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If you have sold or transferred all of your Ordinary Shares, please send this document and the accompanying Form of Proxy, as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. If you sell or have sold or otherwise transferred only part of your holding of Ordinary Shares, you should retain these documents and consult the bank, stockbroker or other agent through whom the sale or transfer was effected. If you receive this document from another Shareholder, as a purchaser or transferee, please contact the Registrar for a personalised Form of Proxy.

This document does not constitute an offer to buy, acquire or subscribe for (or the solicitation of an offer to buy, acquire or subscribe for), Ordinary Shares or an offer to buy, acquire or subscribe for (or the solicitation of an offer to buy, acquire or subscribe for), new Ordinary Shares. This document does not comprise a prospectus approved in accordance with the Prospectus Regulation Rules of the FCA. This document has not been examined or approved by the FCA or the London Stock Exchange or any other regulatory authority.

Copies of this document will be available free of charge to the public during normal business hours on any day (Saturdays, Sundays and public holidays excepted) at the registered office of Modern Water plc at 12th Floor, 6 New Street Square, London EC4A 3BF for a period of one month from the date of this document.

MODERN WATER plc

(Incorporated in England and Wales with registered no. 05963927)

Conditional Placing of 370,000,000 new Ordinary Shares at 0.5 pence per Ordinary Share Proposed Board Changes and Notice of General Meeting

Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 5 to 9 (inclusive) of this document and which includes a recommendation from the Directors of the Company that you vote in favour of the Resolutions to be proposed at the General Meeting. The Placing will not take place unless the Resolutions are passed at the General Meeting.

Notice of the General Meeting, to be held at the offices of Michelmores, 12th Floor, 6 New Street Square, London EC4A 3BF at 10.00 a.m. on 14 February 2020, is set out at the end of this document. The accompanying Form of Proxy for use in connection with the General Meeting should be completed by Shareholders and returned as soon as possible but, in any event, so as to be received by Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD by no later than 10.00 a.m. on 12 February 2020 (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). The completion and return of a Form of Proxy or any CREST Proxy Instruction will not preclude Shareholders from attending and voting at the General Meeting should they so wish.

If you hold your Ordinary Shares in CREST, and you wish to appoint a proxy or proxies through the CREST electronic proxy appointment service, you may do so by using the procedures described in the CREST Manual (available via www.euroclear.com). In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST Proxy Instruction must be properly authenticated in accordance with Euroclear's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is 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 Neville Registrars Limited not later than 10.00 a.m. on 12 February 2020.

Cairn Financial Advisers LLP (**Cairn**) is authorised and regulated by the Financial Conduct Authority in the United Kingdom. Cairn is acting solely as nominated adviser exclusively for the Company and no one else in connection with the Placing and will not regard any other person (whether or not a recipient of this document) as its client in relation to the contents of this document nor will it be responsible to anyone other than the Company for providing

the protections afforded to its clients or for providing advice in relation to the contents of this document. Apart from the responsibilities and liabilities, if any, which may be imposed on Cairn by FSMA or the regulatory regime established thereunder, Cairn accepts no responsibility whatsoever, and makes no representation or warranty, express or implied, for the contents of this document including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on behalf of it, the Company or any other person, in connection with the Company and the contents of this document, whether as to the past or the future. Cairn accordingly disclaims all and any liability whatsoever, whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of the contents of this document or any such statement.

Turner Pope Investments (TPI) Limited (**TPI**) is authorised and regulated by the Financial Conduct Authority in the United Kingdom. TPI is acting solely as the Company's broker and placing agent exclusively for the Company and no one else in connection with the Placing and will not regard any other person (whether or not a recipient of this document) as its client in relation to the contents of this document nor will it be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the contents of this document. Apart from the responsibilities and liabilities, if any, which may be imposed on TPI by FSMA or the regulatory regime established thereunder, TPI accepts no responsibility whatsoever, and makes no representation or warranty, express or implied, for the contents of this document including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on behalf of it, the Company or any other person, in connection with the Company and the contents of this document, whether as to the past or the future. TPI accordingly disclaims all and any liability whatsoever, whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of the contents of this document or any such statement.

Forward-looking Statements

This document includes "forward-looking statements" which include all statements other than statements of historical facts, including, without limitation, those regarding the Company's business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "would", "could" or similar expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. No undue reliance should be placed upon forward-looking statements. These forward looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based, unless required to do so by applicable law or the AIM Rules for Companies.

PLACING STATISTICS

Issue Price	0.5 pence
Number of Existing Ordinary Shares as at the date of this document	124,693,214
Number of Placing Shares	370,000,000
Number of Placing Fee Shares	2,000,000
Number of Retainer Fee Shares	6,000,000
Enlarged Issued Share Capital	502,693,214
Broker Warrants	92,500,000
Placing Shares as a percentage of the Existing Issued Share Capital	296.7 per cent.
Placing Shares as a percentage of the Enlarged Issued Share Capital	73.6 per cent.
Gross proceeds of the Placing	£1.85 million
Net proceeds of the Placing	Approximately £1.68 million
ISIN	GB00B1XF5X66
SEDOL	B1XF5X6

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication and Posting of this document and Form of Proxy	28 January 2020
Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 12 February 2020
General Meeting	10.00 a.m. on 14 February 2020
Results of the General Meeting announced	14 February 2020
Admission and dealings in the Placing Shares expected to commence on AIM	17 February 2020
Where applicable, expected date for CREST accounts to be credited in respect of Placing Shares in uncertificated form	17 February 2020
Where applicable, expected date for despatch of definitive share certificates for Placing Shares in certificated form	By 24 February 2020

Notes:

- 1. Each of the above times and/or dates is subject to change at the absolute discretion of the Company, Cairn and TPI. If any of the above times and/or dates should change, the revised times and/or dates will be announced through a Regulatory Information Service.*
- 2. All of the above times refer to London time unless otherwise stated.*
- 3. All events listed in the above timetable following the General Meeting are conditional on the passing of each of the Resolutions at the General Meeting.*

LETTER FROM THE CHAIRMAN OF MODERN WATER PLC

Incorporated and registered in England and Wales with registered number 05963927

Directors

Piers Clark (Non-Executive Chairman)
Simon Humphrey (Chief Executive Officer)
Mike Townend (Non-Executive Director)

Registered Office:

12th Floor
6 New Street Square
London EC4A 3BF

28 January 2020

To: Shareholders and, for information only, to the holders of options and warrants over Ordinary Shares

Dear Shareholder

Conditional Placing of 370,000,000 new Ordinary Shares at 0.5 pence per Ordinary Share

Proposed Board Changes and Notice of General Meeting

1. Introduction

On 24 January 2020 the Company announced the conditional placing by Turner Pope Investments (TPI) Limited of 370,000,000 new Ordinary Shares at 0.5 pence per share to raise an aggregate £1.85 million (before expenses). The net proceeds of the Placing, amounting to approximately £1.68 million, will be used for working capital purposes and to repay Group debt.

The Placing is conditional on, inter alia, the passing of the Resolutions at the General Meeting and Admission. It is expected that, subject to passing the Resolutions, the Placing Shares will be admitted to trading on AIM on 17 February 2020.

The Placing Price represents a discount of 60 per cent. to the closing mid-market price of 1.25 pence per Ordinary Share on 23 January 2020 (being the last practical date prior to the announcement of the Placing).

The purpose of this document is to explain the background to and reasons for the Placing, to convene a general meeting to be held at the offices of Michelmores LLP 12th Floor, 6 New Street Square London EC4A 3BF at 10.00 a.m. on 14 February 2020, to explain the resolutions which are to be proposed at the General Meeting and to recommend that you vote in favour of the Resolutions.

2. Use of proceeds of the Placing

The proceeds of the Placing will strengthen the Company's balance sheet and provide working capital to support growth of the Company's patented Membrane technologies and its innovative Monitoring products globally.

3. Current Trading and Prospects

Despite the Company's recent working capital shortfall, that will be resolved in the short-term through the Placing, Modern Water has continued to make progress in its two Divisions. As announced on 25 November 2019, the Membrane Division was awarded an innovative project in South Korea (Project) through its Chinese partner, Hangzhou Shangtuo Environmental Technology Co. Ltd. In the Project, salt is produced by concentrating deep seawater and is

further proof of the wide-ranging applications for the Company's patented All-Membrane Brine Concentrator technology (**AMBC**).

As announced on 23 December 2019, the Company signed a collaboration agreement with Ion Exchange (India) Ltd (**Ion**) to integrate Modern Water's AMBC technology and forward osmosis technology into Ion's projects across India, Oman, the United Arab Emirates and Saudi Arabia, significantly increasing the geographical scope of opportunities for deploying the Company's technologies and supporting the continued growth of its project pipeline.

Also announced on 23 December 2019 was the Company's largest-ever single order for its Microtox® CTM to a customer in China. The total value of the order was US\$335,000. Microtox® CTM is a site-based, broad range monitor which continuously measures the chemical toxicity of a water source, providing an instant indication of water health. Such equipment will be used for new hydrological and water treatment stations in Shanghai.

In light of the Placing, negotiations over the potential sale of the Company's Monitoring Division to be halted pending the outcome of a review by the Directors following the changes in the Board's composition detailed in paragraph 7 below.

The Group has also taken action to significantly reduce overhead costs across the whole business. The results of the cost reductions will be reflected in the Company's financial results for the year ending 31 December 2019.

4. Details of the Placing

The Company is proposing to raise, in aggregate, £1.85 million (before expenses) by means of the Placing. The Placing Shares will represent approximately 297 per cent. of the Existing Ordinary Shares and 74 per cent. of the Enlarged Issued Share Capital. The aggregate net proceeds after costs related to the Placing are expected to be approximately £1.68 million. The Placing Shares shall, when issued, rank in full for any dividend or other distribution declared, made or paid after Admission and otherwise equally in all respects with the Existing Ordinary Shares.

TPI, the Company's broker, arranged the Placing and introduced new cornerstone investors. As part of the Placing, Helium Rising Stars Fund has agreed to subscribe for 100,000,000 Ordinary Shares in the Placing, which will give it a 19.89% shareholding in the Enlarged Issued Share Capital.

In recognition of the integral role TPI undertook in structuring the Placing, the Company has agreed that TPI will be granted 92,500,000 non-transferable subscription warrants (**Broker Warrants**) exercisable at 0.5 pence per Ordinary Share during the three-year period following Admission (equivalent to 25 per cent of the gross aggregate value of the funds raised from investors in the Placing). TPI will also receive a cash commission equal to 7 per cent of the gross aggregate value of the funds raised from investors in the Placing and 2,000,000 Ordinary Shares at the Placing Price (**Placing Fee Shares**) for its services.

Application will be made to London Stock Exchange for the Placing Shares to be admitted to trading on AIM and, subject to the passing of the Resolutions, it is anticipated that trading in the Placing Shares will commence on AIM at 8.00 a.m. on 17 February 2020.

The Placing Shares have been conditionally placed by TPI, as placing agent for the Company, with institutional and other investors in accordance with the terms of the Placing Agreement. The Placing is not underwritten.

The Placing is conditional upon, amongst other things:

1. each of the Resolutions being passed at the General Meeting;
2. the Placing Agreement not having terminated; and

3. Admission becoming effective by no later than 8.00 a.m. on 17 February 2020 or such later date as the Company and TPI may agree.

5. The Placing Agreement

Pursuant to the terms of the Placing Agreement, TPI, as placing agent for the Company, has agreed to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price. The Placing Agreement contains customary warranties and indemnities given by the Company in favour of TPI.

In addition to the conditions referred to above, the Placing Agreement is conditional upon, among other things, none of the warranties or undertakings given to TPI prior to Admission being or becoming untrue, inaccurate or misleading in any material respect.

TPI has the right to terminate the Placing Agreement in certain circumstances prior to Admission, in particular, in the event of a material breach of the warranties, a material adverse change in the financial position or prospects of the Group taken as a whole or if the Placing Agreement does not become unconditional.

6. Effect of the Placing

Upon Admission, the Enlarged Issued Share Capital is expected to be 502,693,214 Ordinary Shares. On this basis, the Placing Shares will represent approximately 297 per cent. of the Company's Existing Ordinary Shares and 73.6 per cent. of the Enlarged Issued Share Capital. The Existing Shares will represent 24.8 per cent. of the Enlarged Issued Share Capital.

7. Prospective Board Changes

Conditional on the approval of the Resolutions at the General Meeting and completion of the proposed Placing and subject to and following approval to proceed from the Company's Nominated Adviser, it is intended that Gerard Brandon will join the Board as Chairman and non-executive director and Dr. Nigel Burton will join the Board as an additional non-executive director at which time the current non-executive directors Michael Townend and Piers Clark will step down from the Board.

Gerard Brandon has agreed to receive payment for his director's fees due in the first 2 years of his office in the form of Ordinary Shares at the Placing Price.

Gerard Brandon

Gerard Brandon is Chief Executive Officer of both Integumen plc and Cellulac plc. In 1996 he became founder and CEO of Alltracel Pharmaceuticals PLC, where he built a team that oversaw numerous patents granted on refined cellulose. Alltracel Pharmaceuticals PLC was admitted to trading on AIM in 2001. In 2004, he was appointed as a Managing Partner for Farmabrand Private Equity. In 2009, he was appointed as an Executive Consultant to Eplixo Limited. He is a Fellow of the Ryan Academy of Entrepreneurs in Dublin.

Dr. Nigel Burton

Following over 14 years as an investment banker at leading City institutions including UBS Warburg and Deutsche Bank, including as the Managing Director responsible for the energy and utilities industries, Nigel spent 15 years as Chief Financial Officer or Chief Executive Officer of a number of private and public companies. Nigel is currently a Non-Executive Director of AIM quoted companies Remote Monitored Systems plc, Digitalbox plc, Regency Mines plc, eEnergy Group plc and Mobile Streams plc.

Each of the proposed new Directors has agreed to participate in the Placing. Gerard Brandon has agreed to subscribe for 10,000,000 Placing Shares and Nigel Burton has agreed to subscribe for 4,000,000 Placing Shares.

8. General Meeting

The General Meeting of the Company, notice of which is set out at the end of this document, is to be held at 10.00 a.m. on 14 February 2020 at the offices of Michelmores LLP, 6 New Street Square, London EC4A 3BF. The General Meeting is being held for the purpose of considering and, if thought fit, passing the Resolutions.

A summary and explanation of the Resolutions is set out below. Please note that this is not the full text of the Resolutions and you should read this section in conjunction with the Resolutions contained in the Notice of General Meeting at the end of this document.

Resolution 1: Authority to allot shares

This ordinary resolution will grant the Directors a general authority to allot the Placing Shares, the Placing Fee Shares and the Retainer Fee Shares and also to grant the Broker Warrants and, in addition, to allot additional and grant rights to subscribe for, or convert any security into up to a maximum nominal amount of £251,346.60, which represents approximately 20 per cent of the Enlarged Issued Share Capital.

The authority given by this Resolution 1 will expire 15 months after the date of the passing of this Resolution or at the conclusion of the next annual general meeting of the Company following the passing of this Resolution, whichever occurs first.

Resolution 2: Disapplication of pre-emption rights

Conditional on the passing of Resolution 1, this special resolution disapplies the statutory pre-emption rights in respect of the allotments and grants pursuant to Resolution 1 of the Placing Shares, the Placing Fee Shares, the Retainer Fee Shares and the Broker Warrants, and, in addition, up to an aggregate nominal value of £251,346.60.

The authority given by this Resolution 2 will expire 15 months after the date of the passing of this Resolution or at the conclusion of the next annual general meeting of the Company following the passing of this Resolution, whichever occurs first.

The Board has no present intention of exercising the general additional authority.

9. Action to be taken

Please check that you have received a Form of Proxy for use in relation to the General Meeting.

Whether or not you intend to be present in person at the General Meeting, you are strongly encouraged to complete, sign and return your Form of Proxy in accordance with the instructions printed thereon so as to be received by post or, during normal business hours only, by hand, at Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD, as soon as possible but in any event so as to arrive by not later than 10.00 a.m. on 12 February 2020 (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).

Appointing a proxy in accordance with the instructions set out above will enable your vote to be counted at the General Meeting in the event of your absence. The completion and return of a Form of Proxy will not preclude you from attending and voting in person at the General Meeting, or any adjournment thereof, should you wish to do so.

In order for the Placing to proceed, Shareholders will need to approve both of the Resolutions set out in the Notice of General Meeting. If the Resolutions are not passed at the General Meeting, the Placing will not proceed, with the result that the anticipated net proceeds of the Placing will not become available and the Company's business plans, growth prospects and available working capital will be materially adversely affected as a result.

Accordingly, it is important that Shareholders vote in favour of each of the Resolutions, in order that the Placing can proceed.

10. Shareholder support for the Placing

IP Group plc, one of the Company's principal shareholders holding an aggregate of 12.75 per cent of the Existing Issued Share Capital, has provided a non-legally binding confirmation that it intends to vote in favour of the Resolutions.

11. Recommendation

The Directors consider the Placing to be in the best interests of the Company and its Shareholders as a whole and accordingly unanimously recommend that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting as they intend to do in respect of their own beneficial holdings amounting, in aggregate, to 2,547,499 Existing Ordinary Shares, representing approximately 2 per cent. of the Existing Ordinary Shares.

Yours faithfully,

Piers Clark
Chairman
Modern Water plc

DEFINITIONS

The following words and expressions shall have the following meanings in this document unless the context otherwise requires:

Admission	the 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 London Stock Exchange
AIM Rules	the AIM Rules for Companies, published by London Stock Exchange
Articles	the articles of association of the Company
Board	the board of directors of the Company
Company or Modern Water	Modern Water 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
CREST Regulations	the Uncertificated Securities Regulations 2001 (S.I. 2001 No. 3755)
Directors	the directors of the Company
Enlarged Issued Share Capital	all of the Ordinary Shares in issue on Admission inclusive of the Placing Shares, the Placing Fee Shares and the Retainer Fee Shares
Existing Issued Share Capital or Existing Ordinary Shares	the 124,693,214 existing Ordinary Shares in issue at the date of this document
Euroclear	Euroclear UK & Ireland Limited, the operator of CREST
FCA	the Financial Conduct Authority
Form of Proxy	the form of proxy for use by Shareholders in connection with the General Meeting
FSMA	the Financial Services and Markets Act 2000
General Meeting	the general meeting of the Company intended to be convened for 10.00 a.m. on or around 14 February 2020 or at any adjournment thereof, notice of which is set out at the end of this document
Group	the group comprising the Company and its subsidiary undertakings
London Stock Exchange	London Stock Exchange plc
Money Laundering Regulations	the Money Laundering, Terrorist Financing and Transfer of

	Funds (Information on the Payer) Regulations 2017, the money laundering provisions of the Criminal Justice Act 1993 and the Proceeds of Crime Act 2002
Ordinary Shares	the ordinary shares of 0.25 pence each in the capital of the Company
Placees	subscribers for the Placing Shares
Placing Agreement	the conditional placing agreement entered into between the Company and TPI on 24 January 2020
Placing Fee Shares	2,000,000 new Ordinary Shares
Placing Price	0.5 pence per Placing Share
Placing Shares	370,000,000 new Ordinary Shares
Prospectus Regulation Rules	the Prospectus Regulation Rules made by the FCA under Part IV of FSMA
Registrar	Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD
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 to be set out in the notice of General Meeting which is set out at the end of this document
Retainer Fee Shares	6,000,000 new Ordinary Shares at the Placing Price to be allotted to TPI in satisfaction of the Company's annual retainer fee for TPI for the twelve month period from 28 February 2020 of £30,000 (exclusive of VAT)
Shareholders	holders of Existing Ordinary Shares
TPI	Turner Pope Investments (TPI) Limited
UK	the United Kingdom of Great Britain and Northern Ireland
US or United States	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
uncertificated or in uncertificated form	an Ordinary Share recorded on a company's share register 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
£, pounds sterling, pence or p	are references to the lawful currency of the United Kingdom

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NOTICE OF GENERAL MEETING

MODERN WATER PLC

Incorporated and registered in England and Wales with registered number 05963927

NOTICE IS HEREBY GIVEN that a General Meeting of Modern Water plc (the **Company**) will be held at the offices of Michelmores LLP, 6 New Street Square, London EC4A 3BF at 10.00 a.m. on 14 February 2020 for the purpose of considering and, if thought fit, passing the following Resolutions, which will be proposed, in the case of Resolution 1, as an ordinary resolution and, in the case of Resolution 2, as a special resolution.

For the purposes of these Resolutions capitalised terms shall (unless the context requires otherwise) have the meaning ascribed to them in a circular from the Company to its shareholders dated 28 January 2020 (the **Circular**).

ORDINARY RESOLUTION

1. **THAT** the Directors be and they are hereby generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the **2006 Act**) to exercise all the powers of the Company to allot shares and grant rights to subscribe for, or convert any security into, shares:
 - (a) up to an aggregate nominal amount of £925,000 in connection with the allotment of the Placing Shares;
 - (b) up to an aggregate nominal amount of £5,000 in connection with the allotment of the Placing Fee Shares;
 - (c) up to an aggregate nominal amount of £15,000 in connection with the allotment of the Retainer Fee Shares;
 - (d) up to an aggregate nominal amount to £231,250 in connection with the grant of the Broker Warrants; and
 - (e) otherwise than pursuant to paragraphs (a) to (d) (inclusive) above, up to an aggregate nominal amount of £251,346.60.

These authorities are in substitution for and shall replace any other existing authorities to the extent not utilised at the date this Resolution is passed and shall expire 15 months after the date of the passing of this Resolution or at the conclusion of the next annual general meeting of the Company following the passing of this Resolution, whichever occurs first, save that the Company may before such expiry make offers or agreements which would or might require shares to be allotted or rights to be granted after such expiry and the directors may allot shares, or grant rights to subscribe for or convert any security into shares, in pursuance of any such offer or agreement as if the authorities conferred hereby had not expired.

SPECIAL RESOLUTION

2. **THAT**, subject to and conditional upon the passing of Resolution 1 set out above, the Directors be and they are hereby empowered pursuant to section 570 and section 573 of the 2006 Act to allot equity securities (as defined in section 560(1) of the 2006 Act) of the Company for cash pursuant to the authorities conferred by resolution 1 and/or to sell ordinary shares held by the Company as treasury shares as if section 561 of the 2006 Act did not apply to any such allotment or sale, provided that this power shall be limited to:
- (a) the allotment of the Placing Shares pursuant to the authority conferred by Resolution 1(a);
 - (b) the allotment of the Placing Fee Shares pursuant to the authority conferred by Resolution 1(b);
 - (c) the allotment of the Retainer Fee Shares pursuant to the authority conferred by Resolution 1(c);
 - (d) the allotment of equity securities in connection with the grant of the Broker Warrants pursuant to the authority conferred by Resolution 1(d);
 - (e) the allotment of equity securities, otherwise than pursuant to any of paragraphs (a) to (d) (inclusive) of this Resolution, pursuant to the authority conferred by Resolution 1(e), up to an aggregate nominal amount of £251,346.60.

This power shall expire 15 months after the date of the passing of this Resolution or at the conclusion of the next annual general meeting of the Company following the passing of this Resolution, whichever occurs first, save that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the directors may allot the relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

BY ORDER OF THE BOARD

Toby Schumacher
Company Secretary
28 January 2020

Registered office:
12th Floor
6 New Street Square
London EC4A 3BF

Notes

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. To appoint as your proxy a person other than the Chairman of the meeting, insert their full name in the box on your proxy form. If you sign and return your proxy form with no name inserted in the box, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the Chairman and give them the relevant instructions directly.
2. To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at the address provided in the proxy form, not later than 10.00 a.m. on 12 February 2020 (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).
3. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 6 below) will not prevent a shareholder attending the meeting and voting in person if he/she wishes to do so.
4. To be entitled to attend and vote at the meeting or any adjournment (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company by not later than 6.00 p.m. on 12 February 2020 (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). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
5. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual (available at www.euroclear.com/CREST). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a 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.
6. In order for a proxy appointment or instruction made using the CREST service 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 instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is 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 issuer's agent (**ID 7RA11**) by not later than 10.00 a.m. on 12 February 2020 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST 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.
7. 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 message. 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. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
8. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
9. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with section 146 of the Companies Act 2006 (**nominated persons**). Nominated persons may have a right under an agreement with the registered shareholder who holds the shares on their behalf to be appointed (or to have someone else appointed) as proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.
10. If you have been nominated to receive general shareholder communications directly from the Company, it is important to remember that your main contact in terms of your investment remains as it was (so the registered shareholder, or perhaps custodian or broker, who administers the investment on your behalf). Therefore, any changes or queries relating to your personal details and holding (including any administration thereof) must continue to be directed to your existing contact at your investment manager or custodian. The Company cannot guarantee dealing with matters that are directed to us in error. The only exception to this is where the Company, in exercising one of its powers under the Companies Act 2006, writes to you directly for a response.