

RNS Number : 3115P

DP Poland PLC

07 February 2019

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This Announcement contains inside information for the purposes of the market abuse regulation (EU No. 596/2014) ("MAR"). In addition, market soundings (as defined in MAR) were taken in respect of certain of the matters contained in this Announcement, with the result that certain persons became aware of such inside information, as permitted by MAR. Upon the publication of this Announcement, this inside information is now considered to be in the public domain and such persons shall therefore cease to be in possession of inside information.

For immediate release

7 February 2019

DP Poland plc

Proposed placing of new ordinary shares to raise approximately £5.3 million

Proposed broker option to raise up to £0.5 million

Board change and trading update

Introduction

DP Poland plc ("**DP Poland**", the "**Company**" or, together with its subsidiary undertakings, the "**Group**") announces a conditional placing of 88,333,333 new ordinary shares of 0.5 pence each ("**Ordinary Shares**") in the capital of the Company (the "**Placing Shares**") at a price of 6 pence per Placing Share (the "**Placing Price**") to raise approximately £5.3 million before expenses (the "**Placing**"). Furthermore, the Company has authorised its broker, Peel Hunt, to raise up to £0.5 million through a broker option (the "**Broker Option**") in order to allow existing and other investors to participate in the proposed fundraising. Ordinary Shares issued under the Broker Option will also be issued at the Placing Price and will therefore be limited to 8,333,333 million Ordinary Shares (the "**Broker Option Shares**"), closing at 5.00 p.m. on Wednesday 13 February 2019.

The Placing Shares and the Broker Option Shares (assuming the Broker Option is subscribed in full) will represent approximately 63.3 per cent. of the existing issued share capital of the Company and the Placing Price represents a discount of approximately 58.2 per cent. to the closing mid-market price of 14.35 pence per Ordinary Share on 6 February 2019, being the latest practicable date prior to the publication of this Announcement.

The Fundraising will be on the terms and subject to the conditions set out in the Appendix to this Announcement.

CEO to step down

Peter Shaw will be stepping down as Chief Executive of DP Poland by mutual agreement at the conclusion of the Company's 2019 Half Year, in June 2019. Peter was co-founder of DP Poland and has led the business since October 2010 - shortly after it acquired the master franchise agreement for Domino's Pizza in Poland. He has led DP Poland to become one of the largest pizza delivery operations in Poland, with an estate of 64 stores.

Looking to the future, the Group's principal focus will include optimising resources and cost control and on increasing local market expertise, building on the strong operational team built by Peter in Poland. Pending a further appointment reflecting the Group's priorities in this area, Nick Donaldson, non-executive Chairman, and Rob Morrish, non-executive Director, will take a more active role in the running of the business. Maciej Jania continues as Finance Director of DP Poland and Managing Director of DP Polska SA, reporting directly to the DP Poland board in that connection.

The board of DP Poland thank Peter Shaw for the great contribution he has made to the development of the business.

Background to and reasons for the Fundraising

On 12 December 2018, the Company announced a trading update for the year to date. As part of that update, the Company announced that it had experienced pressure on 2018 sales from the exceptionally warm weather from April to mid-November 2018 as well as the cumulative impact of delivery aggregators' advertising spend impacting on the Company's share of voice in the market. The Company announced that it expected the competition for share of voice to continue to impact sales in 2019. Subsequently, the Directors have taken the decision to raise approximately £5.3 million before expenses by means of the Placing in order to maintain the medium-term store roll-out and support the Company's sales and marketing programmes to be implemented throughout 2019. An overview of the Company's market, 2018 performance, strategy and intended use of proceeds from the Fundraising is described in more detail below.

The market

The Company's target market continues to offer an exciting and considerable growth opportunity. Poland, the Company's target market and location of operations, is a large, fast-growing European economy with a population of around 38 million people, 60 per cent. of whom live in urban areas. Poland's economy was recently ranked as the eighth largest economy in Europe, growing at an annual GDP rate of approximately 5 per cent.¹

The sub-sectors in which the Company operates are both sizeable and fast growing. The food service sector in Poland was valued at 35bn PLN (£7.3bn²) in 2017, with the home delivery and takeaway sectors together representing 19.6 per cent. of this market (6.8bn PLN (£1.4bn³)). Overall the home delivery sector in Poland grew 15 per cent. in 2017 (vs 2016).

The Company is a leading player in delivery pizza in Poland:

- As at 6 February 2019, the Company had 64 stores (vs 58 'Pizza Hut Delivery' and 6 Papa John's similar format stores); and
- The Company's system sales grew 24 per cent. in 2018 (vs 2017), outperforming the noted 2017 growth of the home delivery sector.

The Directors believe that the Company has the commissary (food production and storage) capacity in place to support their proposed medium-term store roll-out plans, as set out below.

Overall the Company aims to become the number 1 branded chain in pizza in Poland, with the potential for a total of 400-600+ stores (based on current store penetration in a number of other Domino's markets⁴).

2018 performance

The Company delivered a solid performance in 2018⁵, however certain headwinds discussed below led to pressure on sales performance. 2018 highlights included:

- System Sales growth of 24 per cent. to 72m PLN 2018 (58m PLN 2017);
- Like-for-like System Sales growth of 6 per cent. for 2018 (vs 2017, pre-split⁶);
- 77 per cent. of total delivery sales were made online in 2018 (75 per cent. in 2017);
- Revenue growth of 18 per cent. to 59m PLN in 2018 (50m PLN in 2017);
- Corporate store EBITDA growth of 74 per cent to 2.6m PLN in 2018 (1.5m PLN in 2017); and
- Commissary Gross Profit growth of 20 per cent. to 3.8m PLN in 2018 (3.1m PLN in 2017).

Alongside these financial highlights, the Company's stores were ranked amongst the best Domino's stores in the world with regards to service times⁷. Additionally, the Company was delighted to receive from Domino's a second consecutive Gold Franny award for sales growth and quality standards⁸.

However, the Company experienced pressures on sales in 2018, driven predominantly by exceptionally warm and dry weather from April to mid-November 2018 and the noted cumulative impact of delivery aggregators' advertising spend on the Company's share of voice. The Company also took the decision to offer less discounting in September and October 2018 (compared to 2017), thus protecting margin.

Sales trends

The Company notes that it achieved robust sales growth in 2018, in spite of the challenging headwinds mentioned above, especially within its more established⁹ stores. Comparing 2018 to 2017, more established stores had a higher average order count in the first half of the year (with the second half impacted by the noted headwinds) and a higher average transaction value throughout the year, supporting margin. These more established stores had a higher level of delivery sales transacted online (81 per cent.) compared to total stores (77 per cent.).

Corporate and sub-franchised store performance

The Company tracks financial performance by splitting its store portfolio into two parts, being 'Corporate', stores managed by the Company, and 'Sub-franchised', stores managed by sub-franchisees. Performance for Corporate and Sub-franchised stores is set out below:

Corporate

In 2018, Corporate stores (38 stores in total) delivered total store sales in line with the Company's sales model. Within Corporate, stores in the '1-12 months' and '49-60+ months' cohorts were particularly strong performers. For the stores which underperformed against forecast, the Company has specific plans in place to help improve revenue, including additional sales support.

Sub-franchised

In 2018, Sub-franchised stores (24 stores in total) performed below the Company's expectations, delivering total store sales of 85 per cent. of the Company's sales model. The Company is working closely with sub-franchisees to improve sales performance. Specific measures are discussed in more detail below.

The Company's future plan and use of proceeds

Overall Company plans for 2019

The Company's plan for 2019 includes:

- A trial with Pyszne (takeaway.com), an online food delivery platform for restaurants (commenced in January 2019);
- Within Sub-franchised, focussing on reinvigorating sub-franchisee performance to drive sales and openings, with a renewed focus on sub-franchisee recruitment. As part of this drive, the Company has appointed a new Head of Sales and Operations;
- Within Corporate, supporting underperforming stores with additional sales support, but the Company will consider closures if underperformance continues;
- Continuing to focus on superior product, service, image and value versus the competition;
- Driving higher store penetration by reducing delivery areas, improving delivery times and improving the cost of labour; and
- 2019 openings weighted towards larger cities, including a high proportion of splits.

Use of proceeds

The Directors intend to primarily use the net proceeds of the Placing of approximately £5.0 million to fund the medium-term store roll-out (detailed below) and the plan described above.

The remaining net proceeds will be used to fund the Group's other capex and working capital outflows (including bank finance facilities) (2019-2022). As at 31 December 2018, the Company had cash of £1.8 million. The Group is targeting positive EBITDA in 2022 and targeting to be cash flow neutral in 2022.

Any proceeds received from the Broker Option will be used to further increase marketing spend.

The Company's medium-term store opening plan is as follows:

Target store openings	2018	2019	2020	2021	2022
Corporate stores	9	8	3	2	2
Sub-franchised stores	-	2	7	10	10

Conversion from corporate to sub-franchised stores	-	7	2	3	2
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The Company's target total stores are as follows:

Target total stores	2018	2019	2020	2021	2022
Corporate stores	39	40	41	40	40
Sub-franchised stores	24	33	42	55	67
Total stores	63	73	83	95	107

The Company's target for mature Corporate store EBITDA is set at £107k¹⁰ with a target EBITDA maturity profile of:

Corporate store EBITDA model (PLN)	
12 months	(169,000)
24 months	35,000
36 months	196,000
48 months	302,000
60 months	512,000

Details of the Fundraising

Peel Hunt LLP ("**Peel Hunt**") is acting as nominated adviser, broker and bookrunner in connection with the Placing. The Company has also granted to Peel Hunt the Broker Option to raise up to a further £0.5 million before expenses through the issue of up to 8,333,333 Broker Option Shares at the Placing Price in order to allow existing and other investors to participate in the Fundraising.

The Broker Option may be exercised by Peel Hunt between 8.00 a.m. on Thursday 7 February 2019 and 5.00 p.m. on Wednesday 13 February 2019 and, if exercised in full, shall require the Company to issue up to 8,333,333 Broker Option Shares. The exercise of the Broker Option shall be at the discretion of Peel Hunt and Peel Hunt are under no obligation to exercise the Broker Option.

The Fundraising is subject to the terms and conditions set out in the appendix (the "**Appendix**") to this announcement (which forms part of this announcement, such announcement and the Appendix together being this "**Announcement**").

The Placing Shares, when issued, will represent approximately 57.8 per cent. of the Company's existing issued share capital, assuming no subscription for Broker Option Shares under the Broker Option. The Placing Shares and the Broker Option Shares (assuming the Broker Option is subscribed in full) will together represent approximately 63.3 per cent. of the existing issued share capital of the Company. The Placing Price of 6 pence per share represents a discount of approximately 58.2 per cent. to the closing mid-market price of 14.35 pence per Ordinary Share on 6 February 2019 being the latest practicable date prior to the publication of this Announcement.

The Placing Shares and the Broker Option Shares (if any), when issued, will be fully paid and will rank pari passu in all respects with the existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of issue.

Application will be made for the Placing Shares and the Broker Option Shares (if any) to be admitted to trading on the AIM market ("**AIM**") of London Stock Exchange plc (the "**London Stock Exchange**") as set out below ("**Admission**").

Settlement for the Placing Shares and the Broker Option Shares (if any) and Admission is expected to take place on or before 8.00 a.m. on Friday 1 March 2019. The Fundraising is conditional upon, among other things, the resolutions (the "**Resolutions**") required to implement the Fundraising being duly passed by the shareholders of the Company at the general meeting proposed to be held at the offices of Peel Hunt LLP, Moor House, 120 London Wall, London EC2Y 5ET at 10.00 a.m. on Thursday 28 February 2019 (the "**General Meeting**"), upon Admission becoming effective and the placing agreement between the Company and Peel Hunt (the "**Placing Agreement**") not being terminated in accordance with its terms. Following Admission, assuming no Broker Option Shares are issued, the Company will have 241,155,464 Ordinary Shares in issue, however, assuming the maximum number of Broker Option Shares are issued, the Company will have 249,488,797 Ordinary Shares in issue.

A circular containing, amongst other things, a notice of General Meeting (the "**Circular**") is expected to be published by the Company later today.

Related party transactions

Nicholas Donaldson, Peter Shaw, Maciej Jania and Christopher Moore, being Directors and therefore related parties to the Company, as defined in the AIM Rules, have conditionally agreed to subscribe for an aggregate of 10,249,998 Placing Shares in the Placing, as detailed below:

<i>Director</i>	<i>Number of Placing Shares to be subscribed for</i>	<i>Holding of Ordinary Shares on Admission¹¹</i>	<i>Percentage of Enlarged Issued Share Capital on Admission (%)¹²</i>
Nicholas Donaldson	166,666	495,999	0.2%
Peter Shaw	1,666,666	3,007,545	1.2%
Maciej Jania	83,333	2,452,451	1.0%
Christopher Moore	8,333,333	12,524,166	5.2%

The participation of the Directors (or their associates) in the Placing will be a related party transaction for the purpose of Rule 13 of the AIM Rules (the "**Director Related Party Transactions**"). Each of Gerald Ford and Robert Morrish, being the independent Directors, having consulted with Peel Hunt as the Company's nominated adviser, consider that the terms of each Director Related Party Transaction are fair and reasonable insofar as the shareholders of the Company are concerned.

Following Admission, Pageant, being a substantial shareholder in the Company as defined in the AIM Rules, will have a shareholding of 56,187,359 Ordinary Shares representing 23.3 per cent. of the Enlarged Issued Share Capital (assuming no Broker Option Shares are issued). The participation of Pageant (or its associates) in the Placing will be a related party transaction for the purpose of Rule 13 of the AIM Rules (the "**Pageant Related Party Transaction**"). The Directors, having consulted with Peel Hunt as the Company's nominated adviser, consider that the terms of the Pageant Related Party Transaction are fair and reasonable insofar as the Shareholders are concerned.

Following Admission, Canaccord, being a substantial shareholder in the Company as defined in the AIM Rules, will have a shareholding of 29,845,863 Ordinary Shares representing 12.4 per cent. of the Enlarged Issued Share Capital (assuming no Broker Option Shares are issued). The participation of Canaccord (or its associates) in the Placing will be a related party transaction for the purpose of Rule 13 of the AIM Rules (the "**Canaccord Related Party Transaction**"). The Directors, having consulted with Peel Hunt as the Company's nominated adviser, consider that the terms of the Canaccord Related Party Transaction are fair and reasonable insofar as the Shareholders are concerned.

Enquiries:

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The person responsible for arranging the release of this Announcement on behalf of the Company is Peter Shaw, a director of the Company.

This Announcement should be read in its entirety. In particular, you should read and understand the information provided in the "Important Notices" section of this Announcement.

IMPORTANT NOTICES

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING OR THE BROKER OPTION. THIS ANNOUNCEMENT (INCLUDING THE APPENDIX) AND THE TERMS AND CONDITIONS SET OUT HEREIN (TOGETHER, THIS "**ANNOUNCEMENT**") ARE DIRECTED ONLY AT PERSONS WHOSE ORDINARY ACTIVITIES INVOLVE THEM IN ACQUIRING, HOLDING, MANAGING AND DISPOSING OF INVESTMENTS (AS PRINCIPAL OR AGENT) FOR THE PURPOSES OF THEIR BUSINESS AND WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND ARE: (1) IF IN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA ("**EEA**"), QUALIFIED INVESTORS AS DEFINED IN ARTICLE 2(1)(e) OF DIRECTIVE 2003/71/EC AS AMENDED, INCLUDING BY THE 2010 PROSPECTUS DIRECTIVE AMENDING DIRECTIVE (DIRECTIVE 2010/73/EC) TO THE EXTENT IMPLEMENTED IN THE RELEVANT MEMBER STATE (THE "**PROSPECTUS DIRECTIVE**"); (2) IF IN THE UNITED KINGDOM, QUALIFIED INVESTORS WHO ALSO (A) FALL WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "**ORDER**") (INVESTMENT PROFESSIONALS) OR (B) FALL WITHIN ARTICLE 49(2)(a) TO (d) (HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC.) OF THE ORDER (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "**RELEVANT PERSONS**").

THIS ANNOUNCEMENT AND THE INFORMATION IN IT MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. PERSONS DISTRIBUTING THIS ANNOUNCEMENT MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS ANNOUNCEMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS ANNOUNCEMENT DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN DP POLAND.

THE NEW ORDINARY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD OR TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE NEW ORDINARY SHARES ARE BEING OFFERED AND SOLD ONLY (I) OUTSIDE OF THE UNITED STATES IN "**OFFSHORE TRANSACTIONS**" WITHIN THE MEANING OF, AND IN ACCORDANCE WITH, REGULATION S UNDER THE SECURITIES ACT AND OTHERWISE IN ACCORDANCE WITH APPLICABLE LAWS AND (II) IN THE UNITED STATES TO A LIMITED NUMBER OF "**QUALIFIED INSTITUTIONAL BUYERS**" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) (A "**QIB**") IN TRANSACTIONS EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT. NO PUBLIC OFFERING OF THE NEW ORDINARY SHARES IS BEING MADE IN THE UNITED STATES OR ELSEWHERE.

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The distribution of this Announcement and/or the Placing or Broker Option and/or issue of the New Ordinary Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company, Peel Hunt or any of their respective affiliates, agents, directors, officers or employees that would permit an offer of the New Ordinary Shares or possession or distribution of this Announcement or any other offering or publicity material relating to such New Ordinary Shares in any jurisdiction where action for that purpose is required. Persons into whose possession this Announcement comes are required by the Company and Peel Hunt to inform themselves about and to observe any such restrictions.

This Announcement or any part of it is for information purposes only and does not constitute or form part of any offer to issue or sell, or the solicitation of an offer to acquire, purchase or subscribe for, any securities in the United States (including its territories and possessions, any state of the United States and the District of Columbia (the **"United States"** or the **"US"**)), Australia, Canada, the Republic of South Africa or Japan or any other jurisdiction in which the same would be unlawful. No public offering of the New Ordinary Shares is being made in any such jurisdiction.

All offers of the New Ordinary Shares in the EEA will be made pursuant to an exemption under the Prospectus Directive from the requirement to produce a prospectus. In the United Kingdom, this Announcement is being directed solely at persons in circumstances in which section 21(1) of the Financial Services and Markets Act 2000 (as amended) does not apply.

The New Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the Broker Option or the accuracy or adequacy of this Announcement. Any representation to the contrary is a criminal offence in the United States. The relevant clearances have not been, nor will they be, obtained from the securities commission of any province or territory of Canada, no prospectus has been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance; the relevant clearances have not been, and will not be, obtained from the South Africa Reserve Bank or any other applicable body in the Republic of South Africa in relation to the New Ordinary Shares and the New Ordinary Shares have not been, nor will they be, registered under or offered in compliance with the securities laws of any state, province or territory of Australia, Canada, the Republic of South Africa or Japan. Accordingly, the New Ordinary Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into Australia, Canada, the Republic of South Africa or Japan or any other jurisdiction outside the United Kingdom.

Persons (including, without limitation, nominees and trustees) who have a contractual right or other legal obligations to forward a copy of this Announcement should seek appropriate advice before taking any action.

By participating in the Placing or the Broker Option, each person who is invited to and who chooses to participate in the Placing or the Broker Option (a **"Placee"**) by making an oral and legally binding offer to acquire New Ordinary Shares will be deemed to have read and understood this Announcement in its entirety, to be participating, making an offer and acquiring New Ordinary Shares on the terms and conditions contained herein and to be providing the representations, warranties, indemnities, acknowledgements and undertakings contained in the Appendix.

This Announcement may contain, and the Company may make verbal statements containing "forward-looking statements" with respect to certain of the Company's plans and its current goals and expectations relating to its future financial condition, performance, strategic initiatives, objectives and results. Forward-looking statements sometimes use words such as "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "seek", "may", "could", "outlook" or other words of similar meaning. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond the control of the Company, including amongst other things, United Kingdom domestic and global economic business conditions, market-related risks such as fluctuations in interest rates and exchange rates,

the policies and actions of governmental and regulatory authorities, the effect of competition, inflation, deflation, the timing effect and other uncertainties of future acquisitions or combinations within relevant industries, the effect of tax and other legislation and other regulations in the jurisdictions in which the Company and its affiliates operate, the effect of volatility in the equity, capital and credit markets on the Company's profitability and ability to access capital and credit, a decline in the Company's credit ratings, the effect of operational risks, and the loss of key personnel. As a result, the actual future financial condition, performance and results of the Company may differ materially from the plans, goals and expectations set forth in any forward-looking statements. Any forward-looking statements made in this Announcement by or on behalf of the Company speak only as of the date they are made. Except as required by applicable law or regulation, the Company expressly disclaims any obligation or undertaking to publish any updates or revisions to any forward-looking statements contained in this Announcement to reflect any changes in the Company's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the New Ordinary Shares have been subject to a product approval process, which has determined that the New Ordinary Shares are: (i) compatible with an end target market of (a) retail investors, (b) investors who meet the criteria of professional clients and (c) eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the New Ordinary Shares may decline and investors could lose all or part of their investment; the New Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the New Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing or the Broker Option. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Peel Hunt will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the New Ordinary Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the New Ordinary Shares and determining appropriate distribution channels.

Peel Hunt is authorised and regulated by the Financial Conduct Authority (the "FCA") in the United Kingdom and is acting exclusively for the Company and no one else in connection with the Placing and the Broker Option, and Peel Hunt will not be responsible to anyone (including any Placees) other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Placing or the Broker Option or any other matters referred to in this Announcement.

No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by Peel Hunt or by any of its affiliates or agents as to, or in relation to, the accuracy or completeness of this Announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefor is expressly disclaimed.

No statement in this Announcement is intended to be a profit forecast or estimate, and no statement in this Announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

The price of shares and any income expected from them may go down as well as up and investors may not get back the full amount invested upon disposal of the shares. Past performance is no guide to future performance, and persons needing advice should consult an independent financial adviser.

The New Ordinary Shares to be issued or sold pursuant to the Placing or the Broker Option will not be admitted to trading on any stock exchange other than the London Stock Exchange.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this Announcement.

APPENDIX 1 - TERMS AND CONDITIONS OF THE PLACING AND THE BROKER OPTION

IMPORTANT INFORMATION FOR INVITED PLACEES ONLY REGARDING THE PLACING AND THE BROKER OPTION.

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING OR THE BROKER OPTION. THIS ANNOUNCEMENT (INCLUDING THIS APPENDIX) AND THE TERMS AND CONDITIONS SET OUT HEREIN (TOGETHER, THIS "**ANNOUNCEMENT**") ARE DIRECTED ONLY AT PERSONS WHOSE ORDINARY ACTIVITIES INVOLVE THEM IN ACQUIRING, HOLDING, MANAGING AND DISPOSING OF INVESTMENTS (AS PRINCIPAL OR AGENT) FOR THE PURPOSES OF THEIR BUSINESS AND WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND ARE: (1) IF IN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA ("**EEA**"), QUALIFIED INVESTORS AS DEFINED IN ARTICLE 2(1)(e) OF DIRECTIVE 2003/71/EC AS AMENDED, INCLUDING BY THE 2010 PROSPECTUS DIRECTIVE AMENDING DIRECTIVE (DIRECTIVE 2010/73/EC) TO THE EXTENT IMPLEMENTED IN THE RELEVANT MEMBER STATE (THE "**PROSPECTUS DIRECTIVE**"); (2) IF IN THE UNITED KINGDOM, QUALIFIED INVESTORS WHO ALSO (A) FALL WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "**ORDER**") (INVESTMENT PROFESSIONALS) OR (B) FALL WITHIN ARTICLE 49(2)(a) TO (d) (HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC.) OF THE ORDER (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "**RELEVANT PERSONS**").

THIS ANNOUNCEMENT AND THE INFORMATION IN IT MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. PERSONS DISTRIBUTING THIS ANNOUNCEMENT MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS ANNOUNCEMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS ANNOUNCEMENT DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN DP POLAND.

THE NEW ORDINARY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD OR TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE NEW ORDINARY SHARES ARE BEING OFFERED AND SOLD ONLY (I) OUTSIDE THE UNITED STATES IN "**OFFSHORE TRANSACTIONS**" WITHIN THE MEANING OF, AND IN ACCORDANCE WITH, REGULATION S UNDER THE SECURITIES ACT AND OTHERWISE IN ACCORDANCE WITH APPLICABLE LAWS AND (II) IN THE UNITED STATES TO A LIMITED NUMBER OF "**QUALIFIED INSTITUTIONAL BUYERS**" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) (A "**QIB**") IN TRANSACTIONS EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT. NO PUBLIC OFFERING OF THE NEW ORDINARY SHARES IS BEING MADE IN THE UNITED STATES OR ELSEWHERE.

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

THIS ANNOUNCEMENT IS NOT FOR PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA. THIS ANNOUNCEMENT IS NOT AN OFFER OF SECURITIES FOR SALE INTO THE UNITED STATES. THE SECURITIES REFERRED TO HEREIN HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES, EXCEPT PURSUANT TO AN APPLICABLE EXEMPTION FROM REGISTRATION. NO PUBLIC OFFERING IS BEING MADE IN THE UNITED STATES.

The distribution of this Announcement and/or the Placing and/or the Broker Option and/or issue of the New Ordinary Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company, Peel Hunt or any of their respective affiliates, agents, directors, officers or employees that would permit an offer of the New Ordinary Shares or possession or distribution of this Announcement or any other offering or publicity material relating to such New Ordinary Shares in any jurisdiction where action for that purpose is required. Persons into whose possession this Announcement comes are required by the Company and Peel Hunt to inform themselves about and to observe any such restrictions.

This Announcement or any part of it is for information purposes only and does not constitute or form part of any offer to issue or sell, or the solicitation of an offer to acquire, purchase or subscribe for, any securities in the United States (including its territories and possessions, any state of the United States and the District of Columbia), Australia, Canada, the Republic of South Africa or Japan or any other jurisdiction in which the same would be unlawful. No public offering of the New Ordinary Shares is being made in any such jurisdiction.

All offers of the New Ordinary Shares in the EEA will be made pursuant to an exemption under the Prospectus Directive from the requirement to produce a prospectus. In the United Kingdom, this Announcement is being directed solely at persons in circumstances in which section 21(1) of the FSMA does not apply.

The New Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the Broker Option or the accuracy or adequacy of this Announcement. Any representation to the contrary is a criminal offence in the United States. The relevant clearances have not been, nor will they be, obtained from the securities commission of any province or territory of Canada, no prospectus has been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance; the relevant clearances have not been, and will not be, obtained from the South Africa Reserve Bank or any other applicable body in the Republic of South Africa in relation to the New Ordinary Shares and the New Ordinary Shares have not been, nor will they be, registered under or offered in compliance with the securities laws of any state, province or territory of Australia, Canada, the Republic of South Africa or Japan. Accordingly, the New Ordinary Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into Australia, Canada, the Republic of South Africa or Japan or any other jurisdiction outside the United Kingdom.

Persons (including, without limitation, nominees and trustees) who have a contractual right or other legal obligations to forward a copy of this Announcement should seek appropriate advice before taking any action.

This Announcement should be read in its entirety. In particular, you should read and understand the information provided in the "Important Notices" section of this Announcement.

By participating in the Placing or the Broker Option, each Placee will be deemed to have read and understood this Announcement in its entirety, to be participating, making an offer and acquiring New Ordinary Shares on the terms and conditions contained herein and to be providing the representations, warranties, indemnities, acknowledgements and undertakings contained in this Appendix.

In particular, each such Placee represents, warrants, undertakes, agrees and acknowledges (amongst other things) that:

1. it is a Relevant Person and undertakes that it will acquire, hold, manage or dispose of any New Ordinary Shares that are allocated to it for the purposes of its business; and
2. in the case of a Relevant Person in a member state of the EEA which has implemented the Prospectus Directive (each, a **"Relevant Member State"**) who acquires any New Ordinary Shares pursuant to the Placing:

- (a) *it is a Qualified Investor within the meaning of Article 2(1)(e) of the Prospectus Directive; and*
 - (b) *in the case of any New Ordinary Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive:*
 - (i) **the New Ordinary Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than Qualified Investors or in circumstances in which the prior consent of Peel Hunt has been given to the offer or resale; or**
 - (ii) **where New Ordinary Shares have been acquired by it on behalf of persons in any Relevant Member State other than Qualified Investors, the offer of those New Ordinary Shares to it is not treated under the Prospectus Directive as having been made to such persons; and**
3. it is acquiring the New Ordinary Shares for its own account or is acquiring the New Ordinary Shares for an account with respect to which it exercises sole investment discretion and has the authority to make and does make the representations, warranties, indemnities, acknowledgements, undertakings and agreements contained in this Announcement; and
 4. it understands (or if acting for the account of another person, such person has confirmed that such person understands) the resale and transfer restrictions set out in this Appendix; and
 5. except as otherwise permitted by the Company and subject to any available exemptions from applicable securities laws, it (and any account referred to in paragraph 4 above) is either:
 - (a) ***outside the United States acquiring the New Ordinary Shares in offshore transactions as defined in and in accordance with Regulation S under the Securities Act; or***
 - (b) ***a QIB.***

No prospectus

The Placing Shares are being offered to a limited number of specifically invited persons only and will not be offered in such a way as to require any prospectus or other offering document to be published. No prospectus or other offering document has been or will be submitted to be approved by the FCA in relation to the Placing or the Broker Option or the New Ordinary Shares and Placees' commitments will be made solely on the basis of the information contained in this Announcement and any information publicly announced through a Regulatory Information Service (as defined in the AIM Rules for Companies (the "**AIM Rules**")) by or on behalf of the Company on or prior to the date of this Announcement (the "**Publicly Available Information**") and subject to any further terms set forth in the contract note to be sent to individual Placees.

Each Placee, by participating in the Placing or the Broker Option, agrees that the content of this Announcement is exclusively the responsibility of the Company and confirms that it has neither received nor relied on any information (other than the Publicly Available Information), representation, warranty or statement made by or on behalf of Peel Hunt or the Company or any other person and none of Peel Hunt, the Company nor any other person acting on such person's behalf nor any of their respective affiliates has or shall have any liability for any Placee's decision to participate in the Placing or the Broker Option based on any other information, representation, warranty or statement. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing or the Broker Option. No Placee should consider any information in this Announcement to be legal, tax or business advice. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

Details of the Placing Agreement and the New Ordinary Shares

Peel Hunt has today entered into a placing agreement (the "**Placing Agreement**") with the Company under which, on the terms and subject to the conditions set out in the Placing Agreement, Peel Hunt, as agent for and on behalf of the Company, has agreed to use its reasonable endeavours to procure Placees for 88,333,333 new Ordinary Shares (the "**Placing Shares**").

The Company will also grant an option to Peel Hunt which shall be exercisable at Peel Hunt's discretion to procure subscribers for up to a further 8,333,333 new Ordinary Shares at the Placing Price (the "**Broker Option**") (and any Ordinary Shares placed on connection with the exercise of the Broker Option being the "**Broker Option Shares**"), such shares being in addition to the Placing Shares. The placing of the Placing Shares and any Broker Option Shares (such shares together, the "**New Ordinary Shares**") is not underwritten by Peel Hunt.

The New Ordinary Shares will, when issued, be subject to the memorandum and articles of association of the Company, credited as fully paid and will rank *pari passu* in all respects with the Company's existing issued Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid in respect of such Ordinary Shares after the date of issue of the New Ordinary Shares.

As part of the Placing and Broker Option, the Company has agreed that it will not, without the prior written consent of Peel Hunt, for a period of 30 days after (but including) Admission, directly or indirectly, offer, issue, lend, sell or contract to sell, issue options in respect of or otherwise dispose of or announce an offer or issue of any Ordinary Shares (or any interest therein or in respect thereof) or any other securities exchangeable for or convertible into, or substantially similar to, Ordinary Shares or enter into any transaction with the same economic effect as, or agree to do, any of the foregoing (whether or not legally or contractually obliged to do so), or to announce publicly any intention to enter into any transaction described above. This agreement is subject to certain customary exceptions and does not prevent the grant or exercise of options under any of the Company's existing share incentive and share option schemes, or following Admission the issue by the Company of any Ordinary Shares upon the exercise of any right or option or the conversion of a security already in existence.

Application for admission to trading

Application will be made to the London Stock Exchange for admission of the New Ordinary Shares to trading on AIM.

It is expected that Admission will take place on or before 8.00 a.m. on Friday 1 March 2019 and that dealings in the New Ordinary Shares on AIM will commence at the same time.

Principal terms of the Placing and Broker Option

1. Peel Hunt is acting as bookrunner in connection with the Placing and the Broker Option, as agent for and on behalf of the Company.
2. In each case participation in the Placing and the Broker Option will only be available to persons who may lawfully be, and are, invited by Peel Hunt to participate. Peel Hunt and any of its affiliates are entitled to participate in the Placing and Broker Option as principal.
3. The Placing Price is fixed at 6 pence and is payable to Peel Hunt (as agent for the Company) by all Placees.
4. Each Placee's allocation will be determined by Peel Hunt in its discretion following consultation with the Company and will be confirmed orally by Peel Hunt.
5. Each Placee's allocation and commitment will be evidenced by a contract note issued to such Placee by Peel Hunt. The terms of this Appendix will be deemed incorporated in that contract note.
6. Each Placee's allocation and commitment to acquire New Ordinary Shares will be made on the terms and subject to the conditions in this Appendix and will be legally binding on the Placee on behalf of which it is made and except with Peel Hunt's consent will not be capable of variation or revocation after the time at which it is submitted. Each Placee will have an immediate, separate, irrevocable and binding obligation, owed to Peel Hunt (as agent for the Company), to pay to it (or as it may direct) in cleared funds an amount equal to the product of the Placing Price and the number of New Ordinary Shares such Placee has agreed to acquire and the Company has agreed to allot and issue to that Placee.
7. Except as required by law or regulation, no press release or other announcement will be made by Peel Hunt or the Company using the name of any Placee (or its agent), in its capacity as Placee (or agent), other than with such Placee's prior written consent.
8. Irrespective of the time at which a Placee's allocation(s) pursuant to the Placing or the Broker Option is/are confirmed, settlement for all New Ordinary Shares to be acquired pursuant to the Placing or the Broker Option will be required to be made at the same time, on the basis explained below under "*Registration and Settlement*".

9. All obligations under the Placing and the Broker Option will be subject to fulfilment of the conditions referred to below under "*Conditions of the Placing*" and to the Placing and the Broker Option not being terminated on the basis referred to below under "*Termination of the Placing and the Broker Option*".
10. By participating in the Placing or the Broker Option, each Placee will agree that its rights and obligations in respect of the Placing or the Broker Option will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee.
11. To the fullest extent permissible by law and applicable FCA rules, neither:
 - (a) **Peel Hunt; nor**
 - (b) **any of its affiliates, agents, directors, officers, consultants or employees; nor**
 - (c) **to the extent not contained within (a) or (b), any person connected with Peel Hunt as defined in the FSMA ((b) and (c) being together "affiliates" and individually an "affiliate" of Peel Hunt);**

shall have any liability (including to the extent permissible by law, any fiduciary duties) to Placees or to any other person whether acting on behalf of a Placee or otherwise. In particular, neither Peel Hunt nor any of its affiliates shall have any liability (including, to the extent permissible by law, any fiduciary duties) in respect of Peel Hunt's conduct of the Placing or the Broker Option or of such alternative method of effecting the Placing or the Broker Option as Peel Hunt and the Company may agree.

Registration and settlement

If Placees are allocated any New Ordinary Shares in the Placing or the Broker Option they will be sent a contract note or electronic confirmation which will confirm the number of New Ordinary Shares allocated to them, the Placing Price and the aggregate amount owed by them to Peel Hunt.

Each Placee will be deemed to agree that it will do all things necessary to ensure that delivery and payment is completed as directed by Peel Hunt in accordance with either the standing CREST or certificated settlement instructions which they have in place with Peel Hunt.

Settlement of transactions in the New Ordinary Shares (ISIN: GB00B3Q74M51) following Admission will take place within the CREST system, subject to certain exceptions. Settlement through CREST will be on a T+1 basis unless otherwise notified by Peel Hunt and is expected to occur on Friday 1 March 2019 (the "**Settlement Date**") in accordance with the contract notes. Settlement will be on a delivery versus payment basis. However, in the event of any difficulties or delays in the admission of the New Ordinary Shares to CREST or the use of CREST in relation to the Placing or the Broker Option, the Company and Peel Hunt may agree that the New Ordinary Shares should be issued in certificated form. Peel Hunt reserves the right to require settlement for the New Ordinary Shares, and to deliver the New Ordinary Shares to Placees, by such other means as it deems necessary if delivery or settlement to Placees is not practicable within the CREST system or would not be consistent with regulatory requirements in the jurisdiction in which a Placee is located.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above, in respect of either CREST or certificated deliveries, at the rate of 2 percentage points above prevailing LIBOR as determined by Peel Hunt.

Each Placee is deemed to agree that if it does not comply with these obligations, Peel Hunt may sell any or all of their New Ordinary Shares on their behalf and retain from the proceeds, for Peel Hunt's own account and benefit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable for any shortfall below the Placing Price and for any stamp duty or stamp duty reserve tax (together with any interest or penalties) which may arise upon the sale of its New Ordinary Shares on its behalf.

If New Ordinary Shares are to be delivered to a custodian or settlement agent, Placees must ensure that, upon receipt, the conditional contract note is copied and delivered immediately to the relevant person within that organisation. Insofar as New Ordinary Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such New Ordinary Shares should, subject as provided below, be so registered free from any liability to United Kingdom stamp duty or stamp duty reserve tax. Placees will not be entitled to receive any fee or commission in connection with the Placing or the Broker Option.

Conditions of the Placing and the Broker Option

The Placing and the Broker Option are conditional upon the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms.

The obligations of Peel Hunt under the Placing Agreement are, and the Placing and the Broker Option are, conditional upon, *inter alia*:

- (a) ***the Resolutions having been duly passed at the General Meeting (or any adjournment thereof);***
- (b) ***Admission taking place not later than 8.00 a.m. on Friday 1 March 2019 (or such later date as Peel Hunt and the Company may agree as the date for Admission but in any event not later than 8.00 a.m. on 21 March 2019);***
- (c) ***the Company having performed its obligations under the Placing Agreement in so far as they are required to be performed prior to Admission; and***
- (d) ***Peel Hunt not having prior to Admission exercised its right to terminate the Placing Agreement,***

(all conditions to the obligations of Peel Hunt included in the Placing Agreement being together, the "**conditions**").

If any of the conditions are not fulfilled or, where permitted, waived in accordance with the Placing Agreement within the stated time periods (or such later time and/or date as the Company and Peel Hunt may agree), or the Placing Agreement is terminated in accordance with its terms, the Placing and the Broker Option will lapse and the Placee's rights and obligations shall cease and terminate at such time and each Placee agrees that no claim can be made by or on behalf of the Placee (or any person on whose behalf the Placee is acting) in respect thereof.

By participating in the Placing or the Broker Option, each Placee agrees that its rights and obligations cease and terminate only in the circumstances described above and under "*Termination of the Placing and the Broker Option*" below and will not be capable of rescission or termination by it.

Peel Hunt may, in its absolute discretion and upon such terms as it thinks fit, waive fulfilment of all or any of the conditions in whole or in part, or extend the time provided for fulfilment of one or more conditions, save that certain conditions including the condition relating to Admission referred to in paragraph (b) above may not be waived. Any such extension or waiver will not affect Placees' commitments as set out in this Appendix.

Peel Hunt may terminate the Placing Agreement in certain circumstances, details of which are set out below.

Neither Peel Hunt nor any of its affiliates, agents, directors, officers or employees nor the Company shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision any of them may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition to the Placing and the Broker Option nor for any decision any of them may make as to the satisfaction of any condition or in respect of the Placing and the Broker Option generally and by participating in the Placing or the Broker Option each Placee agrees that any such decision is within the absolute discretion of Peel Hunt.

Termination of the Placing and the Broker Option

Peel Hunt may, in its absolute discretion, by notice to the Company, terminate the Placing Agreement at any time up to Admission if, *inter alia*:

- (a) **any of the warranties given to it under the Placing Agreement were untrue, inaccurate or misleading when made, and/or that any of the warranties have ceased to be true or accurate or has become misleading, in each case by reference to the facts and circumstances subsisting at that time or if there are any facts or circumstances existing giving an entitlement on the part of any indemnified person to make any material claim under the indemnity in the Placing Agreement;**
- (b) **there has, in the reasonable opinion of Peel Hunt, been a material adverse change in, or affecting, the condition (financial, operational, legal or otherwise) or prospects of the Group taken as a whole or there is a fact, circumstance or development reasonably likely to result in such a material adverse change;**
- (c) **any statement contained in this Announcement or any other document or announcement issued or published by or on behalf of the Company in connection with the Placing or the Broker Option is or has become untrue or inaccurate or misleading in any material respect; or**
- (d) **in the reasonable opinion of Peel Hunt, there has been a force majeure event which would be likely to prejudice the success of the Placing or Broker Option or make it impractical or inadvisable to proceed with the Placing and the Broker Option.**

If the Placing Agreement is terminated in accordance with its terms, the rights and obligations of each Placee in respect of the Placing and the Broker Option as set out in this Announcement shall cease and terminate at such time and no claim can be made by any Placee in respect thereof.

By participating in the Placing or the Broker Option, each Placee agrees with the Company and Peel Hunt that the exercise by the Company or Peel Hunt of any right of termination or any other right or other discretion under the Placing Agreement shall be within the absolute discretion of the Company or Peel Hunt or for agreement between the Company and Peel Hunt (as the case may be) and that neither the Company nor Peel Hunt need make any reference to such Placee and that none of the Company, Peel Hunt nor any of their respective affiliates, agents, directors, officers or employees shall have any liability to such Placee (or to any other person whether acting on behalf of a Placee or otherwise) whatsoever in connection with any such exercise.

By participating in the Placing or the Broker Option, each Placee agrees that its rights and obligations terminate only in the circumstances described above and under the "*Conditions of the Placing*" section above and will not be capable of rescission or termination by it after the issue by Peel Hunt of a contract note confirming each Placee's allocation and commitment in the Placing or the Broker Option.

Representations, warranties and further terms

By participating in the Placing or the Broker Option, each Placee (and any person acting on such Placee's behalf) represents, warrants, acknowledges and agrees (for itself and for any such prospective Placee) that (save where Peel Hunt expressly agrees in writing to the contrary):

1. it has read and understood this Announcement in its entirety and that its acquisition of New Ordinary Shares is subject to and based upon all of the terms, conditions, representations, warranties, indemnities, acknowledgements, agreements, undertakings and other information contained herein, and that it has not relied on, and will not rely on, any information given or any representations, warranties or statements made at any time by any person in connection with Admission, the Placing, the Broker Option, the Company, the New Ordinary Shares or otherwise, other than the information contained in this Announcement and the Publicly Available Information;
2. it has not received a prospectus or other offering document in connection with the Placing or the Broker Option and it acknowledges that no prospectus or other offering document:
 - (a) **is required under the Prospectus Directive or other applicable law; and**
 - (b) **has been or will be prepared in connection with the Placing or the Broker Option;**
3. the Ordinary Shares are admitted to trading on AIM, and that the Company is therefore required to publish certain business and financial information in accordance with the AIM Rules and MAR, which includes a description of the nature of the Company's business and the Company's most recent balance sheet and profit and loss account, that it is able to obtain or access such information without undue difficulty, and that it is able to obtain access to such information or comparable information concerning any other publicly traded company without undue difficulty;

4. it has made its own assessment of the New Ordinary Shares and has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing or the Broker Option, and neither Peel Hunt nor the Company nor any of their respective affiliates, agents, directors, officers or employees nor any person acting on behalf of any of them has provided, and will not provide, it with any material regarding the New Ordinary Shares or the Company or any other person other than the information in this Announcement or the Publicly Available Information; nor has it requested Peel Hunt, the Company, any of their respective affiliates, agents, directors, employees or officers or any person acting on behalf of any of them to provide it with any such information;
5. neither Peel Hunt nor any person acting on behalf of it nor any of its affiliates, agents, directors, officers or employees has, or shall have, any liability for any Publicly Available Information, or any representation relating to the Company, provided that nothing in this paragraph excludes the liability of any person for fraudulent misrepresentation made by that person;
6.
 - (a) ***the only information on which it is entitled to rely on and on which it has relied in committing to acquire the New Ordinary Shares is contained in this Announcement and the Publicly Available Information, such information being all that it deems necessary to make an investment decision in respect of the New Ordinary Shares, and it has made its own assessment of the Company, the New Ordinary Shares and the terms of the Placing or the Broker Option based on the Publicly Available Information;***
 - (b) ***neither Peel Hunt, nor the Company (nor any of their respective affiliates, agents, directors, officers and employees) have made any representation or warranty to it, express or implied, with respect to the Company, the Placing or the Broker Option or the New Ordinary Shares or the accuracy, completeness or adequacy of this Announcement or the Publicly Available Information;***
 - (c) ***it has conducted its own investigation of the Company, the Placing, the Broker Option and the New Ordinary Shares, having satisfied itself that the information is still current, and relied on that investigation for the purposes of its decision to participate in the Placing or the Broker Option (as applicable); and***
 - (d) ***it has not relied on any investigation that Peel Hunt or any person acting on its behalf may have conducted with respect to the Company, the Placing or the Broker Option or the New Ordinary Shares;***
7. the content of this Announcement and the Publicly Available Information has been prepared by, and is exclusively the responsibility of, the Company, and that neither Peel Hunt nor any persons acting on its behalf is responsible for or has or shall have any liability for any information, representation, warranty or statement relating to the Company contained in this Announcement or the Publicly Available Information, nor will they be liable for any Placee's decision to participate in the Placing or the Broker Option based on any information, representation, warranty or statement contained in this Announcement, the Publicly Available Information or otherwise. Nothing in this Appendix shall exclude any liability of any person for fraudulent misrepresentation;
8. it is not, and at the time the New Ordinary Shares are acquired will not be, a resident of Australia, Canada, the Republic of South Africa or Japan;
9. the New Ordinary Shares for which it has agreed to acquire have not been registered or otherwise qualified, and will not be registered or otherwise qualified, for offer and sale nor will a prospectus be cleared or approved in respect of any of the New Ordinary Shares under the securities laws of the United States, or any state or other jurisdiction of the United States, Australia, Canada, the Republic of South Africa or Japan and, subject to certain exceptions, may not be offered, sold, taken up, renounced or delivered or transferred, directly or indirectly, within the United States, Australia, Canada, the Republic of South Africa or Japan or in any country or jurisdiction where any such action for that purpose is required;
10. it has the funds available to pay for the New Ordinary Shares for which it has agreed to acquire and acknowledges and agrees that it will pay the total subscription amount in accordance with the terms of this Announcement on the due time and date set out herein, failing which the relevant New Ordinary Shares may be placed with other Placees or sold at such price as Peel Hunt determines;

11. it and/or each person on whose behalf it is participating:
- (a) ***is entitled to acquire New Ordinary Shares pursuant to the Placing or the Broker Option under the laws and regulations of all relevant jurisdictions;***
 - (b) ***has fully observed such laws and regulations;***
 - (c) ***has capacity and authority and is entitled to enter into and perform its obligations as an acquirer of New Ordinary Shares and will honour such obligations; and***
 - (d) ***has obtained all necessary consents and authorities (including, without limitation, in the case of a person acting on behalf of a Placee, all necessary consents and authorities to agree to the terms set out or referred to in this Appendix) under those laws or otherwise and complied with all necessary formalities to enable it to enter into the transactions contemplated hereby and to perform its obligations in relation thereto and, in particular, if it is a pension fund or investment company it is aware of and acknowledges it is required to comply with all applicable laws and regulations with respect to its acquisition of New Ordinary Shares;***
12. it is not, and any person who it is acting on behalf of is not, and at the time the New Ordinary Shares are acquired will not be, a resident of, or with an address in, or subject to the laws of, Australia, Canada, the Republic of South Africa or Japan, and it acknowledges and agrees that the New Ordinary Shares have not been and will not be registered or otherwise qualified under the securities legislation of Australia, Canada, the Republic of South Africa or Japan and may not be offered, sold, or acquired, directly or indirectly, within those jurisdictions;
- 13.
- (a) ***it and the beneficial owner of the New Ordinary Shares is, and at the time the New Ordinary Shares are acquired will be, outside the United States and acquiring the New Ordinary Shares in an "offshore transaction" as defined in, and in accordance with, Regulation S under the Securities Act; or***
 - (b) ***it (and any account for which it is purchasing) is a QIB;***
14. that the New Ordinary Shares have not been, and will not be, registered under the Securities Act and may not be offered, sold or resold in or into or from the United States except pursuant to an effective registration under the Securities Act, or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with applicable state securities laws; and no representation is being made as to the availability of any exemption under the Securities Act for the reoffer, resale, pledge or transfer of the New Ordinary Shares;
15. it (and any account for which it is purchasing) is not acquiring the New Ordinary Shares with a view to any offer, sale or distribution thereof within the meaning of the Securities Act;
16. that:
- (a) ***the New Ordinary Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and will be subject to restrictions on resale and transfer subject to certain exceptions under US law;***
 - (b) ***no representation is made as to the availability of the exemption provided by Rule 144 for resales or transfers of New Ordinary Shares; and***
 - (c) ***it will not deposit the New Ordinary Shares in an unrestricted depositary receipt programme in the United States or for US persons (as defined in the Securities Act);***
17. it will not offer, sell, transfer, pledge or otherwise dispose of any New Ordinary Shares except:

- (a) *in the United States, to a person it reasonably believes to be a QIB in a transaction meeting the requirements of Rule 144A;*
- (b) *in an offshore transaction in accordance with Rules 903 or 904 of Regulation S under the Securities Act; or*
- (c) *pursuant to another exemption from registration under the Securities Act, if available,*

and in each case in accordance with all applicable securities laws of the states of the United States and other jurisdictions;

- 18. no representation has been made as to the availability of the exemption provided by Rule 144, Rule 144A or any other exemption under the Securities Act for the reoffer, resale, pledge or transfer of the New Ordinary Shares;
- 19. that whilst the New Ordinary Shares are expected to be issued to it through CREST they may be issued to it in certificated, definitive form in which case it acknowledges and agrees that the New Ordinary Shares will, to the extent they are delivered in certificated form, bear a legend to the following effect unless agreed otherwise with the Company:

"THESE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR UNDER THE APPLICABLE SECURITIES LAWS OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (B) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (C) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE SECURITIES MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THE COMPANY'S SECURITIES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK. EACH HOLDER, BY ITS ACCEPTANCE OF THESE SHARES, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS.";

- 20. it understands that there may be certain consequences under United States and other tax laws resulting from an investment in the New Ordinary Shares and it has made such investigation and has consulted its own independent advisers or otherwise has satisfied itself concerning, without limitation, the effects of United States federal, state and local income tax laws and foreign tax laws generally;
- 21. it understands that the Company has not undertaken to determine whether it will be treated as a passive foreign investment company ("**PFIC**") for US federal income tax purposes for the current year, or whether it is likely to be so treated for future years and neither the Company nor Peel Hunt makes any representation or warranty with respect to the same. Accordingly, neither the Company nor Peel Hunt can provide any advice to US investors as to whether the Company is or is not a PFIC for the current tax year, or whether it will be in future tax years. Accordingly, neither the Company nor Peel Hunt undertakes to provide to US investors or shareholders any information necessary or desirable to facilitate their filing of annual information returns, and US investors and shareholders should not assume that this information will be made available to them;
- 22. it will not distribute, forward, transfer or otherwise transmit this Announcement or any part of it, or any other presentational or other materials concerning the Placing or the Broker Option in or into or from the United States (including electronic copies thereof) to any person, and it has not distributed, forwarded, transferred or otherwise transmitted any such materials to any person;
- 23. neither Peel Hunt, the Company nor any of their respective affiliates, agents, directors, officers or employees nor any person acting on behalf of Peel Hunt or its affiliates, agents, directors, officers or employees is making any recommendations to it or advising it regarding the suitability of any transactions it may enter into in connection with the Placing or the Broker Option and that its participation in the Placing or the Broker Option is on the basis that it is not and will not be a client of Peel Hunt and that Peel Hunt has no duties or responsibilities to it for providing the protections afforded to its clients or for providing advice in relation to the Placing or the Broker Option nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor for

the exercise or performance of any of its rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;

24. it will make payment to Peel Hunt for the New Ordinary Shares allocated to it in accordance with the terms and conditions of this Announcement on the due times and dates set out in this Announcement, failing which the relevant New Ordinary Shares may be placed with others on such terms as Peel Hunt determines in its absolute discretion without liability to the Placee and it will remain liable for any shortfall below the net proceeds of such sale and the placing proceeds of such New Ordinary Shares and may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties due pursuant to the terms set out or referred to in this Announcement) which may arise upon the sale of such Placee's New Ordinary Shares on its behalf;
25. no action has been or will be taken by any of the Company, Peel Hunt or any person acting on behalf of the Company or Peel Hunt that would, or is intended to, permit a public offer of the New Ordinary Shares in the United States or in any country or jurisdiction where any such action for that purpose is required;
26. the person who it specifies for registration as holder of the New Ordinary Shares will be:
 - (a) ***the Placee; or***
 - (b) ***a nominee of the Placee, as the case may be,***

and that Peel Hunt and the Company will not be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. Each Placee and any person acting on behalf of such Placee agrees to acquire New Ordinary Shares pursuant to the Placing or the Broker Option (as applicable) and agrees to indemnify the Company and Peel Hunt in respect of the same on the basis that the New Ordinary Shares will be allotted or transferred to a CREST stock account of Peel Hunt or transferred to a CREST stock account of Peel Hunt who will hold them as nominee on behalf of the Placee until settlement in accordance with its standing settlement instructions with it;

27. the allocation, allotment, issue and delivery to it, or the person specified by it for registration as holder, of New Ordinary Shares will not give rise to a stamp duty or stamp duty reserve tax liability under (or at a rate determined under) any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and that it is not participating in the Placing as nominee or agent for any person or persons to whom the allocation, allotment, issue or delivery of New Ordinary Shares would give rise to such a liability;
28. if it is within the United Kingdom, it and any person acting on its behalf falls within Article 19(5) and/or 49(2)(a) to (d) of the Order and undertakes that it will acquire, hold, manage and (if applicable) dispose of any New Ordinary Shares that are allocated to it for the purposes of its business only;
29. it has not offered or sold and will not offer or sell any New Ordinary Shares to persons in the United Kingdom or elsewhere in the EEA prior to the expiry of a period of six months from Admission except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of section 85(1) of the FSMA or an offer to the public in any other member state of the EEA within the meaning of the Prospectus Directive;
30. if it is within the EEA, it is a Qualified Investor as defined in section 86(7) of the FSMA, being a person falling within Article 2(1)(e) of the Prospectus Directive;
31. it has only communicated or caused to be communicated and it will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) relating to New Ordinary Shares in circumstances in which section 21(1) of the FSMA does not require approval of the communication by an authorised person and it acknowledges and agrees that this Announcement has not been approved by Peel Hunt in its capacity as an authorised person under section 21 of the FSMA and it may not therefore be subject to the controls which would apply if it was made or approved as financial promotion by an authorised person;
32. it has complied and it will comply with all applicable laws with respect to anything done by it or on its behalf in relation to the New Ordinary Shares (including all relevant provisions of the FSMA in respect of anything done in, from or otherwise involving the United Kingdom);

33. if it is a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive (including any relevant implementing measure in any member state), the New Ordinary Shares acquired by it in the Placing or the Broker Option will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in a member state of the EEA which has implemented the Prospectus Directive other than Qualified Investors, or in circumstances in which the express prior written consent of Peel Hunt has been given to the offer or resale;
34. if it has received any inside information (for the purposes of the MAR and section 56 of the Criminal Justice Act 1993 or other applicable law) about the Company in advance of the Placing or the Broker Option, it has not:
- (a) ***dealt (or attempted to deal) in the securities of the Company; or***
 - (b) ***encouraged, recommended or induced another person to deal in the securities of the Company; or***
 - (c) ***unlawfully disclosed such information to any person, prior to the information being made publicly available;***

Peel Hunt and its affiliates, acting as an investor for its or their own account(s), may bid or subscribe for and/or purchase New Ordinary Shares and, in that capacity, may retain, purchase, offer to sell or otherwise deal for its or their own account(s) in the New Ordinary Shares, any other securities of the Company or other related investments whether in connection with the Placing or the Broker Option or otherwise. Accordingly, references in this Announcement to the New Ordinary Shares being offered, subscribed, acquired or otherwise dealt with should be read as including any offer to, or subscription, acquisition or dealing by, Peel Hunt and/or any of its affiliates acting as an investor for its or their own account(s). Neither Peel Hunt nor the Company intend to disclose the extent of any such investment or transaction otherwise than in accordance with any legal or regulatory obligation to do so;

35. it:
- (a) ***has complied with its obligations in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2000 (as amended), the Terrorism Act 2006 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017;***
 - (b) ***is not a person:***
 - (i) **with whom transactions are prohibited under the US Foreign Corrupt Practices Act of 1977 or any economic sanction programmes administered by, or regulations promulgated by, the Office of Foreign Assets Control of the U.S. Department of the Treasury; or**
 - (ii) **named on the Consolidated List of Financial Sanctions Targets maintained by HM Treasury of the United Kingdom; or**
 - (iii) **subject to financial sanctions imposed pursuant to a regulation of the European Union or a regulation adopted by the United Nations or other applicable law,**

(together, the "**Regulations**") and if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations and has obtained all governmental and other consents (if any) which may be required for the purpose of, or as a consequence of, such purchase, and it will provide promptly to Peel Hunt such evidence, if any, as to the identity or location or legal status of any person which it may request from it in connection with the Placing or the Broker Option (for the purpose of complying with the Regulations or ascertaining the nationality of any person or the jurisdiction(s) to which any person is subject or otherwise) in the form and manner requested by Peel Hunt on the basis that any failure by it to do so may result in the number of New Ordinary Shares that are to be acquired by it or at its direction pursuant to the Placing or the Broker Option being reduced to such number, or to nil, as Peel Hunt may decide at its sole discretion;

36. in order to ensure compliance with the Regulations, Peel Hunt (for itself and as agent on behalf of the Company) or the Company's registrars may, in their absolute discretion, require verification of its identity. Pending the provision to Peel Hunt or the Company's registrars, as applicable, of evidence of identity, definitive certificates in respect of the New Ordinary Shares may be retained at Peel Hunt's absolute discretion or, where appropriate, delivery of the New Ordinary Shares to it in uncertificated form may be delayed at Peel Hunt's or the Company's registrars' absolute discretion, as the case may be. If within a reasonable time after a request for verification of identity Peel Hunt (for itself and as agent on behalf of the Company) or the Company's registrars have not received evidence satisfactory to them, either Peel Hunt and/or the Company may, at its absolute discretion, terminate its commitment in respect of the Placing or the Broker Option, in which event the monies payable on acceptance of allotment will, if already paid, be returned without interest to the account of the drawee's bank from which they were originally debited;
37. it acknowledges that its commitment to acquire New Ordinary Shares on the terms set out in this Announcement and in the contract note will continue notwithstanding any amendment that may in future be made to the terms and conditions of the Placing or the Broker Option (as applicable) and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company's or Peel Hunt's conduct of the Placing or the Broker Option;
38. it has knowledge and experience in financial, business and international investment matters as is required to evaluate the merits and risks of acquiring the New Ordinary Shares. It further acknowledges that it is experienced in investing in securities of this nature and is aware that it may be required to bear, and is able to bear, the economic risk of, and is able to sustain, a complete loss in connection with the Placing or the Broker Option. It has relied upon its own examination and due diligence of the Company and its affiliates taken as a whole, and the terms of the Placing or the Broker Option, including the merits and risks involved;
39. it irrevocably appoints any duly authorised officer of Peel Hunt as its agent for the purpose of executing and delivering to the Company and/or its registrars any documents on its behalf necessary to enable it to be registered as the holder of any of the New Ordinary Shares for which it agrees to acquire upon the terms of this Announcement;
40. the Company, Peel Hunt and others (including each of their respective affiliates, agents, directors, officers and employees) will rely upon the truth and accuracy of its representations, warranties, acknowledgements and agreements set out in this Appendix, which are given to Peel Hunt on its own behalf and on behalf of the Company and are irrevocable;
41. it is acting as principal only in respect of the Placing or the Broker Option or, if it is acquiring the New Ordinary Shares as a fiduciary or agent for one or more investor accounts, it is duly authorised to do so and it has full power and authority to make, and does make, the foregoing representations, warranties, acknowledgements, agreements and undertakings on behalf of each such accounts;
42. time is of the essence as regards its obligations under this Appendix;
43. any document that is to be sent to it in connection with the Placing or the Broker Option will be sent at its risk and may be sent to it at any address provided by it to Peel Hunt;
44. the New Ordinary Shares will be issued subject to the terms and conditions of this Appendix; and
45. the terms and conditions contained in this Appendix, and all documents into which this Appendix is incorporated by reference or otherwise, validly forms a part and/or any agreements entered into pursuant to these terms and conditions and all agreements to acquire New Ordinary Shares pursuant to the Placing or the Broker Option will be governed by and construed in accordance with English law and it submits to the exclusive jurisdiction of the English courts in relation to any claim, dispute or matter arising out of such contract except that enforcement proceedings in respect of the obligation to make payment for the New Ordinary Shares (together with interest chargeable thereon) may be taken by the Company or Peel Hunt in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange.

By participating in the Placing or the Broker Option, each Placee (and any person acting on such Placee's behalf) agrees to indemnify and hold the Company, Peel Hunt and each of their respective affiliates, agents, directors, officers and employees harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings given by the Placee (and any person acting on such Placee's behalf) in this Appendix or incurred by Peel Hunt, the Company or each of their respective affiliates, agents,

directors, officers or employees arising from the performance of the Placee's obligations as set out in this Announcement, and further agrees that the provisions of this Appendix shall survive after the completion of the Placing and the Broker Option.

The agreement to allot and issue New Ordinary Shares to Placees (or the persons for whom Placees are contracting as agent) free of stamp duty and stamp duty reserve tax in the United Kingdom relates only to their allotment and issue to Placees, or such persons as they nominate as their agents, direct by the Company. Such agreement assumes that the New Ordinary Shares are not being acquired in connection with arrangements to issue depositary receipts or to transfer the New Ordinary Shares into a clearance service. If there are any such arrangements, or the settlement involves any other dealings in the New Ordinary Shares, stamp duty or stamp duty reserve tax may be payable. In that event, the Placee agrees that it shall be responsible for such stamp duty or stamp duty reserve tax and neither the Company nor Peel Hunt shall be responsible for such stamp duty or stamp duty reserve tax. If this is the case, each Placee should seek its own advice and notify Peel Hunt accordingly. In addition, Placees should note that they will be liable for any capital duty, stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the United Kingdom by them or any other person on the acquisition by them of any New Ordinary Shares or the agreement by them to acquire any New Ordinary Shares and each Placee, or the Placee's nominee, (in respect of the New Ordinary Shares of the person on whose behalf it is participating in the Placing or Broker Option as an agent or nominee) shall where the allocation, allotment, issue or delivery of New Ordinary Shares has given rise to any such non-United Kingdom stamp, registration, documentary, transfer or similar taxes or duties, pay such taxes and duties, including any interest and penalties (if applicable), and indemnify on an after-tax basis and hold harmless, each of the Company and Peel Hunt in the event that either the Company and/or Peel Hunt shall have incurred any liability to pay or account for such taxes or duties.

Peel Hunt is authorised and regulated by the FCA in the United Kingdom and is acting exclusively for the Company and no one else in connection with the Placing and the Broker Option, and Peel Hunt will not be responsible to anyone (including any Placees) other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Placing or the Broker Option or any other matters referred to in this Announcement.

Each Placee and any person acting on behalf of the Placee acknowledges that Peel Hunt does not owe any fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings, acknowledgements, agreements or indemnities in the Placing Agreement.

When a Placee or any person acting on behalf of the Placee is dealing with Peel Hunt, any money held in an account with Peel Hunt on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the relevant rules and regulations of the FCA made under the FSMA. Each Placee acknowledges that the money will not be subject to the protections conferred by the client money rules: as a consequence, this money will not be segregated from Peel Hunt's money in accordance with the client money rules and will be held by it under a banking relationship and not as trustee.

References to time in this Announcement are to London time, unless otherwise stated.

All times and dates in this Announcement may be subject to amendment. Placees will be notified of any changes.

No statement in this Announcement is intended to be a profit forecast or estimate, and no statement in this Announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

The price of shares and any income expected from them may go down as well as up and investors may not get back the full amount invested upon disposal of the shares. Past performance is no guide to future performance, and persons needing advice should consult an independent financial adviser.

The New Ordinary Shares to be issued pursuant to the Placing and the Broker Option will not be admitted to trading on any stock exchange other than the London Stock Exchange.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this Announcement.

APPENDIX 2 - DEFINITIONS

"Act"	the Companies Act 2006 (as amended)
"Admission"	the admission of the New Ordinary Shares (including such number of Broker Option Shares) to trading on AIM becoming effective in accordance with the AIM Rules
"AIM"	AIM, a market operated by London Stock Exchange
"AIM Rules"	the AIM Rules for Companies issued by London Stock Exchange, as amended from time to time
"Broker Option"	the option granted by the Company to Peel Hunt to procure the subscription of the Broker Option Shares pursuant to the terms of the Placing Agreement
"Broker Option Shares"	up to 8,333,333 New Ordinary Shares to be subscribed for by existing and other investors at the Placing Price, to the extent the Broker Option is exercised under the terms of the Placing Agreement
"Canaccord"	Hargreave Hale Ltd
"Circular"	the circular expected to be sent to Shareholders today containing inter alia, details of the Placing and Broker Option and Notice of General Meeting
"Company" or "DP Poland" or "Group"	DP Poland plc and/or DP Polska SA, as the context may require
"CREST"	a relevant system (as defined in the Regulations) in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in the Regulations)
"Directors" or "Board"	the directors of the Company
"Domino's" or "Domino's Pizza"	the brand owned and exploited by Domino's Pizza, Inc. and its affiliates
"DPI"	Domino's Pizza International LLC
"DP Polska SA"	DP Polska S.A., a company incorporated in Poland and a wholly owned subsidiary of the Company
"EBITDA"	earnings before interest, tax, depreciation and amortisation
"Enlarged Issued Share Capital"	the number of Ordinary Shares in issue immediately following Admission assuming 88,333,333 Placing Shares are

	issued but there is no subscription for Broker Option Shares under the Broker Option
"Existing Ordinary Shares"	the 152,822,131 Ordinary Shares in issue at the date of this Announcement
"Financial Conduct Authority"	the Financial Conduct Authority of the United Kingdom
"FSMA"	the Financial Services and Markets Act 2000 (as amended)
"Fundraising"	the Placing and Broker Option
"GDP"	gross domestic product
"General Meeting"	the general meeting of the Company convened for 10.00 a.m. on Thursday 28 February 2019 and any adjournment thereof, notice of which is set out in the Circular
"London Stock Exchange"	London Stock Exchange plc
"New Ordinary Shares"	together the Placing Shares and any Broker Option Shares
"Notice of General Meeting"	the notice of General Meeting which is set out at in the Circular
"Ordinary Shares"	ordinary shares of 0.5 pence each in the share capital of the Company
"Pageant"	Pageant Holdings Ltd
"Peel Hunt"	Peel Hunt LLP, the Company's Nominated Adviser and Broker
"Placing"	the conditional placing of the Placing Shares at the Placing Price announced on 7 February 2019
"Placing Agreement"	the conditional agreement dated 7 February 2019 relating to the Fundraising and made between the Company and Peel Hunt
"Placing Price"	6 pence per Placing Share
"Placing Shares"	the 88,333,333 new Ordinary Shares which have been conditionally placed pursuant to the Placing
"PLN"	Polish Zloty
"Registrar"	SLC Registrars
"Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001/3755) as amended

"Resolutions"

the resolutions set out in the Notice of General Meeting

"Shareholders"

holders of Ordinary Shares

¹ Source: Trading Economics 2018; World Bank 2017.

² 4.8 PLN: £1

³ 4.8 PLN: £1

⁴ UK & Ireland, USA, Australia/New Zealand ratios of 2018 stores numbers (biz.dominos.com) to those countries' urban populations World Bank 2016 (Trading Economics 2019). Applying these ratios to Poland's 2016 urban population suggests store numbers of 450, 500, 700+ respectively.

⁵ All 2018 numbers are unaudited and December numbers are based on estimates by the Board.

⁶ Accounting for the splitting of a delivery area when a portion of the original store's customers are assigned to the new store in its original delivery area, resulting in the original store's sales declining.

⁷ Source: DPI (Domino's Pizza International).

⁸ An annual award made by DPI to a small proportion of franchisees.

⁹ Stores open for at least 2.5 years (30+ months).

¹⁰ 4.8 PLN: £1

¹¹ Assumes no subscription for Broker Option Shares under the Broker Option

¹² Assumes no subscription for Broker Option Shares under the Broker Option

