nominate an individual (who will not be an employee or consultant of those Shareholders) to be appointed to the Board as a non-executive director, subject to approval of the identity of that individual by the Company and the Company's nominated advisor. The nominated individual shall be entitled to fees or remuneration from the Company in the same manner as other non-executive directors of the Company. This appointment right is conditional on the issue of the Convertible Loan Notes.

These Shareholders have indicated that they intend to nominate Andrew Morris in this role. Mr Morris has extensive experience as Chairman, CEO, CFO and Group Finance Director and significant involvement in financing and business development for AIM companies, SMEs and private equity backed organisations. He has considerable experience in the power and renewable energy, energy from waste and biofuels sectors. A further announcement will be made once an appointment has been made.

## 2. Velocys recent Corporate Developments

### (a) ENVIA – the Company's first commercial reference plant

In September 2016, construction of ENVIA's first GTL plant in Oklahoma City was completed. This was a landmark event for the Company since it will, once at steady state operations, act as the Company's first commercial reference plant. ENVIA subsequently delivered a start up of the commercial scale Fischer-Tropsch modules and upstream units at the ENVIA Plant, culminating in the first Fischer-Tropsch product being successfully produced in February 2017. The performance data that is available from the ENVIA Plant to date aligns closely to the Velocys pilot plant and system modelling data.

At the date of this document, the operations team has completed debugging activities on several non-Fischer-Tropsch units of the plant (which are routine at this stage of starting up a plant of the complexity of the ENVIA Plant), and is continuing to implement the pre-planned procedure of ramping up production to target operational capacity over the coming months. As a result of the time taken by these debugging activities, ENVIA requires additional working capital to support operations through to being cash flow positive. At the date of this document ENVIA has drawn down \$8.2 million of the \$9.3 million loan provided by Velocys in January 2016 as part of the stakeholder capital contribution, which is secured on the undertakings, assets and property of ENVIA. \$3.4 million of the proceeds of the fundraise will be used to extend the loan arrangement Velocys made available to ENVIA in January 2016 from \$9.3m to \$12.7m. All other terms of the loan, which has a 10% coupon, remain unchanged. As such Velocys will help to support the ENVIA plant achieving steady state operations over the coming months.



**(b) Morimatsu**

In January 2017, the Company signed an MoU with Morimatsu (Jiangsu) Heavy Industry Co., Ltd., a subsidiary of Morimatsu Industry Co., Ltd. Under the MoU, Morimatsu will be the Company's preferred and strategic supplier of module engineering and fabrication services for the plants. The MoU was followed up with the signing of a definitive agreement between the Company and Morimatsu in March 2017.

Morimatsu is a Japanese fabrication and engineering firm with nearly 70 years' experience and expertise in the design, engineering and fabrication of modular processing facilities for oil and gas, petrochemical, fine chemical, pharmaceutical, power and metallurgical industries. Its clients include world-leading players in these industries. Its fabrication facilities include three plants in China with over 800,000 m<sup>2</sup> of floor space and 3,500 staff. Its revenues totalled \$700 million in 2016.

**(c) TRI**

In January 2017, the Company signed an MoU with ThermoChem Recovery International, Inc. TRI will be the Company's preferred and strategic supplier of gasification systems for its BTL plants.

TRI is a leading provider of steam reforming gasification systems. TRI's multi-feedstock demonstration plant in Durham, North Carolina has run for over 10,000 hours, and has successfully shown that the syngas it produces is well-suited to the Fischer-Tropsch process. Moreover, its systems have been selected for and deployed on various commercial North American projects including to Norampac, a division of Cascades Paper, at its Trenton facility in Ontario. The Directors anticipate that the terms of the MoU will be reflected in legally binding documentation within the coming months.

**(d) Strategy review**

In December 2016, the Company announced the results of its strategy review, which it has continued to focus and refine. Further details of the strategy can be found at paragraph 3 below.

### **3. Current Trading and Strategy**

#### ***Current Trading***

The Company's financial position and performance reflects its stage of development as activities become focused on commercial rollout and the implementation of its strategy. Revenues for the year ended 31 December 2016 reflected the Company's transition to commercial operations.

The Company has today also published its preliminary financial results for the year ended 31 December 2016. Total revenues for the year were £1.4 million (2015: £2.0 million). Loss for the year was £12.4 million before exceptional items (£12.7 million after exceptionals) (2015: £20.6 million/£20.1 million). Cash\* at 2016 year end stood at £18.7 million (2015: £37.7 million). Cash outflow in 2016 (excluding share issues) was £19.0 million (2015: £22.0 million). Cash outflow was £13.6 million and £5.4 million in H1 and H2 respectively.

The Directors anticipate that the cost reductions carried out in 2016 will continue into 2017 and the Company is further reviewing its cost base and resources in order to adjust to its future needs as a commercial company where research and development activities are expected to take a less significant role. The Directors consider that these cost reductions seek to create a leaner business while preserving the value of the Company's strategic IP, knowledge, capability and ability to leverage these resources to scale up rapidly as commercial activities expand. Partially offsetting the reduced underlying cost base, the Company expects to increase spend on specific project development costs as set out in the use of proceeds section of this announcement. Additionally, it is expected that the existing \$9.3 million loan to ENVIA will be fully drawn down in the first half of 2017 as the plant progresses towards steady state operations and agreement has been reached in relation to further ENVIA funding as described above.

*\* Defined as cash, cash equivalents and short term investments.*



## *Strategy*

Following its strategy review at the end of 2016, the Company has continued to focus and refine its strategy aimed at increasing its control in the delivery of plants.

The new strategy is to build on progress at the ENVIA Plant and build on the Company's position of strength in the following areas:

- differentiated technology - recognised as a market leader;
- recurring revenues which would result from the successful implementation of its licensing model; and
- world class technology, engineering capability and operations team.

In addition, the Company is adopting a business model that aims to increase control over project delivery through a partnership approach.

### *(i) Core themes*

There are four core themes underpinning the Company's new strategy:

- ***Strategic alliances.*** Implement alliances with partners that have the required resources, scale and capabilities to access large, high value markets and drive growth.
- ***Business model.*** With partners, the Company aims to become the clear market leader in small-scale GTL and BTL by taking increased control of multiple projects, reducing delivery risk and accelerating growth, whilst seeking to continue to reduce its overheads, construct consortia and secure funding at a project level to ensure that the Company remains capital light, with attractive revenues from technology licensing and sales of reactors and catalyst.
- ***The offer.*** Jointly with partners, deliver a "one-stop-shop" offer to customers – the fully integrated and financed, cost effective and operations-ready plant solution.
- ***Leverage differentiated capabilities.*** Leverage the Company's differentiated technology, engineering and operational capabilities, working seamlessly with partners to modularise and drive down costs of the complete offer.

### *(ii) Attractive plant economics*

The Company's indicative modelling suggests that attractive plant economics exist for BTL plants incorporating the Company's technology producing renewable fuels. These indicative models show that the economics for a plant producing 1,400 barrels per day of renewable fuels from woody biomass are particularly favourable in the US. Based on current pricing and costs and the indicative modelling, the Directors believe that operational revenues approximating \$265 per barrel could be achieved at such a plant, which is made up of around \$75/barrel of fuel sales and around \$190/barrel of US federal Renewable Fuel Standard credits (traded via Renewable Identification Numbers). The Directors believe that plants addressing the Californian market are expected to be eligible for around \$33/barrel of Californian Low Carbon Fuel Standard credits, raising potential operational revenues on plants selling product into California to nearly \$300 per barrel. Corresponding operational costs of just under \$130/barrel are predicted by the Company, which includes: feedstock cost, capital expenditure, operating expenditure, plant shutdown and maintenance. The Company has commenced a FEL-2 engineering study to support and develop its economic assumptions as a key step to securing commercial partners for a first biomass to liquids plant.

The economics for gas-to-wax plants located on certain gas fields in North America are competitive with other gas monetisation options such as methanol or power production. To take an illustrative example of a 5,000 barrel per day wax plant in Western Canada, indicative values suggest that operational revenues from sale of high value waxes, diesel and naphtha would be around \$120/barrel versus operation costs of just over \$60/barrel.



(iii) *Medium term goals*

The Company's medium term goals are:

- to have the largest market share of any solution provider for premium renewable fuels in the US;
- to have the largest market share of any provider of premium Fischer-Tropsch waxes in North America; and
- to exploit lucrative opportunities in selected Asian markets.

(iv) *Focus areas*

The Directors intend the Company's key areas of focus will be:

- delivering the joint Company and TRI integrated pilot plant demonstration (see paragraph 3(v) below);
- qualifying for the USDA loan guarantee program;
- completing with partners, the FEL-2 engineering study for the US renewable fuels plant described in paragraph 3(ii) above;
- building strategic and commercial partnership consortia capable of delivering the FID on plants which utilise the Company's technology. The initial focus will be on building the consortium for the renewable fuels focus area and in particular securing commitments for the majority of the funding required for the FEL-3 engineering study of the US renewable fuels plant described in paragraph 3(ii) above; and
- conducting site selection and associated project development activities for renewable fuels plants.

The Directors believe that working with strategic partners will drive faster adoption and bring broader investment options to the Company.

(v) *Strategy: Roll-out*

As described in paragraph 2 above, the Company has signed MoUs with Morimatsu and TRI.

The Directors believe that the potential benefits of further modularisation of smaller scale GTL plants are significant in terms of reduced plant build schedule, reduced risk of delays, and lower capital expenditure and operating expenditure. With Morimatsu, the Company is scoping out a programme of work to maximise these benefits across all areas of both GTL and BTL plants. This ongoing collaboration builds on Morimatsu's successful delivery of targeted cost and footprint reductions in their design of the Fischer-Tropsch section of future plants.

The Company and TRI have begun the development of a joint engineering design for a BTL plant to produce renewable diesel and jet fuels from woody biomass. TRI will support the Company and its partners to further reduce plant capital expenditure and operating expenditure and to de-risk the financing of the first BTL plant, for example, through:

- an integrated technology demonstration at the TRI facility in Durham, North Carolina to which the Company intends to relocate its skid-mounted Fischer-Tropsch section of its pilot plant currently located at the Company's facility in Ohio. The joint demonstration was selected for support as part of a competitive award granted by the US Department of Energy; and
- accessing the USDA's loan guarantee scheme (for which the joint demonstration is integral).

Furthermore, the Company has commenced discussions with various other potential partners, including traders, refiners, airlines, feedstock suppliers and banks with which it seeks to assemble its integrated turnkey offer for customers, which includes the technical solution, financing route, feedstock and offtake.



#### **4. Use of Proceeds**

The Directors intend that the net proceeds of the issue of the Convertible Loan Notes and the Placing will be used by the Company to progress the key focus areas in paragraph 3(iv) above, particularly:

- (a) working capital including certain upfront costs resulting from its ongoing reduction of overheads not required to progress the Company's key focus areas;
- (b) specific activities to drive the strategy programme including:
  - (i) initial engineering for US BTL plants;
  - (ii) integrated technology demonstration for BTL;
  - (iii) building the consortium for the renewable fuels focus area and in particular securing commitments for the majority of the funding required for the FEL-3 engineering study of the US renewable fuels plant described in paragraph 3(ii) above; and
  - (iv) project development activities (for example site selection and permitting); and
- (c) engaging consultants to support financing and other related activities.

\$3.4 million of the proceeds of the fundraise will also be used to extend the loan arrangement Velocys made available to ENVIA in January 2016 from \$9.3m to \$12.7m. All other terms of the loan, which has a 10% coupon, remain unchanged. As such Velocys will help to support the ENVIA Plant achieving steady state operations over the coming months.

The Company is reliant on the net proceeds of the issue of the Convertible Loan Notes and the Placing to provide working capital to progress the initial stages of its strategy. It follows that if the Resolutions are not passed by Shareholders, the Placing and the issue of the Convertible Loan Notes will not proceed. In these circumstances the Directors would need to reconsider its strategy.

The Directors expect that the Company will require further funding by the second quarter of 2018 to progress the next stages of its strategy.

The Company's preliminary financial results for the year ended 31 December 2016 (which will shortly be available to Shareholders on the Company's website ([www.velocys.com](http://www.velocys.com))) have been prepared on a going concern basis which assumes that the Company will have sufficient funds available to enable it to continue to trade for the foreseeable future. The financial forecasts include certain assumptions in relation to which there are uncertainties, including the costs and timing of the ENVIA Plant achieving steady state operations, the costs of ongoing development projects, the ability to reduce certain overheads and funds generated from partnership funding, and the ability to raise additional funding. Adverse variations in these assumptions would mean that the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

#### **5. Principal terms of the Convertible Loan Notes**

The Company proposes raising approximately £9 million, before expenses, by way of the conditional, non-pre-emptive issue of up to 18 million Convertible Loan Notes at the issue price of £0.50 per loan note. The issue of the Convertible Loan Notes is governed by the terms of the Convertible Loan Note Instrument which was constituted by the Company on 15 May 2017 (as further described below).

The issue of the Convertible Loan Notes is conditional upon the passing of the Resolutions at the General Meeting or by 16 June 2017 (or such later date as may be agreed by the Company and the subscribers).

If this condition is not satisfied, the Convertible Loan Notes will not be issued and all monies received from subscribers will be returned (at the subscriber's risk and without interest) as soon as possible thereafter.



The Convertible Loan Note Instrument creates a total of 30 million £0.50 unsecured convertible loan notes which will be issued to subscribers at a price of £0.50 per loan note. Accordingly, the Company may issue a total of 30 million convertible loan notes pursuant to the Convertible Loan Note Instrument, amounting to approximately £15 million. The Company currently proposes to issue 18 million £0.50 Convertible Loan Notes to subscribers, amounting to approximately £9 million. The Company does not currently intend to issue any further Convertible Loan Notes pursuant to the Convertible Loan Note Instrument in the near term; however the Company retains its discretion to do so should the Board consider it appropriate. The Resolutions summarised in paragraph 8 permit the issue of the maximum number of Ordinary Shares under the Convertible Loan Notes, including interest payments, up to the Final Maturity Date.

The key terms of the Convertible Loan Note Instrument are:

unless already converted to Ordinary Shares, the Convertible Loan Notes shall be redeemed on the date that falls 18 months following their issue (the "**Final Maturity Date**") or, if any Convertible Loan Notes remain outstanding (in the circumstances described below), at any time from the Final Maturity Date;

the subscriber may at any time provide notice to the Company to convert all or part of its Convertible Loan Notes to Ordinary Shares provided that such subscriber may elect to not convert all of its Convertible Loan Notes if, as a result of such conversion, it would hold more than 29.99% of the voting rights of the Company and such Convertible Loan Notes shall remain outstanding until converted by such subscriber or by the Company in accordance with the below;

the Company may at any time from the month before the Final Maturity Date provide notice to a subscriber to convert all or part of their Convertible Loan Notes to Ordinary Shares provided that the Company may not convert any Convertible Loan Notes that would cause a subscriber to hold more than 29.99% of the voting rights of the Company;

for so long as any Convertible Loan Notes remain outstanding, interest shall accrue on the principal amount of the Convertible Loan Notes at a rate of 8 per cent. per annum and, on the date of conversion or redemption (as applicable), the Company or a subscriber can elect to repay or receive (as the case may be) the interest through the issue of additional Ordinary Shares at a price of £0.50 per share

for so long as any Convertible Loan Notes remain outstanding, the Company shall not:

create any security interest to secure any indebtedness save in respect of certain ordinary course indebtedness ("**Relevant Indebtedness**") unless the Company shall ensure that all amounts payable under any outstanding Convertible Loan Notes are secured by a security interest which is not less beneficial than the security interest created pursuant to the Relevant Indebtedness;

incur indebtedness in excess of £50,000 save in respect of certain ordinary course indebtedness;  
and

create any security over its intellectual property rights.

on conversion of the Convertible Loan Notes to Ordinary Shares, such number of Ordinary Shares shall be issued to the subscriber that equals the outstanding principal amount of the notes plus any applicable interest at a price of £0.50 per Ordinary Share;

the Convertible Loan Notes shall be automatically converted to Ordinary Shares in certain circumstances, for example in the event of a takeover offer or a fundamental change of business in respect of the Company;

the Convertible Loan Notes shall be redeemed in the event that the Company suffers an insolvency event;

save in respect of affiliates of a subscriber, the Convertible Loan Notes are not transferable; and

no covenants are given as to the status or affairs of the Company.



The maximum number of Ordinary Shares that may be issued on conversion of the Convertible Loan Notes is therefore 20,156,000 Ordinary Shares (assuming the Convertible Loan Notes are converted on the Final Maturity Date together with all accrued interest). The Ordinary Shares issued on a conversion of the Convertible Loan Notes will, when issued, rank *pari passu* in all respects with the other Ordinary Shares then in issue, including all rights to all dividends and other distributions declared, made or paid thereafter.

The Convertible Loan Notes will not be admitted to trading on AIM or any other investment exchange.

## **6. Principal terms of the Placing**

The Company proposes raising approximately £1.16 million, before expenses, by way of a conditional, non-pre-emptive placing of up to 2,577,777 new Ordinary Shares at the Placing Price. The Placing Shares will be placed by Numis and Canaccord as agents for the Company and pursuant to the Placing Agreement with institutional and other investors.

The Placing Price represents a discount of approximately 10% to the closing mid-market price of the Ordinary Shares as at 12 May 2017 of £0.5125 per Ordinary Share. The Placing Shares will represent approximately 1.8 per cent. of the Ordinary Share capital as enlarged by the Placing provided that no options have been exercised and provided that the Convertible Loan Notes have not been converted into Ordinary Shares) and will, when issued, rank *pari passu* in all respects with the other Ordinary Shares then in issue, including all rights to all dividends and other distributions declared, made or paid following Admission.

The Placing is conditional upon (amongst other things):

- (a) the passing of the Resolutions at the General Meeting;
- (b) the Placing Agreement becoming unconditional and the Placing Agreement not having been terminated in accordance with its terms;
- (c) the issue of the Convertible Loan Notes; and
- (d) Admission occurring on or before 2 June 2017 (or such later date as Numis, Canaccord and the Company may agree, not being later than 14 days following that date).

If any of the conditions are not satisfied, the Placing Shares will not be issued and all monies received from placees will be returned (at the placees risk and without interest) as soon as possible thereafter.

The Placing is not being underwritten.

The Placing Agreement contains warranties from the Company in favour of Numis and Canaccord in relation to, (amongst other things), the Company and its business. In addition, the Company has agreed to indemnify Numis and Canaccord in relation to certain liabilities it may incur in undertaking the Placing and issuing the Convertible Loan Notes. Numis and Canaccord have the right to terminate the Placing Agreement in certain circumstances prior to Admission, in particular, it may terminate in the event that there has been a material breach of any of the warranties or for *force majeure*.

Application will be made for the Placing Shares to be admitted to trading on AIM, subject to the Placing Agreement not having been terminated, and it is expected that trading in the Placing Shares will commence at 8 a.m. on 2 June 2017.

## **7. Related party transaction**

The issue of the Convertible Loan Notes constitutes a related party transaction under the AIM Rules as two "substantial shareholders" (within the meaning of the AIM Rules), Ervington and Lansdowne, (in each case via an affiliate), are subscribing for Convertible Loan Notes. The Directors consider, having consulted with Numis, the Company's nominated adviser, that the terms of the transaction are fair and reasonable insofar as its Shareholders are concerned.



## 8. Resolutions

The Company currently does not have sufficient authority to issue the Convertible Loan Notes or effect the Placing. Accordingly, the Resolutions, summarised below, are being proposed at the General Meeting to ensure that the Directors have sufficient authority to issue the Convertible Loan Notes and to allot and issue the Placing Shares on a non-pre-emptive basis.

- (a) Resolution 1 is an ordinary resolution to grant authority to the Directors under s551 of the Act to allot relevant securities, up to a maximum aggregate nominal amount of £227,337.77 pursuant to the Placing and the issue of the Convertible Loan Notes, such authority expiring at the earlier of the Company's next annual general meeting and 31 August 2018.

If Resolution 1 is passed, the Directors will have the authority, under the Act, to allot Ordinary Shares or grant rights to subscribe for or to convert any security into Ordinary Shares up to the maximum aggregate nominal amount of £227,337.77 (being the maximum required for the purpose of issuing the Placing Shares and the Convertible Loan Notes (including any Ordinary Shares required to be issued under the Convertible Loan Notes plus any accrued interest up to the Final Maturity Date); and

- (b) Resolution 2 is a special resolution, conditional upon the passing of Resolution 1, to empower the Directors, pursuant to s570 of the Act, to allot Ordinary Shares and Convertible Loan Notes which are convertible into Ordinary Shares up to a maximum aggregate nominal amount of £227,337.77 on a non-pre-emptive basis pursuant to the Placing and the issue of the Convertible Loan Notes, such authority expiring at the earlier of the Company's next annual general meeting and 31 August 2018.

If Resolution 2 is passed, the Directors will have the power, under the Act, to allot the Placing Shares and issue the Convertible Loan Notes, (including any Ordinary Shares required to be issued under the Convertible Loan Notes plus any accrued interest up to the Final Maturity Date), in each case without offering those shares to existing Shareholders.

These authorities are required to enable the Directors to effect the Placing and the issue of the Convertible Loan Notes and are in addition to the general authorities that were granted by Shareholders at the Company's annual general meeting on 14 June 2016, which gave the Directors authority to allot relevant securities up to a maximum aggregate nominal amount of £477,508.79 under s551 of the Act and to allot Ordinary Shares up to a maximum aggregate nominal amount of £143,252.64 on a non-pre-emptive basis under s570 of the Act (such authorities expire at the next annual general meeting of the Company or 31 July 2017, whichever is earlier).

Resolution 1 is an ordinary resolution and requires a majority of more than 50 per cent. of the Shareholders voting to be passed. Resolution 2 is a special resolution and requires the approval of 75 per cent. of the Shareholders voting to be passed.

## 9. Recommendation

The Directors consider that the issue of Convertible Loan Notes, the Placing and the Resolutions are in the best interests of the Company and its Shareholders as a whole. The Company is reliant on the net proceeds of the issue of the Convertible Loan Notes and the Placing to provide working capital to progress the initial stages of its strategy. It follows that if the Resolutions are not passed by Shareholders, the Placing and the issue of the Convertible Loan Notes will not proceed. In these circumstances the Directors will need to reconsider its strategy. Accordingly the Directors unanimously recommend that Shareholders vote in favour of the Resolutions, as they intend to do in respect of their own legal and/or beneficial shareholdings, amounting, in aggregate, to 620,663 Ordinary Shares (representing approximately 0.43 per cent. of the Ordinary Shares in the issue as at the date of this announcement).



## Definitions

The following definitions apply throughout this announcement, unless the context requires otherwise.

<b>"Act"</b>	the United Kingdom Companies Act 2006, as amended
<b>"Admission"</b>	admission of the Placing Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules
<b>"AIM"</b>	the market of that name operated by London Stock Exchange plc
<b>"AIM Rules"</b>	the AIM Rules for Companies, which sets out the rules and responsibilities for companies listed on AIM, as amended from time to time
<b>"Articles"</b>	the articles of association of the Company (as amended from time to time)
<b>"Board" or "Directors"</b>	the board of directors of the Company
<b>"BTL"</b>	biomass-to-liquids
<b>"Canaccord"</b>	Canaccord Genuity Limited, a company incorporated in England and Wales, with registered number 01774003, whose registered office is at 88 Wood Street, London EC2V 7QR
<b>"Capita Asset Services"</b>	a trading name of Capita Registrars Limited
<b>"Company" or "Velocys"</b>	Velocys plc, a public limited company incorporated in England & Wales under registered number 5712187 and having its registered office at 115e Olympic Avenue, Milton Park, Abingdon, Oxfordshire OX14 4SA
<b>"Convertible Loan Notes"</b>	the 18 million convertible loan notes to be issued at a price of £0.50 per loan note to Ervington and Lansdowne pursuant to the Convertible Loan Note Instrument
<b>"Convertible Loan Note Instrument"</b>	the convertible loan note instrument constituted by the Company on 15 May 2017 which created up to £15,000,000 of convertible loan notes at £0.50 per loan note, further details of which can be found above
<b>"CREST"</b>	the relevant system (as defined in the Regulations) which enables title to units of relevant securities (as defined in the Regulations) to be evidenced and transferred without a written instrument and in respect of which Euroclear United Kingdom & Ireland Limited is the Operator (as defined in the Regulations)
<b>"Enlarged Share Capital"</b>	the issued Ordinary Share capital of the Company immediately following Admission comprising the Existing Ordinary Shares and the Placing Shares (and assuming the Placing is fully subscribed)
<b>"ENVIA"</b>	ENVIA Energy, LLC, a joint venture between Waste Management, Inc, NRG Energy, Inc, Ventech Engineers and the Company
<b>"ENVIA Plant"</b>	ENVIA's first GTL plant located in Oklahoma City
<b>"Ervington"</b>	Ervington Investments Limited
<b>"Existing Ordinary Shares"</b>	the 143,994,558 Ordinary Shares in issue as at the date of this announcement being the entire issued share capital of the Company prior to the Placing
<b>"FCA"</b>	Financial Conduct Authority



<b>"FEL"</b>	Front-end loading
<b>"FID"</b>	Final Investment Decision
<b>"Final Maturity Date"</b>	the final maturity date of the Convertible Loan Notes, being 18 months following the issue of the relevant Convertible Loan Notes
<b>"FSMA"</b>	the Financial Services and Markets Act 2000 (as amended)
<b>"Fully Diluted Share Capital"</b>	the fully diluted share capital of the Company from Admission, being the Enlarged Share Capital plus any Ordinary Shares that may be issued by the Company assuming that all options currently in issue are exercised in full and all Convertible Loan Notes are converted to Ordinary Shares with accrued interest at the Final Maturity Date
<b>"General Meeting"</b>	the general meeting of the Company to be held at 11 a.m. on 1 June 2017 notice of which is set out at the end of the circular
<b>"GTL"</b>	gas-to-liquids
<b>"Joint Brokers"</b>	Numis and Canaccord
<b>"Lansdowne"</b>	Lansdowne Partners
<b>"London Stock Exchange"</b>	London Stock Exchange plc
<b>"Morimatsu"</b>	Morimatsu Industry Co., Ltd
<b>"MoU"</b>	memorandum of understanding
<b>"Numis"</b>	Numis Securities Limited, a private limited company incorporated in England & Wales under registered number 2285918 and having its registered office at 10 Paternoster Square, London EC4M 7LT
<b>"Ordinary Shares"</b>	ordinary shares of £0.01 each in the capital of the Company
<b>"Placing"</b>	the proposed conditional, non-pre-emptive placing by Numis and Canaccord of the Placing Shares pursuant to the Placing Agreement
<b>"Placing Agreement"</b>	the conditional agreement dated 15 May 2017 relating to the Placing, between the Company, Canaccord and Numis
<b>"Placing Price"</b>	£0.45 pence per Placing Share
<b>"Placing Shares"</b>	up to 2,577,777 new Ordinary Shares to be issued pursuant to the Placing
<b>"Registrar"</b>	Capita Asset Services
<b>"Regulations"</b>	the United Kingdom Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended
<b>"Resolutions"</b>	the resolutions to be proposed at the General Meeting as set out in the Notice of General Meeting
<b>"Shareholders"</b>	the holders of Ordinary Shares from time to time, each individually being a "Shareholder"
<b>"TRI"</b>	ThermoChem Recovery International, Inc.
<b>"United Kingdom"</b>	the United Kingdom of Great Britain and Northern Ireland
<b>"US" or "United States"</b>	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
<b>"USDA"</b>	US Department of Agriculture



"£"

the lawful currency of the United Kingdom

"\$"

the lawful currency of the US



## APPENDIX

### TERMS AND CONDITIONS OF THE PLACING

#### IMPORTANT INFORMATION ON THE PLACING FOR INVITED PLACEEES ONLY

THIS ANNOUNCEMENT INCLUDES STATEMENTS, ESTIMATES, OPINIONS AND PROJECTIONS WITH RESPECT TO ANTICIPATED FUTURE PERFORMANCE OF THE GROUP ("FORWARD-LOOKING STATEMENTS") WHICH REFLECT VARIOUS ASSUMPTIONS CONCERNING ANTICIPATED RESULTS TAKEN FROM THE GROUP'S CURRENT BUSINESS PLAN OR FROM PUBLIC SOURCES WHICH MAY OR MAY NOT PROVE TO BE CORRECT. THESE FORWARD LOOKING STATEMENTS CAN BE IDENTIFIED BY THE USE OF FORWARD LOOKING TERMINOLOGY, INCLUDING THE TERMS "ANTICIPATES", "TARGET", "BELIEVES", "ESTIMATES", "EXPECTS", "INTENDS", "MAY", "PLANS", "PROJECTS", "SHOULD" OR "WILL", OR, IN EACH CASE, THEIR NEGATIVE OR OTHER VARIATIONS OR COMPARABLE TERMINOLOGY OR BY DISCUSSIONS OF STRATEGY, PLANS, OBJECTIVES, GOALS, FUTURE EVENTS OR INTENTIONS. SUCH FORWARD-LOOKING STATEMENTS REFLECT CURRENT EXPECTATIONS BASED ON THE CURRENT BUSINESS PLAN AND VARIOUS OTHER ASSUMPTIONS AND INVOLVE SIGNIFICANT RISKS AND UNCERTAINTIES AND SHOULD NOT BE READ AS GUARANTEES OF FUTURE PERFORMANCE OR RESULTS AND WILL NOT NECESSARILY BE ACCURATE INDICATIONS OF WHETHER OR NOT SUCH RESULTS WILL BE ACHIEVED. AS A RESULT, PROSPECTIVE INVESTORS SHOULD NOT RELY ON SUCH FORWARD-LOOKING STATEMENTS DUE TO THE INHERENT UNCERTAINTY THEREIN. NO REPRESENTATION OR WARRANTY IS GIVEN AS TO THE COMPLETENESS OR ACCURACY OF THE FORWARD-LOOKING STATEMENTS CONTAINED IN THIS ANNOUNCEMENT. FORWARD-LOOKING STATEMENTS SPEAK ONLY AS OF THE DATE OF SUCH STATEMENTS AND, EXCEPT AS REQUIRED BY THE FCA, THE LONDON STOCK EXCHANGE, THE AIM RULES OR APPLICABLE LAW, THE COMPANY UNDERTAKES NO OBLIGATION TO UPDATE OR REVISE PUBLICLY ANY FORWARD-LOOKING STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE. NO STATEMENT IN THIS ANNOUNCEMENT IS INTENDED TO BE A PROFIT FORECAST AND NO STATEMENT IN THIS ANNOUNCEMENT SHOULD BE INTERPRETED TO MEAN THAT EARNINGS PER SHARE OF THE COMPANY FOR THE CURRENT OR FUTURE FINANCIAL YEARS WOULD NECESSARILY MATCH OR EXCEED THE HISTORICAL PUBLISHED EARNINGS PER SHARE OF THE COMPANY.

THIS ANNOUNCEMENT, INCLUDING THE APPENDIX (TOGETHER THE "ANNOUNCEMENT") AND THE INFORMATION IN IT IS RESTRICTED AND IS NOT FOR PUBLICATION, RELEASE OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES, AUSTRALIA, NEW ZEALAND, CANADA, JAPAN OR SOUTH AFRICA OR ANY OTHER JURISDICTION IN WHICH SUCH PUBLICATION, RELEASE OR DISTRIBUTION WOULD BE UNLAWFUL.

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT AND THE INFORMATION CONTAINED HEREIN ARE FOR INFORMATION PURPOSES ONLY AND ARE DIRECTED ONLY AT: (A) PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA WHO ARE QUALIFIED INVESTORS AS DEFINED IN SECTION 2(7) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000, AS AMENDED, ("QUALIFIED INVESTORS") BEING PERSONS FALLING WITHIN THE MEANING OF ARTICLE 2(1)(E) OF THE EU PROSPECTUS DIRECTIVE (WHICH MEANS DIRECTIVE 2003/71/EC AND INCLUDES ANY RELEVANT IMPLEMENTING DIRECTIVE MEASURE IN ANY MEMBER STATE) (THE "PROSPECTUS DIRECTIVE"); AND (B) IN THE UNITED KINGDOM, TO QUALIFIED INVESTORS WHO ARE PERSONS WHO (I) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(1) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE "ORDER"); (II) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) ("HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC") OF THE ORDER; OR (III) ARE PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED (ALL SUCH PERSONS IN (A) OR (B) TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS").



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

In this Appendix, unless the context requires, "**Placee**" means a Relevant Person (including individuals, funds or others) who has been invited to, and who chooses to, participate in the Placing and by whom or on whose behalf a commitment to subscribe for Placing Shares has been given.

No representation or warranty, express or implied, is made or given by or on behalf of the Company or Canaccord Genuity Limited ("**Canaccord**") or Numis Securities Ltd ("**Numis**"), the Company's nominated adviser, or any of their respective affiliates (within the meaning of Rule 405 under the US Securities Act of 1933, as amended (the "**Securities Act**") or any of such persons' directors, officers or employees or any other person as to the accuracy, completeness or fairness of the information or opinions contained in this Announcement and no liability whatsoever is accepted by the Company, Numis, Canaccord or any of such persons' Affiliates, directors, officers or employees or any other person for any loss howsoever arising, directly or indirectly, from any use of such information or opinions or otherwise arising in connection therewith.

This Announcement does not constitute an offer to sell or issue or the solicitation of an offer to buy or subscribe for Placing Shares in any jurisdiction in which such offer or solicitation is or may be unlawful. In particular the Placing Shares referred to in this Announcement have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and will be offered or sold only outside of the United States in accordance with Regulation S under the Securities Act.

The relevant clearances have not been, nor will they be, obtained from the securities commission of any province or territory of Canada; no prospectus has been lodged with or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance; and the Placing Shares have not been, nor will they be, registered under or offered in compliance with the securities laws of any state, province or territory of United States, Australia, New Zealand, Canada, Japan or South Africa. Accordingly, the Placing Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into the United States, Australia, New Zealand, Canada, Japan or South Africa or any other jurisdiction outside the United Kingdom.

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

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

- 1.1 Numis and Canaccord today entered into an agreement with the Company (the "**Placing Agreement**") under which, subject to certain conditions, Numis and Canaccord, as agents for and on behalf of the Company, have agreed to use their respective reasonable endeavours to procure placees ("**Placees**") for the Placing Shares at the Placing Price. The Placing is not being underwritten by Numis or Canaccord.
- 1.2 The Placing Shares will, when issued, be credited as fully paid and will rank pari passu in all respects with the existing Ordinary Shares, including the right to receive dividends and other distributions declared or made after the date of issue of the Placing Shares.

## 2. **Applications for admission to trading**

- 2.1 Application will be made to the London Stock Exchange for admission to trading of the Placing Shares on its AIM market ("**Application**").



2.2 It is expected that Admission will become effective at 8.00am on 2 June 2017 ("**Admission**") and that dealings in the Placing Shares will commence at that time.

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

3.1 Numis and Canaccord are acting as joint bookrunners and as agents for the Company in connection with the Placing, Application and Admission. Numis and Canaccord are each authorised and regulated in the United Kingdom by the FCA, and are each acting exclusively for the Company and no one else in connection with the matters referred to in this Announcement and will not be responsible to anyone other than the Company for providing the protections afforded to the customers of Numis and Canaccord or for providing advice in relation to the matters described in this Announcement. Participation in the Placing is only available to persons who may lawfully be, and are invited to participate in it by Numis and Canaccord. Numis, Canaccord and their respective Affiliates are each entitled to participate in the Placing as principals.

3.2 The placing price will be a fixed price of 45 pence per Placing Share (the "**Placing Price**"). No commissions will be paid to Placees or by the Placees in respect of any Placing Shares.

3.3 Each prospective Placee's allocation of Placing Shares will be confirmed to prospective Placees orally by Numis, Canaccord or one of their respective Affiliates, and a contract note will be dispatched as soon as practicable thereafter as evidence of such Placee's allocation and commitment. The terms and conditions of this Appendix will be deemed incorporated into the contract note. That oral confirmation will constitute an irrevocable legally binding commitment upon that person (who at that point will become a Placee) in favour of the Company and Numis or Canaccord (as applicable) to subscribe for the number of Placing Shares allocated to it at the Placing Price on the terms and conditions set out in this Appendix and in accordance with the Company's articles of association. An offer to acquire Placing Shares, which has been communicated by a prospective Placee to Numis or Canaccord (as applicable) which has not been withdrawn or revoked prior to publication of this Announcement shall not be capable of withdrawal or revocation immediately following the publication of this Announcement without the consent of Numis or Canaccord (as applicable).

3.4 Each Placee will also have an immediate, separate, irrevocable and binding obligation, owed to Numis or Canaccord, as applicable (as agents of the Company), to pay the relevant entity (or as it may direct) in cleared funds an amount equal to the product of the Placing Price and the number of Placing Shares such Placee has agreed to subscribe for and the Company has agreed to allot and issue to that Placee. Each Placee's obligation will be owed to the Company and to Numis or Canaccord, as applicable.

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

3.6 All obligations under the Placing will be subject to fulfilment of the conditions referred to below under "*Conditions of the Placing*" and to the Placing not being terminated on the basis referred to below under "*Termination of the Placing Agreement*".

3.7 By participating in the Placing, each Placee will agree that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee.

3.8 To the fullest extent permitted by law and applicable FCA rules, neither (i) Numis, (ii) any of its directors, officers, employees or consultants, or (iii) to the extent not contained with (i) or (ii), any person connected with Numis as defined in FSMA ((i), (ii) and (iii) being together "**affiliates**" and individually an "**affiliate**"), shall have any liability (including to the extent permissible by law, any fiduciary duties) to Placees or to any person other than the Company in respect of the Placing.

3.9 To the fullest extent permitted by law and applicable FCA rules, neither (i) Canaccord, (ii) any of its directors, officers, employees or consultants, or (iii) to the extent not contained with (i) or (ii), any



person connected with Canaccord as defined in FSMA ((i), (ii) and (iii) being together "**Affiliates**" and individually an "**Affiliate**"), shall have any liability (including to the extent permissible by law, any fiduciary duties) to Placees or to any person other than the Company in respect of the Placing.

#### **4. Conditions of the Placing**

4.1 Numis' and Canaccord's obligations under the Placing Agreement in respect of the Placing Shares are conditional on, amongst other things:

- (a) none of the warranties in the Placing Agreement (i) being untrue and inaccurate or misleading to an extent which, in any such case, would be material, or (ii) on and as of the date of the Placing Agreement and again at Admission becoming untrue, inaccurate or misleading to an extent which, in any such case, would be material by reference to the facts and circumstances then subsisting;
- (b) the Company allotting, subject only to Admission, the Placing Shares in accordance with the Placing Agreement;
- (c) certain publication of announcement obligations (including with respect to this Announcement);
- (d) the compliance by the Company with all its obligations which are required to be performed or satisfied on or prior to Admission;
- (e) the respective obligations of Numis and Canaccord under the Placing Agreement not having been terminated prior to Admission; and
- (f) Admission occurring by 8:00am on 2 June 2017 (or such later time and date as Numis and Canaccord (acting together) may agree in unity with the Company not being later than 8:00am on 16 June 2017).

4.2 If (i) any condition contained in the Placing Agreement in relation to the Placing Shares is not fulfilled or waived by Numis and Canaccord (acting together), by the respective time or date where specified (or such later time or date as Numis and Canaccord may agree in writing with the Company), (ii) any such condition becomes incapable of being fulfilled or (iii) the Placing Agreement is terminated in accordance with its terms, the Placing will not proceed and the Placee's rights and obligations hereunder in relation to the Placing Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by the Placee in respect thereof.

4.3 Numis and Canaccord may, acting together and in their sole discretion and upon such terms as they think fit, waive compliance by the Company with the whole or any part of any of the Company's obligations in relation to the conditions in the Placing Agreement, save that conditions (b) and (f) above relating to Admission may not be waived. Any such extension or waiver will not affect the Placees' commitments as set out in this Announcement.

4.4 Neither Numis nor Canaccord nor the Company shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision they may make as to whether or not to waive or to extend the time and/or the date for the satisfaction of any condition to the Placing nor for any decision they may make as to the satisfaction of any condition or in respect of the Placing generally, and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of Numis and Canaccord (acting together).

#### **5. Termination of the Placing Agreement**

5.1 Numis and Canaccord (acting together) are entitled, at any time prior to Admission, to terminate the Placing Agreement in respect of the Placing Shares in accordance with the terms of the Placing Agreement by giving written notice to the Company in certain circumstances, including but not limited



to any of the warranties given to Numis and Canaccord in the Placing Agreement, which Numis and Canaccord (acting together) being untrue, inaccurate or misleading in any material respect, the failure of the Company to comply with its material obligations under the Placing Agreement or the occurrence of a force majeure event which prevents any party not seeking to terminate from performing its obligations under the Placing Agreement.

5.2 By participating in the Placing, Placees agree that the exercise by Numis and Canaccord of any right of termination or other discretion under the Placing Agreement shall be within the absolute discretion of Numis and Canaccord (acting together) that it need not make any reference to Placees and that it nor the Company (or its directors, officers or employees) shall have no liability to Placees whatsoever in connection with any such exercise.

## 6. **No admission document or prospectus**

6.1 No offering document, admission document or prospectus has been or will be submitted to be approved by the FCA or submitted to the London Stock Exchange in relation to the Placing or the Placing Shares and Placees' commitments will be made solely on the basis of the information contained in this Announcement (including this Appendix) and the Exchange Information (as defined below).

6.2 Each Placee, by accepting a participation in the Placing, agrees that the content of this Announcement is exclusively the responsibility of the Company and confirms that it has neither received nor relied on any other information (other than the Exchange Information), representation, warranty, or statement made by or on behalf of the Company or Numis or Canaccord or any other person and neither Numis nor Canaccord nor the Company nor any other person will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placees may have obtained or received. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

## 7. **Registration and settlement**

7.1 Settlement of transactions in the Placing Shares (ISIN: GB00B11SZ269) following Admission will take place within the system administered by Euroclear UK & Ireland Limited ("**CREST**"), subject to certain exceptions. Numis or Canaccord reserve the right to require settlement for, and delivery of, the Placing Shares (or a portion thereof) to Placees in certificated form if, in their opinion, delivery or settlement is not possible or practicable within the CREST system within the timetable set out in this Announcement or would not be consistent with the regulatory requirements in any Placee's jurisdiction.

7.2 Each Placee allocated Placing Shares in the Placing will be sent a contract note in accordance with the standing arrangements in place with Numis or Canaccord (as applicable), stating the number of Placing Shares allocated to it at the Placing Price, the aggregate amount owed by such Placee to Numis or Canaccord (as applicable) and settlement instructions. Each Placee agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with either the standing CREST or certificated settlement instructions that it has in place with Numis or Canaccord (as applicable).

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

7.4 It is expected that settlement will take place on 2 June 2017 in accordance with the instructions set out in the contract note.



- 7.5 Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above at the rate of two percentage points above the base rate of Barclays Bank plc from time to time.
- 7.6 Each Placee agrees that, if it does not comply with these obligations, Numis or Canaccord (as applicable) may sell any or all of the Placing Shares allocated to that Placee on such Placee's behalf and retain from the proceeds, for Numis' or Canaccord's account and benefit (as applicable), an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable for any shortfall below the aggregate amount owed by it and may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties) which may arise upon the sale of such Placing Shares on such Placee's behalf.
- 7.7 If Placing Shares are to be delivered to a custodian or settlement agent, Placees should ensure that the contract note is copied and delivered immediately to the relevant person within that organisation.
- 7.8 Insofar as Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject as provided below, be so registered free from any liability to UK stamp duty or stamp duty reserve tax.
- 7.9 Placees will not be entitled to receive any fee or commission in connection with the Placing.

## 8. **Representations and warranties**

- 8.1 By participating in the Placing, each Placee (and any person acting on such Placee's behalf) acknowledges, undertakes, represents, warrants and agrees (as the case may be) that:
- (a) it has read and understood this Announcement (including the Appendix) in its entirety and its subscription for the Placing Shares is subject to and based on the terms and conditions of the Placing as referred to and included in this Announcement and undertakes not to redistribute or duplicate this Announcement;
  - (b) no offering document, admission document or prospectus has been prepared in connection with the Placing and that it has not received and will not receive a prospectus, admission document or other offering document in connection with the Placing;
  - (c) the Ordinary Shares are admitted to trading on AIM, and the Company is therefore required to publish certain business and financial information in accordance with the AIM Rules and the other applicable rules and practices of the London Stock Exchange and/or the FCA (collectively "**Exchange Information**"), which includes the Company's most recent balance sheet and profit and loss account and that it is able to obtain or access such information or comparable information concerning any other publicly traded company without undue difficulty;
  - (d) (i) it has made its own assessment of the Company, the Placing Shares and the terms and conditions of the Placing and has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing and has satisfied itself that the information is still current; (ii) none of Numis, Canaccord, the Company, any of their respective Affiliates or any person acting on behalf of any of them has provided, or will provide it, with any material regarding the Placing Shares in addition to this Announcement; and (iii) it has not requested Numis, Canaccord, the Company or any of their respective Affiliates or any person acting on behalf of any of them to provide it with any such information;
  - (e) the content of this Announcement is exclusively the responsibility of the Company and that none of Numis, Canaccord, their Affiliates or any person acting on their behalf has or shall have any liability for any information, representation or statement contained in this



Announcement or any information previously or concurrently published by or on behalf of the Company and will not be liable for any Placee's decision to participate in the Placing based on any information, representation or statement contained in this Announcement or elsewhere;

- (f) the only information on which it has relied in committing itself to subscribe for the Placing Shares is contained in this Announcement and any Exchange Information and that it has not received or relied on any information given or any representations, warranties or statements, express or implied, made by Numis, Canaccord or the Company or any of their Affiliates or any person acting on behalf of any of them and none of Numis, Canaccord, the Company, any of their Affiliates or any person acting on behalf of any of them will be liable for its decision to accept an invitation to participate in the Placing based on any information, representation, warranty or statement other than that contained in this Announcement and any Exchange Information;
- (g) it has neither received nor relied on any confidential price sensitive information concerning the Company in accepting this invitation to participate in the Placing and is not purchasing Placing Shares on the basis of material non-public information;
- (h) it has the funds available to pay for the Placing Shares it has agreed to subscribe for and acknowledges, agrees and undertakes that it will pay the total subscription amount in accordance with the terms of this Announcement on the due time and date set out herein, failing which the relevant Placing Shares may be placed with other Placees or sold at such price as Numis or Canaccord (as applicable) determines;
- (i) it: (i) is entitled to subscribe for the Placing Shares under the laws of all relevant jurisdictions; (ii) has fully observed such laws; (iii) has the requisite capacity and authority and is entitled to enter into and to perform its obligations as a subscriber for Placing Shares and will honour such obligations; and (iv) has obtained all necessary consents and authorities (including, without limitation, in the case of any person on whose behalf it is acting, all necessary consents and authorities to agree to the terms set out or referred to in this Announcement) to enable it to enter into the transactions contemplated hereby and to perform its obligations in relation thereto and, in particular, if it is a pension fund or investment company it is aware of and acknowledges it is required to comply with all applicable laws and regulations with respect to its subscription for Placing Shares;
- (j) it is not, and any person who it is acting on behalf of is not, and at the time the Placing Shares are subscribed will not be, a resident of, or with an address in, the United States, Australia, New Zealand, Canada, Japan or South Africa, and it acknowledges and agrees that the Placing Shares have not been and will not be registered or otherwise qualified under the securities legislation of the United States, Australia, New Zealand, Canada, Japan or South Africa and may not be offered, sold, or acquired, directly or indirectly, within those jurisdictions;
- (k) (i) the Placing Shares have not been and will not be registered under the Securities Act or with any state or other jurisdiction of the United States, nor approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other United States regulatory authority, (ii) it will not offer, sell or deliver, directly or indirectly, any Placing Shares in or into the United States other than pursuant to an effective registration under the Securities Act or in a transaction exempt from, or not subject to, the registration requirements thereunder and in compliance with any applicable securities laws of any state or other jurisdiction of the United States, and (iii) it is outside of the United States, not acting on a non-discretionary basis for the account or benefit of a person located within the United States at the time the undertaking to acquire the Placing Shares is given and is otherwise acquiring the Placing Shares in an "offshore transaction" meeting the requirements of Regulation S under the Securities Act;



- (l) it is a person of a kind described in (i) Article 19(5) (Investment Professionals) and/or 49(2) (high net worth companies etc.) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, and/or an authorised person as defined in section 31 of FSMA; and (ii) section 86(7) of FSMA ("**Qualified Investor**"), being a person falling within Article 2.1(e) of Directive 2003/71/EC as amended (the "**Prospectus Directive**"). For such purposes, it undertakes that it will acquire, hold, manage and (if applicable) dispose of any Placing Shares that are allocated to it for the purposes of its business only;
- (m) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Placing Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person and it acknowledges and agrees that this Announcement has not been approved by Numis or Canaccord in their capacity as an authorised person under section 21 of FSMA and it may not therefore be subject to the controls which would apply if it was made or approved as financial promotion by an authorised person;
- (n) it is aware of and acknowledges that it has complied with and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Placing Shares in, from or otherwise involving, the United Kingdom;
- (o) it will not make any offer to the public of the Placing Shares and has not offered or sold and will not offer or sell any Placing Shares to persons in the United Kingdom or elsewhere in the European Economic Area prior to Admission except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted in and which will not result in an offer to the public in the United Kingdom within the meaning of section 85(1) of FSMA or an offer to the public in any other member state of the European Economic Area within the meaning of the Prospectus Directive (which includes any relevant implementing measure in any Member State of the European Economic Area);
- (p) it has not been engaged to subscribe for the Placing Shares on behalf of any other person who is not a Qualified Investor unless the terms on which it is engaged enable it to make decisions concerning the acceptance of offers of transferable securities on the client's behalf without reference to the client as described in section 86(2) of FSMA;
- (q) it is aware of and acknowledges that it is required to comply with its obligations in connection with money laundering under the Proceeds of Crime Act 2002, the Terrorism Act 2000, the Terrorism Act 2006 and the Money Laundering Regulations 2007 (the "**Regulations**") and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations;
- (r) it is aware of the obligations regarding insider dealing in the Criminal Justice Act 1993, with all applicable provisions of FSMA, the EU Market Abuse Regulation 596/2014 and the Proceeds of Crime Act 2002 and confirms that it has and will continue to comply with those obligations;
- (s) the allocation, allotment, issue and delivery to it, or the person specified by it for registration as a holder of Placing Shares, will not give rise to a stamp duty or stamp duty reserve tax liability under any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and that no instrument under which it subscribes for Placing Shares (whether as principal, agent or nominee) would be subject to stamp duty or the increased rates referred to in those sections and that it, or the person specified by it for registration as a holder of Placing Shares, is not participating in the Placing as nominee or agent for any person or persons to whom the allocation, allotment, issue or delivery of Placing Shares would give rise to such a liability;



- (t) it, or the person specified by it for registration as a holder of the Placing Shares, will be liable for any stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto), if any, payable on acquisition of any of the Placing Shares or the agreement to subscribe for the Placing Shares and acknowledges and agrees that none of Numis, Canaccord the Company, any of their respective Affiliates or any person acting on behalf of them will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. Each Placee and any person acting on behalf of such Placee agrees to participate in the Placing, and agrees to indemnify the Company, Canaccord and Numis on an after-tax basis in respect of the same, on the basis that the Placing Shares will be allotted to the CREST stock account of Numis or Canaccord (as applicable) who will hold them as nominee on behalf of such Placee until settlement in accordance with its standing settlement instructions;
- (u) none of Numis, Canaccord any of their Affiliates or any person acting on behalf of any of them has or shall have any liability for any information, representation or statement contained in this Announcement or for any information previously published by or on behalf of the Company or any other written or oral information made available to or publicly available or filed information or any representation, warranty or undertaking relating to the Company, and will not be liable for its decision to participate in the Placing based on any information, representation, warranty or statement contained in this Announcement or elsewhere, provided that nothing in this paragraph shall exclude any liability of any person for fraud;
- (v) none of Numis, Canaccord any of their Affiliates or any person acting on behalf of any of them, is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing and that its participation in the Placing is on the basis that it is not and will not be a client of Numis or Canaccord and that Numis and Canaccord have no duties or responsibilities to it for providing the protections afforded to its clients or customers under the rules of the FCA, for providing advice in relation to the Placing, in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement or for the exercise or performance of any of its rights and obligations thereunder, including any rights to waive or vary any conditions or exercise any termination right;
- (w) in order to ensure compliance with the Money Laundering Regulations 2007, Numis and Canaccord (for themselves and as agents on behalf of the Company) or the Company's registrars may, in their absolute discretion, require verification of its identity. Pending the provision to Numis, Canaccord or the Company's registrars, as applicable, of evidence of identity, definitive certificates in respect of the Placing Shares may be retained at Numis' and Canaccord's absolute discretion or, where appropriate, delivery of the Placing Shares to it in uncertificated form, may be retained at Numis' or Canaccord's or the Company's registrars', as the case may be, absolute discretion. If within a reasonable time after a request for verification of identity Numis or Canaccord (for itself and as agent on behalf of the Company) or the Company's registrars have not received evidence satisfactory to them, Numis or Canaccord and/or the Company may, at its absolute discretion, terminate its commitment in respect of the Placing, in which event the monies payable on acceptance of allotment will, if already paid, be returned without interest to the account of the drawee's bank from which they were originally debited;
- (x) Numis and Canaccord may, and their Affiliates acting as an investor for its or their own account(s) may, subscribe for and/or purchase Placing Shares and, in that capacity may retain, purchase, offer to sell or otherwise deal for its or their own account(s) in the Placing Shares, any other securities of the Company or other related investments in connection with the Placing or otherwise. Accordingly, references in this Announcement to the Placing Shares being offered, subscribed, acquired or otherwise dealt with should be read as including any offer to, or subscription, acquisition or dealing by, Numis, Canaccord and/or any of their respective Affiliates acting as an investor for its or their own account(s). Neither Numis nor Canaccord



nor the Company intend to disclose the extent of any such investment or transaction otherwise than in accordance with any legal or regulatory obligation to do so;

- (y) these terms and conditions and any agreements entered into by it pursuant to these terms and conditions, and all non-contractual or other obligations arising out of or in connection with them, shall be governed by and construed in accordance with the laws of England and Wales and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of any such contract, except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by the Company, Canaccord or Numis in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange;
  - (z) the Company, Canaccord and Numis and their respective Affiliates and others will rely upon the truth and accuracy of the foregoing agreements, acknowledgements, representations, warranties and undertakings which are given to Numis and Canaccord, on their own behalf and on behalf of the Company, and are irrevocable;
  - (aa) it irrevocably appoints any duly authorised officer of Numis or Canaccord as agent for the purpose of executing and delivering to the Company and/or its registrars any documents on its behalf necessary to enable it to be registered as the holder of any of the Placing Shares for which it agrees to subscribe or purchase upon the terms of this Announcement;
  - (bb) it will indemnify on an after tax basis and hold the Company, Numis, Canaccord and their respective Affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, undertakings, agreements and acknowledgements in this Appendix and further agrees that the provisions of this Appendix shall survive after completion of the Placing;
  - (cc) it has knowledge and experience in financial, business and international investment matters and is required to evaluate the merits and risks of subscribing for the Placing Shares; (ii) it is experienced in investing in securities of this nature and is aware that it may be required to bear, and is able to bear, the economic risk of, and is able to sustain a complete loss in connection with the Placing; and (iii) it has relied upon its own examination and due diligence of the Company and its associates taken as a whole, and the terms of the Placing, including the merits and risks involved and has satisfied itself concerning the relevant tax, legal, currency and other economic consideration relevant to its subscription for Placing Shares; and
  - (dd) its commitment to subscribe for Placing Shares on the terms set out herein and in the contract note will continue notwithstanding any amendment that may in future be made to the terms of the Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company's conduct of the Placing.
- 8.2 The representations, warranties, acknowledgements and undertakings contained in this Appendix are given to the Company, and to Numis and Canaccord for themselves and on behalf of the Company and are irrevocable.
- 8.3 The agreement to settle a Placee's subscription (and/or the subscription of a person for whom such Placee is contracting as agent) free of stamp duty and stamp duty reserve tax depends on the settlement relating only to a subscription by it and/or such person direct from the Company for the Placing Shares in question. Such agreement assumes that the Placing Shares are not being subscribed for in connection with arrangements to issue depository receipts or to transfer the Placing Shares into a clearance service. If there are any such arrangements, or the settlement relates to any other subsequent dealing in the Placing Shares, UK stamp duty or stamp duty reserve tax may be payable, for which neither the Company nor Numis nor Canaccord will be responsible, and the Placee to whom (or on behalf of whom, or in respect of the person for whom it is participating in the Placing as an agent or nominee) the



allocation, allotment, issue or delivery of Placing Shares has given rise to such UK stamp duty or stamp duty reserve tax undertakes to pay such UK stamp duty or stamp duty reserve tax forthwith and to indemnify on an after-tax basis and to hold harmless the Company and Numis and Canaccord in the event that any of the Company and/or Numis and/or Canaccord have incurred any such liability to UK stamp duty or stamp duty reserve tax. If this is the case, each Placee should seek its own advice and notify Numis and Canaccord accordingly.

- 8.4 In addition, Placees should note that they will be liable for any stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the United Kingdom by them or any other person on the subscription by them of any Placing Shares or the agreement by them to subscribe for any Placing Shares.
- 8.5 Each Placee, and any person acting on behalf of the Placee, acknowledges and agrees that neither Numis nor Canaccord owe any fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings or indemnities in the Placing Agreement.
- 8.6 Each Placee and any person acting on behalf of each Placee, acknowledges and agrees that neither Numis, Canaccord nor any of their Affiliates may, at their absolute discretion, agree to become a Placee in respect of some or all of the Placing Shares.
- 8.7 When a Placee or person acting on behalf of the Placee is dealing with Numis or Canaccord, any money held in an account with Numis or Canaccord (as applicable) on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the rules and regulations of the FCA made under FSMA. The Placee acknowledges and agrees that the money will not be subject to the protections conferred by the client money rules; as a consequence, this money will not be segregated from Numis' or Canaccord's money (as applicable) in accordance with the client money rules and will be used by Numis or Canaccord in the course of its own business; and the Placee will rank only as a general creditor of Numis or Canaccord (as applicable).
- 8.8 Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser.
- 8.9 Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this Announcement.
- 8.10 All times and dates in this Announcement may be subject to amendment. Numis and Canaccord shall notify the Placees and any person acting on behalf of a Placee of any changes.



## DEFINITIONS

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

"Admission" - admission of the Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules

"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 as they may be amended and replaced from time to time

"Announcement" - this announcement (including the Appendix to this announcement)

"Canaccord" – Canaccord Genuity Limited

"Company" – Velocys plc

"CREST" - the relevant system (as defined in the Uncertificated Securities Regulations 2001) for the paperless settlement of trades and the holding of uncertificated securities operated by Euroclear UK & Ireland Limited

"FCA" - the Financial Conduct Authority

"FSMA" - the Financial Services and Markets Act of 2000 (as amended)

"Group" - the Company and its subsidiary undertakings prior to completion of the Acquisition

"London Stock Exchange" - London Stock Exchange plc

"Numis" - Numis Securities Limited

"Ordinary Shares" - ordinary shares of 1 pence each in the capital of the Company

"Placing" - the conditional placing of the Placing Shares at the Placing Price by Numis and Canaccord as agents for and on behalf of the Company pursuant to the terms of the Placing Agreement

"Placing Agreement" - the agreement dated on or around 15 May 2017 between the Company, Canaccord and Numis relating to the Placing

"Placing Price" - 45 pence per Placing Share

"Placing Shares" - 2,577,777 new Ordinary Shares to be issued in connection with the Placing

"Prospectus Directive" - the Directive of the European Parliament and of the Council of the European Union 2003/71/EC, as amended

"Securities Act" - the United States Securities Act of 1933, as amended

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

"United States" or "US" - United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all other areas subject to its jurisdiction

