

**THIS DOCUMENT AND THE ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other appropriate independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (“FSMA”) if you are in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.**

This document is prepared for the purposes of the Open Offer (as defined) and the General Meeting convened pursuant to the Notice of General Meeting set out at the end of this document. This document can also be obtained free of charge on request from the Company’s Registrars, Share Registrars Limited, or from the Company’s website at [www.otaq.com](http://www.otaq.com).

If you sell or transfer or have sold or transferred all of your Existing Ordinary Shares, you should send this document (but not the personalised 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 delivery to the purchaser or transferee.

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# OTAQ PLC

*(Incorporated and registered in England and Wales under the Companies Act 2006 with company number 11429299)*

**Placing and Open Offer to Existing Shareholders of New Ordinary Shares  
to raise up to approximately £3.6 million**

**Cancellation of Listing of the Existing Ordinary Shares on the Official List**

**Admission of the Enlarged Share Capital to trading on the Access Segment of the  
AQSE Growth Market**

**Capital Reorganisation to reduce the Nominal Value of the Existing Ordinary Shares**

**Notice of General Meeting**

***Financial Adviser, proposed AQSE Corporate Adviser and Broker***  
**Dowgate Capital Limited**

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**This Circular should be read as a whole. Your attention is drawn to the Letter from the Chairman which is set out in Part I of this Circular. The letter contains a recommendation that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below.**

**The Notice of the General Meeting of the Company to be held at 11.00 a.m. on 7 November 2022 at the Company’s offices at 8-3-4 Harpers Mill, South Road, White Cross, Lancaster, England LA1 4XF begins at Part IV of this Circular.** A Form of Proxy for use at the General Meeting is enclosed with this document, if received in hard copy form, and available on the Company’s website at [www.otaq.com](http://www.otaq.com). Shareholders are requested to complete and return the Form of Proxy, whether or not they intend to be present at the General Meeting, in accordance with the instructions printed on it. To be valid, Forms of Proxy should be completed and returned in accordance with the instructions set out therein to the Company’s registrars, Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey, GU9 7XX (by post or by hand) or online at [www.shareregistrars.uk.com](http://www.shareregistrars.uk.com) as soon as possible and, in any event, no later than 11.00 a.m. on 3 November 2022, being 48 hours (not counting any part of a day that is not a Business Day) before the time appointed for the holding of the General Meeting.

**A summary of the action to be taken by Shareholders in relation to the General Meeting is set out on page 23 of this Circular and in the accompanying Notice of General Meeting which begins on page 49 of this Circular. Completion and return of a Form of Proxy, the giving of a CREST Proxy Instruction, or the completion of a proxy form online will not preclude Shareholders from attending and voting in person at the General Meeting (in substitution for their proxy vote) if they wish to do so and are so entitled.**

The Existing Ordinary Shares are currently listed on the standard segment of the Official List and traded on the main market for listed securities of London Stock Exchange. It is proposed that the listing of the Company's Existing Ordinary Shares on the Official List and to trading on the London Stock Exchange's main market for listed securities be cancelled (the "**Delisting**") and an application be made for the New Ordinary Shares to be admitted to trading on the AQSE Growth Market. It is expected that admission of the New Ordinary Shares will become effective and that dealings in the New Ordinary Shares will commence on the AQSE Growth Market at 8.00 a.m. on 9 November 2022 (the "**AQSE Admission**") and would occur simultaneously with the Delisting becoming effective.

Dowgate, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for OTAQ and no one else in connection with the Proposals and will not regard any other person (whether or not a recipient of this Circular) as its client in relation to the Proposals and will not be responsible to anyone other than OTAQ for providing the protections afforded to its clients nor for providing advice in connection with the Proposals or any other matter referred to herein.

Apart from the responsibilities and liabilities, if any, which may be imposed on Dowgate by FSMA or the regulatory regime established thereunder, neither Dowgate nor any of its affiliates accepts any responsibility whatsoever or makes any representation or warranty, express or implied, to any person in respect of any acts or omissions of the Company in relation to the Proposals for the contents of this document including its accuracy, completeness or verification or for any other statement made or purported to be made by or on behalf of it, the Company or the Directors in connection with the Company, the Existing Ordinary Shares, the New Ordinary Shares or the Proposals and other matters referred to in this document and nothing in this document is or shall be read as a promise or representation in this respect whether as to the past or future. Dowgate 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 any acts or omissions of the Company in relation to the Proposals, the Existing Ordinary Shares, the New Ordinary Shares or this document or any such statement.

The Existing Ordinary Shares, the New Ordinary Shares and the Warrants have not, nor will they be, registered under the Securities Act of 1933, as amended (the "Securities Act") or with any securities regulatory authority of any state or other jurisdiction of the United States or under the applicable securities laws of Russia, Australia, Canada, Japan, New Zealand or the Republic of South Africa. The Existing Ordinary Shares, the New Ordinary Shares and the Warrants to be issued by the Company may not be offered or sold directly or indirectly in or into the United States, unless registered under the Securities Act or offered in a transaction exempt from or not subject to the registration requirements of the Securities Act, or, subject to certain exceptions, into Russia, Australia, Canada, Japan, New Zealand or the Republic of South Africa or to, or for the account or benefit of, any national, resident or citizen of Russia, Australia, Canada, Japan, New Zealand or the Republic of South Africa. The Company has not been, and will not be, registered under the US Investment Company Act of 1940, as amended. The distribution of this Circular may be restricted by law in certain jurisdictions and persons into whose possession it or any document or other information referred to herein comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

The value of shares and the income from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested. All of the value of an investor's investment in the Company will be at risk. Past performance is not a guide to future performance and the information in this Circular or any documents relating to the matters described in it cannot be relied upon as a guide to future performance. Persons needing advice should contact a professional adviser.

Copies of this Circular will be available free of charge during normal business hours on any weekday (except Saturdays, Sundays and public holidays) at the Company's registered office from the date of this document. A copy of this document will also be available from the Company's website at [www.otaq.com](http://www.otaq.com).

Capitalised terms have the meanings ascribed to them in the "Definitions" section of this document.

The date of this Circular is 12 October 2022.

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## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record Date and time for entitlements under the Open Offer	6.00 p.m. on 11 October 2022
Announcement of the Open Offer and posting of this Circular, Proxy Form and Application Form	12 October 2022
Existing Ordinary Shares marked 'ex' by London Stock Exchange	8.00 a.m. on 12 October 2022
Basic Entitlements and Excess Open Offer Entitlements credited to stock accounts in CREST of Qualifying CREST Shareholders	8.00 a.m. on 13 October 2022
Recommended latest time for requesting withdrawal of Basic Entitlements and Excess Open Offer Entitlements from CREST	4.30 p.m. on 24 October 2022
Latest time for depositing Basic Entitlements and Excess Open Offer Entitlements into CREST	3.00 p.m. on 25 October 2022
Publication of AQSE Growth Market Appendix One announcement	25 October 2022
Latest time and date for splitting of Application Forms (to satisfy <i>bona fide</i> claims only)	3.00 p.m. on 26 October 2022
Latest time and date for receipt of completed Application Forms and Payment in full under the Open Offer or settlement of relevant CREST instructions (as appropriate)	11.00 a.m. on 28 October 2022
Allocation of Excess Open Offer Shares to Qualifying Shareholders	28 October 2022
Results of Open Offer announced through an RIS	28 October 2022
Latest time and date for Broker Option Exercise	5.00 p.m. on 28 October 2022
Latest time and date for receipt of completed Forms of Proxy	11.00 a.m. on 3 November 2022
Latest time and date for receipt of CREST Proxy Instructions for the General Meeting	11.00 a.m. on 3 November 2022
Record time for those Shareholders on the Register of Members entitled to attend or vote at the General Meeting	5.00 p.m. on 3 November 2022
General Meeting	11.00 a.m. on 7 November 2022
Last day of dealings in the Existing Ordinary Shares on the Main Market	8 November 2022
Capital Reorganisation is effective	after close of business on 8 November 2022
Cancellation of the listing of the Existing Ordinary Shares from the Official List becomes effective	8.00 a.m. on 9 November 2022
Admission of, and commencement of dealings in, the Enlarged Share Capital on the AQSE Growth Market	8.00 a.m. on 9 November 2022
Open Offer Shares and Placing Shares credited to CREST stock accounts	9 November 2022
Dispatch of definitive share certificates for Open Offer Shares and Placing Shares in certificated form together with Warrant certificates	within 14 days of Admission

**Note:**

***If any of the details contained in the timetable above should change, the revised time and dates will be notified to Shareholders by means of a Regulatory Information Service announcement. All references to times and dates in this Circular are to time and dates in London, United Kingdom.***

*In order to subscribe for Open Offer Shares under the Open Offer, Qualifying Shareholders will need to follow the procedure set out in Part III of this Circular and, where relevant, complete the accompanying Application Form. If Qualifying Shareholders have any queries on the procedure for acceptance and payment, or wish to request another Application Form, they should contact Share Registrars Limited on 01252 821390 or, if calling from outside the United Kingdom, +44 (0)1252 821390 where relevant, quoting their full name and address.*

*If you have questions on how to complete the Form of Proxy, please contact Share Registrars Limited on 01252 821390 or, if calling from outside the United Kingdom, +44 (0)1252 821390. Lines are open from 9.00 a.m. to 5.00 p.m. (London time) Monday to Friday (except English and Welsh public holidays).*

*Calls may be recorded and monitored randomly for security and training purposes. Share Registrars Limited cannot provide advice on the merits of the Fundraising and cannot give any financial, legal or tax advice.*

## KEY STATISTICS

Closing Price per Existing Ordinary Share <sup>(1)</sup>	9.5 pence
Offer Price of each Open Offer Share (Issue Price)	4 pence
Discount to Closing Price per Open Offer Share	57.9 per cent.
Number of Existing Ordinary Shares in issue <sup>(2)</sup>	37,758,052
Entitlement under Open Offer <sup>(3)</sup>	4 Open Offer Shares for each 5 Existing Ordinary Share held
Number of Open Offer Shares to be offered by the Company	up to 30,206,441
Issue Price of each Placing Share and Open Offer Share	4 pence
Number of Placing Shares to be issued <sup>(4)</sup>	60,000,000
Maximum proceeds of Placing and Open Offer (before expenses)	approximately £3.60 million
Maximum Enlarged Share Capital following Admission <sup>(5)</sup>	127,964,493
Percentage of the maximum Enlarged Share Capital represented by the Placing Shares <sup>(5)</sup>	46.9 per cent.
Percentage of the maximum Enlarged Share Capital represented by the Open Offer Shares <sup>(5)</sup>	23.6 per cent.
Maximum estimated aggregate net proceeds of the Placing and Open Offer <sup>(5)</sup>	£3.25 million
Maximum number of Warrants granted on AQSE Admission	up to 22,551,610
ISIN – New Ordinary Shares	GB00BK6JQ137
ISIN – Open Offer Basic Entitlements	GB00BQ0JZ259
ISIN – Excess Open Offer Excess Entitlements	GB00BQ0JZ366
TIDM	OTAQ

(1) The Closing Price per Existing Ordinary Share on 11 October 2022, being the last practicable Business Day prior to the publication of this Circular.

(2) As at 11 October 2022, being the last practicable Business Day prior to the publication of this Circular.

(3) The actual number of Open Offer Shares to be issued under the Open Offer will be subject to rounding down to eliminate fractions.

(4) Assuming the Broker Option is exercised in full.

(5) Assuming the maximum number of Open Offer Shares is allotted pursuant to the Open Offer and the Broker Option is exercised in full.

## IMPORTANT INFORMATION

### Forward-looking statements

This document contains forward-looking statements which are based on the beliefs, expectations and assumptions of the Directors and other members of senior management about the Group's businesses. All statements other than statements of historical fact included in this document may be forward-looking statements. Generally, words such as "will", "may", "should", "could", "estimates", "continue", "believes", "expects", "aims", "targets", "projects", "intends", "anticipates", "plans", "prepares", "seeks" or, in each case, their negative or other variations or similar or comparable expressions identify forward-looking statements.

These forward-looking statements are not guarantees of future performance, and there can be no assurance that the expectations reflected in such forward-looking statements will prove to have been correct. Rather, they are based on the current beliefs, expectations and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the Company and are difficult to predict, that may cause actual results, performance, plans, objectives, achievements or events to differ materially from those express or implied in such forward-looking statements. Undue reliance should, therefore, not be placed on such forward-looking statements.

New factors will emerge in the future, and it is not possible to predict which factors they will be. In addition, the impact of each factor on the Group's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those described in any forward-looking statement or statements cannot be assessed, and no assurance can therefore be provided that assumptions will prove correct or that expectations and beliefs will be achieved.

Any forward-looking statement contained in this document based on past or current trends and/or activities of the Group should not be taken as a representation that such trends or activities will continue in the future. No statement in this document is intended to be a profit forecast or to imply that the earnings of the Group for the current year or future years will match or exceed historical or published earnings of the Group.

Each forward-looking statement speaks only as at the date of this document and is not intended to give any assurance as to future results. The Company and/or its Directors expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein as a result of new information, future events or other information, except to the extent required by the Listing Rules, the Disclosure Guidance and Transparency Rules, the rules of the London Stock Exchange, the AQSE Rules or by applicable law.

## DEFINITIONS

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

<b>Aquis Stock Exchange</b>	Aquis Stock Exchange Limited, a company incorporated in England and Wales with registered company number 04309969 and a recognised investment exchange under section 290 of FSMA;
<b>AQSE Admission</b>	the admission of the Enlarged Share Capital to trading on the Access segment of the AQSE Growth Market becoming effective in accordance with the AQSE Rules;
<b>AQSE Growth Market</b>	the primary growth market for unlisted securities operated by Aquis Stock Exchange;
<b>AQSE Rules</b>	the rules contained in the AQSE Growth Market Access Rulebook for issuers in effect from time to time, which set out the admission requirements and continuing obligations of companies seeking admission to and whose securities are admitted to trading on the Access segment of the AQSE Growth Market issued by Aquis Stock Exchange;
<b>Application Form</b>	the personalised application form on which Qualifying non-CREST Shareholders may apply for Open Offer Shares under the Open Offer;
<b>Articles of Association or Articles</b>	the articles of association of the Company, as amended from time to time;
<b>Basic Entitlement</b>	the entitlement of Qualifying Shareholders to apply for Open Offer Shares, on the basis of 4 Open Offer Shares for every 5 Existing Ordinary Shares registered in their names on the Record Date, rounded down to the nearest whole Open Offer Share;
<b>Board</b>	the board of directors of the Company from time to time;
<b>Board Appointments</b>	the appointments to be made to the Board that are conditional upon AQSE Admission, as described in section 4 of Part II of this Circular;
<b>Broker Option</b>	the conditional placing of the Broker Option Shares to be arranged by Dowgate at its absolute discretion as agent for the Company pursuant to the provisions of the Open Offer and Placing Agreement;
<b>Broker Option Period</b>	the period commencing on the date of this Circular and concluding at 5.00 p.m. on 28 October 2022;
<b>Broker Option Shares</b>	up to 10,000,000 New Ordinary Shares that may be issued by the Company (at the absolute discretion of Dowgate) pursuant to the Broker Option, comprising, if the Broker Option is exercised in full, 7.8 per cent. of the number of Placing Shares;
<b>Business Day</b>	any day on which banks are generally open in London for the transaction of business other than a Saturday or Sunday or public holiday;
<b>Capital Reorganisation</b>	the proposed reorganisation of the share capital of the Company as described in section 6 of Part I;

<b>Certificated or in certificated form</b>	a share or other security which is not in uncertificated form (that is, not in CREST);
<b>Circular or Document</b>	this document;
<b>Closing Price</b>	the closing middle market quotation of a share as derived from Bloomberg;
<b>Companies Act</b>	the Companies Act 2006, as amended, modified or re-enacted from time to time;
<b>Company or OTAQ</b>	OTAQ plc, incorporated in England and Wales with number 11429299 and its registered office at 8-3-4 Harpers Mill, South Road, White Cross, Lancaster, England LA1 4XF;
<b>Conditions</b>	(a) completion of the Capital Reorganisation (details of which are set out in section 6 of Part I of this Circular); (b) the passing of the Resolutions (details of which are set out in section 9 of Part I of this Circular); (c) the Placing becoming unconditional in all respects; and (d) completion of the Delisting and the AQSE Admission becoming effective by 8.00 a.m. on 9 November 2022 (or such later time and date not being later than 8.00 a.m. on 22 November 2022 as the Company may decide);
<b>CREST or CREST System</b>	the computer-based system (as defined in the CREST Regulations) operated and administered by Euroclear enabling securities to be evidenced otherwise than by certificates and transferred otherwise than by written instruments;
<b>CREST Manual</b>	the compendium of documents entitled “CREST Manual” issued by Euroclear from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, the CREST Rules, the CSS Operations Manual and the CREST Glossary of Terms;
<b>CREST member</b>	a person who has been admitted by Euroclear as a system participant (as defined in the CREST Regulations);
<b>CREST participant</b>	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations);
<b>CREST payment</b>	shall have the meaning given in the CREST Manual issued by Euroclear;
<b>CREST Proxy Instruction</b>	the instruction whereby CREST members send a CREST message appointing a proxy for the General Meeting and instructing the proxy how to vote and containing the information set out in the CREST Manual;
<b>CREST Regulations</b>	The Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended;
<b>CREST sponsor</b>	a CREST participant admitted to CREST as a CREST sponsor;
<b>CREST sponsored member</b>	a CREST member admitted to CREST as a sponsored member (which includes all CREST Personal Members);
<b>Deferred Shares</b>	the Deferred Shares of £0.14 each in the capital of the Company as created by virtue of the Capital Reorganisation;



<b>Delisting</b>	the proposed cancellation of the listing of the Company's Existing Ordinary Shares on the Official List and from trading on the London Stock Exchange's main market for listed securities;
<b>Directors, Board or Board of Directors</b>	the current directors of the Company or the board of directors from time to time of the Company, as the context requires, and "Director" is to be construed accordingly;
<b>Dowgate</b>	Dowgate Capital Limited, the Company's placing agent, financial adviser for the purposes of the Open Offer and Placing and proposed AQSE Corporate Adviser;
<b>DTR</b>	the Financial Conduct Authority's Disclosure Guidance and Transparency Rules;
<b>EBITDA</b>	earnings before income, taxation, depreciation, share option charges, impairments, exceptional costs and amortisation;
<b>Enabled for settlement</b>	in respect of Open Offer Entitlements, enabled for the limited purpose of settlement of claim transactions and USE transactions;
<b>Enlarged Share Capital</b>	the ordinary share capital of the Company immediately following AQSE Admission;
<b>Euroclear</b>	Euroclear UK & International Limited;
<b>Excess Applications</b>	any applications for Excess Shares pursuant to the Excess Application Facility;
<b>Excess Application Facility</b>	the facility for Qualifying Shareholders to apply for Excess Shares in excess of their Basic Entitlements subject to the terms and conditions set out in Part III of this Circular and the Application Form, if relevant;
<b>Excess Open Offer Entitlements</b>	in respect of each Qualifying CREST Shareholder who has taken up his Basic Entitlement in full, the entitlement (in addition to the Basic Entitlement) to apply for Excess Shares up to the number of Open Offer Shares credited to their stock account in CREST pursuant to the Excess Application Facility, which may be subject to scaling down according to the Directors' absolute discretion;
<b>Excess Shares</b>	Open Offer Shares which a Qualifying Shareholder is entitled to apply for in addition to the Basic Entitlement by virtue of the Excess Application Facility;
<b>Existing Ordinary Shares</b>	the 37,758,052 ordinary shares of £0.15 each in issue as at the date of this Document;
<b>Existing Shareholders</b>	the holders of Existing Ordinary Shares;
<b>FCA</b>	the Financial Conduct Authority of the United Kingdom or any successor body or bodies carrying out the functions currently carried out by the Financial Conduct Authority;
<b>Form of Proxy</b>	the form of proxy accompanying this Circular for use by Existing Shareholders at the General Meeting;
<b>FSMA</b>	the UK Financial Services and Markets Act 2000, as amended;

<b>Fundraising</b>	means the Placing and Open Offer and, to the extent exercised, the Broker Option;
<b>General Meeting</b>	the general meeting of the Company to be held at 11.00 a.m on 7 November 2022 (and any adjournment(s) of such meeting) at the Company's offices at 8-3-4 Harpers Mill, South Road, White Cross, Lancaster, England LA1 4XF, notice of which is set out in the Notice of General Meeting;
<b>Group</b>	the Company and each of its subsidiaries and subsidiary undertakings;
<b>ISIN</b>	International Securities Identification Number;
<b>Issue Price</b>	£0.04 per New Ordinary Share;
<b>Listing Rules</b>	the listing rules made under Part VI of FSMA (as set out in the FCA Handbook), as amended from time to time;
<b>London Stock Exchange</b>	London Stock Exchange plc or its successor(s);
<b>Main Market</b>	the main market for listed securities of the London Stock Exchange;
<b>MAR</b>	the UK version of the EU Market Abuse Regulation (2014/596/EU) (incorporated into UK law by virtue of the European Union (Withdrawal) Act 2018), as amended and supplemented from time to time;
<b>Member Account ID</b>	the identification code or number attached to any member account in CREST;
<b>Money Laundering Regulations</b>	The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended and supplemented);
<b>New Ordinary Shares</b>	the ordinary shares of £0.01 each in the capital of the Company as created by virtue of the Capital Reorganisation and the Resolutions;
<b>Notice of General Meeting</b>	the notice of general meeting set out in Part IV of this Circular;
<b>Official List</b>	the list maintained by the FCA in accordance with section 74(1) of FSMA for the purposes of Part VI of FSMA;
<b>Open Offer</b>	the conditional invitation to Qualifying Shareholders to apply for the Open Offer Shares at the Issue Price on the terms and conditions outlined in this document;
<b>Open Offer and Placing Agreement</b>	the agreement between the Company and Dowgate providing for Dowgate to be appointed financial adviser to the Company and the Company's placing agent, as described in more detail in section 2 of Part II;
<b>Open Offer Entitlements</b>	entitlements for Qualifying Shareholders to subscribe for Open Offer Shares pursuant to the Basic Entitlement and the Excess Application Facility;
<b>Open Offer Shares</b>	up to 30,206,441 New Ordinary Shares to be issued pursuant to the Open Offer;

<b>Overseas Shareholders</b>	Shareholders with registered addresses in, or who are citizens, residents or nationals of, jurisdictions outside the UK;
<b>Participant ID</b>	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant;
<b>Placee</b>	any person that has conditionally agreed to subscribe for Placing Shares in the Placing;
<b>Placing</b>	the proposed placing of the Placing Shares by the Company at the Issue Price, incorporating the Broker Option, conditional <i>inter alia</i> on passing of the Resolutions and on AQSE Admission;
<b>Placing Shares</b>	means the 50,000,000 New Ordinary Shares which have been conditionally placed firm by Dowgate with institutional and other investors pursuant to the Placing and up to 10,000,000 New Ordinary Shares which may be subscribed for under the Broker Option;
<b>Proposals</b>	the Delisting, AQSE Admission, Capital Reorganisation, Fundraising, Board Appointments and associated matters
<b>Qualifying CREST Shareholders</b>	Qualifying Shareholders holding Existing Ordinary Shares on the Record Date in uncertificated form;
<b>Qualifying non-CREST Shareholders</b>	Qualifying Shareholders holding Existing Ordinary Shares on the Record Date in certificated form;
<b>Qualifying Shareholders</b>	holders of Existing Ordinary Shares residing in a jurisdiction where the extension or availability of the Open Offer would not breach any applicable law and whose names appear on the register of members of the Company on the Record Date as holders of Existing Ordinary Shares and who are eligible to be offered Open Offer Shares under the Open Offer in accordance with the terms and conditions set out in this Circular and the Application Form;
<b>Receiving Agent</b>	Share Registrars Limited of 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX;
<b>Record Date</b>	the record date for the Open Offer, being 6.00 p.m. on 11 October 2022;
<b>Regulatory Information Service or RIS</b>	one of the regulatory information services authorised by the FCA to receive, process and disseminate regulatory information from listed companies;
<b>Resolutions</b>	the resolutions to be put to the Existing Shareholders at the General Meeting as detailed in the Notice of General Meeting and Resolution, means any of the Resolutions;
<b>Restricted Jurisdiction</b>	the United States, Russia, Australia, Canada, Japan, New Zealand, the Republic of South Africa and any other jurisdiction where the extension or availability of the Open Offer would breach any applicable law;
<b>SEC</b>	the US Securities and Exchange Commission;
<b>Securities Act</b>	the US Securities Act of 1933, as amended;

<b>Shareholders</b>	the holder(s) of the ordinary shares in the capital of the Company from time to time;
<b>Standard Listing</b>	a standard listing under Chapter 14 of the Listing Rules;
<b>Sterling</b> or <b>pound</b> or <b>£</b> or <b>pence</b>	pounds sterling or pence, the basic units of currency in the UK;
<b>Subsidiary</b>	has the meaning given in section 1159 of the Companies Act;
<b>Subsidiary undertaking</b>	has the meaning given to it in section 1162 of the Companies Act 2006;
<b>Takeover Code</b> or <b>City Code</b>	the City Code on Takeovers and Mergers issued by the Takeover Panel, as amended from time to time;
<b>Takeover Panel</b>	The Panel on Takeovers and Mergers;
<b>TIDM</b>	Tradable Instrument Display Mnemonic;
<b>Uncertificated</b> or <b>uncertificated form</b>	recorded on the relevant register or other record 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;
<b>United Kingdom</b> or <b>UK</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>United States</b> or <b>US</b>	the United States of America;
<b>US person</b>	has the meaning provided in section 902(k) of Regulation S under the Securities Act;
<b>USE</b>	unmatched stock event; and
<b>VAT</b>	value added tax.
<b>Warrants</b>	warrants to subscribe for New Ordinary Shares to be issued by the Company as described in section 7 of Part I of this Circular;

## DIRECTORS, COMPANY SECRETARY, REGISTERED OFFICE, AND ADVISERS

<b>Directors</b>	Alex Hambro ( <i>Non-Executive Chairman</i> ) Philip Newby ( <i>Chief Executive Officer</i> ) Matthew Enright ( <i>Chief Financial Officer</i> ) Harald Rotsch ( <i>Chief Technology Officer</i> )* George Watt ( <i>Non-Executive Director</i> ) Sarah Stoten ( <i>Non-Executive Director</i> ) Malcolm Pye ( <i>Non-Executive Director</i> ) Giles Clifford ( <i>Non-Executive Director</i> )*  *Appointment conditional upon AQSE Admission
<b>Company Secretary</b>	Matthew Enright
<b>Registered Office</b>	OTAQ plc 8-3-4 Harpers Mill South Road White Cross Lancaster LA1 4XF
<b>Financial Adviser, Corporate Broker and Proposed AQSE Corporate Adviser</b>	Dowgate Capital Limited 15 Fetter Lane London EC4M 7LT
<b>Legal Advisers to the Company</b>	CMS Cameron McKenna Nabarro Olswang LLP 1 West Regent Street Glasgow G2 1AP
<b>Legal Advisers to Dowgate</b>	DMH Stallard LLP 6 New Street Square New Fetter Lane London EC4A 3BF
<b>Registrar and Receiving Agent</b>	Share Registrars Limited 3 The Millennium Centre Crosby Way Farnham Surrey GU9 7XX

## PART I

### LETTER FROM THE NON-EXECUTIVE CHAIRMAN

# OTAQ PLC

*(Incorporated and registered in England and Wales under the Companies Act 2006 with registered number 11429299)*

*Directors:*

Alex Hambro (*Non-Executive Chairman*)  
Philip Newby (*Chief Executive Officer*)  
Matthew Enright (*Chief Financial Officer*)  
Harald Rotsch (*Chief Technology Officer*)\*  
George Watt (*Non-Executive Director*)  
Sarah Stoten (*Non-Executive Director*)  
Malcolm Pye (*Non-Executive Director*)  
Giles Clifford (*Non-Executive Director*)\*

*\*Appointment conditional upon AQSE Admission*

*Registered Office:*

8-3-4 Harpers Mill  
South Road  
White Cross  
Lancaster  
LA1 4XF

12 October 2022

**Placing and Open Offer to Existing Shareholders of New Ordinary Shares  
to raise up to approximately £3.60 million**

**Cancellation of Listing of the Existing Ordinary Shares on the Official List**

**Admission of the Enlarged Share Capital to trading on the Access Segment  
of the AQSE Growth Market**

**Capital Reorganisation to reduce the Nominal Value of the Existing Ordinary Shares**

**Notice of General Meeting**

Dear Shareholder,

### 1. INTRODUCTION

The Company has today announced that it is seeking to raise up to approximately £3.60 million to strengthen its balance sheet and support the Company through its planned next stage of growth.

The Company has raised £2.00 million before expenses through a firm placing of 50,000,000 New Ordinary Shares at the Issue Price of 4 pence per share. The Company has also announced that it is offering Qualifying Shareholders the opportunity (subject to satisfaction of the Conditions) to subscribe for up to a further 30,206,441 New Ordinary Shares at the Issue Price by offering the opportunity to participate in the Open Offer on the basis of:

**4 (Four) Open Offer Shares for every 5 (Five) Existing Ordinary Shares then held**

The Fundraising is conditional upon (a) completion of the Capital Reorganisation (details of which are set out in section 6 below); (b) passing of the Resolutions (details of which are set out in section 9 below); (c) the Placing becoming unconditional in all respects; and (d) completion of the Delisting and the AQSE Admission becoming effective by 8.00 a.m. on 9 November 2022 (or such later time and date not being later than 8.00 a.m. on 22 November 2022 as the Company may decide) (together the “**Conditions**”). If fully subscribed, the Open Offer will raise a further approximately £1.20 million before expenses. Qualifying Shareholders are able to apply for more than their entitlement under the Open Offer and to the extent that other Shareholders do not take up their Basic Entitlement under the Open Offer, then Excess Applications will be satisfied in full or in part, subject to the maximum issue of 30,206,441 New Ordinary Shares available under the Open Offer.

The Company has also made available to Dowgate up to a further 10,000,000 New Ordinary Shares through a Broker Option, which may be allocated by Dowgate to investors who wish to subscribe for New Ordinary Shares on the same terms as the Placing Shares which have been placed firm under the Placing and Open Offer, if further demand requires. Full exercise of the Broker Option would raise an additional £0.40 million before expenses.

Additionally, investors subscribing for New Ordinary Shares under the Fundraising will also receive 1 (One) Warrant for every 4 (Four) New Ordinary Shares subscribed for (but rounding down to the nearest whole number of Warrants), each Warrant entitling the holder to subscribe for one New Ordinary Share at a price of 12 pence per share up to the second anniversary of the date of AQSE Admission.

Further details of the Placing, Open Offer and Broker Option are set out in section 7 below.

The Company will require further share authorities to allot the Placing Shares and Open Offer Shares for cash, and to grant the Warrants, and to disapply pre-emption rights under sections 551 and 571 of the Act.

Accordingly, the Fundraising is conditional, *inter alia* on the passing of the Resolutions at the General Meeting to be held at 11.00 a.m. on 7 November 2022, notice of which is set out at Part IV of this Circular.

The Company's Existing Ordinary Shares have a nominal value of 15 pence per share. Under the Companies Act the Company is unable to issue new shares at less than the nominal value of those shares. Given that the Issue Price is set at 4 pence per share, the Company is required to undertake a Capital Reorganisation, so that the nominal value of each New Ordinary Share to be issued pursuant to the Open Offer and Placing will be less than the Issue Price, details of which are set out in section 6 below. The Capital Reorganisation is also subject to the passing of the Resolutions at the General Meeting and is conditional upon the AQSE Admission.

The Company has also today announced that it will delist its Existing Ordinary Shares from the Official List and cancel the trading of its Existing Ordinary Shares on the Main Market and that it has applied to Aquis Stock Exchange for the Enlarged Share Capital to be listed on the Access Segment of the AQSE Growth Market. The Delisting and the AQSE Admission are expected to take place on 9 November 2022. Details of such Delisting and the AQSE Admission are set out in section 5 below and section 4 of Part II below.

Conditional on AQSE Admission, Harald Rotsch and Giles Clifford will join the Board as Chief Technology Officer and a Non-Executive Director, respectively. Further details are set out in section 4 of Part II below.

## 2. BACKGROUND

OTAQ listed on the standard segment of the Official List and was admitted to trading on the main market of the London Stock Exchange in March 2020 following the reverse takeover of Hertsford Capital plc. Since flotation, it has since completed the acquisition of the business and assets of ROS Technology Limited ("**ROS Technology**") and two strategic equity investments into Blue Lion Labs Limited ("**Blue Lion Labs**") and Minnowtech LLC ("**Minnowtech**"), broadening the Company's operations beyond its core aquaculture activities. The Company's prime focus remains the provision of technology services to the aquaculture sector, which includes the production and sale of acoustic deterrent devices ("**ADDs**") primarily for the fish farming sector, as well as technologies to support shrimp farming and to monitor and manage water quality more widely across the sector. Outside of aquaculture, OTAQ has developed new innovative applications for its technologies including wider ocean monitoring and communication operations, primarily for the offshore energy sector, and geotracking device technologies with a wide range of potential work-safety and sports applications.

As previously announced, the deployment of the Company's ADD product, which provides a deterrent to seals and sea lions and reduces attacks on marine fish farming sites, into the UK market has been suspended following the announcement of the Marine Scotland Review (defined below) and the subsequent impact on ADD revenues resulting from the Group's key customers giving notice on ADDs operating in Scotland, required the Board to take mitigating actions which necessitated the commencement of a reorientation of the Company's operations. The Company does continue to deploy its ADD product to certain customers outside the UK.

Accordingly, the results for the year ended 31 March 2022 reflected a mixed outcome for the Group, characterised by a significant upswing in activity for the Offshore business (formerly called the Offshore and Connectors business) and encouraging growth in activity and commercial gains within the Geotracking Devices business (formerly called the Technology and R&D division), offset by disruption to the ADD business.

The Board has concluded that the Group should refocus away from the ADD business and instead work hard to commercialise its strong pipeline of new products. Initial feedback on the new product offering has been positive, and the Board is focused on building a profitable and cash generative business by concentrating on what it now views as its core growth business activities, being the supply of the key hardware in Minnowtech's shrimp biomass solution, plankton detection, water quality monitoring and geotracking devices. However, in order to complete the reorientation, the Group is required to undertake a further refinancing. This Circular sets out the steps that the Group is taking, including the Fundraising and the proposed move from the Official List to the AQSE Growth Market and related matters, in order to give the Group and all stakeholders a committed and stable foundation upon which to execute the growth initiatives.

These matters will require the approval of Shareholders and this is explained in full below. A General Meeting is to be held at 11.00 a.m. on 7 November 2022 for the purpose of seeking such approvals. A notice convening the General Meeting, at which the Resolutions will be proposed, is set out at the end of this Circular.

The purpose of this Circular is to (i) give further details on the Proposals, including the background to and reasons for the Resolutions; (ii) explain why the Board considers the Proposals to be in the best interests of the Company and the Shareholders as a whole; and (iii) convene the General Meeting to obtain Shareholder approval for the Resolutions. If the Resolutions are passed at the General Meeting on 7 November 2022, the Delisting, completion of the Fundraising and the AQSE Admission are expected to take place on or around 9 November 2022.

**Shareholders should read the whole of this Circular and not simply rely only upon the information set out in Part I (*Letter from the Non-Executive Chairman of OTAQ plc*) of this Circular.**

### **3. FUTURE STRATEGY**

Through three recent strategic investments and additional multi-year supply agreements, the Group is developing adjacent technologies to take advantage of a number of growth initiatives that will significantly broaden the Group's product portfolio in the global marine aquaculture sector and facilitate entry and growth into the geotracking devices sector. Consequently, OTAQ is refocusing its operations to become a highly innovative technology company with three divisions that operate in various geographies globally: Aquaculture, Geotracking Devices and Offshore.

#### ***Aquaculture***

##### *Shrimp Biomass*

In conjunction with Minnowtech, OTAQ has completed the development of an innovative and custom-designed sonar technology that scans shrimp in ponds with the results being used to inform statistical predictive algorithms which in turn produce highly accurate pond count results for shrimp farmers. As far as the Company and Minnowtech are aware, this is the only system currently in development using this method which has been designed to estimate total shrimp count in each pond using in situ measurement producing a critical data set for shrimp farmers that would otherwise rely on time-consuming and error-prone methods. Trial results have been highly positive with count accuracy believed to be in excess of 90 per cent. on average meaning shrimp farmers have significantly better information relating to feed strategies and forecasting of future stock requirements.

To date, 117 prototype units have been sold to Minnowtech for trials with potential customers in shrimp ponds in key target markets. Minnowtech is viewed as a key growth area with an initial estimated target market size of £24 million, based on the number estimated shrimp ponds in target markets.



### *Live Plankton Analysis*

Through its collaboration with Blue Lion Labs in Canada, the Group have developed AI software which monitors water quality by identifying phytoplankton which enables farmers to take immediate mitigating actions as required. Research and development has centred on accelerating the commercialisation of the phytoplankton detection technology with field trials now having commenced. Phytoplankton can lead to “harmful algal blooms”, which is a growing issue and leads to major disease challenges for finfish farmers generally. It is estimated the global aquaculture industry suffers annual losses in the billions due to events such as harmful algal blooms. Early detection of this problem will not only allow farmers to deploy their defence systems earlier but also inform feeding and harvesting decisions to markedly reduce the losses and improve overall finfish welfare.

To date, 14 development systems have been deployed at customer sites in Scotland, Chile and Ireland with prototype versions are expected to be installed in January 2023. The Board is confident that these trial sites will convert to commercial contracts with the initial target market estimated to be in the region of £24 million in the Company’s target markets.

### *Water Quality Monitoring*

Monitoring the quality of finfish cage water is an important factor in increasing yields and improving fish welfare. An additional key aquaculture product for the Group, the water quality monitoring solution has been designed and developed by a third party. OTAQ is close to finalising an exclusive supply agreement with the third party to white label the product and sell it into its target markets. This solution is designed to report and record oxygen levels, salinity and temperature through a dashboard interface helping finfish farmers monitor fish welfare and inform decisions around improving fish health. In Chile it is a regulatory requirement to carry out water quality monitoring and reporting.

Following early commercial success in Chile and Scotland, the Board believes there is an initial estimated potential market of £32 million in target territories based on a rental model.

### *Acoustic Deterrent Device*

Historically the Company’s main aquaculture sales have been derived from its ADD product (branded as Sealfence), which uses acoustic technology to deter seal and sea lion predators from fish farming sites. OTAQ has delivered and installed over 1,300 ADD devices worldwide to date. However, in 2020, Marine Scotland announced a review of ADD use in connection with the operation of the European Protected Species (“**EPS**”) regulations related to the use of ADDs within Scottish waters (the “**Marine Scotland Review**”). The Company previously announced that the trial programme for the Company’s ADDs with Marine Scotland has concluded but the Board now believe it is unlikely that fish farmers will make applications for EPS licences required to use its ADDs. For this reason, the Group is not actively pursuing the ADD market in Scotland.

Nevertheless, there remains opportunities in Chile, Australia, Canada and Norway, and the Group continues to make progress on these projects, including additional ADD deployment in Chile and ADD trials in Australia. The Board is aware that the regulatory position relating to use of ADDs in Chile is currently being assessed and is working with the Chilean regulator for fisheries and aquaculture, in assisting them in understanding the risk of ADD use to predators and marine mammals in the vicinity of fish farms.

The Group is now demonstrably fulfilling its previously stated intention to deploy a range of sophisticated products designed to overcome many production and environmental challenges in the aquaculture industry. The next phase of development for these solutions will be the creation of common databases and the development of management information reporting and dashboards to help improve customer communication and productivity.

### **Geotracking Devices**

Following the acquisition of ROS Technology’s trade and assets in November 2020, the Group has developed highly accurate personnel and asset tracking products for use in sports tracking events and the railway industry.

### *Railway personnel and asset safety*

Through engagement with rail design and safety consultants, Track Tracker Limited ("**Track Tracker**"), the Group have designed and developed a product that utilises Track Tracker's integrated geofencing software to provide reliable, continuous and precise positional accuracy tracking of maintenance personnel and railway assets in use in busy, hazardous, and often complex on-track and trackside locations. The Company recently announced its first contract for the supply of an initial batch of 40 devices with further orders expected following successful on-site operations.

The Board believes there to be an estimated initial target market size of £13 million through its relationship with Track Tracker and there have been initial positive enquiries including issuance of a product acceptance certificate of the personnel safety device.

### *Sports trackers*

OTAQ's high precision sports tracking technology was fully commercialised in 2021 and is viewed as more accessible and cost-effective due to it being deployable without the need for costly additional infrastructure compared to the alternatives on the market. The Group is continuing to broaden the applications for this technology through the development of prototypes and the completion of successful field trials where recently over 500 trackers were deployed for a major motorcycling event.

The Board expects further significant orders of its sports tracking devices through its ongoing relationship with NTT Limited ("**NTT**"). The technology is generating high interest and will have a wider roll out to similar racing events, providing increased visibility and live-streaming of competitor positioning.

The Board are also of the view that there are potential further applications and market opportunities for the technology within the seafood industry, particularly in relation to the fishing industry in Chile.

### **Offshore**

The Group's strategy also incorporates the development of new products for deployment in the energy support services sector. The development of new technologies in this division permits cross-deployment of skills and technologies into the aquaculture arena which the Group is now beginning to exploit. OTAQ is continuously developing and improving its products using its specialist mechanical, electronic and software engineers who have decades of experience in bringing underwater technology products to market. The Group produces a range of marine technology products for offshore industries, supplying customers around the world including subsea oil and gas, remotely operated vehicle operations, commercial diving and oceanographic research, with growth opportunities in the offshore renewables sector. OTAQ specialises in subsea leak and cement detection, laser measurement systems, underwater imagery and telemetry solutions, as well as subsea survey solutions. The Group has completed development and sale of two Lander products, intended for use with seabed geophysical surveys, and it is expected further Lander sales will be made.

The Company's Oceansense leak detection systems have a global reputation as the industry leading solution for fluorescence based underwater leak detection and have been deployed successfully on hundreds of contracts. OTAQ's Dragonfish laser measurement systems is one of the most accurate underwater precision laser measurement systems of its type available. OTAQ also has significant experience in the design and manufacture of underwater connectors, penetrators and communication systems.

The Offshore business operates in international oil and gas markets with major customers including Expro and Amphenol for its underwater connectors products and Oceaneering, Technip and Subsea 7 for its OceanSense rental business, with the rental business remaining significantly cash generative.

When completed, the reorientation process aims to be the route through which OTAQ would become a simplified, profitable, and cash generative business. These are exciting times as the Group commences commercialisation of its strong pipeline of new products and opportunities by focusing on its core growth business activities, being the supply of the key hardware in Minnowtech's shrimp biomass solution, plankton detection, water quality monitoring and geotracking devices in order to accelerate the growth into these large and attractive markets.

#### **4. CURRENT TRADING AND OUTLOOK**

The Board anticipates that the Group's revenues for the year to 31 March 2023 will principally derive from the Offshore and ADD divisions until the Group's new aquaculture and geotracking devices products have achieved significant levels of customer acquisition.

The Company expects first half revenue to be ahead of the same period last year with a positive EBITDA, compared to the H1 FY22 £0.2 million EBITDA loss.

The Company's second half performance is dependent on new orders for its shrimp biomass sonars from Minnowtech and new orders from Track Tracker and NTT for its geotracking devices. Discussions with Minnowtech, NTT and Track Tracker have been held and the Company is optimistic new orders will be received. The Company is also optimistic that current trials of its live plankton analysis system at various sites with customers will develop and convert to commercial contracts in 2023.

#### **5. DELISTING AND AQSE ADMISSION**

The Company's Existing Ordinary Shares are listed on the Standard Segment of the Official List and were admitted to listing and to trading on the Main Market of the London Stock Exchange in March 2020. However, the Board recognises that, due to the Company's reduced market capitalisation, the cost and complexity of that listing can no longer be justified. Accordingly, it is in the interests of Shareholders that the Company should apply to cancel its listing on the Official List and trading on the Main Market of its Existing Ordinary Shares and apply to Aquis Stock Exchange for the admission to trading of its New Ordinary Shares on the AQSE Growth Market. This may also have certain tax benefits for some investors.

The Board has carefully considered the position including the following:

- the AQSE Growth Market is specifically designed for smaller companies, with a less onerous regulatory regime, and has an established reputation with investors and is an internationally recognised market;
- the AQSE Growth Market should offer greater flexibility with regard to certain corporate transactions, enabling the Company to agree and execute certain transactions more quickly and cost effectively than a company on the Official List; and
- companies whose shares trade on the AQSE Growth Market are deemed to be unquoted for certain purposes of UK taxation, including possibly being eligible for relief from inheritance tax. Furthermore, stamp duty is not payable on the transfer of shares that are traded on the AQSE Growth Market and not listed on any other market.

Accordingly, the Board considers that the AQSE Growth Market is a more appropriate market for the Company at this time and accordingly, the Company will apply for the cancellation of its listing on the standard listing segment of the Official List on 12 October 2022. Pursuant to Listing Rule 5.2.8, the Company is required to give at least 20 business days' notice of the intended Delisting. Consequently, it is expected that admission of the Existing Ordinary Shares will become effective and that dealings of the New Ordinary Shares will commence on the AQSE Growth Market at 8.00 a.m. on 9 November 2022 and would occur simultaneously with the Delisting becoming effective.

Further details of the consequences of the Delisting and the AQSE Admission are set out in section 4 of Part II (*Information on Delisting and AQSE Admission*) of this Circular.

#### **6. CAPITAL REORGANISATION**

The Company's Existing Ordinary Shares are presently trading on the Main Market at a price which is below the nominal value of the Existing Ordinary Shares. The Companies Act prohibits a company from issuing shares at a discount to the nominal or par value of its shares. Therefore, in order to ensure that the Placing and Open Offer can be carried out and the Broker Option exercised, it is necessary to effect the Capital Reorganisation to reduce the nominal value of the Company's Existing Ordinary Shares. The Directors therefore propose to effect the Capital Reorganisation on the following basis:

- each of the Existing Ordinary Shares of 15 pence each will be subdivided into and reclassified as one New Ordinary Share and one Deferred Share;

- each New Ordinary Share will be an ordinary share in the capital of the Company with a nominal value of one (1) pence and having those rights set out in the Amended Articles (as defined below);
- each Deferred Share will be a deferred share in the capital of the Company with a nominal value of fourteen (14) pence and having those rights set out in the Amended Articles. The intention is that Deferred Shares would be cancelled in due course following a court approved reduction of capital or other means, if available; and
- the Company's articles of association require to be amended to include certain provisions including relating to the Deferred Shares (the "**Amended Articles**").

### ***The Amended Articles***

The proposed Capital Reorganisation will necessitate certain alterations to the Company's existing Articles of Association ("**Existing Articles**"). Alteration of the Existing Articles is proposed as Resolution 2 and the alterations, including establishing the Deferred Shares and setting out the limited rights proposed for the Deferred Shares, are reflected in the changes to the Existing Articles.

The New Ordinary Shares created upon implementation of the Capital Reorganisation will have the same rights as the Existing Ordinary Shares including voting, dividend, return of capital and other rights, save that their nominal value will be £0.01 per share as opposed to £0.15 per share. Existing Ordinary Share certificates will remain valid following the Capital Reorganisation.

The Deferred Shares will not have any voting rights and will not carry any entitlement to attend general meetings of the Company; nor will they be admitted to either the Main Market, the AQSE Growth Market or any other market. They will carry only a right to participate in any return of capital to the extent of £0.01 but only after shareholders have received £1,000,000 per New Ordinary Share. In addition, they will not carry any right to participate in any dividend or other distribution. In each case a payment, on a return of capital, to any one holder of Deferred Shares shall satisfy the payment required. The Company will be authorised at any time to effect a transfer of the Deferred Shares without reference to the holders thereof and for no consideration pursuant to and in accordance with the Companies Act. Accordingly, the Deferred Shares will, for all practical purposes, be valueless and it is the Board's intention, at an appropriate time, to have the Deferred Shares cancelled, whether through an application to the Companies Court or otherwise in accordance with the Companies Act. No share certificates will be issued for the Deferred Shares.

The draft Amended Articles proposed, along with a set highlighting the alterations and comparing the Amended Articles with the Existing Articles, are available for inspection by Shareholders until the conclusion of the General Meeting on the Company's website, [www.otaq.com](http://www.otaq.com).

In summary, it is proposed that each Existing Ordinary Share of 15 pence in the capital of the Company will be subdivided and converted into 1 New Ordinary Share and 1 Deferred Share. This will result in 37,758,052 New Ordinary Shares and 37,758,052 Deferred Shares being in issue immediately following the Capital Reorganisation but before the issue of New Ordinary Shares pursuant to the Placing, Open Offer and Broker Option.

## **7. THE PLACING, OPEN OFFER, BROKER OPTION AND WARRANTS**

### ***Placing and Open Offer***

The Company is proposing to raise, assuming the satisfaction of the Conditions and the issue of the maximum number of New Ordinary Shares pursuant to the Placing (including the Broker Option as detailed below) and Open Offer, gross proceeds of approximately £3.60 million (before expenses) by the issue of up to 90,206,441 New Ordinary Shares at the Issue Price, being 4 pence per New Ordinary Share. **The New Ordinary Shares to be issued pursuant to the Placing do not qualify for participation in the Open Offer.**

Subject to satisfaction of the conditions set out below and in Part III of this Document, Qualifying Shareholders on the register of members at 6.00 p.m. on 11 October 2022 are being given the opportunity to subscribe for Open Offer Shares at the Issue Price pro rata to their holdings of Existing Ordinary Shares on the Record Date to raise up to an amount of approximately £1.20 million (before expenses) on the basis of:

#### **4 (Four) Open Offer Shares for every 5 (Five) Existing Ordinary Shares then held**

Those Shareholders who wish to apply for additional shares may do so through the Excess Application Facility, details of which are set out in Part III of this Circular.

The Excess Application Facility enables Qualifying Shareholders to apply for any number of Open Offer Shares, provided they have taken up their Basic Entitlement in full, up to the total number of Open Offer Shares being offered (less their Basic Entitlement).

The Placing Shares and Open Offer Shares, when issued fully paid, will rank *pari passu* in all respects with the New Ordinary Shares resulting from the Capital Reorganisation of the Existing Ordinary Shares including the right to receive all dividends and other distributions declared in respect of such New Ordinary Shares by reference to a record date falling after the date of issue of the Placing Shares and Open Offer Shares.

Application is being made for the New Ordinary Shares to be admitted to trading on the AQSE Growth Market and it is expected that the AQSE Admission will become effective and dealings in the New Ordinary Shares will commence on 9 November 2022.

The Placing and the Open Offer are conditional upon Delisting and AQSE Admission becoming effective by 8.00 a.m. on 9 November 2022 or such later time and date as the Company and Dowgate may agree, being no later than 8.00 a.m. on 22 November 2022. In the event that this condition is not satisfied by the requisite time, the Placing and the Open Offer will not proceed. In such circumstances, application monies will be returned at the applicant's risk without payment of interest, as soon as practicable thereafter.

Fractions of Open Offer Shares will not be allotted; instead, each Qualifying Shareholder's entitlement under the Open Offer will be rounded down to the nearest whole number of Open Offer Shares. Qualifying Shareholders with holdings of Existing Ordinary Shares in both certificated and uncertificated form will be treated as having separate holdings for the purpose of calculating the Open Offer Entitlements.

The latest time for applications under the Open Offer to be received is 11.00 a.m. on 28 October 2022. The procedure for application and payment depends on whether, at the time at which application and payment is made, you have an Application Form in respect of your entitlement under the Open Offer or have Open Offer Entitlements credited to your stock account in CREST in respect of such entitlement. The procedures for application and payment are set out in Part III (*Terms and Conditions of the Open Offer*) of this document.

#### **Broker Option**

To deal with potential additional demand for New Ordinary Shares under the Fundraising, the Company has granted the Broker Option to Dowgate to enable it to fulfil requests to participate in the Placing received during the period of 12 trading days following the date of this Circular. The Broker Option is exercisable by Dowgate any number of times during that period in its absolute discretion, and there is no obligation on Dowgate to exercise the Broker Option or to seek to procure subscribers for any Broker Option Shares pursuant to the Broker Option.

Any Broker Option Shares issued pursuant to the exercise of the Broker Option will be issued on the same terms and conditions as the Placing Shares which have been firm placed and will, if the Broker Option is exercised in full comprise up to 16.7 per cent. of the total number of Placing Shares.

The Placing, Open Offer and Broker Option combined will, if all the Open Offer Shares are subscribed for and the Broker Option is exercised in full, result in the issue, in aggregate, of 90,206,441 New Ordinary Shares, representing approximately 70.5 per cent. of the Enlarged Share Capital.

#### **Warrants**

Subject to the Resolutions being passed at the General Meeting, investors subscribing for New Ordinary Shares under the Fundraising will also receive 1 One Warrant for every 4 Four New Ordinary Shares subscribed for (rounding down to the nearest whole number of Warrants). Each Warrant will entitle the holder to subscribe for one New Ordinary Share and will be exercisable at a price of 12 pence per share on quarterly exercise dates. and expire on the second anniversary of AQSE Admission. The Warrants will be issued on the terms of a warrant instrument executed by the Company and will be non-transferable, except in limited

circumstances, and be unlisted. In aggregate, if the Placing (including the Broker Option) and Open Offer are taken up and exercised in full, up to 22,551,610 Warrants will be granted on AQSE Admission.

## **8. USE OF PROCEEDS**

Dowgate is acting as financial adviser to the Company in relation to the Open Offer and Placing and as sole broker in connection with the Placing. The Placing is subject to the conditions and termination rights set out in the Open Offer and Placing Agreement between the Company and Dowgate.

The Company intends to use the proceeds of the Placing and Open Offer for:

- working capital;
- growth capital;
- the completion of key development projects;
- the repayment of liabilities in line with agreed terms; and
- the fulfilment of an onerous ADD supply contract;

The Directors will continue to assess suitable available funding options for the Company going forward for the purposes of bolstering the Company's working capital position and securing the funding necessary to pursue its corporate strategy.

## **9. GENERAL MEETING**

A notice convening a General Meeting of the Company to be held at 11.00 a.m. on 7 November 2022 at 8-3-4 Harpers Mill, South Road, White Cross, Lancaster, England LA1 4XF is set out at the end of this Circular. A Form of Proxy to be used in connection with the General Meeting is enclosed with this Circular when received in hard copy form and is available on the Company's website at [www.otaq.com](http://www.otaq.com). The purpose of the General Meeting is to seek approval of Existing Shareholders for the Resolutions summarised below. The Fundraising is conditional upon the passing of the Resolutions as set out in the Notice of General Meeting and summarised below.

At the General Meeting, Resolutions will be proposed to the following effect:

- Resolution 1, which is conditional on the passing of the other Resolutions, is a special resolution to sub-divide and convert each Existing Ordinary Share of £0.15 into (i) one New Ordinary Share of £0.01 and (ii) one Deferred Share of £0.14;
- Resolution 2, which is conditional on the passing of the other Resolutions, is a special resolution to alter the Articles of Association of the Company with effect from close of business on the dealing day immediately prior to AQSE Admission to:
  - (a) create the Deferred Shares;
  - (b) specify the rights attached to the Deferred Shares, including that the Deferred Shares:
    - will not have any voting rights;
    - will not carry any entitlement to attend general meetings of the Company;
    - will not carry any right to participate in any dividend or other distribution;
    - will carry only a right to participate in any return of capital to the extent of £0.01 but only after shareholders have received £1,000,000 per New Ordinary Share;
  - (c) specify that, on a return of capital, payment to any one holder of Deferred Shares shall satisfy the payment required; and
  - (d) specify that the Company will be authorised at any time to effect a transfer of the Deferred Shares without reference to the holders thereof and for no consideration pursuant to and in accordance with the Companies Act;

Accordingly, the Deferred Shares will, for all practical purposes, be valueless and it is the Board's intention, at an appropriate time, to have the Deferred Shares cancelled, whether through an application to the Companies Court or otherwise in accordance with the Companies Act;

- Resolution 3, which is conditional on the passing of the other Resolutions, is an ordinary resolution to authorise the Directors to allot shares and to grant rights to subscribe for and convert securities into shares up to an aggregate nominal value of £1,127,581, being equal to 112,758,100 New Ordinary Shares, pursuant to the Fundraising and grant of the Warrants; and
- Resolution 4, which is conditional on the passing of the other Resolutions, is a special resolution to authorise the Directors to allot equity securities pursuant to the authority granted under Resolution 3 on a non pre-emptive basis.
- Resolution 5, which is conditional on the passing of Resolution 1, is a special resolution to authorise the cancellation of the Deferred Shares created under Resolution 1, subject to Court approval.

The authorities and powers to allot shares and to grant rights to subscribe for and convert securities into shares on a non-pre-emptive basis to be granted pursuant to Resolutions 3 and 4 will expire on the date falling 6 months from the date of passing of those Resolutions (unless renewed, varied or revoked by the Company before that date) and will be in addition to the Directors' authorities and powers to allot shares and to grant rights to subscribe for and convert securities into shares on a non pre-emptive basis granted at the Company's last annual general meeting held on 30 September 2022.

The Company has received irrevocable undertakings from each of the Directors of the Company and their connected parties to vote in favour of the Resolutions in respect of their respective entire holdings of Existing Ordinary Shares, representing, in aggregate, approximately 4.72 per cent. of the Existing Ordinary Shares.

## **10. ACTION TO BE TAKEN**

### ***In respect of the General Meeting***

Whether or not you intend to be present at the General Meeting you are requested to complete a Form of Proxy vote either online at [www.shareregistrars.uk.com](http://www.shareregistrars.uk.com) (click on the "Proxy Vote" button and then follow the on-screen instructions), by issuing a CREST Proxy Instruction or by completing the Proxy Form enclosed with this Circular or downloaded from the Company's website at [www.otaq.com](http://www.otaq.com), in accordance with the instructions printed thereon, and returning it to Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey, GU9 7XX, in each case as soon as possible but in any event so that the action is completed or the Proxy Form is received by no later than 11.00 a.m. on 3 November 2022. The completion of a proxy appointment and/or return of a Form of Proxy will not preclude you from attending the General Meeting and voting in person should you subsequently wish to do so.

### ***In respect of the Open Offer***

Qualifying non-CREST Shareholders wishing to apply for Open Offer Shares, including Excess Shares must complete the enclosed Application Form in accordance with the instructions set out in Part III (Terms and Conditions of the Open Offer) of this document and on the accompanying Application Form and return it with the appropriate payment to Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey, GU9 7XX, so as to arrive no later than 11.00 a.m. on 28 October 2022. If you are a Qualifying non-CREST Shareholder and do not wish to apply for any Open Offer Shares under the Open Offer, you should not complete or return the Application Form.

If you are a Qualifying CREST Shareholder, no Application Form will be sent to you. Qualifying CREST Shareholders will have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to their stock accounts in CREST. You should refer to the procedure for application set out in Part III (Terms and Conditions of the Open Offer) of this document. The relevant CREST instructions must have been settled in accordance with the instructions in Part III of this document by no later than 11.00 a.m. on 28 October 2022.

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

Unless the Form of Proxy, online proxy vote or CREST Proxy Instruction is received by the date and time specified above, it will be invalid.

## **11. RECOMMENDATION**

**The Board considers the Open Offer, the Placing and the Resolutions to be in the best interests of Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting as the Directors and their connected parties intend to do in respect of their shareholdings representing 4.72 per cent. of the Existing Ordinary Shares.**

Yours sincerely,

**Alex Hambro**

*Non-Executive Chairman*



## PART II

### ADDITIONAL INFORMATION

#### 1. DIRECTORS' PARTICIPATION IN THE PLACING

Certain Directors have agreed to subscribe for New Ordinary Shares under the Placing and indicated they intend to take up their entitlement under the Open Offer, and in certain cases to apply for further shares through the Excess Application Facility (but in each case conditional upon satisfaction of the conditions to the Placing and Open Offer). Following completion of the Placing and assuming that the Open Offer Shares and Broker Option Shares have been subscribed for in full, the interests of the Directors in the issued and to be issued share capital of the Company are, as shown below:

	<i>Number of Existing Ordinary Shares held</i>	<i>Percentage of Existing Ordinary Share Capital</i>	<i>Number of Open Offer Shares subscribed for<sup>(1)</sup></i>	<i>Number of New Ordinary Shares held following AQSE Admission</i>	<i>Percentage of Enlarged Share Capital following AQSE Admission<sup>(2)</sup></i>	<i>Number of Warrants Granted<sup>(1)</sup></i>
Alex Hambro	312,273	0.83%	375,000	687,273	0.54%	93,750
Philip Newby	869,820	2.30%	500,000	1,369,820	1.07%	125,000
Matthew Enright	21,201	0.06%	–	21,201	0.02%	–
George Watt	210,910	0.56%	400,000	610,910	0.48%	100,000
Sarah Stolen	368,648	0.98%	625,000	993,648	0.78%	156,250
Malcolm Pye	–	–	–	–	–	–

(1) Assuming full allocation of New Ordinary Shares applied for under the Excess Application Facility

(2) Assuming full take up of all New Ordinary Shares available under the Open Offer and full exercise of the Broker Option

(3) Philip Newby's beneficial holding includes 349,606 Existing Ordinary Shares held by his wife, Diane Newby

#### 2. RELATED PARTY TRANSACTION

As Euroblue Investments Limited ("Euroblue Investments") holds approximately 15.8 per cent. of the Existing Ordinary Shares, Euroblue Investments is a related party of the Company pursuant to the AQSE Rules. Consequently, Euroblue Investments' participation in the Placing, under which it has conditionally agreed to subscribe for 18,750,000 New Ordinary Shares at the Placing Price, constitutes a related party transaction for the purposes of Rule 4.6 of the AQSE Rules. The Directors, each of whom is independent of Euroblue Investments, having taken into account the proposed use of the proceeds of the Placing as described in section 8 of Part I of this Circular and having consulted with Dowgate, the Company's proposed AQSE Corporate Adviser, and having exercised reasonable care, skill and diligence, unanimously consider that the terms of Euroblue Investments' subscription for Placing Shares in the Placing is fair and reasonable as far as Shareholders are concerned. On Admission, and assuming full take up of all New Ordinary Shares available under the Open Offer and full exercise of the Broker Option, Euroblue Investments will hold 24,714,868 New Ordinary Shares, representing 19.32 per cent. of the Enlarged Share Capital, and be granted 6,178,717 Warrants.

#### 3. OPEN OFFER AND PLACING AGREEMENT

On 12 October 2022, the Company entered into an open offer and placing agreement with Dowgate, under which Dowgate agreed to act as the Company's financial adviser in respect of the Open Offer and Placing and to use its reasonable endeavours, as agent for the Company, to procure Placees for 50,000,000 Placing Shares at the Issue Price on the terms of the Open Offer and Placing Agreement. The Open Offer and Placing Agreement also provides for the Broker Option to be exercisable at the absolute discretion of Dowgate. The Open Offer and Placing Agreement contains warranties from the Company in favour of Dowgate in relation to, *inter alia*, the accuracy of the information in this and other documents and other matters relating to the Company and its business.

In addition, the Company has agreed to indemnify Dowgate in relation to certain liabilities it may incur in respect of the Open Offer and Placing. Dowgate has the right to terminate the Open Offer and Placing

Agreement in certain circumstances, in particular in the event of a breach of the warranties or the occurrence of a *force majeure* event.

The Placing and Open Offer Agreement is conditional, *inter alia*, upon AQSE Admission having occurred no later than 8.00 a.m. on 9 November 2022 (or such later time and date as the Company and Dowgate may agree, not being later than 8.00 a.m. on 22 November 2022).

#### **4. BOARD APPOINTMENTS**

The Board recognise that the management needs and requirements have evolved as the Group completes its reorientation of its operations to enable it to focus on the commercialisation of its strong pipeline of new products and opportunities.

Consequently, the Board will reinforce the executive team with the addition of relevant skills and expertise in the offshore environment, by, conditional upon AQSE Admission, appointing Harald Rotsch as Chief Technology Officer. Harald will provide valuable technical expertise and knowledge to further strengthen the growth strategy of the Group.

With a PhD in Physics, Harald has over 20 years' engineering experience in the marine environment with responsibility for leading on design, installation and commissioning on over 30 offshore and marine related projects. Prior to joining the Group as Technical Director of OTAQ Offshore Limited (previously named MarineSense Limited) in 2019, he founded MarineSense in 2007 where he was Managing Director until the company was bought by the Company in 2018.

The following information relating to Harald Volker Rotsch is disclosed pursuant to Rule 4.9 of the AQSE Growth Market – Access Rulebook.

##### ***Current directorships and/or partnerships***

OTAQ Offshore Limited

##### ***Former directorships and/or partnerships (within the last five years)***

None

Harald holds 2,135,538 Existing Ordinary Shares in the Company.

Further, also conditional upon AQSE Admission, Giles Clifford has agreed to join the Board as a Non-Executive Director. A qualified accountant specialising in strategic commercial finance with significant experience in business strategy and improvement across various sectors, Giles will assist management in developing and planning the future growth plans for the Group, followed by resilient executable delivery.

Since 2015, Giles has been Director of Business Development for Brendon Street Investments Limited and, on behalf of the Wray Family Office, leads on various key projects and investment company holdings, providing review, insight and strategic commercial financial support. Previously, Giles was Finance Director of Warner Bros Studios Leavesden, and before that Head of Finance before moving to Head of Business Improvement at Wembley National Stadium Limited, where he was a key team member during the new stadium financing and build phase, and then running the new stadium for its first 8 years. Giles qualified as an accountant with the Chartered Institute of Public Financial Accounting in 1996.

The following information relating to Giles Timothy Clifford is disclosed pursuant to Rule 4.9 of the AQSE Growth Market – Access Rulebook.

### **Current directorships and/or partnerships**

National Student Esports Limited  
Benchmark Sport Holdings Limited  
Tala Energy Limited  
Totally Holding PTE Limited

### **Former directorships and/or partnerships (within the last five years)**

Realsm Limited  
Ainsly Limited

## **5. INFORMATION ON DELISTING AND AQSE ADMISSION**

Following the AQSE Admission, the Company will be subject to the AQSE Rules. Shareholders should note that the AQSE Growth Market is self-regulated and the protections afforded to investors in companies admitted to trading on the Access Segment of the AQSE Growth Market are less rigorous than those afforded to investors in companies whose shares are listed on the Official List.

Shareholders should further note that the share price of AQSE Growth Market companies can be highly volatile, which may prevent Shareholders from being able to sell their New Ordinary Shares at or above the price they paid for them. The market price and the realisable value of the New Ordinary Shares could fluctuate significantly for various reasons, many of which are outside the Company's control. Further, there can be no assurance that an active or liquid trading market for the New Ordinary Shares will develop or, if developed, will be maintained following the AQSE Admission. The AQSE Growth Market is a market designed primarily for emerging and smaller companies, to which a higher investment risk tends to be attached than for larger companies and may not provide the liquidity normally associated with the Main Market or on some other stock exchanges. Accordingly, as a consequence of the Company's New Ordinary Shares trading on the Access Segment of the AQSE Growth Market, the New Ordinary Shares may be more difficult to sell compared with the shares of companies listed on the Official List.

While there are a number of similarities between the obligations of a company (described in the table below as "issuer") whose shares are traded on the Access Segment of the AQSE Growth Market and those companies whose shares are traded on the standard segment of the Main Market, there are some exceptions, including:

	<i>Standard Segment of Main Market</i>	<i>Access Segment of AQSE Growth Market</i>
<b>Systems and controls</b>	<p>Issuer must comply with the Listing Principles (LR 7.2.1). Issuer must therefore:</p> <ul style="list-style-type: none"><li>(i) take reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations under the FCA Listing Rules and Disclosure Guidance and Transparency Rules; and</li><li>(ii) deal with the FCA in an open and co-operative manner.</li></ul>	<p>Issuer must take reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations under the AQSE Rules and to ensure that its directors understand their responsibilities and obligations as directors.</p>
<b>Annual financial report</b>	<p>Issuer must publish their annual financial report within four months of financial year end (DTR 4.1); the announcement must indicate the website on which the annual financial report is available (DTR 6.3.5); Annual financial report must include the audited financial statements, a management report and responsibility statements (DTR 4.1.5).</p>	<p>Issuer must announce and make public its annual financial report at the latest six months after the end of each financial year and ensure it remains publicly available for at least five years. The annual financial report must be prepared in accordance with an appropriate accounting standard and include an audit report.</p>

	<i>Standard Segment of Main Market</i>	<i>Access Segment of AQSE Growth Market</i>
<b>Sponsor or similar required for certain transactions</b>	No.	The Company must retain the services of a Corporate Adviser at all times and issuer must cooperate with it by providing it with all information it may reasonably request.
<b>Prospectus or similar document required for further issues</b>	Usually yes, unless shares not offered to the public and represent less than 20 per cent. of issuer's existing issued share capital.	Only if shares are offered to the public.
<b>Key events requiring announcement</b>	Any proposed change in issuer's capital structure, and the results of any new issue of listed equity securities; Any redemption of listed shares; any change in the rights attached to a class of shares; details about shareholder meetings.	Resignation or change of Corporate Adviser; any proposed change in issuer's capital structure, any redemption of securities and the results of any new issue or public offer of securities.

The Takeover Code will continue to apply to the Company following AQSE Admission.

Following the AQSE Admission, New Ordinary Shares resulting from Existing Ordinary Shares that prior to Delisting were held in uncertificated form will continue to be held and dealt in through CREST. Share certificates representing those Existing Ordinary Shares held in certificated form will continue to be valid and no new certificates will be issued in respect of such ordinary shares following the Capital Reorganisation and AQSE Admission. The Board does not envisage that there will be any significant alteration to the standards of reporting and governance which the Company currently maintains. The Company will maintain its Audit and Remuneration Committees which will be subject to the same terms and conditions.

## 6. TAXATION

The Capital Reorganisation should not have any UK tax consequences for Shareholders. It should be treated as a reorganisation of share capital of the Company for the purposes of UK capital gains tax and UK corporation tax on chargeable gains, and accordingly should not result in a disposal or deemed disposal by any Shareholders. After the Capital Reorganisation, the New Ordinary Shares and the Deferred Shares should be treated as the same asset as was originally acquired by each Shareholder for tax purposes and, therefore, the base cost of the Existing Ordinary Shares will be split between the New Ordinary Shares and Deferred Shares by reference to their market value on the date of the Capital Reorganisation. Given the Deferred Shares are expected to have no value, the base cost of the New Ordinary Shares should equal that of the Existing Ordinary Shares. This information is a general guide and is not exhaustive.

No UK stamp duty will be payable on the issue by the Company of New Shares. Stamp duty and stamp duty reserve tax ("**SDRT**") is not chargeable on transfers of securities admitted to trading on certain recognised growth markets, which currently includes AQSE, provided they are not listed on a recognised stock exchange. Accordingly, transfers of New Ordinary Shares after issue should be exempt from stamp duty and SDRT.

**Shareholders who are in any doubt as to their tax position or who are subject to tax in a jurisdiction other than the UK should consult an appropriate professional adviser.**

## 7. AVAILABILITY OF THIS CIRCULAR

Copies of this document will be available free of charge at the registered office of the Company and on the Company's website at [www.otaq.com](http://www.otaq.com).

## PART III

### TERMS AND CONDITIONS OF THE OPEN OFFER

#### 1. INTRODUCTION

The Company is offering up to 30,206,441 Open Offer Shares at an Issue Price of 4 pence per share, in order to raise gross proceeds of up to £1,208,257.64 by way of the Open Offer (assuming that the Open Offer Shares are subscribed in full). Upon completion of the Open Offer (assuming it is subscribed in full), the Open Offer Shares will represent approximately 23.6 per cent. of the Enlarged Share Capital. Qualifying Shareholders will be granted 1 (One) Warrant for every 4 (Four) New Ordinary Shares that they subscribe for under the Open Offer, rounded down to the nearest whole Warrant. Each Warrant will entitle the holder to subscribe in cash for one New Ordinary Share at a price of £0.12 per share on quarterly exercise dates. The Warrants will be unlisted, non-transferable, except in limited circumstances, and will expire on the second anniversary of AQSE Admission, and will be subject to the terms of a warrant instrument to be executed by the Company.

The Open Offer Shares to be issued pursuant to the Open Offer will, following AQSE Admission, rank *pari passu* in all respects with the other New Ordinary Shares and will carry the right to receive all dividends and distributions declared, made or paid on or in respect of the New Ordinary Shares after AQSE Admission. The Open Offer is an opportunity for Qualifying Shareholders to apply to subscribe for Open Offer Shares at the Issue Price in accordance with the terms of the Open Offer. Qualifying Shareholders are also being offered the opportunity to apply for additional Open Offer Shares in excess of their Basic Entitlements to the extent that other Qualifying Shareholders do not take up their Basic Entitlements in full.

Any Qualifying Shareholder who has sold or transferred all or part of their registered holding of Existing Ordinary Shares prior to the date on which the shares are marked ex-entitlement is advised to either (a) complete Box 10 of the Application Form and send this Document together with the Application Form to the purchaser or transferee (except if the purchaser or transferee resides in any Restricted Jurisdiction); or (b) consult his stockbroker, bank or other agent through or to whom the sale or transfer was effected, as soon as possible, since the invitation to apply for Open Offer Shares under the Open Offer may be a benefit which may be claimed from the Qualifying Shareholder by the purchaser(s) or transferee(s) under the rules of the London Stock Exchange.

A summary of the arrangements relating to the Open Offer is set out below. This Document and the Application Form contain the formal terms and conditions of the Open Offer. Your attention is drawn to this Part III which gives details of the procedure for application and payment for the Open Offer Shares.

Qualifying Shareholders are also being given the opportunity to apply for Excess Shares at their Issue Price through the Excess Application Facility. Qualifying Shareholders may apply for Excess Shares up to an amount equal to the total number of Open Offer Shares available under the Open Offer less the amount of Open Offer Shares equal to the relevant Qualifying Shareholder's Basic Entitlement. The total number of Open Offer Shares is fixed and will not be increased in response to any applications under the Excess Application Facility. Applications under the Excess Application Facility shall be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that the applications by Qualifying Shareholders under the Excess Application Facility will be met in full or in part or at all.

#### 2. THE OPEN OFFER

The Company hereby invites Qualifying Shareholders, on the terms and subject to the conditions set out herein and in the accompanying Application Form, to apply for Open Offer Shares at the Issue Price per share (payable in cash in full on application and free of all expenses) on the basis of:

#### **4 (Four) Open Offer Shares for every 5 (Five) Existing Ordinary Shares**

registered in their name at the Record Date and so on in proportion for any other number of Existing Ordinary Shares then held. For the avoidance of doubt subscribers under the Placing will not be entitled to participate in the Open Offer in respect of the Placing Shares they subscribe for. Applications by Qualifying Shareholders will be satisfied in full up to their Basic Entitlements. Qualifying Shareholders may subscribe for less than

their Basic Entitlements, in any number of Open Offer Shares, should they so wish. The ability of Qualifying Shareholders to accept the Open Offer may be restricted in certain jurisdictions. The attention of Overseas Shareholders is drawn to section 7 of this Part III.

The Open Offer has not been underwritten.

Fractions of Open Offer Shares will not be allotted or issued to Qualifying Shareholders in the Open Offer and, where necessary, entitlements under the Open Offer will be rounded down to the nearest whole numbers of Open Offer Shares.

Qualifying Shareholders will be granted one Warrant for every four New Ordinary Shares that they subscribe for under the Open Offer, rounded down to the nearest whole Warrant.

Subject to availability, Qualifying Shareholders may in addition subscribe for Excess Shares using the Excess Application Facility. The Excess Application Facility will enable Qualifying Shareholders, provided they have taken up their Basic Entitlement in full, to apply for whole numbers of Excess Shares in excess of their Basic Entitlement up to an amount equal to the total number of Open Offer Shares available under the Open Offer, less an amount equal to the relevant Qualifying Shareholder's Basic Entitlement to Open Offer Shares. Please see below for further details of the Excess Application Facility.

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

Qualifying CREST Shareholders will have their Basic Entitlements and Excess Open Offer Entitlements in respect of Open Offer Shares credited to their stock accounts in CREST and should refer to the provisions of this section 2 and sections 4 and 8 of this Part III and also to the CREST Manual for further information on the relevant CREST procedures.

### ***Excess Applications***

The Excess Application Facility enables Qualifying Shareholders to apply for any number of Open Offer Shares, provided they have taken up their Basic Entitlement in full, up to the total number of Open Offer Shares being offered.

Qualifying non-CREST Shareholders who wish to apply to subscribe for more than their Basic Entitlements should complete Boxes 5, 6, 7 and 8 on the Application Form. Acceptances of applications for Excess Shares may be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that applications for Excess Shares by Qualifying Shareholders will be met in full or in part or at all.

Qualifying Shareholders can apply for up to 30,206,441 Open Offer Shares under the Open Offer. The aggregate number of Open Offer Shares available for subscription pursuant to the Open Offer (including under the Excess Application Facility) is 30,206,441 Open Offer Shares.

**Qualifying Shareholders should be aware that the Open Offer is not a rights issue. Qualifying non-CREST Shareholders should also note that their Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Basic Entitlements and Excess Open Offer Entitlements will be credited to CREST and be enabled for settlement, applications in respect of Basic Entitlements and Excess Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. Open Offer Shares not applied for by Qualifying Shareholders under the Open Offer will not be sold in the market or otherwise for the benefit of those who do not apply to take up their Basic Entitlements and Excess Open Offer Entitlements, but the Open Offer Shares not applied for may be allocated to Qualifying Shareholders to meet any valid applications under the Excess Application Facility and the net proceeds will be retained for the benefit of the Company. Qualifying Shareholders who do not apply to take up Open Offer Shares will have no rights under the Open Offer.**

**Any Qualifying Shareholder who has sold or transferred all or part of their registered holding(s) of Existing Ordinary Shares prior to 6.00 p.m. on 11 October 2022 is advised to consult their stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for Open Offer Shares under the Open Offer may be a benefit which may be claimed from them by the purchaser(s) under the rules of the London Stock Exchange.**

The Existing Ordinary Shares held in uncertificated form are already admitted to CREST. Following the Capital Reorganisation, no further application for admission to CREST is accordingly required for the Open Offer Shares applied for by Qualifying CREST Shareholders. All such Open Offer Shares, when issued and fully paid, may be held and transferred by means of CREST.

Application will be made for the Basic Entitlements and Excess Open Offer Entitlements in respect of Open Offer Shares for which Qualifying CREST Shareholders may apply to be admitted to CREST. The conditions for such admission having already been met, the Basic Entitlements and Excess Open Offer Entitlements of Open Offer Shares for which to Qualifying CREST Shareholders may apply are expected to be admitted to CREST with effect from 8.00 a.m. on 9 November 2022.

Overseas Shareholders are referred to the section entitled "Overseas Shareholders" set out in section 7 of this Part III.

The Existing Ordinary Shares are in registered form, are admitted to listing on the Standard Segment of the Official List and to trading on the main market of the London Stock Exchange for listed securities and are not traded on any other exchange. Applications are being made for the New Ordinary Shares (including the Open Offer Shares) to be admitted to trading on the Access Segment of the AQSE Growth Market, and for the listing of the Company's Ordinary Shares on the Official List and to trading on the London Stock Exchange's main market for listed securities to be cancelled. The Open Offer Shares will also be in registered form, will be issued credited as fully paid and will rank *pari passu* in all respects with the remaining New Ordinary Shares, including the right to receive all dividends and other distributions declared in respect of such Ordinary Shares by reference to a record date falling after the date of issue of the Open Offer Shares. The Open Offer Shares will be offered and issued only pursuant to the Open Offer and, subject as set out in this Part III, will not otherwise be marketed or made available in whole or in part to the public.

The Open Offer Shares (assuming full take-up and that the Broker Option is exercised in full) will represent approximately 23.6 per cent. of the Enlarged Share Capital.

### **3. CONDITIONS AND FURTHER TERMS OF THE OPEN OFFER**

The Open Offer is conditional on (a) completion of the Capital Reorganisation (details of which are set out in section 6 of Part I); (b) the passing of the Resolutions (details of which are set out in section 9 of Part I), (c) the Placing becoming unconditional in all respects and (d) the Delisting and AQSE Admission becoming effective by 8.00 a.m. on 9 November 2022 (or such later time and date not being later than 8.00 a.m. on 22 November 2022 as the Company may decide). Accordingly, if those conditions are not satisfied, the Open Offer will not proceed and any applications made by Qualifying Shareholders will be rejected. In such circumstances, application monies will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable thereafter. Valid applications for Open Offer Shares cannot be withdrawn.

No temporary documents of title will be issued in respect of Open Offer Shares held in certificated form. Definitive certificates in respect of Open Offer Shares taken up are expected to be posted to those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in certificated form within 14 days of AQSE Admission. In respect of those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in uncertificated form, the Open Offer Shares are expected to be credited to their stock accounts maintained in CREST on 9 November 2022.

Application is being made for the Open Offer Shares to be admitted to trading on the Access Segment of the AQSE Growth Market. AQSE Admission is expected to occur at 8.00 a.m. on 9 November 2022, when dealings in the Open Offer Shares are expected to begin. If for any reason it becomes necessary to adjust the expected timetable as set out in this Document, the Company will make an appropriate announcement to a Regulatory Information Service giving details of the revised dates.

#### **4. PROCEDURE FOR APPLICATION AND PAYMENT**

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

Except as described below in this section 4, Qualifying Shareholders who hold their Existing Ordinary Shares in certificated form on the Record Date will be allotted Open Offer Shares in certificated form. For the avoidance of doubt subscribers under the Placing will not be entitled to participate in the Open Offer in respect of the Placing Shares they subscribe for. Except as described below in this section 4, Qualifying Shareholders who hold all or part of their Existing Ordinary Shares in uncertificated form will be allotted Open Offer Shares in uncertificated form to the extent that their entitlement to Open Offer Shares arises as a result of holding Existing Ordinary Shares in uncertificated form. However, it will be possible for Qualifying Shareholders to deposit Open Offer Entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in sub-paragraph 4.2(g) of this Part III.

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

Qualifying Shareholders who do not want to take up or apply for Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form or send a CREST USE instruction.

##### **4.1 If you have an Application Form in respect of your entitlement under the Open Offer**

###### **(a) General**

Subject as provided in section 7 of this Part III in relation to Overseas Shareholders, Qualifying non-CREST Shareholders will have received an Application Form with this Document. The Application Form shows the number of Existing Ordinary Shares registered in their name at the Record Date in Box 2. It also shows the numbers of Open Offer Shares which represent their Basic Entitlement under the Open Offer, as set out in Box 3. Box 4 shows how much they would need to pay if they wish to take up their Basic Entitlement in full. Qualifying non-CREST Shareholders wishing to take up their Basic Entitlement in full should complete Boxes 5, 7 and 8.

Fractions of Open Offer Shares will not be offered, allotted or issued to Qualifying Shareholders in the Open Offer and, where necessary, entitlements under the Open Offer will be rounded down to the nearest whole number of Open Offer Shares. Qualifying non-CREST Shareholders may apply for less than their Basic Entitlement should they wish to do so. Qualifying non-CREST Shareholders wishing to apply for Open Offer Shares representing less than their Basic Entitlement may do so by completing Boxes 5, 7 and 8 of the Application Form. Subject to availability, and assuming that the relevant Qualifying non-CREST Shareholder has accepted their Basic Entitlement in full, such Qualifying non-CREST Shareholder may also apply for any whole number of Excess Shares in excess of their Basic Entitlement up to an amount equal to the total number of Open Offer Shares available under the Open Offer less the number of Open Offer Shares in such Qualifying Shareholder's Basic Entitlement by completing Boxes 5, 6, 7 and 8 of the Application Form (see section 2 of this Part III). Qualifying non-CREST Shareholders may hold such an Application Form by virtue of a *bona fide* market claim (see sub-paragraph 4.1(b) of this Part III).

The instructions and other terms set out in the Application Form form part of the terms of the Open Offer.



(b) *Bona fide market claims*

Applications to subscribe for Open Offer Shares by Qualifying non-CREST Shareholders may only be made on the Application Form and may only be made by the Qualifying non-CREST Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim, in relation to a market purchase of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked “ex” for the purposes of entitlement to participate in the Open Offer, which is to be settled outside of CREST. Application Forms may not be transferred or split, except to satisfy *bona fide* market claims, up to 3.00 p.m. on 26 October 2022. The Application Form is not a negotiable document and cannot be separately traded. A Qualifying non-CREST Shareholder who has sold or otherwise transferred all or part of their holding of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked “ex” for the purposes of entitlement to participate in the Open Offer, should consult their broker or other professional adviser as soon as possible, as the invitation to subscribe for Open Offer Shares under the Open Offer may be a benefit which may be claimed by the transferee from their counterparty. Qualifying non-CREST Shareholders who have sold all or part of their registered holding should, if the market claim is to be settled outside CREST, complete Box 10 on the Application Form and immediately send it to the stockbroker, bank or other agent through or to whom the sale or transfer was effected for onward transmission to the purchaser or transferee or to the Registrars in accordance with the instructions set out in the accompanying Application Form. The Application Form should not, however, subject to certain exceptions, be forwarded to or transmitted in or into any Restricted Jurisdiction.

If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedures set out in sub-paragraph 4.2(b) below and elsewhere below.

(c) *Excess Application Facility*

Subject to availability, Qualifying Shareholders may apply for Excess Shares under the Excess Application Facility, should they wish, provided they have agreed to take up their Basic Entitlement in full. Qualifying non-CREST Shareholders wishing to apply for Excess Shares up to an amount equal to the total number of Open Offer Shares available under the Open Offer, less an amount equal to a Qualifying Shareholder’s Basic Entitlement, may do so by completing Boxes 5, 6, 7 and 8 of the Application Form. The total number of Open Offer Shares is fixed and will not be increased in response to any Excess Applications. Excess Applications will therefore only be satisfied to the extent that other Qualifying Shareholders do not apply for their Basic Entitlement in full. Applications under the Excess Application Facility shall be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that the applications by Qualifying Shareholders for Excess Shares will be met in full or in part or at all. Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant’s risk) without interest as soon as practicable thereafter by way of cheque or CREST payment, as appropriate.

(d) *Application procedures*

Qualifying non-CREST Shareholders wishing to apply for all or any of the Open Offer Shares to which they are entitled should complete the Application Form in accordance with the instructions printed on it. Completed Application Forms should be posted in the accompanying reply-paid envelope (for use only in the UK) or delivered by hand (during normal business hours only) to Share Registrars Limited at 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX (who will act as receiving agent in relation to the Open Offer), with a cheque or bankers’ draft, made payable to “Share Registrars Limited Receiving Agent Account” and crossed “AC Payee Only”. Cheques and bankers’ drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques or bankers’ drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right hand corner and be for the full amount payable on application. Third party cheques will not be accepted with the exception of building society cheques or banker’s drafts where the

building society or bank has confirmed the name of the account holder and the number of an account held in the applicant's name at the building society or bank by stamping or endorsing the cheque or draft to such effect. The account name must be the same as that set out in Box 1 of the Application Form. Post-dated cheques will not be accepted. Payments via CHAPS, BACS or electronic transfer will not be accepted. Applications must be received by Share Registrars Limited (at the address detailed above) no later than 11.00 a.m. on 28 October 2022, after which time Application Forms will not be valid. Once submitted, applications are irrevocable and receipt thereof will not be acknowledged. If an Application Form is being sent by post in the UK, Qualifying Shareholders are recommended to allow at least four working days for delivery. Application Forms delivered by hand will not be checked upon delivery and no receipt will be provided.

It is a condition of application that cheques (which should be made payable to "Share Registrars Limited Receiving Agent Account" and crossed "A/C Payee Only") will be honoured on first presentation and the Company may in its absolute discretion elect not to treat as valid any application in respect of which a cheque is not so honoured. The Company may in its sole and absolute discretion, but shall not be obliged to, treat an Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. The Company further reserves the right (but shall not be obliged) to accept Application Forms received after 11.00 a.m. on 28 October 2022. Multiple applications will not be accepted. All documents and remittances sent by post or to an applicant (or as the applicant may direct) will be sent at the applicant's own risk.

Cheques and banker's drafts are liable to be presented for payment upon receipt. Post-dated cheques will not be accepted. If they are presented before the conditions of the Open Offer are fulfilled, the application monies will be kept in a separate non-interest bearing bank account until the conditions are fully met. If the conditions of the Open Offer are not fulfilled on or before 8.00 a.m. on 9 November 2022, or such later date as the Company may determine (being no later than 8.00 a.m. on 22 November 2022), the Open Offer will lapse and all application monies will be returned without interest by crossed cheque in favour of the first named applicant through the post at the risk of the applicant(s) as soon as is practicable after that date.

Cheques, which must be drawn on the personal account where you have sole or joint title to the funds, should be made payable to "Share Registrars Limited Receiving Agent Account". Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder and the number of an account held in the applicant's name at the building society or bank by stamping or endorsing the cheque or draft to such effect. The account name must be the same as that set out in Box 1 of the Application Form. Post-dated cheques will not be accepted.

If Open Offer Shares have already been allotted or issued to a Qualifying non-CREST Shareholder and such Qualifying non-CREST Shareholder's cheque or banker's draft is not honoured upon first presentation or such Qualifying non-CREST Shareholder's application is subsequently otherwise deemed to be invalid, the Receiving Agent shall be authorised (in its absolute discretion as to manner, timing and terms) to make arrangements, on behalf of the Company, for the sale of such Qualifying non-CREST Shareholder's Open Offer Shares and for the proceeds of sale (which for these purposes shall be deemed to be payments in respect of successful applications) to be paid to and retained by the Company. Neither the Receiving Agent nor the Company, nor any other person, shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying non-CREST Shareholder as a result.

(e) *Effect of valid application*

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

- (i) agrees that all applications under the Open Offer and any contracts or non-contractual obligations resulting therefrom, shall be governed by and construed in accordance with the laws of England and Wales;

- (ii) represents and warrants to the Company and the Receiving Agent that they have the right, power and authority, and have taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise their rights, and perform their obligations under any contracts resulting therefrom and that they are not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (iii) confirms that, in making the application, the applicant is not relying on any information or representation other than that contained in this Document, and the applicant accordingly agrees that no person responsible solely or jointly for this Document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained herein and further agrees that, having had the opportunity to read this Document, the applicant will be deemed to have had notice of all information in relation to the Company contained in this Document (including information incorporated by reference);
- (iv) confirms that no person has been authorised to give any information or to make any representation concerning the Company or the Open Offer Shares (other than as contained in this Document) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company;
- (v) represents and warrants to the Company and the Receiving Agent that he is the Qualifying Shareholder originally entitled to the Basic Entitlement or that he received such Basic Entitlement by virtue of a *bona fide* market claim;
- (vi) represents and warrants to the Company and the Receiving Agent that, if the applicant received some or all of their Basic Entitlement from a person other than the Company, the applicant is entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (vii) requests that the Open Offer Shares to which they will become entitled be issued to them on the terms set out in this Document and the Application Form and be subject to the articles of association of the Company;
- (viii) represents and warrants to the Company and the Receiving Agent that he is not a person who by virtue of being resident in or a citizen of any country outside the United Kingdom is prevented by the law of any relevant jurisdiction from lawfully applying for Open Offer Shares;
- (ix) represents and warrants to the Company and the Receiving Agent that they are not, nor are they applying on behalf of any person who is, a citizen or resident of, or a corporation, partnership or other entity created or organised in or under any laws of, any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law and they are not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of their application to, or for the benefit of, a person who is a citizen or resident of, or which is a corporation, partnership or other entity created or organised in or under any laws of, any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that they are able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor acting on behalf of any person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- (x) acknowledges that the Open Offer Shares have not been offered to them by the Company or any of its affiliates by means of any: (a) "directed selling efforts" as defined in Regulation S under the Securities Act or (b) "general solicitation" or "general advertising" as defined in Regulation D under the Securities Act;
- (xi) represents and warrants to the Company and the Receiving Agent that they are not, nor are they applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in Section 93 (depository receipts) or Section 96 (clearance services) of the Finance Act 1986; and

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

Further representations and warranties are contained in the Application Form.

Should you need information with regard to these procedures, please contact Share Registrars Limited, on 01252 821390 or, if calling from outside the UK on +44 1252 821390. Share Registrars Limited cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

Qualifying Shareholders who do not wish to apply for Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form.

#### 4.2 ***If you have your Basic Entitlement and Excess Open Offer Entitlement credited to your stock account in CREST in respect of your entitlement under the Open Offer***

(a) *General*

Subject as provided in section 7 of this Part III in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to their stock account in CREST of their Open Offer Entitlements equal to the number of Open Offer Shares which represents their Basic Entitlement. Fractions of Open Offer Shares will not be offered to Qualifying Shareholders in the Open Offer and, where necessary, entitlements under the Open Offer will be rounded down to the nearest whole number of Open Offer Shares.

The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Ordinary Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Basic Entitlement and Excess Open Offer Entitlement have been allocated.

If for any reason the Basic Entitlements and/or Excess Open Offer Entitlements cannot be admitted to CREST, or the stock accounts of Qualifying CREST Shareholders cannot be credited, by close of business on 13 October 2022, or such later time and/or date as the Company may decide, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Basic Entitlements and Excess Open Offer Entitlements which should have been credited to their stock account in CREST. In these circumstances, the expected timetable as set out in this Document will be adjusted as appropriate and the provisions of this Document applicable to Qualifying non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive such Application Forms.

CREST members who wish to apply for some or all of their entitlements to Open Offer Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need information with regard to these procedures, please contact Share Registrars Limited on 01252 821390 or, if calling from outside the UK on +44 1252 821390. Share Registrars Limited cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Open Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

(b) *Bona fide market claims*

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

relevant Basic Entitlement(s) and Excess Open Offer Entitlement(s) will thereafter be transferred accordingly.

(c) *Excess Application Facility*

Subject to availability, a Qualifying Shareholder may apply for Excess Shares using the Excess Application Facility, should they wish, provided they have agreed to take up their Basic Entitlement in full. The Excess Application Facility enables the relevant Qualifying CREST Shareholder to apply for Excess Shares in excess of their Basic Entitlement up to an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to the relevant Qualifying CREST Shareholder's Basic Entitlement.

An Excess Open Offer Entitlement may not be sold or otherwise transferred. Subject as provided in section 7 of this Part III in relation to Overseas Shareholders, the CREST accounts of Qualifying CREST Shareholders will be credited with an Excess Open Offer Entitlement in order for any applications for Excess Shares to be settled through CREST.

Qualifying CREST Shareholders should note that, although the Basic Entitlements and the Excess Open Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities (for the purposes of market claims only). Neither the Basic Entitlements nor the Excess Open Offer Entitlements will be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

To apply for Excess Shares pursuant to the Open Offer, Qualifying CREST Shareholders should follow the instructions in sub-paragraphs 4.2(d) and (f) below and must not return a paper form and cheque.

Should a transaction be identified by the CREST Claims Processing Unit as "cum" the Basic Entitlement and the relevant Basic Entitlement be transferred, the Excess Open Offer Entitlements will not transfer with the Basic Entitlement claim. Should a Qualifying CREST Shareholder cease to hold all of his Existing Ordinary Shares as a result of one or more *bona fide* market claims, the Excess Open Offer Entitlement credited to CREST and allocated to the relevant Qualifying Shareholder will not be transferred to the purchaser. In such circumstances the relevant Qualifying Shareholder will need to contact the Receiving Agent to arrange for the issue of Excess Open Offer Entitlements. Please note that a separate USE instruction must be sent to Euroclear in respect of any application under the Excess Application Facility.

The total number of Open Offer Shares is fixed and will not be increased in response to any applications under the Excess Application Facility. Applications under the Excess Application Facility will therefore only be satisfied to the extent that other Qualifying Shareholders do not apply for their Basic Entitlements in full. Applications under the Excess Application Facility shall be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that the applications by the relevant Qualifying Shareholders will be met in full or in part or at all. Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant's risk) without interest as soon as practicable thereafter by way of cheque or CREST payment, as appropriate.

(d) *USE instructions*

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

- (i) the crediting of a stock account of the Receiving Agent under the participant ID and member account ID specified below, with the number of Open Offer Shares in their Basic Entitlements and/or Excess Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and

- (ii) the creation of a CREST payment, in accordance with the CREST payment arrangements, in favour of the payment bank of the Receiving Agent in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in sub-paragraph 4.2 (d)(i) above.
- (e) *Content of USE instruction in respect of Basic Entitlements*
- The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:
- (i) the number of Open Offer Shares for which application is being made (and hence the number of the Basic Entitlement(s) being delivered to Share Registrars Limited in its capacity as receiving agent);
  - (ii) the ISIN of the Open Offer Basic Entitlement. This is GB00BQ0JZ259;
  - (iii) the CREST participant ID of the accepting CREST member;
  - (iv) the CREST member account ID of the accepting CREST member from which the Basic Entitlements are to be debited;
  - (v) the participant ID of Share Registrars Limited in its capacity as receiving agent. This is 7RA36;
  - (vi) the member account ID of Share Registrars Limited in its capacity as receiving agent is RECEIVE;
  - (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph 4.2(d)(i) above;
  - (viii) the intended settlement date. This must be on or before 11.00 a.m. on 28 October 2022; and
  - (ix) the corporate action number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 28 October 2022.

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

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

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 28 October 2022 in order to be valid is 11.00 a.m. on that day.

In the event that AQSE Admission does not take place on 9 November 2022 or such later time and date as the Company may determine (being no later than 8.00 a.m. on 22 November 2022), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and Share Registrars Limited will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, within 14 days thereafter. The interest earned on such monies will be retained for the benefit of the Company.

- (f) *Content of USE instruction in respect of Excess Open Offer Entitlements*

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

- (i) the number of Open Offer Shares for which the application is being made (and hence the number of the Excess Open Offer Entitlement(s) being delivered to Share Registrars Limited in its capacity as receiving agent);
- (ii) the ISIN of the Excess Open Offer Entitlement. This is GB00BQ0JZ366;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Excess Open Offer Entitlements are to be debited;
- (v) the participant ID of Share Registrars Limited in its capacity as receiving agent. This is 7RA36;
- (vi) the member account ID of the Share Registrars Limited in its capacity as receiving agent. This is RECEIVE;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in sub-paragraph 4.2(f)(i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 28 October 2022; and
- (ix) the corporate action number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for the application in respect of an Excess Open Offer Entitlement under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 28 October 2022.

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

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

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 28 October 2022 in order to be valid is 11.00 a.m. on that day. Please note that automated CREST generated claims and buyer protection will not be offered on the Excess Open Offer Entitlement security.

In the event that AQSE Admission does not take place by 8.00 a.m. on 9 November 2022 or such later time and date as the Company may determine (being no later than 8.00 a.m. on 22 November 2022), the Open Offer will lapse, the Basic Entitlements and Excess Open Offer Entitlements admitted to CREST will be disabled and Share Registrars Limited will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, within 14 days thereafter. The interest earned on such monies will be retained for the benefit of the Company.

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

A Qualifying non-CREST Shareholder's Basic Entitlement under the Open Offer as set out in their Application Form may be deposited into CREST (either into the account of the Qualifying Shareholder named in the Application Form or into the file name of a person entitled by virtue of a *bona fide* market claim). Similarly, Basic Entitlements and Excess Open Offer Entitlements held in CREST may be withdrawn from CREST so that the Basic Entitlement and Excess Open Offer Entitlement are reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing to deposit the Basic Entitlement set out in such form into CREST is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements to apply

under the Excess Application Facility following their deposit into CREST and to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 28 October 2022. After depositing their Basic Entitlements into their CREST account, CREST holders will, shortly after that, receive a credit for their Excess Open Offer Entitlement.

In particular, having regard to normal processing times in CREST and on the part of Share Registrars Limited, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as his Open Offer Entitlements in CREST, is 3.00 p.m. on 25 October 2022, and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements from CREST is 4.30 p.m. on 24 October 2022, in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements (whether as shown in an Application Form or held in CREST) following the deposit or withdrawal to take all necessary steps in connection with applying in respect of the Open Offer Entitlements prior to 11.00 a.m. on 28 October 2022. CREST holders inputting the withdrawal of their Basic Entitlements from their CREST account must ensure that they withdraw both their Basic Entitlements and the Excess Open Offer Entitlements.

Delivery of an Application Form with the CREST deposit form duly completed whether in respect of a deposit into the account of the Qualifying Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to the Company and Share Registrars Limited by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes under the heading “Instructions for depositing entitlements under the Open Offer into CREST” on page 3 of the Application Form, and a declaration to the Company and Share Registrars Limited by the relevant CREST member(s) that it/they is/are not citizen(s) or resident(s) of any Restricted Jurisdiction and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

(h) *Validity of application*

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 28 October 2022 will constitute a valid application under the Open Offer.

(i) *CREST procedures and timings*

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 28 October 2022. In connection with this, CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(j) *Incorrect CREST payments*

If a USE instruction includes a CREST payment for an incorrect sum, the Company, through Share Registrars Limited, reserves the right:

- (i) to reject the application in full and refund the payment to the CREST member in question, without payment of interest;
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at their Issue Price, refunding any unutilised sum to the CREST member in question, without payment of interest; and



- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all the Open Offer Shares referred to in the USE instruction, refunding any unutilised sum to the CREST member in question, without payment of interest.
- (k) *Effect of valid application*
- A CREST member who makes or is treated as making a valid application in accordance with the above procedures thereby:
- (i) agrees that all applications under the Open Offer and any contracts or non-contractual obligations resulting therefrom, shall be governed by and construed in accordance with the laws of England;
  - (ii) represents and warrants to the Company and the Receiving Agent that they have the right, power and authority, and have taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise their rights, and perform their obligations, under any contracts resulting therefrom and that they are not a person prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
  - (iii) agrees to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to Share Registrars Limited's payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);
  - (iv) confirms that, in making the application, the applicant is not relying on any information or representation other than that contained in this Document, and the applicant accordingly agrees that no person responsible solely or jointly for this Document or any part thereof, or involved in the preparation thereof, shall have any liability for any information or representation not contained herein and further agrees that, having had the opportunity to read this Document, the applicant will be deemed to have had notice of all information in relation to the Company contained in this Document (including information incorporated by reference);
  - (v) confirms that no person has been authorised to give any information or to make any representation concerning the Company or the Open Offer Shares (other than as contained in this Document) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company;
  - (vi) represents and warrants to the Company and the Receiving Agent that he is the Qualifying Shareholder originally entitled to the Basic Entitlement and Excess Open Offer Entitlement or that he received such Basic Entitlement and Excess Open Offer Entitlement by virtue of a *bona fide* market claim;
  - (vii) represents and warrants to the Company and the Receiving Agent that, if the applicant received some or all of their Basic Entitlement and Excess Open Offer Entitlement from a person other than the Company, the applicant is entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;
  - (viii) requests that the Open Offer Shares to which he will become entitled be allotted and issued to him on the terms set out in this Document and subject to the articles of association of the Company;
  - (ix) represents and warrants to the Company and the Receiving Agent that he is not a person who by virtue of being resident in or a citizen of any country outside the United Kingdom is prevented by the law of any relevant jurisdiction from lawfully applying for Open Offer Shares;
  - (x) represents and warrants to the Company and the Receiving Agent that they are not, nor are they applying on behalf of any person who is, a citizen or resident of, or a corporation, partnership or other entity created or organised in or under any laws of, any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law and they are not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of their application to, or for the benefit

of, a person who is a citizen or resident of, or which is a corporation, partnership or other entity created or organised in or under any laws of, any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that they are able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor acting on behalf of any person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;

- (xi) acknowledges that the Open Offer Shares have not been offered to them by the Company or any of its affiliates by means of any: (a) “directed selling efforts” as defined in Regulation S under the Securities Act or (b) “general solicitation” or “general advertising” as defined in Regulation D under the US Securities Act; and
  - (xii) represents and warrants to the Company and the Receiving Agent that they are not, and are not applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in Section 93 (depository receipts) or Section 96 (clearance services) of the Finance Act 1986.
- (l) *Company’s discretion as to the rejection and validity of applications*
- The Company may in its sole and absolute discretion:
- (i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part III;
  - (ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
  - (iii) treat a properly authenticated dematerialised instruction (in this sub-paragraph the “first instruction”) as not constituting a valid application if, at the time at which Share Registrars Limited receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or Share Registrars Limited have received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
  - (iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member or (where applicable) CREST sponsor is unable validly to apply for Open Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by Share Registrars Limited in connection with CREST.

## **5. MONEY LAUNDERING REGULATIONS**

### **5.1 All Qualifying Shareholders**

It is a term of the Open Offer that, to ensure compliance with the Money Laundering Regulations, the money laundering provisions of the Criminal Justice Act 1993, Part VIII of FSMA and the Proceeds of Crime Act 2002 (together with other guidance and source books produced in relation to financial sector firms), Share Registrars Limited may at its absolute discretion require verification of identity from any person lodging an Application Form (the “applicant”) including, without limitation, any applicant who: (i) tenders payment by way of cheque or banker’s draft drawn on an account in the name of a person or persons other than the applicant; or (ii) appears to Share Registrars Limited to be acting on behalf

of some other person. In the former case, verification of the identity of the applicant may be required. In the latter case, verification of the identity of any person on whose behalf the applicant appears to be acting may be required.

If the Application Form is submitted by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Receiving Agent. In such case, the lodging agent's stamp should be inserted on the Application Form. The person lodging the Application Form with payment and in accordance with the other terms as described above (the "acceptor"), including any person who appears to the Receiving Agent to be acting on behalf of some other person, accepts the Open Offer in respect of such number of Open Offer Shares as is referred to therein (for the purposes of this section 5, the "relevant Open Offer Shares") and shall thereby be deemed to agree to provide the Receiving Agent with such information and other evidence as the Receiving Agent may require to satisfy the verification of identity requirements.

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

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

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

## 5.2 ***Basic Entitlements and Excess Open Offer Entitlements in CREST***

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

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

## 6. NO PUBLIC OFFERING OUTSIDE THE UNITED KINGDOM

The Company has not taken and will not take any action in any jurisdiction that would permit a public offering of Open Offer Shares or distribution of this Document (or any other offering or publicity materials or application form(s) relating to the Open Offer Shares) in any jurisdiction where action for that purpose may be required, other than in the United Kingdom.

## 7. OVERSEAS SHAREHOLDERS

### 7.1 *General*

**THE OFFER OF OPEN OFFER SHARES TO PERSONS RESIDENT IN, OR WHO ARE CITIZENS OF, COUNTRIES OTHER THAN THE UNITED KINGDOM MAY BE AFFECTED BY THE LAW OR REGULATORY REQUIREMENTS OF THE RELEVANT JURISDICTION. IT IS THE RESPONSIBILITY OF ALL PERSONS (INCLUDING, WITHOUT LIMITATION, NOMINEES AND TRUSTEES) OUTSIDE THE UNITED KINGDOM WHO WISH TO APPLY FOR OPEN OFFER SHARES TO SATISFY THEMSELVES AS TO FULL OBSERVANCE OF THE LAWS AND REGULATORY REQUIREMENTS OF THE RELEVANT TERRITORY OR TERRITORIES IN CONNECTION THEREWITH, INCLUDING OBTAINING ALL NECESSARY GOVERNMENTAL OR OTHER CONSENTS, COMPLYING WITH ANY OTHER RELEVANT FORMALITIES AND PAYING ANY ISSUE, TRANSFER OR OTHER TAXES DUE IN ANY SUCH TERRITORY.**

Overseas Shareholders who are in any doubt as to whether they require any governmental or other consents or need to observe any other formalities to enable them to apply for their entitlement to Open Offer Shares should consult their own professional advisers.

Subject to certain exceptions, Application Forms will not be sent to Overseas Shareholders, nor will Open Offer Entitlements be credited to a stock account of Overseas Shareholders who are in the United States or any Restricted Jurisdiction or to US persons except that Application Forms may be sent to, or Open Offer Entitlements may be credited to the stock account in CREST of, certain of these Overseas Shareholders if they can prove to the satisfaction of the Company that such action would not result in a contravention of any applicable legal or regulatory requirements.

**Receipt of this Document and/or an Application Form or the crediting of Open Offer Entitlements to a stock account in CREST will not constitute an offer or invitation in those jurisdictions, or to persons resident in those jurisdictions, in which it would be illegal to make such an offer or invitation and, in those circumstances, this Document and/or an Application Form will be deemed to have been sent for information only and should not be copied or redistributed, and any such credit to a stock account in CREST shall be withdrawn.**

Accordingly, persons receiving a copy of this Document and/or an Application Form and/or receiving a credit of Open Offer Entitlements to a stock account in CREST should not, in connection with the Open Offer, distribute or send this Document or the Application Form or transfer the Open Offer Entitlements to any person in, or into, any jurisdiction where to do so would or might contravene local securities laws or regulations. If this Document, an Application Form or a credit of Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by their agent or nominee, they must not seek to apply for their entitlement to Open Offer Shares under the Open Offer except under an express written agreement between them and the Company. Any person who does forward this Document and/or an Application Form or seeks to transfer any part of the Open Offer Entitlements to any person in, or into, any such territory (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this section 7.

**The comments set out in this section 7 are intended as a general guide only and any Qualifying Shareholder who is in doubt as to their ability to apply for Open Offer Shares should consult their professional adviser immediately.**

None of the Company and its representatives is making any representation to any Qualifying Shareholder or applicant or subscriber for or purchaser of Open Offer Shares regarding the legality of an application for Open Offer Shares or an investment in the Open Offer Shares by such Qualifying Shareholder, applicant, subscriber or purchaser under the laws applicable to such Qualifying Shareholder, applicant, subscriber or purchaser.

The Company reserves the right to treat as invalid any application for or purported application for Open Offer Shares which appears to the Company or its agents to have been executed, effected or despatched in a manner which may involve a breach of the legislation of any jurisdiction or if it believes, or its agents believe, that the same may violate applicable legal or regulatory requirements or if a Qualifying Shareholder or other applicant provides an address for delivery of certificates for Open Offer Shares in any jurisdiction outside the United Kingdom in which it would be unlawful to deliver such certificates.

Notwithstanding any other provision of this Document or the Application Form, the Company reserves the right to permit any Qualifying Shareholder or other applicant to apply for their entitlement to Open Offer Shares under the Open Offer, if the Company in its sole and absolute discretion is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question or would not result in the contravention of any applicable legal or regulatory requirements.

Those Qualifying Shareholders or other applicants who wish, and are permitted, to subscribe for Open Offer Shares should note that payments must be made as described in section 4 above of this Part III.

## 7.2 **United States of America**

The Open Offer Shares have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be directly or indirectly offered, sold, taken up, delivered or transferred in or into the United States or to, or for the account or benefit of, a US person.

This Document does not constitute an offer for, or an invitation to apply for, or an offer or invitation to purchase or subscribe for, Open Offer Shares, and Application Forms are not being sent to, and no Open Offer Entitlements will be credited to a stock account in CREST of, and applications will not be accepted from, any Qualifying Shareholder or other person with a registered address in the United States, unless otherwise determined by the Company in its sole and absolute discretion and effected in a lawful manner.

Subject to certain exceptions, envelopes containing Application Forms should not be postmarked or otherwise despatched from the United States. Application Forms which appear to the Company to have been sent from or which are postmarked in the United States may be deemed to be invalid and the Company will not be bound to authorise the delivery of any Open Offer Shares in the United States or to any person who provides an address in the United States for receipt of Open Offer Shares or who fails to make the representations and warranties set out in the Application Form and in paragraph 7.4 below to the effect that such person is not in the United States and is not acting for the account or benefit of a US person.

Until 45 days after the commencement of the Open Offer, an offer or sale of Open Offer Shares within the United States by a dealer that is not participating in the Open Offer may violate the registration requirements of the Securities Act.

Subject to certain exceptions, the Open Offer Shares will be distributed, offered or sold, as the case may be, outside the United States in offshore transactions within the meaning of, and in accordance with, Regulation S under the Securities Act.

Each person to which the Open Offer Shares are distributed, offered or sold outside the United States will be deemed by their application and subscription for the Open Offer Shares to have represented and agreed, on their behalf and on behalf of any investor accounts for which they are applying and subscribing for the Open Offer Shares that:

- (i) they are applying and subscribing for the Open Offer Shares in an “offshore transaction” as defined in Regulation S under the Securities Act; and
- (ii) the Open Offer Shares have not been offered to them by the Company by means of any “directed selling efforts” as defined in Regulation S under the Securities Act.

Each applicant and subscriber for the Open Offer Shares acknowledges that the Company will rely upon the truth and accuracy of the foregoing representations and agreements, and agrees that if any

of the representations and agreements deemed to have been made by such applicant and subscriber by its application and subscription for Open Offer Shares are no longer accurate, they shall promptly notify the Company and Share Registrars Limited. If such applicant or subscriber is applying or subscribing for the Open Offer Shares as a fiduciary or agent for one or more investor accounts, each such applicant and subscriber represents that they have sole investment discretion with respect to each such account and full power to make the foregoing representations and agreements on behalf of each such account.

Each applicant and subscriber acknowledges that they will not resell the Open Offer Shares without registration or an available exemption or safe harbour from registration under the Securities Act.

### 7.3 **Overseas territories**

Due to restrictions under the securities laws of the United States and the Restricted Jurisdictions no Application Forms in relation to the Open Offer will be sent to Qualifying Shareholders who have registered addresses, or are resident or located, in the United States or any of the Restricted Jurisdictions. Similarly, Open Offer Entitlements will not be credited to the CREST accounts of Qualifying Shareholders who have registered addresses, or are resident or located, in the United States or any of the Restricted Jurisdictions. Qualifying Shareholders who have a registered address, or are resident or located, in the United States or any of the Restricted Jurisdictions will not be entitled to take up rights under the Open Offer unless the Company is satisfied that such action would not result in the contravention of any registration or other legal or regulatory requirement in any jurisdiction. No offer of Open Offer Shares is being made by virtue of this Document or the Application Form into the United States or any Restricted Jurisdiction.

Any person in the United States or a Restricted Jurisdiction who obtains a copy of this Document or an Application Form is required to disregard it, in relation to the Open Offer, except with the express consent of the Company.

This Document and the accompanying Application Form will be posted to all Overseas Shareholders who are Qualifying non- CREST Shareholders other than, subject to certain exceptions, Qualifying Shareholders who have a registered address, or are resident or located, in the United States or any Restricted Jurisdiction, and Open Offer Entitlements will be credited to the CREST accounts of all Overseas Shareholders who are Qualifying Shareholders other than, subject to certain exceptions, Qualifying Shareholders who have registered addresses, or are resident or located, in the United States or any Restricted Jurisdiction. Such Overseas Shareholders may, subject to the laws of the relevant jurisdictions, accept their rights under the Open Offer in accordance with the instructions set out in this Document and, if relevant, the Application Form.

Qualifying Shareholders who have registered addresses in, or who are located in or who are citizens of, all countries other than the United Kingdom should consult their professional advisers as to whether they require any governmental or other consents or need to observe any formalities to enable them to take up their rights under the Open Offer.

### 7.4 **Representations and warranties relating to Overseas Shareholders**

#### (a) *Qualifying non-CREST Shareholders*

Any person completing and returning an Application Form or requesting registration of the Open Offer Shares set out therein represents and warrants to the Company and the Registrars that, except where proof has been provided to the Company's satisfaction that such person's use of the Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction: (i) such person is not applying for or requesting registration of the Open Offer Shares from within the United States or any Restricted Jurisdiction; (ii) such person is not in any territory in which it is unlawful to apply for or make or accept an offer to acquire Open Offer Shares or to use the Application Form in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis for a person located within the United States or any Restricted Jurisdiction or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) such person is not acquiring Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into any of the above territories. The Company and/or Share Registrars Limited may treat as invalid any acceptance or purported acceptance of the allocation of Open Offer Shares (or allotment or issue of Open Offer Shares) comprised in an Application Form if it: (i)

appears to the Company or its agents to have been executed, effected or dispatched from the United States or a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or (ii) provides an address in a Restricted Jurisdiction for delivery of the certificates for Open Offer Shares (or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such certificates); or (iii) purports to exclude the representation and warranty required by this sub-paragraph 7.4(a).

(b) *Qualifying CREST Shareholders*

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this Part II represents and warrants to the Company and the Registrars that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) neither it nor its client is within any Restricted Jurisdiction; (ii) neither it nor its client is in any territory in which it is unlawful to apply for or make or accept an offer to acquire Open Offer Shares; (iii) it is not accepting on a non-discretionary basis for a person located within any Restricted Jurisdiction or any territory referred to in (ii) above at the time the instruction to apply for or accept was given; and (iv) neither it nor its client is acquiring any Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into any Restricted Jurisdiction or any of the above territories.

## 7.5 **Waiver**

The provisions of this section 7 and of any other terms of the Open Offer relating to Overseas Shareholders (whether in this Document or the Application Form, if relevant) may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company, in its absolute discretion. Subject to this, the provisions of this section 7 supersede any terms of the Open Offer inconsistent with this section 7. References in this section 7 to Shareholders shall include references to the person or persons executing an Application Form and applying for Open Offer Shares through CREST and, in the event of more than one person executing an Application Form or applying for Open Offer Shares through CREST jointly, the provisions of this section 7 shall apply to them jointly and to each of them.

## 8. **DELISTING AND AQSE ADMISSION, SETTLEMENT AND DEALINGS AND PUBLICATION**

The result of the Open Offer is expected to be announced on 28 October 2022. Applications are being made for the New Ordinary Shares (including the Open Offer Shares) to be admitted to trading on the Access Segment of the AQSE Growth Market, and for the listing of the Company's Ordinary Shares on the Official List and to trading on the London Stock Exchange's main market for listed securities to be cancelled. It is expected that, subject to the Open Offer becoming unconditional in all respects and AQSE Admission becoming effective, dealings in the Open Offer Shares will commence on 9 November 2022. The earliest date for settlement of such dealings will be 9 November 2022. The Existing Ordinary Shares are already admitted to CREST and the Open Offer Shares will be eligible to be admitted to CREST, when issued and fully paid, and to be held and transferred by means of CREST.

The conditions to admission to CREST having already been met, the Open Offer Shares are expected to be admitted to CREST with effect from 9 November 2022. Basic Entitlements and Excess Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 28 October 2022 (being the latest practicable date for applications under the Open Offer). Open Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by the Company on the day on which such conditions are satisfied (expected to be 9 November 2022). On this day, Share Registrars Limited will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Open Offer Shares with effect from AQSE Admission (expected to be on 9 November 2022). The stock accounts to be credited will be accounts under the same CREST participant IDs and CREST member account IDs in respect of which the USE instruction was given.

Notwithstanding any other provision of this Document, the Company reserves the right to require Qualifying CREST Shareholders to apply for Open Offer Shares by completing an Application Form instead of crediting

the relevant stock account with Open Offer Entitlements, and to allot and/or to issue any Open Offer Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST), or on the part of the facilities and/or systems operated by Share Registrars Limited in connection with CREST.

For Qualifying non-CREST Shareholders who have applied by using an Application Form, certificates for the Open Offer Shares validly applied for are expected to be despatched by post within 14 days of AQSE Admission. No temporary documents of title will be issued. Pending despatch of definitive share certificates, transfers of the Open Offer Shares by Qualifying non-CREST Shareholders will be certified against the register of members of the Company. All documents or remittances sent by or to an applicant (or their agent as appropriate) will be sent through the post and will (in both cases) be at the risk of the applicant. Qualifying CREST Shareholders should note that they will be sent no confirmation of the credit of the Open Offer Shares to their CREST stock account nor any other written communication by the Company in respect of the allotment and issue of the Open Offer Shares.

The result of the Open Offer will be announced and made public through an announcement to a Regulatory Information Service as soon as reasonably practicable.

## **9. SHARE OPTION SCHEMES AND WARRANTS**

The Open Offer is only being made to Qualifying Shareholders and is not being extended to the holders of options under the Company's share option schemes or to the holders of warrants to subscribe for shares in the Company.

## **10. TIMES AND DATES**

The Company shall, in its absolute discretion, and after consultation with its financial and legal advisers, be entitled to amend the dates on which Application Forms are despatched or amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this document and in such circumstances shall make an announcement to a Regulatory Information Service. If a supplementary circular is published by the Company two or fewer Business Days prior to the latest time and date for acceptance and payment in full under the Open Offer specified in this Document, the latest date for acceptance under the Open Offer shall be extended to the date that is at least three Business Days after the date of publication of the supplementary circular (and the dates and times of principal events due to take place following such date shall be extended accordingly).

## **11. FSMA AND PROSPECTUS RULES**

As the maximum total consideration payable under the Open Offer is limited to an amount in Sterling which is less than €8 million, the Open Offer falls within the exemption set out in section 86(1)(e) of FSMA and accordingly no prospectus will be prepared in relation to the Open Offer.

## **12. GOVERNING LAW AND JURISDICTION**

The terms and conditions of the Open Offer as set out in this Document, the Application Form and any non-contractual obligation related thereto shall be governed by, and construed in accordance with, the laws of England and Wales. The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this Document or the Application Form including, without limitation, disputes relating to any non-contractual obligations arising out of or in connection with the Open Offer, this Document or the Application Form. By taking up Open Offer Shares under the Open Offer in accordance with the instructions set out in this Circular and, where applicable, the Application Form, Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

## **13. FURTHER INFORMATION**

Your attention is drawn to the terms, conditions and other information printed on the Application Form, where relevant.



## PART IV

### NOTICE OF GENERAL MEETING

# OTAQ PLC

*(Incorporated and registered in England and Wales under the Companies Act 2006 with registered number 11429299)*

### NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting ("Meeting") of OTAQ plc (the "Company") will be held on Monday 7 November 2022 at 11.00 a.m. at the Company's offices at 8-3-4 Harpers Mill, South Road, White Cross, Lancaster, England LA1 4XF.

Shareholders will be asked to consider and, if thought fit, vote on the Resolutions set out below. Resolutions 1, 2, 4 and 5 will be proposed as special resolutions and Resolution 3 will be proposed as an ordinary resolution. Terms defined in the Circular published by the Company and dated 12 October 2022 of which this notice forms part shall have the same meanings in this Notice.

### SPECIAL RESOLUTIONS

1. **THAT**, subject to Resolutions 2 and 4 being passed as special resolutions and Resolution 3 being passed as an ordinary resolution:
  - 1.1 immediately after the close of business on the dealing day immediately prior to the admission of the New Ordinary Shares (as hereinafter defined) to trading on the Access Segment of the AQSE Growth Market operated by Aquis Stock Exchange Limited, each of the Ordinary Shares of £0.15 each in the issued share capital of the Company (the "**Existing Ordinary Shares**") be sub-divided and converted into (i) one Ordinary Share of £0.01 (a "**New Ordinary Share**") and (ii) one Deferred Share of £0.14 (a "**Deferred Share**"), each New Ordinary Share and each Deferred Share having attached thereto the rights and restrictions as respectively set out in the Articles of Association, as amended pursuant to Resolution 2 (the "**Amended Articles**");
  - 1.2 the sub-division and conversion of the Existing Ordinary Shares into New Ordinary Shares and Deferred Shares shall be deemed to confer on the Company irrevocable authority at any time thereafter to retain the certificates for such Deferred Shares, pending the Directors appointing a custodian and arranging for the transfer of the Deferred Shares to a custodian for no consideration in both cases pursuant to the provisions of Article 3A of the Amended Articles;
  - 1.3 any cancellation of the Deferred Shares for no consideration by way of a reduction of capital shall not involve a variation of the rights attaching thereto; and
  - 1.4 the rights attached to the Deferred Shares shall not be deemed to be varied or abrogated by the creation or issue of any new shares ranking in priority or *pari passu* with or subsequent to such shares or by any amendment or variation to the rights of any other class of shares in the Company.
2. **THAT**, subject to Resolution 1 being passed as a special resolution, the Articles of Association of the Company be and they are hereby amended as follows with effect from the close of business on the dealing day immediately prior to the admission of the New Ordinary Shares (as defined in Resolution 1) to trading on the Access Segment of the AQSE Growth Market operated by Aquis Stock Exchange Limited:
  - A. A new Article 3A be inserted as follows:

#### **"Share Capital**

*3A.1 The share capital of the Company as at the date of amendment of these Articles by the insertion of this Article 3A is divided into ordinary shares of 1p each ("**Ordinary Shares**") and deferred shares of 14p each ("**Deferred Shares**").*

3A.2 Save as specified to the contrary in this Article 3A, the Ordinary Shares will rank *pari passu* in all respects together as one class and the Deferred Shares will rank *pari passu* in all respects together as one class and will constitute separate classes of share.

3A.3 The Deferred Shares shall, notwithstanding anything to the contrary which may be specified in these Articles:

- i. not entitle its holder to receive any dividend or other distribution;
- ii. not entitle its holder to receive notice of or to attend (either personally or by proxy) or to vote (either personally or by proxy) at general meetings of the Company;
- iii. entitle its holder on a return of assets on a winding up of the Company (but not otherwise) only to repayment of the amount paid up or credited as paid up on each Deferred Share up to a maximum of £0.01 per Deferred Share after payment in respect of each Ordinary Share of the aggregate of the capital paid up or credited as paid up on such Ordinary Share (being 1p) and the payment in cash or specie of £1,000,000 in respect of each Ordinary Share;
- iv. not entitle its holder to any further right of participation in the capital or the assets of the Company; and
- v. not be transferable or transmittable in any way other than as specified in Article 3A.4.

3A.4 The creation of the Deferred Shares shall be deemed to confer irrevocable authority on the Company at any time thereafter to:

- i. appoint any person on behalf of any holder of any Deferred Share to enter into an agreement to transfer and to execute a transfer of the Deferred Shares for no consideration for each holding of Deferred Shares to a person appointed by the Directors to be the custodian of those Deferred Shares;
- ii. purchase and/or cancel the Deferred Shares (under the provisions of the Act) without making any payment to or obtaining the sanction of the holders thereof or of any other shareholders of the Company; and
- iii. pending any transfer or cancellation or purchase of Deferred Shares to retain or determine not to issue the certificates for those Deferred Shares.”

### **ORDINARY RESOLUTION**

3. **THAT**, subject to Resolutions 1, 2 and 4 being passed as special resolutions in accordance with section 551 of the Companies Act 2006 (the “Companies Act”), the Directors be generally and unconditionally authorised to exercise all powers of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company up to a maximum aggregate nominal amount of £1,127,581 pursuant to the Fundraising and grant of the Warrants, each as defined in the circular to Shareholders dated 12 October 2022 of which this Notice forms part, provided that this authority will expire on the date falling six months from the date of the passing of this Resolution (unless renewed, varied or revoked by the Company prior to or on that date), but the Company may, before this authority expires, make an offer or agreement which would or might require shares in the Company to be allotted or rights to subscribe for or to convert any security into shares in the Company to be granted after this authority expires and that the Directors may allot shares in the Company or grant such rights pursuant to such an offer or agreement as if the authority conferred by this Resolution had not expired.

### **SPECIAL RESOLUTIONS**

4. **THAT**, subject to Resolutions 1 and 2 being passed as special resolutions and resolution 3 being passed as an ordinary resolution as contained in this Notice, in accordance with section 571(1) of the Companies Act, the Directors be empowered to allot equity securities for cash (within the meaning of section 560 of the Companies Act) pursuant to the authority conferred by Resolution 3, as if section 561 of the Companies Act did not apply to any such allotment, provided that this power shall:

- a) be limited to the allotment of equity securities pursuant to the Fundraising and grant of the Warrants, each as defined in the circular to Shareholders dated 12 October 2022 of which this Notice forms part, up to an aggregate nominal value of £1,127,581; and
  - b) expire on the date falling six months from the date of passing this Resolution (unless renewed, varied or revoked by the Company prior to or on that date) but the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if such power had not expired.
5. **THAT**, subject to Resolution 1 being passed as a special resolution and the confirmation of the Court, the issued share capital of the Company be reduced by cancelling and extinguishing all of the Deferred Shares, and the amount by which the share capital is so reduced be credited to a reserve.

Dated 12 October 2022

**BY ORDER OF THE BOARD**

**Matthew Enright**

Director & Company Secretary  
OTAQ plc

*Registered office:*

8-3-4 Harpers Mill  
South Road  
White Cross  
Lancaster  
LA1 4XF

## EXPLANATORY NOTES TO THE NOTICE OF GENERAL MEETING:

### *Appointment of proxies*

1. As a member of the Company, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
2. A proxy does not need to be a member of the Company but must attend the meeting to represent you. Details of how to appoint the chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the meeting you must appoint your own choice of proxy (not the chairman) and give your instructions directly to the relevant person.
3. You may appoint more than one proxy provided that each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you must complete a separate proxy form for each proxy and specify against the proxy's name the number of shares over which the proxy has rights. If you are in any doubt as to the procedure to be followed for the purpose of appointing more than one proxy you must contact the Company's registrars, Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey, GU9 7XX or by emailing enquiries@shareregistrars.uk.com. If you fail to specify the number of shares to which each proxy relates, or specify a number of shares greater than that held by you on the record date, proxy appointments will be invalid.
4. If you do not indicate to your proxy how to vote on any resolution, your proxy will vote or abstain from voting at their discretion. Your proxy will vote (or abstain from voting) as they think fit in relation to any other matter which is put before the meeting. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against a resolution.

### *Appointment of a proxy using the hard copy proxy form or Registrar website*

5. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.
6. To appoint a proxy using the hard copy proxy form, it must be
  - a) completed and signed;
  - b) sent or delivered to the Company's registrars, Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey, GU9 7XX; and
  - c) received by the Company's registrars no later than 11.00 a.m. on 3 November 2022.
7. To appoint a proxy online, log on to [www.shareregistrars.uk.com](http://www.shareregistrars.uk.com), click on the "Proxy Vote" button and follow the on-screen instructions. You can locate your log-in details on the top of your proxy form. The appointment must be received by the Registrar no later than 11.00 a.m. on 3 November 2022.
8. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
9. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
10. The Company, pursuant to regulation 41 of The Uncertificated Securities Regulations 2001 (SI 2001/3755), specifies that only those Existing Ordinary Shareholders registered in the register of members of the Company by 5.00 p.m. on 3 November 2022 or, if the meeting is adjourned, in the register of members 48 hours prior to the time of any adjourned meeting (ignoring any part of the day that is not a working day) will be entitled to attend or vote at the meeting in respect of the number of Existing Ordinary Shares registered in their name at that time. Changes to entries on the register of members after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.

### *Appointment of proxies through CREST*

11. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
12. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & International Limited's (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID: 7RA36) by 11.00 a.m. on 3 November 2022. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
13. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as is necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
14. 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 (SI 2001/3755).

#### *Appointment of proxy by joint members*

15. In the case of joint holders of shares, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder (being the first named holder in respect of the shares in the Company's register of members) will be accepted.

#### *Changing proxy instructions*

16. To change your proxy instructions simply submit a new proxy appointment using the methods set out in paragraphs 6, 7 or 12 above. Note that the cut off time for receipt of proxy appointments specified in those paragraphs also applies in relation to amended instructions. Any amended proxy appointment received after the specified cut off time will be disregarded.
17. Where you have appointed a proxy using the hard copy proxy form and would like to change the instructions using another hard copy proxy form, please contact the Company's registrar as indicated in paragraph 3 above.
18. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

#### *Termination of proxy appointments*

19. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Company's registrar as indicated in paragraph 3 above. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.
20. The revocation notice must be received by the Company no later than 9.00 a.m. on 7 November 2022.
21. If you attempt to revoke your proxy appointment but the revocation is received after the time specified in paragraph 20 above then, subject to paragraph 22 below, your proxy appointment will remain valid.
22. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

#### *Corporate representatives*

23. A corporation, which is a member, can appoint one or more corporate representatives, who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

#### *Issued shares and total voting rights*

24. As at 5.00 p.m. on 11 October 2022 (being the latest practicable date prior to the publication of this notice), the Company's issued share capital comprised 37,758,052 ordinary shares of £0.15 each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 5.00 p.m. on 11 October 2022 is 37,758,052.

#### *Communication*

25. You may not use any electronic address provided either in this notice of meeting or any related documents (including the document within which this notice of meeting is incorporated and the proxy form) to communicate with the Company for any purposes other than those expressly stated.

