

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other professional adviser authorised under the Financial Services and Markets Act 2000, as amended (“FSMA”) if you are resident in the United Kingdom or, if not, another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your Ordinary Shares, please forward this document and the accompanying Form of Proxy as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. If you have sold or otherwise transferred some of your Ordinary Shares, you should contact your stockbroker, banker or other agent through whom the sale or transfer was effected. However, these documents should not be forwarded or transmitted into any jurisdiction where such act would constitute a violation of the relevant laws of such jurisdiction. If you have sold or transferred only part of your holding of Ordinary Shares, you should retain these documents and consult the stockbroker, bank or other agent through whom the sale or transfer was made.

The issue of New Ordinary Shares pursuant to the Placing and Subscriptions will not constitute an offer to the public requiring an approved prospectus under section 85 of the Financial Services and Markets Act 2000 (as amended) and accordingly this document does not constitute a prospectus for the purposes of the Prospectus Rules and has not been prepared in accordance with the Prospectus Rules or been approved or filed with the Financial Conduct Authority, nor does this document constitute an admission document drawn up in accordance with the AIM Rules.

London Stock Exchange plc has not itself examined or approved the contents of this document. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List and the AIM Rules are less demanding than those of the Official List.

LiDCO Group plc

(Incorporated in England and Wales with registered number 02659005)

Proposed Placing of 47,916,666 New Ordinary Shares and Proposed Subscriptions for 2,083,334 New Ordinary Shares at 6 pence per share and Notice of General Meeting



finnCap Limited (“finnCap”), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for LiDCO Group plc in connection with the proposals in this document, and will not be responsible to anyone other than LiDCO Group plc (whether or not a recipient of this document) for providing the protections afforded to clients of finnCap nor for providing advice in relation to the proposals set out in this document nor any other matter in relation to the contents of this document. The responsibilities of finnCap as LiDCO Group plc’s nominated adviser for the purposes of the AIM Rules are owed solely to London Stock Exchange plc and are not owed to LiDCO Group plc or any director of LiDCO Group plc or any other person. finnCap has not approved the contents of, or any part of, this document, and no representation or warranty, express or implied, is made, and no liability accepted, by finnCap or any of its directors, officers, employees or agents as to any of the contents of this document or from any omissions therefrom.

This document should be read in its entirety in conjunction with the Form of Proxy. In particular, your attention is drawn to the letter from the Chief Executive Officer of LiDCO Group plc set out on pages 8 to 13 of this document which recommends you to vote in favour of the Resolutions to be proposed at the General Meeting.

Notice of a General Meeting of the Company to be held at the offices of finnCap Ltd, 60 New Broad Street, London EC2M 1JJ at 10.00 a.m. on 23 December 2016 is set out at the end of this document. The accompanying Form of Proxy for use at the General Meeting should be completed in accordance with the instructions printed thereon and returned as soon as possible to the Company's registrars, Capita Asset Services at PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF by not later than 10.00 a.m. on 21 December 2016. Completion and return of the Form of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting should they so wish.

Application has been made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected, subject, *inter alia*, to the passing of the requisite Resolutions at the General Meeting that Admission will become effective in respect of, and that dealings on AIM will commence in, the New Ordinary Shares, on or around 28 December 2016.

This document does not constitute or form part of any offer or instruction to purchase, subscribe for or sell any shares or other securities in LiDCO Group plc nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract therefore. This document does not constitute an offer to the public of transferable securities and so is not subject to the requirements or any legislation that implements the EU Prospectus Directive.

Certain statements contained in this document are or may constitute "forward looking statements". Such forward looking statements involve risks, uncertainties and other factors which may cause the actual results, performance or achievement of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Such risks, uncertainties and other factors include, among others, changes in the credit markets, changes in interest rates, legislative and regulatory changes, changes in taxation regimes, and general economic and business conditions, particularly in the United Kingdom. The issue of this document shall not imply that there has been no change in the affairs of the Company or in relation to the subject matter of this document or that the information contained in this document is correct as of any date subsequent to the date of issue. No statement in this document is intended to constitute a profit forecast or profit estimate for any period. Neither the Directors nor Company undertake any obligation to update forward looking statements or risk factors other than as required by AIM Rules, whether as a result of new information, future events or otherwise.

Copies of this document will be available, free of charge, for a period of one month from the date of this document at the Company's registered office, 16 Orsman Road, London N1 5QJ UK, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted). Copies will also be available to download from the Company's website at www.lidco.com.

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DIRECTORS, COMPANY SECRETARY AND ADVISERS

Directors	Ms Theresa A Wallis (<i>Non-executive Chairman</i>) Mr Matthew (Matt) G Sassone (<i>Chief Executive Officer</i>) Mr Paul L Clifford (<i>Finance Director</i>) Mr Ian G Brown (<i>Non-executive Director</i>) Mr Philip (Phil) M Cooper (<i>Non-executive Director</i>)
Company Secretary	Mr Douglas W Armour
Registered Office	16 Orsman Road London N1 5QJ
Nominated Adviser and Broker	finnCap Ltd 60 New Broad Street London EC2M 1JJ
Legal Advisers to the Company	Hewitson Moorhead 3 Dorset Rise London EC4Y 8EN
Legal Advisers to finnCap	Penningtons Manches LLP 125 Wood Street London EC2V 7AW
Registrars	Capita Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

PLACING AND SUBSCRIPTION STATISTICS

Placing Price	6 pence
Number of Ordinary Shares in issue on the date of this document	194,174,908
Number of Placing Shares	47,916,666
Number of Subscription Shares	2,083,334
Gross proceeds of the Placing and Subscriptions	£3.0 million
Net proceeds of the Placing and Subscriptions	£2.8 million
Enlarged Issued Share Capital on Admission*	244,174,908
Placing and Subscription Shares as a percentage of the Enlarged Issued Share Capital	20.5%
ISIN	GB0030546849
SEDOL	3054684

** Assuming no new Ordinary Shares are issued prior to the date of the General Meeting*

EXPECTED TIMETABLE FOR ADMISSION

Announcement of the Placing and Subscriptions	7 December 2016
Posting of Circular	7 December 2016
Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 21 December 2016
General Meeting	10.00 a.m. on 23 December 2016
Admission and dealings in the New Ordinary Shares	8.00 a.m. on 28 December 2016
Expected date for CREST accounts to be credited for the Placing Shares (where applicable)	28 December 2016
Despatch of definitive share certificates (where applicable) for Placing Shares and the Subscription Shares on or around	11 January 2017

Each of the times and dates above is subject to change. Any such change will be notified by an announcement on a Regulatory Information Service.

DEFINITIONS

The following definitions apply throughout this document and the Form of Proxy, unless the context otherwise requires:

Admission	the admission of the Placing Shares and the Subscription Shares to trading on AIM, becoming effective in accordance with the AIM Rules
AIM	the market of that name operated by London Stock Exchange plc
AIM Rules	the AIM Rules for Companies, published by London Stock Exchange plc
Board or Directors	the board of directors of the Company whose names are set out on page 4 of this document
Business Day	any day on which banks are usually open in England and Wales for the transaction of business, other than a Saturday, Sunday or public holiday
Company or LiDCO	LiDCO Group plc
Enlarged Issued Share Capital	all of the Ordinary Shares in issue on Admission
finnCap	finnCap Ltd
Form of Proxy	the form of proxy for use by Shareholders in connection with the General Meeting
General Meeting	the general meeting of the Company to be held at finnCap Ltd, 60 New Broad Street, London, EC2M 1JJ at 10.00 a.m. on 23 December 2016, notice of which is set out at the end of this document
Group	the Company and its subsidiary undertakings
Independent Directors	Paul Clifford and Ian Brown
New Ordinary Shares	the 50,000,000 new ordinary shares of 0.5 pence each in the capital of the Company to be issued in connection with the Placing and Subscriptions
Ordinary Shares	ordinary shares of 0.5 pence each in the capital of the Company
Placing	the conditional placing of the Placing Shares pursuant to the Placing Agreement
Placing Agreement	the agreement dated 7 December 2016 between the Company and finnCap relating to the Placing, details of which are set out in paragraph 4 of Part 1 of this document
Placing Price	6 pence per New Ordinary Share
Placing Shares	47,916,666 New Ordinary Shares
Resolutions	the resolutions set out in the Notice of General Meeting
Shareholders	holders of Ordinary Shares

Subscriptions	the conditional allotment and issue of 2,083,334 New Ordinary Shares by the Company pursuant to the Subscription Agreements
Subscription Shares	2,083,334 New Ordinary Shares to be issued in aggregate pursuant to the Subscriptions
Subscription Agreements	the agreements dated 7 December 2016 between the Company and (i) Phil Cooper, (ii) Matt Sassone and (iii) Theresa Wallis relating to the Subscriptions, details of which are set out in paragraph 4 of Part 1 of this document

PART 1

LETTER FROM THE CHIEF EXECUTIVE OFFICER OF LiDCO GROUP PLC

(Incorporated in England and Wales with registered number 02659005)

Directors:

Ms Theresa A Wallis (*Non-executive Chairman*)
Mr Matthew G Sassone (*Chief Executive Officer*)
Mr Paul L Clifford (*Finance Director*)
Mr Ian G Brown (*Non-executive Director*)
Mr Phil Cooper (*Non-executive Director*)

Registered Office:

16 Orsman Road
London
N1 5QJ

7 December 2016

To all Shareholders and, for information only, to holders of Options

Dear Shareholder

Proposed Placing of 47,916,666 New Ordinary Shares and Proposed Subscriptions for 2,083,334 New Ordinary Shares at 6 pence per share and Notice of General Meeting

1. Introduction

The Company has announced today that it is proposing to raise gross funds of £3.0 million, through a Placing and the Subscriptions, comprising the issue of 50,000,000 New Ordinary Shares at 6 pence per New Ordinary Share to provide growth capital to enable the Company to expand its global sales team and undertake a more extensive and focused marketing effort.

The Placing and Subscriptions are conditional on, *inter alia*, the passing of the Resolutions at the General Meeting. It is expected that, subject to the passing of the Resolutions, the New Ordinary Shares will be admitted to trading on AIM on 28 December 2016.

The purpose of this document is to explain the background to and reasons for the Placing and Subscriptions, to explain why the Board considers the Placing to be in the best interests of the Company and its Shareholders, and why the Directors unanimously recommend that you vote in favour of the Resolutions to be proposed at the General Meeting, as they intend to do in respect of the 1,190,697 Ordinary Shares held, directly or indirectly, by them representing approximately 0.61 per cent. of the total voting rights of the Company.

At the end of this document you will find a notice convening the General Meeting at which the Resolutions will be proposed by the Directors. The General Meeting has been convened for 10.00 a.m. on 23 December 2016 and will take place at the offices of finnCap at 60 New Broad Street, London EC2M 1JJ.

2. Information on LiDCO

LiDCO is a supplier of minimally invasive and non-invasive hemodynamic monitoring equipment to hospitals, principally used in the treatment of high-risk patients in both critical care units and in the operating theatre. The equipment monitors the amount of blood flowing around the body, helping clinicians and nurses to ensure that vital organs are kept adequately perfused with oxygenated blood by the adjustment of supportive fluid and drugs. LiDCO's computer-based patented technology has been shown by independent studies to statistically reduce mortality, complications, length of stay or the overall costs associated with high risk elective surgery, emergency surgery or intensive care. Independent clinical studies show that the optimisation of the hemodynamic status of high-risk patients produces better outcomes.

Overall, the base of installed monitors generate high margin recurring revenues through the Company's single patient use disposable products.

LiDCO makes direct sales to hospitals in the UK (through a team of five sales persons together with five clinical trainers) and the USA (through a team of three sales persons together with two clinical trainers), with a network of distributors and master distributors to sell into a further 29 countries. All sales outside of the UK & USA are managed by one distributor manager together with the chief executive officer. The Company is focused on building on its solid platform in the UK (which accounted for approximately 60 per cent. of the Group's own product revenue for the year to 31 January 2016), whilst pursuing additional growth from substantial opportunities in the USA and its distributor markets.

LiDCO products

LiDCO has a number of patents, granted and pending, relating to its products. In addition, the use of its products is supported by a growing body of data showing their clinical and cost-effectiveness. The technology is not only usable in traditional locations such as the intensive care and surgery departments, but also in any area of the hospital where high-risk patients may benefit from such monitoring such as accident and emergency departments. The Company's products are:

LiDCOplus: a computer-based platform monitor used in the intensive care unit for real-time continuous display of hemodynamic parameters including cardiac output, oxygen delivery and fluid volume responsiveness.

LiDCOrapid: a cardiac output monitor that can be used minimally invasively or non-invasively aimed for use in the operating theatre and peri-operative arenas for fluid and drug management. *LiDCOrapid* is designed for multi-parameter monitoring of both depth of anaesthesia and fluids.

LiDCOunity: is the new 3 in 1 hemodynamic monitor that combines the full suite of LiDCO technology into one offering in a compact screen size for easy integration around the bedside. The advanced monitoring system adapts to patients changing acuity levels and enables LiDCO customers to have seamless monitoring from the emergency department to the intensive care unit, the operating room to high dependency units.

LiDCO monitors all use single patient disposables, being sensors or smartcards.

3. Background to the Placing, Subscriptions and use of proceeds

The Company is proposing to raise, in aggregate, £3.0 million (before expenses) by means of the Placing and Subscriptions. The New Ordinary Shares will represent approximately 20.5 per cent. of the Enlarged Issued Share Capital. The aggregate net proceeds after costs related to the Placing and Subscriptions are expected to be approximately £2.8 million.

The Placing Price of 6 pence per New Ordinary Share represents a discount of 14 per cent. to the closing mid-market price of 7 pence on 6 December 2016, being the last Business Day prior to the publication of this document.

Use of Proceeds:

LiDCO intends to use the net proceeds from the Placing and Subscriptions to accelerate growth into the US market, which the Directors believe has the most significant growth opportunity at present, as well as growing sales through additional resource in other international markets, whilst maintaining its market leading status in the UK. This growth strategy will deploy increased sales resource and undertake a more extensive and focused marketing effort. The Directors believe the net proceeds will allow the Company to focus on developing sustainable, repeatable businesses outside its core UK market.

The Company has been developing its next generation monitor with adapted software and intends to introduce a differentiated pricing model in target markets for customers with high annual usage. This new model would allow customers high usage of the monitor for an upfront fee. The Directors believe that this will reduce the time taken to close business, encourage high patient volume, increase technology adoption and should provide greater forward visibility of revenue.

4. Details of the Placing and Subscriptions

The New Ordinary Shares, when issued, will rank in full for any dividend or other distribution declared, made or paid after Admission and otherwise equally in all respects with the existing Ordinary Shares.

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM by not later than 8.00 a.m. on 28 December 2016, or such later date as the Company and finnCap may agree, which in any event shall be not later than 31 January 2017.

Placing Agreement

The Placing is conditional upon, amongst other things,

- i. the passing of the Resolutions at the General Meeting;
- ii. the conditions in the Placing Agreement being satisfied or (if applicable) waived and the Placing Agreement not having been terminated in accordance with its terms prior to Admission;
- iii. the conditions in each of the Subscription Agreements being satisfied or (if applicable) waived and each of the Subscription Agreements not having been terminated in accordance with their terms prior to Admission, and the Company having received the proceeds of the Subscriptions for release conditional only upon Admission having occurred; and
- iv. Admission of the New Ordinary Shares to trading on AIM becoming effective by not later than 8.00 a.m. on 28 December 2016 or such later date (being not later than 8.00 a.m. on 31 January 2017) as the Company and finnCap may agree.

Accordingly, if any of these conditions are not satisfied or, if applicable, waived, the Placing and the Subscriptions will not proceed.

Pursuant to the terms of the Placing Agreement, finnCap as agent for the Company, has agreed to use its reasonable endeavours to procure placees for the Placing Shares at the Placing Price; the Placing is not being underwritten. The Placing Agreement contains customary warranties from the Company in favour of finnCap in relation to, *inter alia*, the accuracy of the information contained in the documents relating to the Placing and certain other matters relating to the Company and its business. In addition, the Company has agreed to indemnify finnCap in relation to certain liabilities that it may incur in respect of the Placing.

finnCap may terminate the Placing Agreement in specified circumstances (including for breach of warranty at any time prior to Admission, if such breach is reasonably considered by finnCap to be material in the context of the Placing) and in the event of a force majeure event or material adverse change occurring at any time prior to Admission. If this right is exercised, the Placing will not proceed. The Placing Agreement is not subject to any right of termination after Admission. The Placing Agreement provides for payment by the Company to finnCap of certain commissions relating to the Placing Shares.

Subscription Agreements/Directors Participation

Pursuant to the terms of the Subscription Agreements an aggregate of 2,083,334 New Ordinary Shares will be issued at the Placing Price for an aggregate subscription of £125,000.

The Subscription Agreements are each conditional on (i) the passing of the Resolutions, (ii) the Placing Agreement becoming unconditional and not having been terminated before Admission, and (iii) Admission.

The Directors participation in the Subscriptions and their resultant holdings (including their spouses) are as set out below:

<i>Director</i>	Date of this document		Number of Subscription Shares	Immediately following the Placing and Subscription	
	Number of Existing Ordinary Shares	Percentage of existing issued share capital	Number of Subscription Shares	Number of New Ordinary Shares	Percentage of enlarged issued share capital
Matthew G Sassone	–	–	250,000	250,000	0.1%
Paul L Clifford	659,660	0.3%	–	659,660	0.3%
Ian G Brown	200,000	0.1%	–	200,000	0.1%
Phil Cooper	–	–	1,666,667	1,666,667	0.7%
Theresa A Wallis	331,037	0.2%	166,667	497,704	0.2%
Total	1,190,697	0.6%	2,083,334	3,274,031	1.3%

5. Current Trading and Prospects

The Group notified its half year results for the six months ended 31 July 2016 on 11 October 2016, stating that LiDCO had had a strong start to the year, aligned to the tactical initiatives implemented in the previous year.

The Directors believe that LiDCO has established itself as a leading edge innovator in the hemodynamic monitoring market, which the Directors believe has the potential to be a \$2 billion per annum market opportunity by revenue, and that is well positioned to grow consistently and win market share in global geographies.

The Directors foresee the current financial year as one of sales growth and cash generation, allowing the Company to continue to work to achieve the growth opportunities that the Directors believe are available. The net proceeds of the Placing and Subscriptions will assist with this strategy of developing overseas markets, accelerating revenue growth and reinforcing its leadership position in the UK.

6. Related Party Transactions

Where a company enters into a related party transaction, under the AIM Rules the independent directors of the company are required, after consulting with the company's nominated adviser, to state whether, in their opinion, the transaction is fair and reasonable in so far as its shareholders are concerned.

Phil Cooper, Matt Sassone and Theresa Wallis have conditionally agreed to subscribe for an aggregate of 2,083,334 New Ordinary Shares under the Subscription Agreements at the Placing Price. As directors of the Company, they are each a related party for the purposes of the AIM Rules. The Independent Directors consider having consulted with the Company's nominated adviser, finnCap, that the terms of the Subscription by each such related party are fair and reasonable insofar as the Company's shareholders are concerned.

7. Total Voting Rights

In accordance with the UK Financial Conduct Authority's Disclosure Guidance and Transparency Rules, immediately following Admission the issued share capital of the Company will be 244,174,908 ordinary shares of 0.5 pence each. The total number of voting rights in the Company will therefore be 244,174,908 which may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in the Company under the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

8. General Meeting

At the end of this document you will find a notice convening the General Meeting to be held at the offices of finnCap at 60 New Broad Street, London, EC2M 1JJ on 23 December 2016 at 10.00 a.m. at which the following resolutions will be proposed:

- (a) Resolution 1: an ordinary resolution to extend the Directors' general authority to allot securities under section 551 of the Companies Act 2006;
- (b) Resolution 2: a special resolution to extend the Directors' authorities to allot securities for cash without pre-emption under section 570 of the Companies Act 2006;

The Directors propose to extend the current authorities and to provide authority to allot securities for cash in the aggregate nominal amount of £250,000 (equivalent to an additional 50,000,000 New Ordinary Shares) for the purposes of the Placing and the Subscriptions.

Following the Placing and the Subscriptions, the existing residual general authority to allot ordinary shares under section 551 of the Companies Act 2006 will remain available, limited to a nominal amount of £323,625, equivalent to 64,725,000 New Ordinary Shares (representing approximately 26.5 per cent. of the Enlarged Issued Share Capital), and the existing residual authority to allot securities for cash under section 570 of the Companies Act 2006 will remain available, limited to a nominal amount of £97,085, equivalent to 19,417,000 New Ordinary Shares (representing approximately 8.0 per cent. of the Enlarged Issued Share Capital). These authorities subsist until the earlier of the 2017 Annual General Meeting and 30 June 2017.

9. Action to be taken

Please check that you have received with this document: a Form of Proxy for use in respect of the General Meeting.

Whether or not you propose to attend the General Meeting in person, you are strongly encouraged to complete, sign and return your Form of Proxy in accordance with the instructions printed thereon as soon as possible, but in any event so as to be received, by post or, during normal business hours only, by hand, to the Company's registrars, Capita Asset Services at PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF, by no later than 10.00 a.m. on 21 December 2016 (not later than 48 hours before the time fixed for the holding of the meeting (excluding any part of a day that is not a Business Day)).

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

10. Recommendation

The Directors consider the Resolutions to be proposed at the General Meeting to be in the best interests of the Company and the Shareholders as a whole. Consequently, the Directors unanimously recommend that you vote in favour of the Resolutions to be proposed at the General Meeting, as they intend to do in respect of the 1,190,697 Ordinary Shares held, directly or indirectly, by them representing approximately 0.61 per cent. of the total voting rights of the Company.

Yours faithfully

Matt Sassone

Chief Executive Officer

NOTICE OF GENERAL MEETING
LiDCO GROUP PLC

(Incorporated in England and Wales with registered number 02659005)

NOTICE IS HEREBY GIVEN that a General Meeting of LiDCO Group plc (the "Company") shall be held at the offices of finnCap Ltd, 60 New Broad Street, London EC2M 1JJ at 10.00 a.m. on 23 December 2016 for the purpose of passing the following resolutions, which will be proposed as to resolution 1 as an ordinary resolution and as to resolution 2 as a special resolution:

RESOLUTIONS

1. THAT, in addition to existing authorities conferred on the directors to allot shares or to grant rights to subscribe for or to convert any securities into shares, the directors be and are generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 ("Act") 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 an aggregate nominal amount of £250,000, provided that the authority shall expire at the conclusion of the next Annual General Meeting of the Company to be held in 2017 or on 30 June 2017 (whichever is the earlier), save that the Company shall be entitled to make, prior to the expiry of such authority, any offer or agreement which would or might require equity securities (as defined in section 560 of the Act) to be allotted after the expiry of such authority, and the directors may allot such securities pursuant to such offer or agreement as if such authority had not expired.

2. THAT, in addition to existing authorities conferred on the directors to allot shares or to grant rights to subscribe for or to convert any securities into shares, the directors be and are empowered pursuant to section 571 of the Companies Act 2006 ("Act") to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the authority conferred on them by resolution 1 above and to allot equity securities (as defined in Section 560(3) of the Act (sale of treasury shares)) for cash in each case as if Section 561 of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities up to an aggregate nominal value of £250,000 (50,000,000 ordinary shares of 0.5p) in connection with the Placing and Subscriptions (as defined in the circular to shareholders of which this notice forms part).

This power shall expire at the conclusion of the next Annual General Meeting of the Company to be held in 2017 or 30 June 2017, whichever is the earlier, unless previously revoked, varied or renewed by the Company in general meeting, provided that the Company may, before such expiry, make any offer or agreement which would or might require securities to be allotted, or treasury shares sold, after such expiry and the directors may allot securities or sell treasury shares pursuant to such offer or agreement as if the power conferred had not expired.

By Order of the Board

Paul Clifford
Finance Director

Registered Office:

16 Orsman Road
London
N1 5QJ

Dated: 7 December 2016

Notes

1. Members of the Company are entitled to appoint one or more proxies to exercise all or any of their rights to attend, speak and vote instead of him or her. A proxy does not need to be a member of the Company but must attend the meeting to represent you. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to your appointee.
2. A form of proxy is enclosed with this notice. Forms of proxy must be received by the Company's registrars, Capita Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF by no later than 10.00 a.m. on 21 December 2016. Completion and return of a form of proxy does not preclude a member from attending and voting in person at the meeting. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated. You can only appoint a proxy using the procedures set out in these notes and the notes on the form of proxy.
3. In the case of joint holders, the vote of the senior joint holder who tenders a vote either in person or by proxy will be accepted to the exclusion of the votes of other joint holders and for this purpose, seniority will be determined by the order in which the names stand on the register of members of the Company in respect of the relevant joint holding.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to a different share or shares held by you. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please use a photocopy of the form of proxy. Failure to specify the number of shares each proxy appointment relates to or specifying a number of shares in excess of those held by you on the record date for voting purposes will result in the proxy appointments being invalid.
5. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that in order to have the right to attend and vote at the meeting (also for the purpose of calculating how many votes a person entitled to attend and vote may cast), a person must be entered on the register of members of the Company by no later than 6.00 p.m. on 21 December 2016, or, in the event that the meeting is adjourned, on the register of members 48 hours before any such adjourned meeting. Changes to entries on the register after this time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
6. A vote withheld is not a vote in law, which means that the withheld vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy may vote or abstain from voting at his or her discretion. Your proxy may vote (or abstain from voting) as he or she thinks fit in relation to any matter which is put to the meeting.
7. To change your proxy instructions, simply submit a new proxy appointment using the methods set out above. Note that cut-off times for receipt of proxy appointments (see note 2 above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. 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.

