

THIS DOCUMENT, THE APPLICATION FORM AND THE ENCLOSED FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, or the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank, fund manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser in the relevant jurisdiction. You should be aware that an investment in Tekmar Group plc (the "Company") involves a high degree of risk and prospective investors should in particular carefully consider the section entitled "Risk Factors" set out in Part 2 of this document.

If you sell, have sold or otherwise transferred all of your Ordinary Shares prior to the Ex-entitlement Date, please send this document, the Application Form and the accompanying Form of Proxy, as soon as possible, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

However, the distribution of this document and/or any accompanying documents into a jurisdiction other than the United Kingdom may be restricted by law or regulation and therefore such documents should not be distributed, forwarded to or transmitted in or into the United States of America, Canada, Australia, Japan, New Zealand or in or into any other jurisdiction where the extension of the Open Offer would breach any applicable law or regulation. If you have sold or transferred part of your holding of Existing Ordinary Shares prior to the Ex-entitlement Date, you are advised to consult your stockbroker, bank or other agent through whom the sale or transfer was effected and refer to the instructions regarding split applications set out in the accompanying Application Form.

The total consideration under the Open Offer shall be less than €8 million (or an equivalent Pounds Sterling amount) in aggregate and the Firm Placing Shares shall only be available to qualified investors for the purposes of the Prospectus Rules or otherwise in circumstances not resulting in an offer of transferable securities to the public under section 102B of FSMA. Neither the Firm Placing nor the Open Offer constitute an offer to the public requiring an approved prospectus under section 85 of FSMA and accordingly this document does not constitute a prospectus for the purposes of the Prospectus Rules made by the Financial Conduct Authority of the United Kingdom ("FCA") pursuant to sections 73A(1) and (4) of FSMA and has not been pre-approved by the FCA pursuant to sections 85 and 87 of FSMA, the London Stock Exchange, any securities commission or any other authority or regulatory body. In addition this document does not constitute an admission document drawn up in accordance with the AIM Rules for Companies. This document does not constitute a recommendation regarding securities of the Company.

The Company and the Directors, whose names are set out on page 5 of this document, accept responsibility, both collectively and individually, for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Tekmar Group plc

(Incorporated and registered in England and Wales with registered no. 11383143)

Firm Placing of 8,900,000 new Ordinary Shares at 45 pence per share, Open Offer of up to 2,249,015 new Ordinary Shares at 45 pence per share and Notice of General Meeting

You should read the whole of this document. Your attention is drawn to the letter from the Chair of the Company which is set out on pages 12 to 24 (inclusive) of this document and which recommends you to vote in favour of the Resolutions to be proposed at the General Meeting.

The Notice of General Meeting to be held at the Company's registered office, Innovation House, Centurion Way, Darlington, DL3 0UP, at 10.00 a.m. on 16 March 2022, is set out at the end of this document. The accompanying Form of Proxy for use in connection with the General Meeting should be completed by Shareholders and returned as soon as possible but, in any event, so as to be received by the Registrars at Equiniti Limited, Aspect House, Spencer Road, Lancing Business Park, West Sussex BN99 6DA by no later than 10.00 a.m. on 14 March 2022 (or, in the case of an adjournment of the General Meeting, not later than 48 hours (excluding any part of a day that is not a working day) before the time fixed for the holding of the adjourned meeting). The completion and return of a Form of Proxy will not preclude Shareholders from attending and voting at the General Meeting should they so wish.

The Existing Ordinary Shares of the Company are admitted to trading on AIM. Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected, subject to, among other things, the passing of the Resolutions at the General Meeting, that Admission of the New Ordinary Shares will become effective and that dealings will commence on 17 March 2022. The New Ordinary Shares will not be admitted to trading on any other investment exchange. The New Ordinary Shares will, on admission, rank in full for all dividends and other distributions declared, made or paid on the Ordinary Shares and otherwise rank *pari passu* in all respects with the Existing Ordinary Shares.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Neither the London Stock Exchange nor the FCA has examined or approved the contents of this document. The AIM Rules for Companies are less demanding than those of the Official List. It is emphasised that no application is being made for admission of the Existing Ordinary Shares or the New Ordinary Shares to the Official List.

Singer Capital Markets Advisory LLP, which is authorised and regulated in the United Kingdom by the FCA, is acting solely for the Company as nominated advisor for the purposes of the AIM Rules ("SCM Advisory") and Singer Capital Markets Securities Limited which is authorised and regulated in the United Kingdom by the FCA is acting as sole broker to the Company ("SCM") and together with SCM Advisory, "Singer Capital Markets", and Singer Capital Markets is acting exclusively for the Company in connection with the Transaction. Persons receiving this document should note that Singer Capital Markets will not be responsible to anyone other than the Company for providing the protections afforded to customers of Singer Capital Markets or for advising any other person on the

arrangements described in this document. No representation or warranty, expressed or implied, is made by Singer Capital Markets as to any of the contents of this document and Singer Capital Markets has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Singer Capital Markets for the accuracy of any information or opinions contained in this document or for the omission of any information. SCM Advisory owes certain responsibilities to the London Stock Exchange which are not owed to the Company or the Directors or to any other person.

This document does not constitute an offer to sell or an invitation to subscribe for, or solicitation of an offer to subscribe for or buy New Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation. Accordingly, the New Ordinary Shares may not, subject to certain exceptions, be offered or sold, directly or indirectly, in, or into, the United States of America, Canada, Australia, Japan, New Zealand or in any other country, territory or possession where to do so may contravene local securities laws or regulations. The Ordinary Shares have not been, and will not be, registered under the United States Securities Act of 1933 as amended (the "Securities Act") or qualified for sale under the laws of any state of the United States or under the applicable laws of any of Canada, Australia, Japan or New Zealand and, subject to certain exceptions, may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) or to any national, resident or citizen of Canada, Australia, Japan or New Zealand.

Copies of this document will be available free of charge to the public during normal business hours on any day (Saturdays, Sundays and public holidays excepted) at the offices of Tekmar Group plc at Innovation House, Centurion Way, Darlington, England, DL3 0UP for a period of one month from the date of this document.

FORWARD LOOKING STATEMENTS

This document includes "forward-looking statements" which include all statements other than statements of historical facts, including, without limitation, those regarding the Group's financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "would", "could" or "similar" expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance or achievements of the Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. These forward-looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules for Companies.

All subsequent oral or written forward-looking statements attributed to the Company or any persons acting on its behalf are expressly qualified in their entirety by the statements in the paragraph immediately above. All forward-looking statements contained in this document are based on information available to the Directors at the date of this document, unless some other time is specified in relation to them, and the posting or receipt of this document shall not give rise to any implication that there has been no change in the facts set forth herein since such date.

Given the rapidly changing global situation, and the current uncertainty over the duration of the disruption caused by the Covid-19 pandemic, it is impossible to predict, with any certainty, the continuing impact on the Company's business. As such, this document should be considered against this backdrop and Shareholders should understand that there is a high level of uncertainty surrounding any forward-looking statements and assumptions stated in connection with the Firm Placing and Open Offer.

COVID-19 GENERAL MEETING ARRANGEMENTS

The Company continues to closely monitor the COVID-19 situation, including UK Government legislation and guidance, and will continue to do so in the lead up to the General Meeting. The health of our Shareholders, employees and stakeholders is extremely important to us. In the event that disruption to the General Meeting becomes unavoidable, the Company will announce any changes to the meeting (such as timing or venue) as soon as practicably possible through the Company's website and an announcement via a Regulatory Information Service.

Given the ongoing pandemic, Shareholders are urged to submit your proxy vote electronically rather than attending in person. Proxies may be submitted electronically or in hard copy form if you request a hard copy Form of Proxy from the Company registrar Equiniti Limited. In order to be valid, proxy appointments must be submitted electronically as detailed in Part 3 "Terms and Conditions of the Open Offer" of this document or in hard copy form to Equiniti Limited at Aspect House, Spencer Road, Lancing Business Park, West Sussex BN99 6DA, in each case, by no later than 10.00 a.m. on 14 March 2022 or 48 hours (excluding any part of a day that is not a working day) before any adjourned meeting. If you hold your Existing Ordinary Shares in CREST, you may vote using the CREST Proxy Voting Service as set out further below.

It is important that you submit your proxy appointment by 10.00 a.m. on 14 March 2022 or 48 hours before any adjourned meeting.

If you require a hard copy form of proxy (or assistance with how to complete, sign and return it) or assistance in submitting your proxy appointment electronically, please call Equiniti Limited on +44 (0)371 384 2050. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the UK will be charged at the applicable international rate. Lines are open 8.30 a.m. to 5.30 p.m., Monday to Friday, excluding public holidays in England and Wales. For legal reasons, Equiniti Limited will not be able to give advice on the merits of the proposals set out herein or provide legal, financial or taxation advice.

If you hold your Ordinary Shares in uncertificated form (i.e. in CREST), you may appoint a proxy for the General Meeting by completing and transmitting a CREST Proxy Instruction in accordance with the procedures set out in the CREST Manual issued by Euroclear so that it is received by the registrar (under CREST Participation RA19) by no later than 10.00 a.m. on 14 March 2022). The time of receipt will be taken to be the time from which the registrar is able to retrieve the message by enquiry to CREST in the manner proscribed by CREST.

CURRENCY AND EXCHANGE RATE PRESENTATION

Unless otherwise indicated, references to Pounds Sterling, sterling, pounds, pence, p or £ are to the lawful currency of the United Kingdom and references to Euros, EUR, cents, c or € are to the lawful currency of the European Union.

MARKET, ECONOMIC AND INDUSTRY DATA

This document contains information regarding the Group's business and the market in which it operates and competes, which the Company has obtained from various third-party sources. Where information has been sourced from a third party it has been accurately reproduced and, so far as the Company is aware and is able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Such information has not been audited or independently verified.

ROUNDING

Certain data in this document, including financial, statistical and operating information, has been rounded. As a result of rounding, the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data. Percentages have also been rounded and accordingly may not add to 100 per cent.

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DIRECTORS AND ADVISERS

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| Directors | Alasdair MacDonald <i>Chief Executive Officer</i> Derek Bulmer <i>Chief Financial Officer</i> Julian Brown <i>Non-Executive Chair</i> Christopher Gill <i>Non-Executive Director</i> Ian Ritchey <i>Non-Executive Director</i> |
| Company Secretary | Derek Bulmer |
| Registered Office | Innovation House Centurion Way Darlington DL3 0UP |
| Nominated Adviser | Singer Capital Markets Advisory LLP One Bartholomew Lane London EC2N 2AX |
| Broker and Bookrunner | Singer Capital Markets Securities Limited One Bartholomew Lane London EC2N 2AX |
| Lawyers to the Company | Eversheds Sutherland (International) LLP One Wood Street London EC2V 7WS |
| Lawyers to the Nominated Adviser and Broker | Pinsent Masons LLP 30 Crown Place Earl Street London EC2A 4ES |
| Financial PR and Investor Relations | Bamburgh Capital Limited Bloc 17 Marble Street Manchester M2 3AX |
| Registrars and Receiving Agent | Equiniti Limited Aspect House Spencer Road Lancing Business Park West Sussex BN99 6DA |
| Company website | www.tekmar.co.uk |

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

| | |
|--|--------------------------------------|
| Record Date for the Open Offer | 6.00 p.m. on 24 February 2022 |
| Announcement of the Firm Placing and Open Offer | 25 February 2022 |
| Publication and posting of this document, the Application Form and Form of Proxy | 28 February 2022 |
| Ex-entitlement Date | 8.00 a.m. on 28 February 2022 |
| Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to stock accounts of Qualifying CREST Shareholders | 1 March 2022 |
| Recommended latest time and date for requesting withdrawal of Open Offer Entitlements from CREST | 4.30 p.m. on 8 March 2022 |
| Recommended latest time and date for depositing Open Offer Entitlements into CREST | 3.00 p.m. on 9 March 2022 |
| Latest time and date for splitting of Application Forms (to satisfy <i>bona fide</i> market claims only) | 3.00 p.m. on 10 March 2022 |
| Latest time and date for receipt of completed Forms of Proxy to be valid at the General Meeting | 10.00 a.m. on 14 March 2022 |
| Latest time and date for acceptance of the Open Offer and receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instruction (if appropriate) | 11.00 a.m. on 14 March 2022 |
| General Meeting | 10.00 a.m. on 16 March 2022 |
| Announcement of result of General Meeting and Open Offer | 16 March 2022 |
| Admission and commencement of dealings in the New Ordinary Shares on AIM | 8.00 a.m. on 17 March 2022 |
| New Ordinary Shares credited to CREST members' accounts | 17 March 2022 |
| Despatch of definitive share certificates in certificated form | Within 10 Business Days of Admission |

The dates and timing of the events in the above timetable and in the rest of this document are indicative only and may be subject to change. If any of the details contained in the timetable above should change, the revised times and dates will be notified by means of an announcement through a Regulatory Information Service.

Certain of the events in the above timetable are conditional upon, amongst other things, the approval of the Resolutions to be proposed at the General Meeting.

All references are to London time unless stated otherwise.

KEY STATISTICS

FIRM PLACING STATISTICS

| | |
|---|--------------------------|
| Number of Existing Ordinary Shares | 51,727,353 |
| Number of Firm Placing Shares | 8,900,000 |
| Offer Price | 45 pence |
| Number of Ordinary Shares in issue immediately following the Firm Placing | 60,627,353 |
| Firm Placing Shares as a percentage of the Ordinary Shares in issue immediately following the Firm Placing* | 17.21% |
| Gross Proceeds of the Firm Placing | Approximately £4 million |

OPEN OFFER STATISTICS

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| Number of Offer Shares | 2,249,015 |
| Offer Price | 45 pence |
| Basis of Open Offer | 1 Offer Share for every 23 Existing Ordinary Shares |
| Gross proceeds from the Open Offer** | Approximately £1 million |
| Enlarged Share Capital following the Firm Placing and Open Offer** | up to 62,876,368 |
| Offer Shares as a percentage of the Enlarged Share Capital** | up to 3.58% |

* prior to the issue of the Offer Shares

** on the assumption that the Open Offer is fully subscribed

DEFINITIONS

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

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| “Act” | Companies Act 2006 (as amended) |
| “Admission” | the admission of the New Ordinary Shares to trading on AIM in accordance with the AIM Rules for Companies |
| “AIM” | the AIM market operated by London Stock Exchange |
| “AIM Rules for Companies” | the AIM Rules for Companies and guidance notes as published by the London Stock Exchange from time to time |
| “Application Form” | the non-CREST Application Form |
| “Basic Entitlement” | the number of Offer Shares which Qualifying Holders are entitled to subscribe for at the Offer Price <i>pro rata</i> to their holding of Existing Ordinary Shares pursuant to the Open Offer as described in Part 3 “Terms and Conditions of the Open Offer” of this document |
| “Board” or “Directors” | the directors of the Company as at the date of this document |
| “Broker and Bookrunner” or “SCM” | Singer Capital Markets Securities Limited |
| “Business Day” | a day (other than a Saturday or Sunday) on which commercial banks are open for general business in London, England |
| “City Code” | the City Code on Takeovers and Mergers |
| “Company” or “Tekmar” | Tekmar Group plc, a public limited company incorporated in England and Wales with registered number 11383143 |
| “CREST” | the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in the CREST Regulations) |
| “CREST Manual” | the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules, CREST Courier and Sorting Services Manual, Daily Timetable, CREST Application Procedures and CREST Glossary of Terms (all as defined in the CREST Glossary of Terms promulgated by Euroclear on 15 July 1996 and as amended since) as published by Euroclear |
| “CREST member” | a person who has been admitted to CREST as a system-member (as defined in the CREST Manual) |
| “CREST member account ID” | the identification code or number attached to a member account in CREST |
| “CREST participant” | a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations) |
| “CREST participant ID” | shall have the meaning given in the CREST Manual issued by Euroclear |
| “CREST payment” | shall have the meaning given in the CREST Manual issued by Euroclear |

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| “CREST Regulations” | the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended) |
| “CREST sponsor” | a CREST participant admitted to CREST as a CREST sponsor |
| “CREST sponsored member” | a CREST member admitted to CREST as a sponsored member |
| “Directors’ Subscription” | the subscription for the Directors’ Subscription Shares by Julian Brown, Derek Bulmer, Christopher Gill and Ian Ritchey at the Offer Price pursuant to the Subscription Agreements |
| “Directors’ Subscription Shares” | 122,222 new Ordinary Shares the subject of the Directors’ Subscription |
| “Enlarged Share Capital” | the entire issued share capital of the Company on Admission following the issue of the New Ordinary Shares |
| “Equiniti” | Equiniti Limited |
| “EU” | the European Union |
| “Euroclear” | Euroclear UK & International Limited |
| “Excess Application Facility” | the arrangement pursuant to which Qualifying Shareholders may apply for additional Offer Shares in excess of their Open Offer Entitlement in accordance with the terms and conditions of the Open Offer |
| “Excess CREST Open Offer Entitlement” | in respect of each Qualifying CREST Shareholder who has taken up their Basic Entitlement in full or otherwise as the Directors may determine in their absolute discretion, the entitlement to apply for Open Offer Shares in addition to their Basic Entitlement credited to his or her stock account in CREST, pursuant to the Excess Application Facility, which may be subject to scaling back in accordance with the provisions of this document |
| “Excess Shares” | Offer Shares applied for by Qualifying Shareholders under the Excess Application Facility |
| “Ex-entitlement Date” | the date on which the Existing Ordinary Shares are marked “ex” for entitlement under the Open Offer, being 28 February 2022 |
| “Existing Ordinary Shares” | the 51,727,353 Ordinary Shares in issue on the date of this document |
| “FCA” | the Financial Conduct Authority of the UK |
| “Firm Places” | subscribers for Firm Placing Shares |
| “Firm Placing” | the placing by the Company of the Firm Placing Shares with certain institutional investors and Shareholders (or their associated investment vehicles) and Directors’ Subscription Shares, otherwise than on a pre-emptive basis, at the Offer Price |
| “Firm Placing and Open Offer Agreement” | the agreement entered into between the Company and Singer Capital Markets in respect of the Firm Placing and Open Offer dated 25 February 2022, as described in this document |
| “Firm Placing Shares” | the 8,900,000 new Ordinary Shares the subject of the Firm Placing and Directors’ Subscription |

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| “Form of Proxy” | the form of proxy for use in relation to the General Meeting enclosed with this document |
| “FSMA” | Financial Services and Markets Act 2000 (as amended) |
| “General Meeting” | the General Meeting of the Company, convened for 10.00 a.m. on 16 March 2022 or at any adjournment thereof, pursuant to the Notice of General Meeting |
| “Group” | the Company and its subsidiaries |
| “ISIN” | International Securities Identification Number |
| “London Stock Exchange” | London Stock Exchange plc |
| “Money Laundering Regulations” | Money Laundering Regulations 2007, the money laundering provisions of the Criminal Justice Act 1993 and the Proceeds of Crime Act 2002 |
| “New Ordinary Shares” | the Firm Placing Shares, the Offer Shares and the Directors’ Subscription Shares |
| “Nominated Adviser” or “SCM Advisory” | Singer Capital Markets Advisory LLP, the Company’s nominated adviser |
| “Notice of General Meeting” | the notice convening the General Meeting as set out at the end of this document |
| “Offer Price” | 45 pence per New Ordinary Share |
| “Offer Shares” | The 2,249,015 new Ordinary Shares being made available to Qualifying Shareholders pursuant to the Open Offer and Excess Application Facility |
| “Open Offer” | the conditional invitation made to Qualifying Shareholders to apply to subscribe for the Offer Shares at the Offer Price on the terms and subject to the conditions set out in Part 3 “Terms and Conditions of the Open Offer” of this document and, where relevant, in the Application Form |
| “Open Offer Entitlement” | the entitlement of Qualifying Shareholders to subscribe for Offer Shares pursuant to the Open Offer |
| “Ordinary Shares” | ordinary shares of one pence each in the capital of the Company |
| “Overseas Shareholders” | a Shareholder with a registered address outside the United Kingdom |
| “Panel” | the Panel on Takeovers and Mergers |
| “Prospectus Rules” | the Prospectus Regulation Rules made in accordance with the EU Prospectus Directive 2003/71/EC as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 in relation to offers of securities to the public an admission of securities to trading on a regulated market |
| “Qualifying CREST Shareholders” | Qualifying Shareholders holding Existing Ordinary Shares in a CREST account |
| “Qualifying Non-CREST Shareholders” | Qualifying Shareholders holding Existing Ordinary Shares in certificated form |

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| “Qualifying Shareholders” | holders of Existing Ordinary Shares on the register of members of the Company at the Record Date (but excluding any Overseas Shareholder who has a registered address in the United States of America or any other Restricted Jurisdiction) |
| “Receiving Agents” | Equiniti |
| “Record Date” | 6.00 p.m. on 24 February 2022 in respect of the entitlements of Qualifying Shareholders under the Open Offer |
| “Regulatory Information Service” | has the meaning given in the AIM Rules for Companies |
| “Resolutions” | the resolutions to be proposed at the General Meeting as set out in the Notice of General Meeting |
| “Restricted Jurisdiction” | the United States of America, Canada, Australia, Japan, New Zealand and any other jurisdiction where the extension or availability of the Firm Placing and Open Offer would breach any applicable law |
| “Singer Capital Markets” | the Nominated Adviser and/or Broker and Bookrunner, as the context requires |
| “Securities Act” | US Securities Act of 1933 (as amended) |
| “Shareholders” | the holders of Existing Ordinary Shares |
| “Share Incentive Schemes” | the Tekmar Group plc SAYE Plan, the Tekmar Group plc Retention Plan, the Tekmar Group plc Long Term Incentive Plan and the Tekmar Group plc Share Option Incentive Plan |
| “SIP” | Tekmar Group plc Share Incentive Plan |
| “SIP Trustee” | Equiniti Share Plan Trustees Limited in its capacity as trustee of the Tekmar Group plc SIP Trust |
| “Subscription Agreement” | the agreements between (i) the Company and Julian Brown; (ii) the Company and Derek Bulmer; (iii) the Company and Christopher Gill; and (iv) the Company and Ian Ritchey relating to the Directors’ Subscription |
| “Transaction” | the Firm Placing, Open Offer and the Directors’ Subscription |
| “Uncertificated” or “Uncertificated form” | recorded on the relevant register or other record of the Ordinary Shares or other security concerned as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST |
| “United Kingdom” or “UK” | the United Kingdom of Great Britain and Northern Ireland |
| “United States”, “United States of America” or “US” | the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all areas subject to its jurisdiction |
| “USE” | has the meaning given in paragraph 3.2(c) of Part 3 “Terms and Conditions of the Open Offer” of this document |
| “USE Instruction” | has the meaning given in paragraph 3.2(c) of Part 3 “Terms and Conditions of the Open Offer” of this document |

PART 1

LETTER FROM THE CHAIR

TEKMAR GROUP PLC

(Incorporated in England and Wales with registered no. 11383143)

Directors:

Alasdair MacDonald – *Chief Executive Officer*
Derek Bulmer – *Chief Financial Officer*
Julian Brown – *Non-Executive Chair*
Christopher Gill – *Non-Executive Director*
Ian Ritchey – *Non-Executive Director*

Registered office:

Innovation House
Centurion Way
Darlington, DL3 0UP

For the attention of Shareholders and, for information only, the participants of the Share Incentive Schemes and the SIP

28 February 2022

Dear Shareholder

**Firm Placing of 8,900,000 New Ordinary Shares at 45 pence per share
Open Offer of up to 2,249,015 New Ordinary Shares at 45 pence per share
and
Notice of General Meeting**

1. Introduction

The Company on 25 February announced a conditional Firm Placing to raise approximately £4 million by the issue and allotment by the Company of 8,900,000 Ordinary Shares at the Offer Price of 45 pence per Ordinary Share.

In addition, in order to provide Shareholders with an opportunity to participate in the proposed issue of new Ordinary Shares, the Company is providing all Qualifying Shareholders with the opportunity to subscribe at the Offer Price for an aggregate of up to 2,249,015 Offer Shares, to raise up to approximately £1 million, on the basis of 1 new Ordinary Share for every 23 Existing Ordinary Shares held by each Qualifying Shareholder.

The Open Offer provides Qualifying Shareholders with an opportunity to participate in the proposed issue of new Ordinary Shares whilst providing the Company with additional capital to invest in the business of the Group.

The Offer Price is at a premium of 7.1 per cent. to the closing middle market price of 42 pence per Existing Ordinary Share on 24 February 2022 (being the last practicable date before publication of this document).

The Firm Placing and Open Offer are conditional, among other things, upon Shareholders approving the Resolutions at the General Meeting that will grant to the Directors the authority to allot the New Ordinary Shares and the power to disapply statutory pre-emption rights in respect of the New Ordinary Shares. The Resolutions are contained in the Notice of General Meeting at the end of this document. Admission is expected to occur no later than 8.00 a.m. on 17 March 2022 or such later time as Singer Capital Markets and the Company may agree (being no later than 8.00 a.m. on 30 March 2022). The Firm Placing and Open Offer are not underwritten.

It is proposed that the net proceeds of the Transaction will be used to fund the Company's R&D and technology roadmap, provide working capital headroom to support new contract deployment, invest in operational efficiency improvements, and to strengthen the Company's balance sheet, providing greater cash headroom and competitive advantage as the business transitions to sustained profitable growth in the future.

Further details of the intended use of the net proceeds of the Transaction can be found in paragraph 5 below.

The purpose of this document is to explain the background to and reasons for the Firm Placing and Open Offer, the use of proceeds, the details of the Firm Placing and Open Offer and to recommend that Shareholders vote in favour of the Resolutions.

2. Background to, and reasons for, the Firm Placing and Open Offer

Overview

Tekmar was admitted to trading on AIM in June 2018 with a strategy to build on its significant opportunity within the global offshore energy markets by broadening and strengthening its portfolio of market leading subsea protection products and services, including through acquisitions. In the 18 months following its IPO, Tekmar built on its market leading position in supplying cable protection systems to the world's offshore wind farms through the acquisitions of Subsea Innovation in September 2018, Ryder Geotechnical in March 2019 and Pipeshield in October 2019. These acquisitions diversified the Group's offering across its core markets, brought complementary technology and intellectual property to the Group and provided access to new markets, territories and clients.

Coveted Customer Base

Tekmar assists its customers through de-risking projects, solving engineering challenges, improving safety and lowering project costs. Tekmar has a diverse range of high quality customers including:

- Energy Companies, where Tekmar reduces the Levelised Cost of Energy ("**LCoE**") over the project lifecycle;
- Tier 1 Contractors, where Tekmar reduces installation time, manages risk and supports the transition to the offshore wind market; and
- Manufacturers, where Tekmar ensures the customers' assets are protected.

Covid-19

The Group entered 2020 with a balanced commercial proposition in line with its strategic priorities. This momentum was tempered early in the year by the disruption caused by the emerging coronavirus outbreak in China, an important market for the Group. The pandemic subsequently caused significant disruption to the Group over the following two years.

The protracted impact of the pandemic has to some extent masked the importance of the acquisitions the Company has made in strengthening the foundations of Tekmar, building on its 36 years of industry experience in the challenging and complex subsea and offshore environment. Tekmar Group now employs some 170 employees across five group companies and operates out of 18 locations worldwide, including its own offices and facilities and partner representation.

Five Year Strategic Plan

In 2020, Alasdair MacDonald assumed the role of CEO, and, alongside working with the management team to navigate the challenges of the pandemic, established a refocused strategic plan for the Group in order that the business could realise its full potential. The plan focused on strengthening Tekmar's value proposition as an engineering solutions-led business that offered integrated and differentiated products and services to its global customer base. The initial focus of the strategic plan was to embed a more efficient and simplified structure and in July 2021, the Company announced its longer term ambition (the "**Strategic Plan**" or "**Plan**") which can be summarised as follows:

- Build on the Company's strong foundations and double revenue organically within the next five years, from the FY20 revenue run-rate of £40 million;
- Improve profitability and cash generation;
- Expand and deepen the capability offered to customers by both strengthening Tekmar's core offering and diversifying in to adjacent products markets and services where its technology, expertise and service level will resonate strongly;

- Focus the business on clear growth initiatives to diversify revenue mix into attractive growth and high value opportunities;
- Build Adjusted EBITDA to a sustainable mid-to-high teens percentage margin in the later years of the Plan; and
- Achieve stronger cashflow to support investment and fund complementary bolt-on acquisitions.

Strengthening Technology Roadmap

A critical element of Tekmar's strategy to capitalise on its growth opportunities is disciplined investment in innovation and applied engineering to future-proof the technology offering and anticipate the evolving needs of the customer indemanding and challenging offshore environments. The Group's technology road-map supports the organic growth plan, with disciplined investment across a rolling programme of key initiatives:

| | | | | | |
|-------------------|--------------------------------|---------------------------------|------------------------------------|---|----------|
| Completed: | Hadrian (software solution) | AgileDat (software solution) | Super-Mat (product engineering) | Grouting Division | |
| Ongoing: | Wear testing (CPS) | Condition Monitoring (CPS) | Remedial Solutions | ABR – Advanced Bend Restrictor Design | Buoyancy |
| Planned: | Floating Wind | Predictive Wear Modelling | Generation 11 CPS | | |

3. High Exposure to Rapidly Growing Markets

Importantly, the Company's growth strategy set out in paragraph 2 above is aligned with the compelling growth trends in Tekmar's core offshore energy markets, which supports significant growth opportunities across the business:

Offshore Wind Farm market trends

Industry analysts are forecasting over 200GW of new offshore wind capacity is due to come online or enter construction globally by 2030. For reference, this represents a five-fold increase on the approximately 41GW of installed capacity that has been built over the last 31 years. Tekmar has visibility on over 300 projects planned for construction by 2030. Of the 35GW currently under construction or where the Final Investment Decision ("FID") has been made, China has the most under construction with 14GW, a market where Tekmar has an established commercial presence, through its Shanghai based subsidiary. Of the additional 168GW expected to enter construction by 2030, 27GW is in the US, 23GW is in China and 19GW is in the UK. Tekmar's commercial presence is well aligned with these territories, including through Tekmar's partnership agreement with Deepwater Buoyancy in the US.

The Dogger Bank offshore wind farm, located in the UK and set to be the world's largest offshore wind farm is an example of the opportunities this global industry investment represents for Tekmar. Tekmar has been awarded a contract to supply the first two phases (Dogger Bank A&B), representing 2.4GW of planned installed capacity combined, with a customer option for the third phase (Dogger Bank C), representing an additional 1.2GW of planned installed capacity. In addition to the recent award of the Dogger Bank contract, the Company has visibility over a number of large offshore wind projects (projects with installed capacity in excess of 1GW) which are seen as high probability for offshore and will commence in 2023 to 2028. There are nine such major projects identified by the Company, with a total capacity of 12.1GW and which span across multiple geographies including the USA, UK & Taiwan. In addition, there are a significant number of projects below this 1GW threshold as well.

Energy markets are transforming as countries, companies, financial institutions and society more broadly align themselves to the purpose of the United Nation's global coalition for net-zero emissions by 2050. Recent landmark activity by governments includes the Scotwind auctions in January 2022, with seabed rights offered for 17 offshore wind projects and 25GW of total capacity. Floating offshore wind was an important part of the capacity mix for the auction and highlights how this type of complex installation is moving closer to the near-term construction horizon.

Offshore Wind Farm Operations and Maintenance (“O&M”) market trends

The Company outlined, as part of the Strategic Plan, the opportunity to expand into the growing offshore wind O&M market. As the offshore wind market scales up and matures, it provides a significant growth opportunity for Tekmar to expand its involvement across the project lifecycle, supporting installed assets over the twenty to thirty years of their typically planned operational use. This is a key strategic initiative for the business and is a natural extension of its offering to a common customer base, leveraging Tekmar’s technology and industry track record. The O&M market opportunity is aligned with Tekmar’s focus as an engineering-solutions led business, where it can solve customer’s engineering challenges by optimising and de-risking their installations and providing engineering support through the extended life-cycle of the asset. Tekmar is actively involved in this space since 2019 and in FY2021, delivered a significant offshore O&M project to provide remedial services and technology for an operational offshore wind farm in the UK. With the global O&M market valued at £8.9 billion per year by 2030, the UK market valued at £1.3 billion per year by 2030 and with 80 new projects to be sanctioned in 2022, there is a significant growth opportunity for Tekmar.

Offshore Infrastructure market trends

The offshore infrastructure market complements Tekmar’s offshore wind capability, providing a balanced portfolio and the opportunity for Tekmar to support clients in their energy transition strategy. The broader offshore energy market is a mature and important market for Tekmar, with offshore oil and gas investment expected to increase from \$112 billion in 2022 to \$142 billion by 2030, alongside the industry’s transition to cleaner energy technologies.

4. Strategic Execution

The Company highlighted at its Capital Markets Day (“CMD”) in July 2021 that delivery of the strategy would involve a transition period for the business through 2022, as management prepared the business for significant growth in order book, which the Directors anticipate flowing through to sustained revenue and profit growth from FY23 onwards. Notwithstanding the challenges of the current market environment, the Board’s view on the trajectory of growth in the market remains very positive over the mid-to long term, supporting the Strategic Plan. This view is supported by visibility on planned offshore wind construction projects, with over 200GW of new capacity by 2030, and by broader market indicators and industry analysis. A summary of the key industry analysis is provided in the markets trends related commentary above.

The Board is greatly encouraged by the progress the business is making in executing on the Strategic Plan. The priority for the Board is to support management in the ongoing delivery of the Plan, to capitalise on the growth opportunities and support the operational efficiency improvements that the Board believes presents a compelling and clear path to the sustained improvement in profitability. It is also conscious that the business continues to operate in a market environment where the challenges of the pandemic have not yet abated. This has created pressure on companies operating across the offshore energy supply chain and the Board recognises that a clear advantage of strengthening the Group’s balance sheet is to strengthen Tekmar’s relative commercial and competition position.

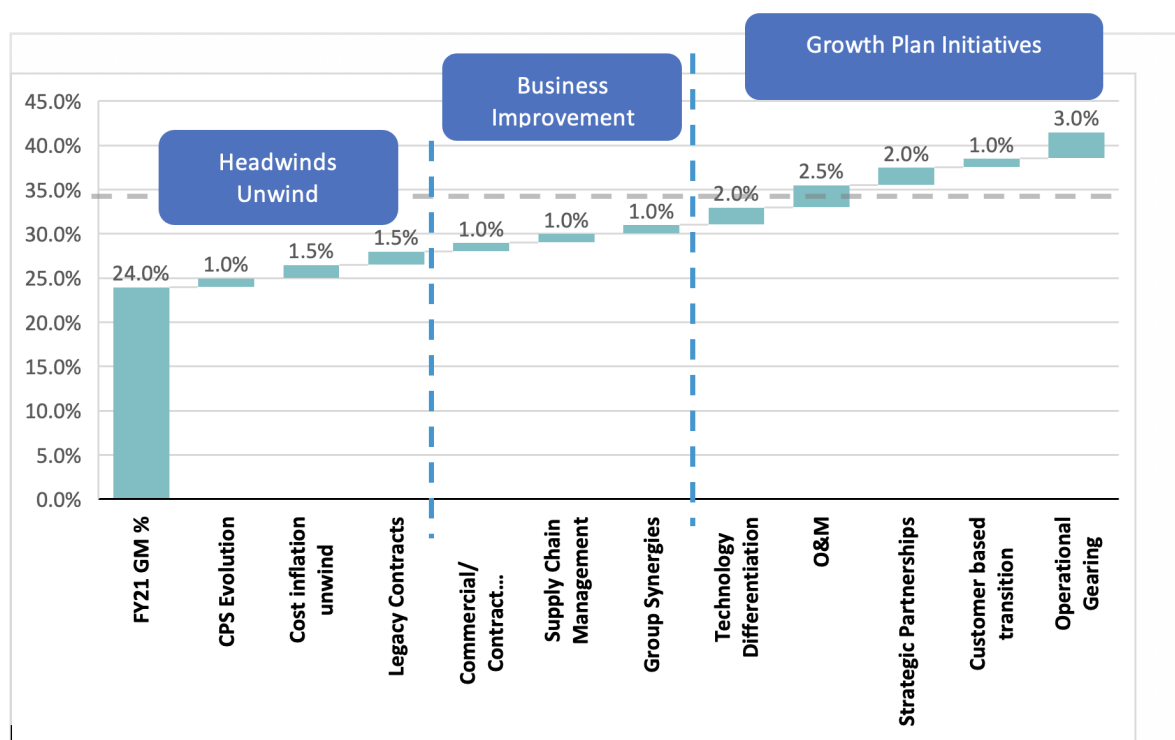
Gross Margin Expansion Plan

As part of bridging the Company’s financial ambitions under its Strategic Plan, the Directors see an opportunity to improve gross margin from the 24 per cent. margin the business delivered in 2021 to a target of approximately 35 per cent., which represents a return to the gross margin percentage for the Group in FY2019. A broad range of levers support this gross margin opportunity which can be grouped under three categories:

- the unwind of margin pressures which have lowered historical margin. This includes the de-risking of legacy fixed price contracts, the unwind of the recent cost inflation pressures across the industry supply chain, which continues to be a factor in the industry, and the evolution of the Group’s cable protection system strategy;
- the positive effect of the business improvement initiatives highlighted above, including better project controls, more consistent execution and improved management of commercial risk; and

- margin improvement linked to the Group's specific growth initiatives, including the value of the Group's technology differentiation, the O&M opportunity and the operational gearing benefit of revenue growth and a relatively stable cost-base.

Management has summarised the broad range of levers supporting the gross margin improvement opportunity and estimated the incremental benefit across these levers on the following diagram. In setting the target at 35 per cent., management is looking at the opportunity in aggregate and recognises the contribution of specific initiatives may not reflect the estimates provided.



5. Reasons for the Transaction and Use of Proceeds

The Directors believe that the Transaction supports the delivery of the Strategic Plan as the business transitions to sustained profitable growth, alongside strengthening the balance sheet as the industry recovers from the disruption caused by the pandemic.

It is proposed that the net proceeds will be used to:

- provide working capital headroom to support new contract deployment;
- invest in operational efficiency improvements;
- fund the Company's R&D and technology roadmap; and
- strengthen the Company's balance sheet.

6. Audited final results for the 18 month period to 30 September 2021

On 25 February 2022, the Company announced its audited final results for the 18 month period to 30 September 2021. As previously reported and owing to the Covid pandemic, this was a challenging financial period for the Company. This was reflected in the revenue outturn for the period of £47.0 million (FY20: £40.9 million), with the last 12 months' revenue to September 2021 of approximately £32 million, effectively a fall of 22 per cent. on FY20 revenue. Further, cost pressures and inefficiencies driven by lower volumes, supply chain and logistics matters, plus a more challenging operating environment under Covid restrictions has seen gross profit margin fall from 30.0 per cent. for the prior period to 24.0 per cent. for FY21. As a result, Adjusted EBITDA for the period was a loss of £(2.1) million (FY20: profit of £4.7 million).

A copy of the Results Statement is available to view on the Company's website: <https://investors.tekmar.co.uk/investors/reports-and-presentations/>.

7. Current trading and prospects

Recent contract momentum and pipeline

The Company announced its results for the 18-month period to 30 September 2021 on 25 February 2022. A central message of these results is that the strategy is working and Tekmar is delivering on the priorities it has set out to transition the business to a trajectory of sustained profitable growth. When management set out the Strategic Plan, it highlighted there would be a transition period for the business extending through 2022 as the new leadership team embedded its strategy to reposition the business and the impact of lower volumes as the industry continued to experience the effects of COVID-19.

In announcing its results for FY21, the Company referenced the following contract awards highlighting the strategy in action in terms of diversification, regional expansion and the value to customers of Tekmar's integrated offering:

- significant ongoing O&M project supporting UK offshore wind farm;
- contract award for Dogger Bank offshore wind farm;
- integrated subsea scour protection contract worth in excess of £4m;
- contract award for offshore wind farm in Baltic Sea;
- regional expansion in Marine Civils and the largest ever Tekmar Group contract award (announced January 2022); and
- approximately £7 million of revenue in China in FY21 - currently the leading offshore wind market.

These contract awards and related pipeline activity highlight a healthy level of forward visibility, with the Company reporting an order book at the end of December 2021 of £20.3 million, which is the highest order book value the Company has reported since its admission to AIM. This order book helps to support a broader pipeline of opportunity which the Company estimates to be in the region of £100 million. In addition to the £20.3 million order book, the Company estimates visible projects at advanced bid and bid stage to be in the region of £25 million, with the remainder representing a reasonable level of visibility through typical run-rate activity the Company expects to see and visible projects which have not yet reached the bid stage.

Outlook

As the Company highlighted in its trading update on 21 October 2021, the dislocation to global trade flows continues to act as a near-term headwind across the industry. However, whilst Tekmar is not immune to these industry-wide pressures, and it is difficult to assess when these pressures will abate, the Board is greatly encouraged by the operational progress the Company is making towards delivering its strategic goals announced at the 2021 CMD.

The Company has announced a number of significant contract wins over the course of the last six months, highlighting the progress the Company is making towards diversification and regional expansion, and reinforcing Tekmar's leading position as a trusted partner to customers. Of particular note is the partnership with DEME Offshore, announced in December 2021, contracting Tekmar to design, manufacture and supply Cable Protection Systems (CPS) for the Dogger Bank Wind Farm, which is set to become the world's largest offshore wind farm by capacity.

These recent contract wins highlight the commercial momentum which has developed across the business, demonstrating that customers are recognising the value of Tekmar's integrated solutions and services and engineering focus. This momentum is particularly important in the current financial year, as the Board aims to complete the transition period in FY22, ahead of restoring sustained profitable growth, achieving margin improvement and broadening the Company's growth strategy to strengthen its position in FY23 and beyond.

In terms of financial performance for the current year, the Board expects revenues for the 12 months to 30 September 2022 to be ahead of the 12-month equivalent of approximately £32m for the period to 30 September 2021, and for revenues to be strongly weighted to the second half of the financial year. Management's visibility on this weighting is supported by a number of significant secured project awards which are expected to contribute materially to revenues for the second half of 2022. This includes, *inter alia*, the USD 10 million contract announced in January 2022, the bulk of which is planned to be delivered in the second half of FY22, in addition to meaningful contributions from the Dogger Bank project, opportunities in China and two further O&M contracts the Group has been awarded through its Subsea Innovation business.

8. Information on the Firm Placing and Open Offer

Details of the Firm Placing

The Company has conditionally raised £4 million before expenses through the Firm Placing of 8,900,000 Firm Placing Shares at the Offer Price to the Firm Placees.

The Firm Placing is conditional, among other things, upon:

- (i) the passing of all of the Resolutions;
- (ii) the Firm Placing and Open Offer Agreement becoming or being declared unconditional in all respects and not having been terminated in accordance with its terms prior to Admission; and
- (iii) Admission becoming effective by no later than 8.00 a.m. on 17 March 2022 or such later time, being not later than 8.00 a.m. on 30 March 2022, as Singer Capital Markets and the Company may agree.

If any of the conditions are not satisfied, the New Ordinary Shares will not be issued and all monies received from the Firm Placees and Qualifying Shareholders will be returned to them (at the Firm Placees' and Qualifying Shareholders' risk and without interest) as soon as possible thereafter.

The Firm Placing Shares are not subject to clawback.

The Firm Placing Shares (and the Offer Shares) will be issued free of all liens, charges and encumbrances and will, when issued and fully paid, 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 their issue.

Application will be made to the London Stock Exchange for the Admission of the New Ordinary Shares to trading on AIM. On the assumption that, among other things, the Resolutions are passed, it is expected that Admission will occur and that dealings will commence at 8.00 a.m. on 17 March 2022 at which time it is also expected that the Firm Placing Shares will be enabled for settlement in CREST.

Details of the Open Offer

The Company is proposing to raise up to approximately £1 million before expenses pursuant to the Open Offer. A total of 2,249,015 new Ordinary Shares are available to Qualifying Shareholders pursuant to the Open Offer at the Offer Price, payable in full on acceptance. Any Offer Shares not subscribed for by Qualifying Shareholders will be available to Qualifying Shareholders under the Excess Application Facility. The balance of any Offer Shares not subscribed for under the Excess Application Facility will not be available to Firm Placees under the Firm Placing.

Qualifying Shareholders may apply for Offer Shares under the Open Offer at the Offer Price on the following basis:

1 Offer Share for every 23 Existing Ordinary Shares

and in such proportion for any number of Existing Ordinary Shares held on the Record Date.

Entitlements of Qualifying Shareholders will be rounded down to the nearest whole number of Offer Shares. Fractional entitlements which would otherwise arise will not be issued to the Qualifying Shareholders but will be aggregated and made available under the Excess Application Facility. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement. Not all Shareholders will be Qualifying Shareholders. Shareholders who are located in, or are citizens of, or have a registered office in certain overseas jurisdictions will not qualify to participate in the Open Offer. The attention of Overseas Shareholders is drawn to paragraph 6 of Part 3 "Terms and Conditions of the Open Offer" of this document.

Valid applications by Qualifying Non-CREST Shareholders will be satisfied in full up to their Open Offer Entitlements as shown on the Application Form. Applicants can apply for less or more than their entitlements under the Open Offer but the Company cannot guarantee that any application for Excess Shares under the Excess Application Facility will be satisfied as this will depend in part on the extent to which other Qualifying Shareholders apply for less than or more than their own Open Offer Entitlements. The Company may satisfy

valid applications for Excess Shares of applicants in whole or in part but reserves the right not to satisfy any excess above any Open Offer Entitlement. The Board may scale back applications made in excess of Open Offer Entitlements *pro rata* to the number of excess shares applied for by Qualifying Shareholders under the Excess Application Facility or otherwise deal with such applications in their absolute discretion.

Application has been made for the Open Offer Entitlements to be admitted to CREST. It is expected that such Open Offer Entitlements will be credited to CREST on 1 March 2022. The Open Offer Entitlements will be enabled for settlement in CREST until 11.00 a.m. on 14 March 2022. Applications through the CREST system may only be made by the Qualifying CREST Shareholder originally entitled or by a person entitled by virtue of *bona fide* market claims. The Offer Shares must be paid in full on application. The latest time and date for receipt of completed Application Forms or CREST applications and payment in respect of the Open Offer is 11.00 a.m. on 14 March 2022.

Qualifying Shareholders should note that the Open Offer is not a rights issue and therefore the Offer Shares which are not applied for by Qualifying Shareholders will not be sold in the market for the benefit of the Qualifying Shareholders who do not apply under the Open Offer. The Application Form is not a document of title and cannot be traded or otherwise transferred.

Further details of the Open Offer and the terms and conditions on which it is being made, including the procedure for application and payment, are contained in Part 3 “Terms and Conditions of the Open Offer” of this document and on the accompanying Application Form.

The Open Offer is conditional on the Firm Placing becoming or being declared unconditional in all respects and not being terminated before Admission (as the case may be). The principal conditions to the Firm Placing are:

- (a) the passing of all of the Resolutions at the General Meeting;
- (b) the Firm Placing and Open Offer Agreement having become unconditional; and
- (c) Admission becoming effective by no later than 8.00 a.m. on 17 March 2022 or such later time (being no later than 8.00 a.m. on 30 March 2022) as Singer Capital Markets and the Company may agree.

Accordingly, if these conditions are not satisfied or waived (where capable of waiver), the Open Offer will not proceed and the Offer Shares will not be issued and all monies received by Equiniti Limited will be returned to the applicants (at the applicants’ risk and without interest) as soon as possible thereafter. Any Open Offer Entitlements admitted to CREST will thereafter be disabled.

The Offer Shares (and the Firm Placing Shares) will be issued free of all liens, charges and encumbrances and will, when issued and fully paid, 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 their issue.

The Existing Ordinary Shares are admitted to trading on AIM. Application will be made to the London Stock Exchange for the admission of the Offer Shares to trading on AIM. It is expected that Admission will occur and that dealings will commence at 8.00 a.m. on 17 March 2022 at which time it is also expected that the Offer Shares will be enabled for settlement in CREST.

9. Related Party Transactions

Schroders Investment Management (“**Schroders**”) has agreed to subscribe for 3,911,110 Firm Placing Shares. As at the date of this document, so far as the Company is aware, Schroders holds 9,655,139 Existing Ordinary Shares representing approximately 15.4 per cent. of the Existing Ordinary Shares. As such, Schroders is a substantial shareholder of the Company and its participation in the Placing is a related party transaction pursuant to AIM Rule 13 of the AIM Rules for Companies. The Directors consider, having consulted with the Company’s nominated adviser, SCM Advisory, that the terms of Schroders’ participation in the Firm Placing are fair and reasonable insofar as the Shareholders are concerned.

Each of Julian Brown, Derek Bulmer, Christopher Gill and Ian Ritchey are Directors of the Company and are participating in the Transaction therefore their participation in the Directors' Subscription will be a related party transaction. The independent Directors, having consulted with SCM Advisory, as the Company's nominated adviser, consider the terms of Directors' Subscription to be fair and reasonable insofar as the Shareholders are concerned. Details of the Director intentions are set out below:

| Name | Role | Number of Ordinary Shares held | Number of Ordinary Shares held beneficially pursuant to the SIP | Number of Ordinary Shares held as a percentage of the Existing Ordinary Shares (%) | Value of Placing and Open Offer intended to be subscribed for (£) | Number of Placing Shares to be applied for in the Firm Placing or Open Offer (as applicable) | Maximum number of Ordinary Shares held following the Firm Placing, Directors' Subscription and Open Offer | Percentage of Ordinary Shares held following the Firm Placing, Directors' Subscription and Open Offer assuming the Open Offer is fully subscribed |
|--------------------|-------------------------|--------------------------------|---|--|---|--|---|---|
| Alasdair MacDonald | CEO | 509,526 | 1,630 | 0.99 | 50,000 | 111,111 | 622,267 | 0.99% |
| Julian Brown | Non-Executive Chair | 19,230 | – | 0.04 | 5,000 | 11,111 | 30,341 | 0.05% |
| Derek Bulmer | Chief Financial Officer | – | 1,630 | 0.003 | 30,000 | 66,667 | 68,297 | 0.11% |
| Christopher Gill | Non-Executive Director | 19,230 | – | 0.04 | 5,000 | 11,111 | 30,341 | 0.05% |
| Ian Ritchey | Non-Executive Director | – | – | – | 15,000 | 33,333 | 33,333 | 0.05% |

Transaction Considerations

As set out in the Recommendation section below, the Directors believe the Transaction to be in the best interests of the Company and its Shareholders as a whole. In making this statement the Directors have spent time, and have taken appropriate advice, in considering the Transaction and the method by which to raise the net proceeds. The Directors concluded that a Firm Placing accompanied by an Open Offer was the most appropriate structure to raise funding for the following reasons:

- the Firm Placing enables the Company to attract a number of new investors to its shareholder register, which the Directors expect will improve liquidity going forward, and also to provide an element of funding certainty within the Transaction; and
- the Open Offer of up to approximately £1 million enables all Qualifying Shareholders to participate in the Transaction on the same terms as institutional and new investors but without the time and costs associated with a full pre-emptive offer. A full pre-emptive offer, either via a rights issue or open offer, of greater than €8.0 million would have required the Company to have produced a prospectus which would have taken significant time and cost.

The Offer Price represents a premium of 7.1 per cent. to the closing mid-market price of the Ordinary Shares on 24 February 2022, being the last practicable date prior to the publication of this document. The Directors can confirm the Offer Price, and therefore potential dilution for Shareholders, has been a key consideration in setting the amount raised as part of the Transaction and the decision to undertake an Open Offer. The Offer Price was established as part of a book building process undertaken by the Company's advisors and also following consultation with certain substantial Shareholders and incoming investors.

10. Overseas Shareholders

The attention of Qualifying Shareholders who have registered addresses outside the United Kingdom, or who are citizens or residents of countries other than the United Kingdom, or who are holding Existing Ordinary Shares for the benefit of such persons, (including, without limitation, custodians, nominees, trustees and agents) or who have a contractual or other legal obligation to forward this document or the Application Form to such persons, is drawn to the information which appears in paragraph 6 of Part 3 "Terms and Conditions of the Open Offer" of this document.

In particular, Qualifying Shareholders who have registered addresses in or who are resident in, or who are citizens of, countries other than the UK (including without limitation the United States of America), should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their entitlements under the Open Offer.

This document and any accompanying documents are not being made available to Overseas Shareholders with registered addresses in any Restricted Jurisdiction (subject to limited exceptions) and, subject to certain exceptions, may not be treated as an invitation to subscribe for any New Ordinary Shares by any person located in and/or resident in or are citizens of, in each case, a Restricted Jurisdiction.

The New Ordinary Shares, Open Offer Entitlements and Excess Shares have not been, and will not be, registered under the applicable securities laws of any Restricted Jurisdiction. Accordingly, subject to certain exceptions, the New Ordinary Shares, Open Offer Entitlements and Excess Shares may not be offered, sold, delivered or transferred, directly or indirectly, in or into any Restricted Jurisdiction to or for the account or benefit of any national, resident or citizen of any Restricted Jurisdiction.

11. Dilution resulting from the Firm Placing and Open Offer

Following the issue of New Ordinary Shares, Shareholders who take up their Open Offer Entitlements (but do not take up any Excess Shares) in full will suffer a dilution of approximately 14.2 per cent. to their interests in the Company as a result of the Transaction. The Board has sought to balance this dilution by making available the Excess Application Facility.

Shareholders who do not take up any of their Open Offer Entitlements will suffer a dilution of up to 17.7 per cent. to their interests in the Company as a result of the Transaction.

12. The City Code

The City Code applies to quoted public companies which have their registered office in the UK, the Channel Islands or the Isle of Man and, in addition, unquoted public companies which have their registered office in the UK, the Channel Islands, or the Isle of Man and whose central management and control remain in the UK, the Channel Islands or the Isle of Man. Accordingly, the City Code applies to the Company. Under the City Code, if an acquisition of Ordinary Shares or interests therein were to increase the aggregate holding of the acquirer and its concert parties to interests in shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer and, depending on circumstances, its concert parties would be required (except with the consent of the Panel) to make a cash offer for the outstanding shares in the Company at a price not less than the highest price paid for interests in shares by the acquirer or its concert parties during the previous 12 months.

This requirement would also be triggered by any acquisition of New Ordinary Shares and/or interest therein by a person holding (together with its concert parties) Ordinary Shares carrying between 30 and 50 per cent. of the voting rights in the Company if the effect of such acquisition was to increase that person's percentage of the total voting rights of the Company.

13. Firm Placing and Open Offer Agreement

Pursuant to the Firm Placing and Open Offer Agreement, Singer Capital Markets have agreed to use its reasonable endeavours as agent of the Company to procure subscribers for the Firm Placing Shares.

The Firm Placing and Open Offer Agreement provides, *inter alia*, for payment by the Company to Singer Capital Markets of a corporate finance fee and a broking commission equal to a certain percentage multiplied by the aggregate value of the Firm Placing Shares at the Offer Price (save for any Firm Placing Shares subscribed for by the Directors).

The Company will bear all other costs, charges and expenses incurred by the Company in connection with the Firm Placing and Open Offer, including all accountancy, legal and other professional expenses incurred by the Company, all costs associated with the printers, registrars and Receiving Agents, all stamp taxes (if applicable), fees payable to the FCA and advertising costs, all legal and other professional expenses incurred by Singer Capital Markets and all properly incurred out of pocket costs and expenses in connection with the Transaction.

The Firm Placing and Open Offer Agreement contains certain warranties and indemnities from the Company in favour of Singer Capital Markets and is conditional, *inter alia*, upon:

- (a) Shareholder approval of the Resolutions at the General Meeting;
- (b) the Company having fully performed its obligations under the Firm Placing and Open Offer Agreement in connection with the Firm Placing and Open Offer to the extent that such obligations fall to be performed prior to Admission; and
- (c) Admission becoming effective not later than 8.00 a.m. on 17 March 2022 or such later time as may be agreed between the Company and Singer Capital Markets, not being later than 8.00 a.m. on 30 March 2022.

Singer Capital Markets may terminate the Firm Placing and Open Offer Agreement in certain circumstances, if, *inter alia*, there is a material adverse change in the business, earnings, operations, management, property, assets, rights, results, prospects, condition or funding position of the Group taken as a whole, whether or not arising in the ordinary course of business.

14. Risk Factors and additional information

The attention of Shareholders is drawn to the risk factors set out in Part 2 "Risk Factors" of this document and the information contained in Part 3 "Terms and Conditions of the Open Offer" and Part 4 "Questions and Answers about the Open Offer" of this document, which provide additional information on the Open Offer. Shareholders are advised to read the whole of this document and not rely solely on the summary information presented in this letter.

15. General Meeting

The Directors do not currently have authority to allot all of the New Ordinary Shares and, accordingly, the Board is seeking the approval of Shareholders to allot the New Ordinary Shares at the General Meeting.

A notice convening the General Meeting, which is to be held at the Company's registered office, Innovation House, Centurion Way, Darlington, DL3 0UP, at 10.00 a.m. on 16 March 2022, is set out at the end of this document. In light of the UK Government's Covid-19 safety precautions, Shareholders are encouraged to submit their proxy votes in advance of the meeting rather than attend in person. Details of how to do this are set out in the notes contained with the notice of General Meeting. At the General Meeting, the following Resolutions will be proposed:

- Resolution 1 which is an ordinary resolution to authorise the Directors to allot relevant securities up to an aggregate nominal amount of £111,490.15 being equal to 11,149,015 New Ordinary Shares (i.e. the maximum number of New Ordinary Shares available under the Firm Placing and Open Offer); and
- Resolution 2 which is conditional on the passing of Resolution 1 and is a special resolution to authorise the Directors to issue and allot 11,149,015 New Ordinary Shares pursuant to the Firm Placing and Open Offer on a non-pre-emptive basis.

The authorities to be granted pursuant to the Resolutions shall expire on whichever is the earlier of the conclusion of the Annual General Meeting of the Company to be held in 2022 or the date falling six months from the date of the passing of the Resolutions (unless renewed varied or revoked by the Company prior to or on that date).

16. Action to be taken

In respect of the General Meeting

Please check that you have received a Form of Proxy for use in relation to the General Meeting with this document. Appointing a proxy in accordance with the instructions set out above will enable your vote to be counted at the General Meeting if you do not attend in person.

In respect of the Open Offer

Qualifying Non-CREST Shareholders wishing to apply for Offer Shares or the Excess Shares must complete the enclosed Application Form in accordance with the instructions set out in paragraph 3.1 of Part 3 “Terms and Conditions of the Open Offer” of this document and on the accompanying Application Form and return it with the appropriate payment to Equiniti Limited at Aspect House, Spencer Road, Lancing Business Park, West Sussex BN99 6DA, so as to arrive no later than 11.00 a.m. on 14 March 2022.

If you do not wish to apply for any Offer Shares under the Open Offer, you should not complete or return the Application Form. Shareholders are nevertheless requested to complete and return the Form of Proxy.

If you are a Qualifying CREST Shareholder, no Application Form will be sent to you. Qualifying CREST Shareholders will have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to their stock accounts in CREST. You should refer to the procedure for application set out in paragraph 3.2 of Part 3 “Terms and Conditions of the Open Offer” of this document. The relevant CREST instructions must have settled in accordance with the instructions in paragraph 3.2 of Part 3 “Terms and Conditions of the Open Offer” of this document by no later than 11.00 a.m. on 14 March 2022.

Save in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder is expected to receive a credit to their CREST stock account of their Open Offer Entitlement equal to the maximum number of New Ordinary Shares for which they are entitled to apply to acquire under the Open Offer, together with a credit of Excess Entitlements equal to 10 times their balance of Existing Ordinary Shares held at the Record Time. Qualifying CREST Shareholders should note that there is no limit on the amount of Open Offer Shares that can be applied for under the Excess Application Facility, save that the maximum amount of Open Offer Shares to be allotted under the Excess Application Facility will be limited by the maximum size of the Open Offer less the aggregate of the Open Offer Shares issued under the Open Offer pursuant to the Qualifying Shareholders’ Open Offer Entitlements. If they wish to apply for more additional Open Offer Shares than their Excess Open Offer Entitlements they have been credited, subject to the limitation above, they should contact Equiniti Limited on +44 (0)371 384 2050. Lines are open 8.30 a.m. to 5.30 p.m., Monday to Friday (excluding English and Welsh public holidays). Calls to the shareholder helpline from outside of the UK will be charged at the applicable international rate. Qualifying CREST Shareholders, when requesting, an increased credit, should ensure that they leave sufficient time for the additional Excess Open Offer Entitlement to be credited to their account and for an application to be made in respect of those entitlements before the application date.

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

17. Recommendation and importance of vote

The Directors believe that the Transaction and the passing of the Resolutions are in the best interests of the Company and Shareholders, taken as a whole. Accordingly, the Directors unanimously recommend Shareholders vote in favour of the Resolutions, as they intend to do so in respect of their beneficial holdings amounting to 551,246 Ordinary Shares, representing approximately 1.07 per cent. of the Existing Ordinary Shares.

The Company has achieved some notable success in strengthening its platform and increasing the quality of its customer order book, and the Board is encouraged by the progress made to date towards the Strategic Plan. However, it is possible, save for the continued support of its existing banking relationships, that existing cash resources could materially deplete if the Fundraise does not complete. The Group meets its day-to-day working capital requirements through its available banking facilities which includes a CBILs loan of £3.0m, currently available to 31 October 2022, and a trade loan facility of up to £4.0m that can be drawn against supplier payments, currently available to 30 November 2022. The latter was provided with support from UKEF due to the nature of the business activities both in renewable energies and in driving growth through export led opportunities. In the unlikely case that the facilities are not renewed, the Group would aim to take a number of co-ordinated actions designed to avoid the cash deficit that would arise. These renewals, which are expected with some confidence, technically represent a material uncertainty which may cast doubt on the Group's ability to continue as a going concern.

In order to ensure that the business has access to the requisite funding and investment needed to deliver on its plans and strengthen its competitive advantage, the Directors intend to unanimously recommend that Shareholders vote in favour of the Resolutions, as the Directors intend to do in respect of their own holdings of Ordinary Shares.

The Transaction is conditional, among other things, upon the passing of the Resolutions at the General Meeting. Shareholders should be aware that if the Resolutions are not approved at the General Meeting, the Transaction will not proceed.

Yours faithfully

Julian Brown
Non-Executive Chair

PART 2

RISK FACTORS

An investment in the Company is subject to a number of risks and uncertainties. Accordingly, in evaluating whether to make an investment in the Company potential investors should consider carefully all of the information set out in this document and the risks attaching to an investment in the Company, including (but not limited to) the risk factors described below, before making any investment decision with respect to the shares.

In addition to the usual risks associated with an investment in a company, the Directors consider that the factors and risks described in this Part 2 “Risk Factors” are the most significant in relation to an investment in the Company and should be carefully considered, together with all the information contained in this document, prior to making any investment decision in respect of the Ordinary Shares. However, the risk factors described below do not purport to be an exhaustive list and do not necessarily comprise all of the risks to which the Company is exposed or all those associated with an investment in the Company. In particular, the Company’s performance is likely to be affected by changes in market and/or economic conditions and in legal, accounting, regulatory and tax requirements. There can be no certainty that the Company will be able to successfully implement its strategy.

The risk factors described below are not intended to be presented in any assumed order of priority. Additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, may also have an adverse effect upon the Company. If any of the following risks were to materialise, the Group’s business, financial condition, results, prospects and/or future operations may be materially adversely affected. In such case, the value of the shares may decline and an investor may lose all or part of their investment.

RISKS RELATING TO THE TRANSACTION

Dilution of ownership of Ordinary Shares

The proportionate ownership and voting interest in the Company of Shareholders who do not participate in the Transaction will be reduced as a result of the Transaction. In particular, to the extent that Shareholders do not take up the offer of Offer Shares under the Open Offer, their proportionate ownership and voting interest in the Company will be further reduced and the percentage that their shareholdings represent of the ordinary share capital of the Company will, following Admission, be reduced accordingly. Shareholders’ proportionate ownership and voting interest in the Company will be diluted by 14.2 per cent. post the Firm Placing and by 17.7 per cent. if they do not take up their entitlements under the Open Offer, assuming there is full take up of the Open Offer Shares. Subject to certain exceptions, Shareholders in the United States and other Restricted Jurisdictions will not be able to participate in the Open Offer.

Shareholders should note that their holdings and voting interest in the Company will be reduced, whether or not they elect to participate in the Open Offer, as a result of the Firm Placing.

Valuation of shares

The Offer Price has been determined by the Company and may not relate to the Company’s net asset value, net worth or any established criteria or value. There can be no guarantee that the Ordinary Shares will be able to achieve higher valuations or, if they do so, that such higher valuations can be maintained.

Importance of the shareholder vote on the Resolutions

Shareholders should be aware that if the Resolutions relating to the Transaction are not approved at the General Meeting and Admission does not take place, the net proceeds of the Transaction will not be received by the Company. In the event that the net proceeds of the Transaction are not received by the Company, the Directors may need to secure ongoing working capital funds for the Group or take strategic action to reduce the ongoing losses of the Group.

RISKS RELATING TO THE GROUP

Covid-19 Pandemic

The Company experienced a period of disruption in 2020 and 2021 caused by the Covid-19 pandemic and the ongoing nature and uncertainty of the pandemic in many countries including the measures and restrictions put in place continue to have the ability to impact the Company's business continuity, workforce, supply-chain, business development and, consequently, future revenues. Government measures taken in response to the Covid-19 pandemic, including quarantine and lockdown orders, and other indirect effects from the Covid-19 pandemic on global economic activity, have resulted in some degree of global economic downturn. Operationally, business continuity planning and face-to-face business development activities have been and remain challenging in many countries. The response to the pandemic has varied by jurisdiction, with authorities imposing different requirements, often changing as the crisis evolved and continuing to do so. Almost all of the Group's operations were impacted to a degree by changed protocols or working practices.

The Group relies on staffing projects with employees with the appropriate technical expertise and knowhow. As a result of government responses and travel restrictions, the Group's ability to send key workers and contract resources cross border to its own international facilities or to project locations where they are needed has been significantly impacted. Workers have at times been required to self-isolate which has resulted in the need for an enlarged workforce. Further, in some instances where national borders remain shut, the Group has had to rely on local employees to perform certain functions which has also delayed the internationalisation of acquired product and service lines. There is limited visibility as to when these restrictions will be lifted and accordingly the Group will continue to have to bolster its work force and rely on its local work force in the interim period, which could adversely affect the Group's business, financial condition, results of operations and prospects.

The restrictions, closures and measures mentioned above have also resulted in delays in and disruption to the Group's supply chains, leading to longer lead times for equipment. There can be no assurance that such supply chain issues will not continue and worsen, potentially leading to the scarcity of critical inventory or significantly increased costs as demand increases and supply diminishes. The Group's customers are also having to deal with these difficulties and this could affect the ability of such customers to undertake projects, which may in turn adversely affect demand for the Group's products and services.

The impact of the COVID-19 pandemic on the Group's business going forward will depend on a range of factors which are not possible to predict accurately, including the duration and scope of the pandemic, the geographies impacted, the efficacy and rate of vaccinations, the impact of the pandemic on economic activity and the nature and severity of measures adopted by governments, including restrictions on travel, mandates to avoid large gatherings and orders to self-quarantine or shelter in place. The COVID-19 pandemic led to sharp reductions in global growth rates and the ultimate impact on the global economy remains uncertain. Accordingly, the COVID-19 pandemic may have significant negative impacts in the medium and long-term, including on the Group's business, financial condition, results of operations and prospects.

Brexit

There continues to be significant uncertainties in relation to the terms within which the United Kingdom has withdrawn from the European Union and single market and as to what the impact will be on the fiscal, monetary and regulatory landscape in the United Kingdom. A significant, longer term downturn in the wider economy as a result of Brexit could impact on the opportunities available to the Group. In particular, Brexit has resulted in additional administrative and logistical complexities which the Group is required to navigate including when transporting equipment to and around Europe. There can be no assurance that these requirements will always be navigated successfully.

Future capital needs

The Group is currently loss making and there can be no certainty when, or if, profitability or positive operating cash flow will be achieved. Further the Group cannot be certain of its future financing needs or that suitable financing will be available in the required amounts or on acceptable terms. Without access to sufficient finance, the Group may struggle to undertake all aspects of its growth plan, such as its acquisition strategy

and accelerated growth. The Group's future capital needs, and other business reasons at that time, may require the Company to issue additional equity or obtain a credit facility. If additional equity or equity-linked securities were to be issued this may result in the dilution of existing Shareholders' holdings. The incurrence of indebtedness would result in increased debt service obligations and could result in operating and financing covenants that would restrict the Group's operations or the Group's ability to pay dividends to Shareholders or, in the worst scenario, it may not be able to continue operations.

Exposure to offshore energy companies

Demand for the Group's products and services is dependent on expenditure by offshore energy companies in developing and maintaining renewable energy infrastructure.

The level of expenditure by renewable energy companies will affect demand for the Group's products and services, or the prices at which the Group can charge for its products and services, with such expenditure being influenced by a number of factors, including unexpected changes in energy transition, alternative energy sources and the continuation of a favourable regulatory climate. In the event that there are any unexpected changes in the pace of energy transition, or competition from alternative energy sources such as solar or onshore wind, or that less favourable regulatory policies are introduced, these may adversely affect demand for the Group's products and services and in turn, its business, financial condition, results of operations and prospects.

New products and design changes

The Group operates in a highly competitive industry. If lower cost competitors are able to gain the confidence of and/or creditability with the Group's potential customers, or if current competitors, new entrants to the market or alternative users design new products that compete with those of the Group, they may be able to gain market share or otherwise restrict the Group's ability to grow. In addition, design changes in products sold by the Group could lead to technology obsolescence and subsequently reduced volume of sales. There can be no assurance that these developments will not adversely affect the market position, financial condition, results of operations and prospects of the Group.

Seasonal effects of the weather, fluctuations in demand for the Group's services and duration of the Group's projects

The project-based, contractual nature of the Group's business, coupled with its concentrated customer base, leads to a revenue profile that is inherently uneven over the year. Most contract awards and associated revenues are dependent on large capital projects within the energy sector, the timing of which is out of the business' control.

Cancellations, early completion or termination of projects, renegotiations or changes in project schedules, scopes and timing could affect the forecast revenue, cash flow and earnings of the Group. Accordingly, there can be no assurance that the revenues estimated from awarded contracts or customer discussions will be realised. Further, the fulfilment of any contract, together with its revenue, may fall outside the financial period that was originally forecast. This, in turn, may have a material adverse impact on the Group's reported financial performance for the specific period. If the Group was to experience significant cancellations, early completion or termination, changes in project schedules, scopes and timing, or force majeure events, its business, financial condition, results of operations and prospects may be adversely affected.

Additionally, the Group is subject to seasonal variations in project activity due to changes in the weather in a number of regions in which it operates which could cause the Group's customers to have to cease temporarily or reduce the scope of their offshore operations. In particular, winter sea conditions in the North Sea and Middle East and the monsoon season in the Asia Pacific region can impact offshore project activities requiring the Group's customers to cease or reduce the scope of their offshore operations during certain parts of the year, resulting in lower demand for the Group's products and services. There can be no guarantee that these seasons will not extend in duration or become more erratic, causing the Group disruption and lower demand for longer periods, adversely affecting the Group's business, financial condition, results of operations and prospects.

Reliance on IT systems

IT systems are vital to the operations of the Group. Failure to adequately invest in and maintain the Group's systems could lead to the loss or theft of sensitive data with an associated risk of significant fines, or compromise the Group's ability to effectively carry out its operations. In addition, systems failures could lead to an inability to meet customers' needs and lead to reputational damage. If the Group were to experience a cyber-attack or other disruptive incident relating to its IT systems, it could adversely affect the Group's financial position, results of operations and cash flows.

Liability to customers under warranties

The Group enters into contracts with terms that, in some cases, contain wide reaching indemnities and warranties. These terms are commonplace in the subsea industry and do not unfairly prejudice the Group, nor do they put the Group in a materially worse position than its competitors. However, these warranties and indemnities lead to an inherent risk that allegations of breaches of such clauses might be brought, with or without merit. Defending such claims could be time-consuming and expensive to litigate or settle and, if the Group was to be found to be in breach of these contractual provisions, it may be required to pay compensation.

If the Group was found liable for claims in any period (whether or not covered (in whole or in part) by insurance), the Group's reputation, and ability to secure future business opportunities could be materially and adversely affected and, as a result, the financial condition or prospects of the Group may be adversely affected.

Industry-wide cable installation

There is an emerging industry-wide issue regarding abrasion of legacy cable protection systems installed at off-shore windfarms. The Group is engaged with partners to address these industry-wide issues and supporting customers with such issues. The precise cause of the issues are not clear and could be as a result of a number of factors, including areas outside Tekmar's responsibility such as changes to the cable installation methodology and the absence of a second layer of rock to stabilise the cables. Tekmar is committed to working with relevant installers and operators to investigate the root cause and assist with identifying potential remedial solutions.

New laws and government regulations or changes to existing laws and government regulations

The Group's operations are affected by political developments and by laws and regulations relating to the renewable energy industry. The subsea services industry is dependent on demand for services from the renewable energy industry. Accordingly, the Group would be directly affected by the adoption of new laws and regulations relevant to the renewable energy industry as it matures and the Group may be required to make significant capital expenditures or incur substantial additional costs to comply with new laws and regulations. Any of these events or similar legislative or regulatory activity could adversely affect the Group's operations by limiting servicing opportunities or significantly increasing its operating costs, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Dependence on key executives and personnel

The Group's development and prospects are dependent upon training and retaining qualified professionals, engineers and leadership staff. In particular, the Group's success depends to a significant degree upon the vision, technical and specialist skills, experience, performance, and continued service of its Directors, senior management and other key personnel. Whilst the Group has entered into contractual arrangements with these individuals with the aim of securing the services of each of them, retention of these services cannot be guaranteed and the loss of the services of any of the Directors, senior management or key personnel may have a material adverse effect on the Group and its commercial and financial performance, and damage the value of an investment in the Ordinary Shares.

Ability to recruit and retain skilled personnel

The ability to continue to attract and retain employees with the appropriate expertise and skills cannot be guaranteed. Finding and hiring any additional personnel and replacements could be costly and might require the Group to grant significant equity awards or other incentive compensation, which could adversely impact its financial results, and there can be no assurance that the Group will have sufficient financial resources.

Fulfilling contractual obligations, effective product development and sales, upon which the Group's success is dependent, is in turn dependent upon attracting and retaining talented technical, engineering and leadership personnel, who represent a significant asset. If the Group is unable to hire, train and retain such personnel in a timely manner, the development and introduction of the Group's products could be delayed and its ability to sell its products and services and otherwise to grow its business will be impaired and the delay and inability may have a detrimental effect upon the performance of the Group.

In its geographical areas of operation the Group faces significant competition both from within the offshore energy industry and from other sectors for personnel with the skills it requires to sustain and grow its activities. If the Group is unable to attract and retain personnel with the requisite skills, the business, financial condition, results of operations and prospects of the Group may be adversely affected and opportunities for growth may be curtailed. Furthermore, the Group's workforce requirements fluctuate due to seasonality of projects with higher demand for labour during summer months when offshore activity levels are highest. The Group may be unable to obtain a workforce with the requisite skills and for each of its projects, which may in turn adversely affect the business, financial condition, results of operations and prospects of the Group.

Management of the Group's growth strategy

There can be no certainty that the Group will be able to successfully implement its stated strategy. The ability of the Group to implement its strategy in rapidly evolving and competitive markets will require effective management planning and operational controls. The Directors anticipate that significant expansion will be required to respond to market opportunities. The Group's growth plans may place a significant strain on the Group's management, operational, financial and personnel resources. The Group's future growth and prospects will depend on its ability to manage this growth and to continue to expand and improve operational and financial performance, whilst at the same time maintaining effective cost controls. The Group's future growth may depend, in part, on its ability to identify suitable acquisition targets. There can be no assurance that any targets identified will be available at a value which makes them suitable for acquisition at the relevant time, or that third party finance required to fund the acquisition will be available on acceptable terms. Any failure to expand and improve operational, financial and quality control systems in line with the Group's growth could have a material adverse effect on the Group's business, financial condition and results of operation.

Exchange rate fluctuations

As a consequence of the international nature of its business, the Group is exposed to risks associated with changes in foreign currency exchange rates on both sales and operations. The Group is based in the United Kingdom and presents its financial statements in Pounds Sterling. However, it has substantial contracts with customers in foreign jurisdictions which generate revenues and costs in other currencies. Fluctuations in exchange rates between currencies in which the Group operates and Pounds Sterling may have a significant impact on the Group's reported financial results, financial condition and cash-flows.

Financial risk

There are a number of financial risks which are outside the control of the Group and which can affect revenues and/or costs. The Group does not fully hedge against such risks currently. These include varying international exchange rates, interest rates, world commodity prices, energy prices and supplies, raw materials prices and supplies, inflation and international trends in trade, tariffs and protectionism and changes in the legal and regulatory framework. The Group's operations, business and financial performance are affected by these factors, which are beyond the control of the Group.

Tax risk

Any change in the Group's tax status or in taxation legislation in the UK could affect the Group's ability to provide returns to Shareholders. Statements in this document concerning the taxation of investors in shares are based on current law and practice, which is subject to change. The taxation of an investment in the Group depends on the individual circumstances of investors.

The nature and amount of tax which members of the Group expect to pay and the reliefs expected to be available to any member of the Group are each dependent upon a number of assumptions, any one of which may change and which would, if so changed, affect the nature and amount of tax payable and reliefs available. In particular, the nature and amount of tax payable is dependent on the availability of relief under tax treaties and is subject to changes to the tax laws or practice in any of the jurisdictions affecting the Group. Any limitation in the availability of relief under these treaties, any change in the terms of any such treaty or any changes in tax law, interpretation or practice could increase the amount of tax payable by the Group.

RISKS RELATING TO THE ORDINARY SHARES

Trading market for the Ordinary Shares

The share price of publicly traded companies, including those listed on AIM, can be highly volatile and shareholdings illiquid. The Offer Price may not be indicative of the market price for the New Ordinary Shares following Admission. The market price of the Ordinary Shares will be influenced by a large number of factors, which could include, but not limited to, the performance of both the Group's and its competitors' businesses, variations in the operating results of the Group, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, large purchases or sales of Ordinary Shares, legislative changes and general economic, political and regulatory conditions. Prospective investors should be aware that the value of an investment in the Company may go down as well as up. Investors may therefore realise less than, or lose all of, their investment. The volume of shares traded on AIM can be limited and this may restrict the ability of Shareholders to dispose of Ordinary Shares at any particular time. It may be more difficult for an investor to realise their investment in the Group than in a company whose shares are quoted on the Official List. The AIM Rules for Companies are less demanding than those of the Official List. It is emphasised that no application is being made for the admission of the Company's securities to the Official List. AIM has been in existence since June 1995 but its future success and liquidity in the market for the Company's securities cannot be guaranteed.

Additional capital and dilution

It is possible that the Group will need or choose to raise extra capital in the future to finance the development of new products or enhancements, to develop fully the Group's business, to take advantage of acquisition opportunities or respond to new competitive pressures. If the Group is unable to obtain this financing on terms acceptable to it then it may be forced to curtail its development. If additional funds are raised through the issue of new equity or equity-linked securities of the Company other than on a *pro rata* basis to existing Shareholders, the percentage ownership of such Shareholders may be substantially diluted. There is no guarantee that the then prevailing market conditions will allow for such a fundraising or that new investors will be prepared to subscribe for Ordinary Shares at the same price as the Offer Price or higher.

GENERAL INVESTMENT RISKS

Suitability

An investment in the Company is only suitable for investors capable of evaluating the risks (including the risk of capital loss) and merits of such investment and who have sufficient resources to sustain a total loss of their investment. A prospective investor should consider with care whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them. The investment opportunity offered in this document may not be suitable for all recipients of this document. Investors are therefore strongly recommended to consult an investment adviser authorised under FSMA, or such other similar body in their jurisdiction, who specialises in advising on investments of this nature before making their decision to invest.

Investment in the Company should not be regarded as short-term in nature. There can be no guarantee that any appreciation in the value of the Company's investments will occur or that the commercial objectives of the Company will be achieved. Investors may not get back the full amount initially invested.

The prices of shares and the income derived from them can go down as well as up. Past performance is not necessarily a guide to the future.

Volatility of share price

The trading price of the Ordinary Shares may be subject to wide fluctuations in response to a number of events and factors, such as variations in operating results, announcements of innovations or new services by the Group or its competitors, changes in financial estimates and recommendations by securities analysts, the share price performance of other companies that investors may deem comparable to the Group, news reports relating to trends in the Group's markets, large purchases or sales of Ordinary Shares, liquidity (or absence of liquidity) in the Ordinary Shares, currency fluctuations, legislative or regulatory changes and general economic conditions. These fluctuations may adversely affect the trading price of the Ordinary Shares, regardless of the Group's performance.

In addition, if the stock market in general experiences loss of investor confidence, the trading price of the Ordinary Shares could decline for reasons unrelated to the Group's business, financial condition or operating results. The trading price of the Ordinary Shares might also decline in reaction to events that affect other companies in the industry, even if such events do not directly affect the Group. Each of these factors, among others, could adversely affect the value of the Ordinary Shares.

Market perception

Market perception of the Company may change, potentially affecting the value of investors' holdings and the ability of the Company to raise further funds by the issue of further Ordinary Shares or otherwise.

Investors should consider carefully whether an investment in the Company is suitable for them in light of the risk factors outlined in this Part 2 "Risk Factors", their personal circumstances and the financial resources available to them. The above list of risk factors should not be considered an exhaustive statement of all potential risks and uncertainties applicable to an investment in the Company.

PART 3

TERMS AND CONDITIONS OF THE OPEN OFFER

Introduction

As explained in the letter from the Chair set out in Part 1 “Letter from the Chair” of this document, the Company is proposing to raise up to approximately £5 million (approximately up to £4 million net of expenses) by way of the Transaction, of which up to approximately £1 million will be raised from the offer of the Offer Shares at the Offer Price to Qualifying Shareholders under the Open Offer, assuming full take up of the Open Offer.

The purpose of this Part 3 “Terms and Conditions of the Open Offer” is to set out the terms and conditions of the Open Offer. Up to 2,249,015 new Ordinary Shares will be issued through the Open Offer. Qualifying Shareholders are being offered the right to subscribe for Offer Shares in accordance with the terms of the Open Offer. The Open Offer has not been underwritten and none of the Offer Shares have been conditionally placed with institutional or other investors.

The Record Date for entitlements under the Open Offer for Qualifying CREST Shareholders and Qualifying Non-CREST Shareholders is expected to be 6.00 p.m. on 24 February 2022. Application Forms are expected to be posted to Qualifying Non-CREST Shareholders on or around 28 February 2022 and Open Offer Entitlements are expected to be credited to stock accounts of Qualifying CREST Shareholders in CREST by 1 March 2022.

Subject to availability, the Excess Application Facility will enable Qualifying Shareholders to apply for Excess Shares. Further details in relation to the Excess Application Facility are set out in Part 4 “Questions and Answers about the Open Offer” of this document and, for Qualifying Non-CREST Shareholders, the Application Form.

The latest time and date for receipt of a completed Application Form and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate) is expected to be 11.00 a.m. on 14 March 2022 with Admission and commencement of dealings in Offer Shares expected to take place at 8.00 a.m. on 17 March 2022.

This document and, for Qualifying Non-CREST Shareholders only, the Application Form contains the formal terms and conditions of the Open Offer. Your attention is drawn to paragraph 3 of this Part 3 “Terms and Conditions of the Open Offer” which gives details of the procedure for application and payment for the Offer Shares and any Excess Shares applied for pursuant to the Excess Application Facility. The attention of Overseas Shareholders is drawn to paragraph 6 of this Part 3 “Terms and Conditions of the Open Offer”.

The Offer Shares will, when issued and fully paid, rank equally in all respects with Existing Ordinary Shares, including the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.

The Open Offer is an opportunity for Qualifying Shareholders to apply for up to 2,249,015 Offer Shares *pro rata* (excepting fractional entitlements) to their current holdings at the Offer Price in accordance with the terms of the Open Offer.

Qualifying Shareholders are also being offered the opportunity to apply for additional Offer Shares in excess of their Open Offer Entitlement to the extent that other Qualifying Shareholders do not take up their Open Offer Entitlement in full. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement as at the Record Date.

The Offer Shares have not been placed subject to clawback nor have they been underwritten. Consequently, there may be fewer than 2,249,015 Offer Shares issued pursuant to the Open Offer.

Any Qualifying Shareholder who has sold or transferred all or part of his/her registered holding(s) of Ordinary Shares prior to the Ex-entitlement Date is advised to consult his or her stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for Offer Shares under the Open Offer may be a benefit which may be claimed from him/her by the purchasers under the rules of the London Stock Exchange.

1. **The Open Offer**

Subject to the terms and conditions set out below (and, in the case of Qualifying Non-CREST Shareholders, in the Application Form), Qualifying Shareholders are being given the opportunity under the Open Offer to apply for Offer Shares at the Offer Price *pro rata* to their holdings as at the Record Date, payable in full on application. The Offer Price represents a premium of 7.1 per cent. to the closing middle market price of 42 pence per Existing Ordinary Share on 24 February 2022 (being the last practicable date before publication of this document).

Qualifying Shareholders have basic entitlements of:

1 Offer Share for every 23 Existing Ordinary Shares

registered in their name on the Record Date. Entitlements under the Open Offer will be rounded down to the nearest whole number of Offer Shares, with fractional entitlements being aggregated and made available under the Excess Application Facility.

Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer, as will holdings under different designations and in different accounts. Subject to availability, the Excess Application Facility will enable Qualifying Shareholders, provided they have taken up their Open Offer Entitlement in full or otherwise as the Directors may determine in their absolute discretion, to apply for further Offer Shares in excess of their Open Offer Entitlement.

If you are a Qualifying Non-CREST Shareholder, the Application Form shows the number of Existing Ordinary Shares registered in your name on the Record Date (in Box 1) and your Open Offer Entitlements (in Box 2).

If you are a Qualifying CREST Shareholder, application will be made for your Open Offer Entitlement and Excess CREST Open Offer Entitlement to be credited to your CREST account. Open Offer Entitlements and Excess CREST Open Offer Entitlements are expected to be credited to CREST accounts on 1 March 2022. The Existing Ordinary Shares are already admitted to CREST. Accordingly, no further application for admission to CREST is required for the New Ordinary Shares. All such shares, when issued and fully paid, may be held and transferred by means of CREST.

Save in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder is expected to receive a credit to their CREST stock account of their Open Offer Entitlement equal to the maximum number of New Ordinary Shares for which they are entitled to apply to acquire under the Open Offer, together with a credit of Excess Entitlements equal to 10 times their balance of Existing Ordinary Shares held at the Record Time. Qualifying CREST Shareholders should note that there is no limit on the amount of Open Offer Shares that can be applied for under the Excess Application Facility, save that the maximum amount of Open Offer Shares to be allotted under the Excess Application Facility will be limited by the maximum size of the Open Offer less the aggregate of the Open Offer Shares issued under the Open Offer pursuant to the Qualifying Shareholders' Open Offer Entitlements. If they wish to apply for more additional Open Offer Shares than their Excess Open Offer Entitlements they have been credited, subject to the limitation above, they should contact Equiniti Limited on +44 (0)371 384 2050. Lines are open 8.30 a.m. to 5.30 p.m., Monday to Friday (excluding English and Welsh public holidays). Calls to the shareholder helpline from outside of the UK will be charged at the applicable international rate. Qualifying CREST Shareholders, when requesting, an increased credit, should ensure that they leave sufficient time for the additional Excess Open Offer Entitlement to be credited to their account and for an application to be made in respect of those entitlements before the application date.

Subject to availability, the Excess Application Facility will enable Qualifying Shareholders, provided they have taken up their Open Offer Entitlement in full or otherwise as the Directors may determine in their absolute discretion, to apply for further Offer Shares in excess of their Open Offer Entitlement. Further details in relation to the Excess Application Facility are set out in Part 4 "Questions and Answers about the Open Offer" of this document and, for Qualifying Non-CREST Shareholders, the Application Form. Qualifying CREST Shareholders will have their Open Offer Entitlement and Excess CREST Open Offer Entitlement credited to their stock accounts in CREST and should refer to paragraph 3.2 of this Part 3 "Terms and Conditions of the Open Offer" for information on the relevant CREST procedures and further

details on the Excess Application Facility. Qualifying CREST Shareholders can also refer to the CREST Manual for further information on the relevant CREST procedures.

If applications under the Excess Application Facility are received for more than the total number of Offer Shares available following take up of Open Offer Entitlements, such applications may be allocated in such manner as the Directors may determine in their absolute discretion and no assurance can be given that excess shares applied for by Qualifying Shareholders will be met in full or at all.

Please refer to paragraphs 3.1(f) and 3.2(k) of this Part 3 “Terms and Conditions of the Open Offer” for further details of the Excess Application Facility.

Holders of Existing Ordinary Shares will suffer immediate dilution in their proportionate ownership and voting interests in the Company on Admission. Assuming there are no other changes to the Company’s share capital between the date of this Document and Admission and there is full take up of the Open Offer Shares, holders of Existing Ordinary Shares who do not participate in the Placing will be diluted by 14.2 per cent. if they take up their Open Offer Entitlements in full and 17.7 per cent. if they do not participate in the Open Offer.

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. Qualifying Non-CREST Shareholders should also note that their respective Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements and Excess CREST Open Offer Entitlements will be credited through CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear’s Claims Processing Unit. Offer Shares not applied for under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer. Any Offer Shares which are not applied for by Qualifying Shareholders under the Open Offer will not be issued by the Company as the Open Offer is not underwritten.

The attention of Overseas Shareholders is drawn to paragraph 6 of this Part 3 “Terms and Conditions of the Open Offer”.

The Offer Shares will when issued and fully paid, rank in full for all dividends and other distributions declared, made or paid after the date of this document and otherwise *pari passu* in all respects with the Existing Ordinary Shares. The Offer Shares are not being made available in whole or in part to the public except under the terms of the Open Offer.

2. **Conditions and further terms of the Open Offer**

The Open Offer is conditional on the Firm Placing becoming or being declared unconditional in all respects and not being terminated before Admission. The principal conditions to the Firm Placing are:

- (a) the passing of all of the Resolutions at the General Meeting;
- (b) the Firm Placing and Open Offer Agreement having become or being declared unconditional in all respects (save for the condition relating to Admission) and not having been terminated in accordance with its terms; and
- (c) admission of the Firm Placing Shares occurring not later than 8.00 a.m. on 17 March 2022 (or such later time as the Company and Singer Capital Markets may agree being no later than 8.00 a.m. on 30 March 2022).

Accordingly, if these conditions are not satisfied or waived (where capable of waiver), the Open Offer will not proceed and any applications made by Qualifying Shareholders will be rejected. In such circumstances, application monies will be returned (at the applicant’s sole risk), without payment of interest, as soon as practicable thereafter. Any Open Offer Entitlements admitted to CREST will thereafter be disabled.

No temporary documents of title will be issued in respect of Offer Shares held in uncertificated form. Definitive certificates in respect of Offer Shares taken up are expected to be posted to those Qualifying

Shareholders who have validly elected to hold their Offer Shares in certificated form within 10 Business Days of Admission.

In respect of those Qualifying Shareholders who have validly elected to hold their Offer Shares in uncertificated form, the Offer Shares are expected to be credited to their stock accounts maintained in CREST by 17 March 2022.

Applications will be made for the Offer Shares to be admitted to trading on AIM. Admission is expected to occur on 17 March 2022, when dealings in the Offer Shares are expected to begin.

All monies received by the Receiving Agent in respect of Offer Shares will be credited to a non-interest-bearing account by the Receiving Agent.

If for any reason it becomes necessary to adjust the expected timetable as set out in this document, the Company will notify the London Stock Exchange and make an appropriate announcement to a Regulatory Information Service giving details of the revised dates.

3. **Procedure for application and payment**

The action to be taken by you in respect of the Open Offer depends on whether, at the relevant time, you are sent an Application Form in respect of your Open Offer Entitlement under the Open Offer or your Open Offer Entitlement and Excess CREST Open Offer Entitlement is credited to your CREST stock account.

Qualifying Shareholders who hold all or part of their Existing Ordinary Shares in certificated form will receive the Application Form enclosed with this document. The Application Form shows the number of Existing Ordinary Shares held in certified form at the Record Date. It will also show Qualifying Shareholders their Open Offer Entitlement that can be allotted in certificated form. Qualifying Shareholders who hold all their Existing Ordinary Shares in CREST will be allotted Offer Shares in CREST.

Qualifying Shareholders who hold part of their Existing Ordinary Shares in uncertificated form will be allotted Offer Shares in uncertificated form to the extent that their entitlement to Offer Shares arises as a result of holding Existing Ordinary Shares in uncertificated form. However, it will be possible for Qualifying Shareholders to deposit Open Offer Entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 3.2(f) of this Part 3 "Terms and Conditions of the Open Offer".

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

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

3.1 *If you have an Application Form in respect of your Open Offer Entitlement under the Open Offer*

(a) *General*

Subject to paragraph 6 of this Part 3 "Terms and Conditions of the Open Offer" in relation to Overseas Shareholders, Qualifying Non-CREST Shareholders will receive an Application Form. The Application Form shows the number of Existing Ordinary Shares registered in their name on the Record Date in Box 1. It also shows the Open Offer Entitlement allocated to them set out in Box 2. Entitlements to Offer Shares are rounded down to the nearest whole number and any fractional entitlements to Offer Shares will be aggregated and made available under the Excess Application Facility. Box 3 shows how much they would need to pay if they wish to take up their Open Offer Entitlement in full. Qualifying Non-CREST Shareholders may apply for less than their entitlement should they wish to do so. Qualifying Non-CREST Shareholders may also hold such an Application Form by virtue of a *bona fide* market claim.

Under the Excess Application Facility, provided they have agreed to take up their Open Offer Entitlement in full or otherwise as the Directors may determine in their absolute discretion, Qualifying Non-CREST Shareholders may apply for more than the amount of their Open Offer Entitlement should they wish to do so. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement at the Record Date. The Excess Shares may be allocated in such manner as the Directors may determine in their absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full, or in part, or at all.

The instructions and other terms set out in the Application Form forms part of the terms of the Open Offer in relation to Qualifying Non-CREST Shareholders.

(b) *Bona fide market claims*

Applications to acquire Offer Shares may only be made on the Application Form and may only be made by the Qualifying Non-CREST Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Existing Ordinary Shares through the market prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer. Application Forms may not be sold, assigned, transferred or split, except to satisfy *bona fide* market claims up to 3.00 p.m. on 10 March 2022. The Application Form is not a negotiable document and cannot be separately traded. A Qualifying Non-CREST Shareholder who has sold or otherwise transferred all or part of their holding of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer, should contact their broker or other professional adviser authorised under FSMA through whom the sale or purchase was effected as soon as possible, as the invitation to acquire Offer Shares under the Open Offer may be a benefit which may be claimed by the purchaser(s) or transferee(s).

Qualifying Non-CREST Shareholders who have sold all or part of their registered holding should, if the market claim is to be settled outside CREST, complete Box 8 on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Application Form should not, however be forwarded to or transmitted in or into the United States of America, any Restricted Jurisdiction, nor in or into any other jurisdiction where the extension of the Open Offer would breach any applicable law or regulation. If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedure set out in paragraph 3.2 of this Part 3 “Terms and Conditions of the Open Offer”.

(c) *Application procedures*

Qualifying Non-CREST Shareholders wishing to apply to acquire Offer Shares (whether in respect of all or part of their Open Offer Entitlement or in addition to their Open Offer Entitlement under the Excess Application Facility) should complete the Application Form in accordance with the instructions printed on it. Qualifying Non-CREST Shareholders may only apply for Excess Shares if they have agreed to take up their Open Offer Entitlements in full or otherwise as the Directors may determine in their absolute discretion. The Excess Shares may be allocated in such manner as the Directors may determine in their absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full, or in part, or at all. Excess monies in respect of applications by Qualifying Shareholders will be returned to the applicant (at the applicant’s risk), without payment of interest, as soon as practicable thereafter.

Completed Application Forms should be posted to Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing Business Park, West Sussex BN99 6DA, or returned by hand (during normal business hours only) so as to be received by Equiniti Limited by no later than 11.00 a.m. on 14 March 2022. The Company reserves the right to treat any application not strictly complying with the terms and conditions of application as

nevertheless valid. The Company further reserves the right (but shall not be obliged) to accept either Application Forms or remittances received after 11.00 a.m. on 14 March 2022. Qualifying Non-CREST Shareholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged. Multiple applications will not be accepted. If an Application Form is being sent by first-class post in the UK, Qualifying Shareholders are recommended to allow at least four Business Days for delivery.

The Company may in its sole discretion, but shall not be obliged to, treat an Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. The Company further reserves the right (but shall not be obliged) to accept either:

- (i) Application Forms received after 11.00 a.m. on 14 March 2022; or
- (ii) Applications in respect of which remittances are received before 11.00 a.m. on 14 March 2022 from authorised persons (as defined in FSMA) specifying the Offer Shares applied for and undertaking to lodge the Application Form in due course but, in any event, within two Business Days.

All documents and remittances sent by post by, to, from or on behalf of an applicant (or as the applicant may direct) will be sent entirely at the applicant's own risk.

(d) *Payments*

All payments must be in pounds sterling and made by cheque made payable to "Equiniti Limited – re Tekmar Group plc Open Offer", and crossed "A/C Payee Only". Cheques must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or the British Isles which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques to be cleared through the facilities provided by any of those companies and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third party cheques may not be accepted with the exception of building society cheques where the building society or bank has confirmed the name of the account holder by stamping or endorsing the back of the cheque to confirm that the relevant Qualifying Shareholder has title to the underlying funds. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted.

Cheques will be presented for payment upon receipt. The Company reserves the right to instruct Equiniti Limited to seek special clearance of cheques to allow the Company to obtain value for remittances at the earliest opportunity (and withhold definitive share certificates (or crediting to the relevant member account, as applicable) pending clearance thereof). No interest will be paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted. If the Open Offer does not become unconditional, no Offer Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable following the lapse of the Open Offer.

If Offer Shares have already been allotted to a Qualifying Non-CREST Shareholder and such Qualifying Non-CREST Shareholder's cheque is not honoured upon first presentation or such Qualifying Non-CREST Shareholder's application is subsequently otherwise deemed to be invalid, Equiniti Limited shall be authorised (in its absolute discretion as to manner, timing and terms) to make arrangements, on behalf of the Company, for the sale of such Qualifying Non-CREST Shareholder's Offer Shares and for the proceeds of sale (which for these purposes shall be deemed to be payments in respect of successful applications) to be paid to and retained by the Company. None of Equiniti Limited, SCM or the Company nor any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying Non-CREST Shareholders.

(e) *Incorrect Sums*

If an Application Form encloses a payment for an incorrect sum, the Company through Equiniti Limited reserves the right:

- (i) to reject the application in full and return the cheque or refund the payment to the Qualifying Non-CREST Shareholder in question without interest; or
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Offer Shares as would be able to be applied for with that payment at the Offer Price, refunding any unutilised sum to the Qualifying Non-CREST Shareholder in question without interest, save that any sums of less than £1 will be retained for the benefit of the Company; or
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all of the Offer Shares referred to in the Application Form, refunding any unutilised sums to the Qualifying Non-CREST Shareholder in question without interest, save that any sums of less than £1 will be retained for the benefit of the Company.

All monies received by Equiniti Limited in respect of Offer Shares will be held in a separate non interest bearing account.

(f) *The Excess Application Facility*

Provided they choose to take up their Open Offer Entitlement in full or otherwise as the Directors may determine in their absolute discretion, the Excess Application Facility enables a Qualifying Non-CREST Shareholder to apply for Excess Shares. Qualifying Non-CREST Shareholders wishing to apply for Excess Shares may do so by completing Box 5 of the Application Form.

If applications under the Excess Application Facility are received for more than the total number of Offer Shares available following take up of Open Offer Entitlements, the Excess Shares may be allocated in such manner as the Directors may determine in their absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full, or in part, or at all. Qualifying Non-CREST Shareholders who wish to apply for Excess Shares must complete the Application Form in accordance with the instructions set out on the Application Form.

Should the Open Offer become unconditional and applications for Open Offer Shares exceed 2,249,015 Offer Shares, resulting in a scale back of applications, each Qualifying Non-CREST Shareholder who has made a valid application for Excess Shares and from whom payment in full for the Excess Shares has been received will receive a pounds sterling amount equal to the number of Excess Shares applied and paid for but not allocated to the relevant Qualifying Non-CREST Shareholder multiplied by the Offer Price. In such case, monies will be returned as soon as reasonably practicable thereafter, without payment of interest and at the applicant's sole risk.

(g) *Effect of application*

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

- (i) represents and warrants to the Company and SCM that they have the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise their rights, and perform their obligations under any contracts resulting therefrom and that they are not a person otherwise prevented by legal or regulatory restrictions from applying for Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees with the Company and SCM that all applications under the Open Offer and contracts resulting therefrom, and any non-contractual obligations related thereto, shall be governed by and construed in accordance with the laws of England;

- (iii) confirms to the Company and SCM that in making the application they are not relying on any information or representation in relation to the Group other than that contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, they will be deemed to have had notice of all information in relation to the Group contained in this document (including information incorporated by reference);
- (iv) represents and warrants to the Company and SCM that they are the Qualifying Shareholder originally entitled to the Open Offer Entitlement;
- (v) represents and warrants to the Company and SCM that if they have received some or all of their Open Offer Entitlement from a person other than the Company they are entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (vi) requests that the Offer Shares to which they will become entitled shall be issued to them on the terms set out in this document and the Application Form subject to the articles of association of the Company;
- (vii) represents and warrants to the Company and SCM that they are not, nor are they applying on behalf of any person who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of the United States of America, any Restricted Jurisdiction or any other jurisdiction in which the application for Offer Shares is prevented by law and they are not applying with a view to re-offering, re-selling, transferring or delivering any of the Offer Shares which are the subject of their application is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of the United States of America, any Restricted Jurisdiction or any other jurisdiction in which the application for Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that application in the United States or to, or for the benefit of, a person who they are able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Offer Shares under the Open Offer;
- (viii) represents and warrants to the Company and SCM that they are not, and nor are they applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986; and
- (ix) confirms that in making the application they are not relying and have not relied on the Company or SCM or any person affiliated with the Company or SCM in connection with any investigation of the accuracy of any information contained in this document or their investment decision.

All enquiries in connection with the procedure for application and completion of the Application Form should be addressed to Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing Business Park, West Sussex BN99 6DA, or you can contact them on +44 (0)371 384 2050. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Equiniti Limited cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

(h) *Proxy*

Qualifying Non-CREST Shareholders who do not want to take up or apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form. However, you are encouraged to vote at the General Meeting by completing and returning the enclosed Form of Proxy.

A Qualifying Non-CREST Shareholder who is also a CREST member may elect to receive the Offer Shares to which they are entitled in uncertificated form in CREST. Please see paragraph 3.2(f) of this Part 3 “Terms and Conditions of the Open Offer” for more information.

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

(a) *General*

Subject to paragraph 6 of this Part 3 “Terms and Conditions of the Open Offer” in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his or her stock account in CREST of their Open Offer Entitlement equal to the maximum number of Offer Shares for which they are entitled to apply under the Open Offer together with a credit Excess CREST Open Offer Entitlements equal to 10 times their Record Date holding of Ordinary Shares. Qualifying CREST Shareholders should note that this is not a cap on the maximum number of Excess Shares they can apply for and if they wish to apply for more Excess Shares than the Excess CREST Open Offer Entitlements they have been credited then they should contact the Shareholder helpline on +44 (0)371 384 2050 to request an increased credit, ensuring to leave sufficient time for the additional Excess CREST Open Offer Entitlements to be credited to their account and for an application to be made in respect of those Excess CREST Open Offer Entitlements before the application deadline.

Entitlements to Offer Shares will be rounded down to the nearest whole number and any Open Offer Entitlements have therefore also been rounded down. Any fractional entitlements to Open Offer Shares arising will be aggregated and made available under the Excess Application Facility.

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

If for any reason Open Offer Entitlements and/or the Excess CREST Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by, 3.00 p.m. on 1 March 2022, or such later time as the Company may decide, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlement and Excess CREST Open Offer Entitlement which should have been credited to his or her stock account in CREST. In these circumstances the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying Non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive an Application Form.

CREST members who wish to apply to acquire some or all of their entitlements to Open Offer Shares and their Excess CREST Open Offer Entitlements should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact Equiniti Limited on +44 (0)371 384 2050. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Equiniti Limited cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Open Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

(b) *Market claims*

Each of the Open Offer Entitlements and Excess CREST Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Open Offer Entitlements and Excess CREST Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements and Excess CREST Open

Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Transactions identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlement and Excess CREST Open Offer Entitlements will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) and Excess CREST Open Offer Entitlement(s) will thereafter be transferred accordingly.

(c) *Unmatched Stock Event (“USE”) instructions*

Qualifying CREST Shareholders who are CREST members and who want to apply for Open Offer Shares in respect of all or some of their Open Offer Entitlements and their Excess CREST Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) an USE instruction to Euroclear (“**USE Instruction**”) which, on its settlement, will have the following effect:

- (i) the crediting of a stock account of Equiniti Limited under the participant ID and member account ID specified below, with a number of Open Offer Entitlements or Excess CREST Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and
- (ii) the creation of a CREST payment, in accordance with the CREST payment arrangements in favour of the payment bank of Equiniti Limited in respect of the amount specified in the USE Instruction which must be the full amount payable on application for the number of Offer Shares referred to in paragraph 3.2(c)(i) of this Part 3 “Terms and Conditions of the Open Offer”.

(d) *Content of USE instruction in respect of Open Offer Entitlements*

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

- (i) the number of Offer Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to Equiniti Limited);
- (ii) the ISIN of the Open Offer Entitlement. This is GB00BPVD4S82;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (v) the participant ID of Equiniti Limited in its capacity as a CREST receiving agent. This is 2RA82;
- (vi) the member account ID of Equiniti Limited in its capacity as a CREST receiving agent. This is RA369501;
- (vii) the amount payable by means of a CREST payment on settlement of the USE Instruction. This must be the full amount payable on application for the number of New Ordinary Shares referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 14 March 2022; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE Instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 14 March 2022. In order to assist prompt settlement of the USE Instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE Instruction:

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

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE Instruction may settle on 14 March 2022 in order to be valid is 11.00 a.m. on that day. In the event that the Firm Placing and Open Offer do not become unconditional by 8.00 a.m. on 17 March 2022 (or such later time as the Company and Singer Capital Markets determine being no later than 8.00 a.m. on 30 March 2022), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and Equiniti Limited will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

(e) *Content of USE Instruction in respect of Excess CREST Open Offer Entitlements*

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

- (i) the number of Excess Shares for which application is being made (and hence being delivered to Equiniti Limited);
- (ii) the ISIN of the Excess CREST Open Offer Entitlement. This is GB00BPVD4T99;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Excess CREST Open Offer Entitlements are to be debited;
- (v) the participant ID of Equiniti Limited in its capacity as a CREST receiving agent. This is 2RA83;
- (vi) the member account ID of Equiniti Limited in its capacity as a CREST receiving agent. This is RA369502;
- (vii) the amount payable by means of a CREST payment on settlement of the USE Instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 14 March 2022; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application in respect of an Excess CREST Open Offer Entitlement under the Open Offer to be valid, the USE Instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 14 March 2022.

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

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

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE Instruction may settle on 14 March 2022 in order to be valid is 11.00 a.m. on that day.

In the event that the Firm Placing and Open Offer do not become unconditional by 8.00 a.m. on 17 March 2022 (or such later time as the Company and Singer Capital Markets determine being no later than 8.00 a.m. on 30 March 2022), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and Equiniti Limited will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

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

A Qualifying Non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements set out in his or her Application Form may be deposited into CREST (either into the account of the Qualifying Shareholder named in the Application Form or into the name of a person entitled by virtue of a *bona fide* market claim), provided that such Qualifying Non-CREST Shareholder is also a CREST member. Similarly, Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing to deposit the entitlement set out in such form into CREST is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 14 March 2022. After depositing their Open Offer Entitlement into their CREST account, CREST holders will need to contact Equiniti Limited to receive a credit for their Excess CREST Open Offer Entitlement, which will be managed by Equiniti Limited.

If you have received your Application Form by virtue of a *bona fide* market claim, the declaration below Box 8 must be made or (in the case of an Application Form which has been split) marked 'Declaration of sale or transfer duly made'. If you wish to take up your Open Offer Entitlement, the CREST Deposit Form in Box 11 of your Application Form must be completed and deposited with the CREST Courier and Sorting Service in accordance with the instructions above. A holder of more than one Application Form who wishes to deposit Open Offer Entitlements shown on those Application Forms into CREST must complete Box 11 of each Application Form.

In particular, having regard to normal processing times in CREST and on the part of Equiniti Limited, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST, is 3.00 p.m. on 9 March 2022 and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements from CREST is 4.30 p.m. on 8 March 2022 in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility, as the case may be, prior to 11.00 a.m. on 14 March 2022.

Delivery of an Application Form with the CREST deposit form duly completed whether in respect of a deposit into the account of the Qualifying Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to the Company and Equiniti Limited by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes under the paragraph headed "Instructions for depositing entitlements under the Open Offer into CREST" on page 2 of the Application Form, and a declaration to the Company and Equiniti Limited from the relevant CREST member(s) that it/they is/are not in the United States of America or citizen(s) or resident(s) of any Restricted Jurisdiction or any other jurisdiction in which the application for New Ordinary Shares is prevented by law and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

(g) *Validity of application*

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 14 March 2022 will constitute a valid application under the Open Offer.

(h) *CREST procedures and timings*

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that their CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 14 March 2022. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(i) *Proxy*

If a Qualifying CREST Shareholder does not wish to apply for the Open Offer Shares under the Open Offer, they should take no action. They are however, encouraged to vote at the General Meeting by completing and returning the enclosed Form of Proxy.

(j) *Incorrect or incomplete applications*

If a USE instruction includes a CREST payment for an incorrect sum, the Company, through Equiniti Limited, reserves the right: (i) to reject the application in full and refund the payment to the CREST member in question (without interest); (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Offer Shares as would be able to be applied for with that payment at the Offer Price, refunding any unutilised sum to the CREST member in question (without interest); and (iii) in the case that an excess sum is paid, to treat the application as a valid application for all the Offer Shares referred to in the USE instruction, refunding any unutilised sum to the CREST member in question (without interest).

(k) *The Excess Application Facility*

The Excess Application Facility enables Qualifying CREST Shareholders, who have taken up their Open Offer Entitlement in full or otherwise as the Directors may determine in their absolute discretion, to apply for Excess Shares in excess of their Open Offer Entitlement as at the Record Date. If applications under the Excess Application Facility are received for more than the total number of Offer Shares available following take up of Open Offer Entitlements, the Excess Shares may be allocated in such manner as the Directors may determine in their absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full, or in part, or at all. Excess CREST Open Offer Entitlements may not be sold or otherwise transferred. Subject as provided in paragraph 6 of this Part 3 "Terms and Conditions of the Open Offer" in relation to Overseas Shareholders, the CREST accounts of Qualifying CREST Shareholders will be credited with Excess CREST Open Offer Entitlements to enable applications for Excess Shares to be settled through CREST. Qualifying CREST Shareholders should note that, although the Open Offer Entitlement and the Excess CREST Open Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities. Neither the Open Offer Entitlement nor the Excess CREST Open Offer Entitlements will be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

To apply for Excess Shares pursuant to the Open Offer, Qualifying CREST Shareholders should follow the instructions above and must not return a paper form and cheque.

Should a transaction be identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlement and the relevant Open Offer Entitlement(s) be transferred, the Excess CREST Open Offer Entitlements will not transfer with the Open Offer Entitlement(s) claim, but will be transferred as a separate claim. Should a Qualifying CREST Shareholder cease to hold all of their Existing Ordinary Shares as a result of one or more *bona fide* market claims, the Excess CREST Open Offer Entitlement credited to CREST and allocated to the relevant Qualifying Shareholder will be transferred to the purchaser. Please note that an additional USE Instruction must be sent in respect of any application under the Excess CREST Open Offer Entitlement.

Should the Open Offer become unconditional and applications for Open Offer Shares by Qualifying Shareholders under the Open Offer exceed 2,249,015 Offer Shares, resulting in a scale back of applications under the Excess Application Facility, each Qualifying CREST Shareholder who has made a valid application pursuant to their Excess CREST Open Offer Entitlement and from whom payment in full for the excess Offer Shares has been received, will receive a pounds sterling amount equal to the number of Offer Shares validly applied and paid for but which are not allocated to the relevant Qualifying CREST Shareholder multiplied by the Offer Price. Monies will be returned as soon as reasonably practicable following the completion of the scale back, without payment of interest and at the applicant’s sole risk. Qualifying CREST Shareholders will receive the refund not later than 4 business days following the date that the results of the Open Offer are announced. Qualifying Non-CREST Shareholders will receive the refund either as a cheque by first class post to the address set out in the Application Form or directly to the account on which the relevant cheque or banker’s draft was drawn, not later than 10 business days following the date on which the results of the Open Offer are announced. Fractions of Offer Shares will be aggregated and made available under the Excess Application Facility.

All enquiries in connection with the procedure for applications under the Excess Application Facility and your Excess CREST Open Offer Entitlement should be addressed to Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing Business Park, West Sussex BN99 6DA, or can be contacted on +44 (0)371 384 2050. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30 a.m. – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Equiniti Limited cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

(l) *Effect of valid application*

A CREST member who makes or is treated as making a valid application for some or all of their *pro rata* entitlement to the Open Offer Shares in accordance with the above procedures thereby:

- (i) represents and warrants to the Company and SCM that they have the right, power and authority, and have taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise their rights, and perform their obligations, under any contracts resulting therefrom and that they are not a person otherwise prevented by legal or regulatory restrictions from applying for Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to Equiniti Limited’s payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);
- (iii) agrees with the Company and SCM that all applications under the Open Offer and contracts resulting therefrom, and only non-contractual obligations related thereto, under the Open Offer shall be governed by, and construed in accordance with, the laws of England;

- (iv) confirms to the Company and SCM that in making the application they are not relying on any information or representation in relation to the Group other than that contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, they will be deemed to have had notice of all the information in relation to the Group contained in this document (including information incorporated by reference);
 - (v) represents and warrants that they are the Qualifying Shareholder originally entitled to the Open Offer Entitlement;
 - (vi) represents and warrants to the Company and SCM that if they have received some or all of their Open Offer Entitlements from a person other than the Company, they are entitled to apply under the Open Offer in relation to such Open Offer Entitlement by virtue of a *bona fide* market claim;
 - (vii) requests that the Offer Shares to which they will become entitled shall be issued to them on the terms set out in this document subject to the articles of association of the Company;
 - (viii) represents and warrants to the Company and SCM that they are not, nor are they applying on behalf of any Shareholder who is, in the United States of America or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Restricted Jurisdiction or any other jurisdiction in which the application for Offer Shares is prevented by law and they are not applying with a view to re-offering, re-selling, transferring or delivering any of the Offer Shares which are the subject of their application in the United States of America or to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any other jurisdiction in which the application for Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that the CREST member is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Offer Shares under the Open Offer;
 - (ix) represents and warrants that they are not, and nor are they applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986; and
 - (x) confirms that in making the application they are not relying and have not relied on SCM or any person affiliated with the Company or SCM in connection with any investigation of the accuracy of any information contained in this document or their investment decision.
- (m) *Company's discretion as to the rejection and validity of applications*
- The Company may in its sole discretion:
- (i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part 3 "Terms and Conditions of the Open Offer";
 - (ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
 - (iii) treat a properly authenticated dematerialised instruction (in this sub-paragraph the "first instruction") as not constituting a valid application if, at the time at which Equiniti Limited receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or Equiniti Limited has received

actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and

- (iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by Equiniti Limited in connection with CREST.

(n) *Lapse of the Open Offer*

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 17 March 2022 or such later time as the Company and Singer Capital Markets may agree (being no later than 8.00 a.m. on 30 March 2022), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and Equiniti Limited will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

4. **Money Laundering Regulations**

4.1 *Holders of Application Forms*

To ensure compliance with the Money Laundering Regulations, Equiniti Limited may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf the Application Form is lodged with payment (which requirements are referred to below as the “verification of identity requirements”). If the Application Form is submitted by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of Equiniti Limited. In such case, the lodging agent’s stamp should be inserted on the Application Form.

The person lodging the Application Form with payment and in accordance with the other terms as described above (the “acceptor”), including any person who appears to Equiniti Limited to be acting on behalf of some other person, accepts the Open Offer in respect of such number of Offer Shares as is referred to therein (for the purposes of this paragraph 4 the “relevant Offer Shares”) shall thereby be deemed to agree to provide Equiniti Limited with such information and other evidence as they may require to satisfy the verification of identity requirements.

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

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

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

The verification of identity requirements will not usually apply:

- (i) if the applicant is an organisation required to comply with the Money Laundering Directive (the Council Directive on prevention of the use of the financial system for the purpose of money laundering (no.91/308/EEC));
- (ii) if the acceptor is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations;
- (iii) if the applicant (not being an applicant who delivers their application in person) makes payment by way of a cheque drawn on an account in the applicant's name; or
- (iv) if the aggregate subscription price for the Offer Shares is less than €15,000 (currently approximately £12,500).

In other cases the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:

- (a) if payment is made by cheque in sterling drawn on a branch in the United Kingdom of a bank or building society which bears a UK bank sort code number in the top right hand corner the following applies. Cheques, should be made payable to "Equiniti Limited – re Tekmar Group plc Open Offer" in respect of an application by a Qualifying Shareholder and crossed "A/C Payee Only". Third party cheques may not be accepted with the exception of building society cheques where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque to such effect. The account name should be the same as that shown on the Application Form; or
- (b) if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in (i) above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force, the agent should provide with the Application Form written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to Equiniti Limited. If the agent is not such an organisation, it should contact Equiniti Limited at Corporate Actions, Aspect House, Spencer Road, Lancing Business Park, West Sussex BN99 6DA.

To confirm the acceptability of any written assurance referred to in (b) above, or in any other case, the acceptor should contact Equiniti Limited on +44 (0)371 384 2050. Calls to the helpline number are typically charged at your service provider's standard rate. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note Equiniti Limited cannot provide financial or taxation advice or comment on the merits of the Open Offer or as to whether applicants should take up their Open Offer Entitlement.

If the Application Form(s) is/are in respect of Offer Shares with an aggregate subscription price of €15,000 (currently approximately £12,500) or more and is/are lodged by hand by the acceptor in person, or if the Application Form(s) in respect of Offer Shares is/are lodged by hand by the acceptor and the accompanying payment is not the acceptor's own cheque, he or she should ensure that he or she has with him or her evidence of identity bearing his or her photograph (for example, his or her passport) and separate evidence of his or her address.

If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 11.00 a.m. on 14 March 2022, Equiniti Limited has not received evidence satisfactory to it as aforesaid, Equiniti Limited may, at its discretion, as agent of the Company, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the account at the payee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

4.2 *Open Offer Entitlements in CREST*

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

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

5. **Admission, settlement and dealings**

The result of the Open Offer is expected to be announced on 16 March 2022. Applications will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. Subject to the Firm Placing and Open Offer becoming unconditional in all respects (save only as to admission), it is expected that Admission will become effective and that dealings in the Offer Shares, fully paid, will commence at 8.00 a.m. on 17 March 2022.

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the New Ordinary Shares. All such shares, when issued and fully paid, may be held and transferred by means of CREST.

Open Offer Entitlements and Excess CREST Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 14 March 2022 (the latest date for applications under the Open Offer). If the condition(s) to the Open Offer described above are satisfied, New Ordinary Shares will be issued in uncertificated form to those persons who submitted a valid application for New Ordinary Shares by utilising the CREST application procedures and whose applications have been accepted by the Company.

On 17 March 2022, Equiniti Limited will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Offer Shares with effect from Admission. The stock accounts to be credited will be accounts under the same CREST participant IDs and CREST member account IDs in respect of which the USE Instruction was given. Notwithstanding any other provision of this document, the Company reserves the right to send Qualifying CREST Shareholders an Application Form instead of crediting the relevant stock account with Open Offer Entitlements and Excess CREST Open Offer Entitlements, and to allot and/or issue any Offer Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by Equiniti Limited in connection with CREST.

No temporary documents of title will be issued and, transfers will be certified against the UK share register of the Company. All documents or remittances sent by, to, from or on behalf of applicants, or as they may direct, will (in the latter case) be sent through the post and will (in both cases) be at the risk of the applicant. For more information as to the procedure for application, Qualifying Non-CREST Shareholders are referred to paragraph 3.1 above and their respective Application Form.

6. **Overseas Shareholders**

The comments set out in this paragraph 6 are intended as a general guide only and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisers without delay.

6.1 *General*

The distribution of this document and the making or acceptance of the Open Offer to or by persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the United Kingdom or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the United Kingdom, may be affected by the laws or regulatory requirements of the relevant jurisdictions. It is the responsibility of those persons to consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirement or other formalities to enable them to apply for Offer Shares under the Open Offer.

No action has been or will be taken by the Company, SCM, or any other person, to permit a public offering or distribution of this document (or any other offering or publicity materials or application form(s) relating to the Offer Shares) in any jurisdiction where action for that purpose may be required, other than in the United Kingdom. Receipt of this document and/or an Application Form and/or a credit of an Open Offer Entitlement or an Excess CREST Open Offer Entitlement to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in any jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

Application Forms will not be sent to, and Open Offer Entitlements and Excess CREST Open Offer Entitlements will not be credited to stock accounts in CREST of, persons with registered addresses in the United States or a Restricted Jurisdiction or their agent or intermediary, except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

No person receiving a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use any such Application Form and/or credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her and such Application Form and/or credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

It is the responsibility of any person (including, without limitation, custodians, agents, nominees and trustees) outside the United Kingdom wishing to apply for Offer Shares under the Open Offer to satisfy themselves as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory.

None of the Company, SCM, nor any of their respective representatives, is making any representation to any offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, in connection with the Open Offer or otherwise, should not distribute or send either of those documents nor transfer Open Offer Entitlements or Excess CREST Open Offer Entitlements in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by his or her custodian, agent, nominee or trustee, he or she must not seek to apply for Offer Shares in respect of the Open Offer unless the Company and SCM determine that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this document and/or an Application Form and/or transfers Open Offer Entitlements or Excess CREST Open Offer Entitlements into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this Part 3 “Terms and Conditions of the Open Offer” and specifically the contents of this paragraph 6.

The Company reserves the right to treat as invalid any application or purported application for Open Offer Shares that appears to the Company or its agents to have been executed, effected or dispatched from the United States or a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any other jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates of Offer Shares or in the case of a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, to a CREST member whose registered address would be, in the United States or a Restricted Jurisdiction or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates or make such a credit.

Notwithstanding any other provision of this document or the relevant Application Form, the Company and SCM reserve the right to permit any person to apply for Offer Shares in respect of the Open Offer if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Overseas Shareholders who wish, and are permitted, to apply for Offer Shares should note that payment must be made in sterling denominated cheques or where such Overseas Shareholder is a Qualifying CREST Shareholder, through CREST. Due to restrictions under the securities laws of the United States and the Restricted Jurisdictions, and subject to certain exceptions, Qualifying Shareholders in the United States or who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements. No public offer of Offer Shares is being made by virtue of this document or the Application Forms into the United States or any Restricted Jurisdiction. Receipt of this document and/or an Application Form and/or a credit of an Open Offer Entitlement to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

6.2 *United States*

The New Ordinary Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and, accordingly, may not be offered or sold, re-sold, taken up, transferred, delivered or distributed, directly or indirectly, within the United States except in reliance on 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.

Accordingly, the Company is not extending the Open Offer into the United States unless an exemption from the registration requirements of the US Securities Act is available and, subject to

certain exceptions, neither this document nor the Application Form constitutes or will constitute an offer or an invitation to apply for or an offer or an invitation to acquire any New Ordinary Shares in the United States. Subject to certain exceptions, neither this document nor an Application Form will be sent to, and no New Ordinary Shares will be credited to a stock account in CREST of, any Qualifying Shareholder with a registered address in the United States. Subject to certain exceptions, Application Forms sent from or postmarked in the United States will be deemed to be invalid and all persons acquiring New Ordinary Shares and wishing to hold such New Ordinary Shares in registered form must provide an address for registration of the New Ordinary Shares issued upon exercise thereof outside the United States.

Subject to certain exceptions, any person who acquires New Ordinary Shares will be deemed to have declared, warranted and agreed, by accepting delivery of this document or the Application Form and delivery of the New Ordinary Shares, that they are not, and that at the time of acquiring the New Ordinary Shares they will not be, in the United States or acting on behalf of, or for the account or benefit of a person on a non-discretionary basis in the United States or any state of the United States.

The Company reserves the right to treat as invalid any Application Form that appears to the Company or its agents to have been executed in, or despatched from, the United States, or that provides an address in the United States for the receipt of New Ordinary Shares, or which does not make the warranty set out in the Application Form to the effect that the person completing the Application Form does not have a registered address and is not otherwise located in the United States and is not acquiring the New Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such New Ordinary Shares in the United States or where the Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements.

The Company will not be bound to allot or issue any New Ordinary Shares to any person with an address in, or who is otherwise located in, the United States in whose favour an Application Form or any New Ordinary Shares may be transferred. In addition, the Company and SCM reserve the right to reject any USE instruction sent by or on behalf of any CREST member with a registered address in, or who is otherwise located in, the United States in respect of the New Ordinary Shares. In addition, until 45 days after the commencement of the Open Offer, an offer, sale or transfer of the New Ordinary Shares within the United States by a dealer (whether or not participating in the and Open Offer) may violate the registration requirements of the US Securities Act.

6.3 *Restricted Jurisdictions*

Due to restrictions under the securities laws of the Restricted Jurisdictions and subject to certain exemptions, Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements or Excess CREST Open Offer Entitlements. The Offer Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption.

No offer or invitation to apply for Offer Shares is being made by virtue of this document or the Application Form into any Restricted Jurisdiction.

6.4 *Other overseas territories*

Application Forms will be sent to Qualifying Non-CREST Shareholders and Open Offer Entitlements and Excess CREST Open Offer Entitlements will be credited to the stock account in CREST of Qualifying CREST Shareholders. Qualifying Shareholders in jurisdictions other than the United States or the Restricted Jurisdictions may, subject to the laws of their relevant jurisdiction, take up Offer Shares under the Open Offer in accordance with the instructions set out in this document and the Application Form.

Qualifying Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, countries other than the United Kingdom should, however, consult appropriate professional advisers as to whether they require any governmental or other consents or need to observe any further formalities to enable them to apply for any Open Offer Shares in respect of the Open Offer.

6.5 *Representations and warranties relating to Overseas Shareholders*

(a) *Qualifying Non-CREST Shareholders*

Any person completing and returning an Application Form or requesting registration of the Offer Shares comprised therein represents and warrants to the Company, SCM and Equiniti Limited that, except where proof has been provided to the Company's satisfaction that such person's use of the Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction: (i) such person is not requesting registration of the relevant Offer Shares from within the United States or any Restricted Jurisdiction; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Offer Shares in respect of the Open Offer or to use the Application Form in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) such person is not acquiring Offer Shares with a view to offer, sale, resale, transfer, deliver or distribute, directly or indirectly, any such Offer Shares into any of the above territories. The Company and/or Equiniti Limited may treat as invalid any acceptance or purported acceptance of the allotment of Offer Shares comprised in an Application Form if it: (A) appears to the Company or its agents to have been executed, effected or dispatched from the United States or a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or (B) provides an address in the United States or a Restricted Jurisdiction for delivery of the share certificates of Offer Shares (or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates); or (C) purports to exclude the warranty required by this sub-paragraph (a).

(b) *Qualifying CREST Shareholders*

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this Part 3 "Terms and Conditions of the Open Offer" represents and warrants to the Company and SCM that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) he or she is not within the United States or any Restricted Jurisdiction; (ii) he or she is not in any territory in which it is unlawful to make or accept an offer to acquire Offer Shares; (iii) he or she is not accepting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as otherwise agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) he or she is not acquiring any Open Offer Shares with a view the offer, sale, resale, transfer, deliver or distribute, directly or indirectly, any such Offer Shares into any of the above territories.

6.6 *Waiver*

The provisions of this paragraph 6 and of any other terms of the Open Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company and SCM in their absolute discretion. Subject to this, the provisions of this paragraph 6 supersede any terms of the Open Offer inconsistent herewith. References in this paragraph 6 to Shareholders shall include references to the person or persons executing an Application Form and, in the event of more than one person executing an Application Form, the provisions of this paragraph 6 shall apply to them jointly and to each of them.

7. **Share Incentive Schemes**

The Open Offer is not being extended to the holders of share options granted pursuant to any of the Share Incentive Schemes, save to the extent that any such share options are or have been validly exercised and Ordinary Shares have been allotted in consequence of such exercise prior to the Record Date. Following completion of the Open Offer, outstanding options may be adjusted, and where any of those options are granted pursuant to performance conditions the performance conditions may be amended, to take account of the Open Offer but only to the extent the rules of the relevant Share Incentive Schemes allow and it is deemed appropriate. If any adjustments or amendments will be made to subsisting options and/or performance conditions those persons holding affected options will be contacted separately following completion of the Open Offer.

The participants in the SIP for whom the SIP Trustee holds Ordinary Shares as a bare nominee on behalf of the participant concerned may direct the SIP Trustee as to how to vote on the Ordinary Shares that the SIP Trustee holds on their behalf at the General Meeting and how to exercise the rights relating to such Ordinary Shares under the Open Offer. Participants in the SIP will be contacted separately by the SIP Trustee with more details and instructions as to the action they will need to take if they want to give any such directions to the SIP Trustee.

8. **Times and Dates**

The Company shall, in agreement with SCM and after consultation with its financial and legal advisers, be entitled to amend the dates that Application Forms are despatched or amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this document and in such circumstances shall notify the London Stock Exchange, and make an announcement on a Regulatory Information Service but Qualifying Shareholders may not receive any further written communication.

If a supplementary circular is issued by the Company two or fewer Business Days prior to the latest time and date for acceptance and payment in full under the Open Offer specified in this document, the latest date for acceptance under the Open Offer shall be extended to the date that is three Business Days after the date of issue of the supplementary circular (and the dates and times of principal events due to take place following such date shall be extended accordingly).

9. **Taxation**

Shareholders who are in any doubt as to their tax position in relation to taking up their entitlements under the Open Offer, or who are subject to tax in any jurisdiction other than the United Kingdom, should immediately consult a suitable professional adviser.

10. **Further information**

Your attention is drawn to the further information set out in this document and also, in the case of Qualifying Non-CREST Shareholders and other Qualifying Shareholders to whom the Company has sent Application Forms, to the terms, conditions and other information printed on the accompanying Application Form.

11. **Governing law and jurisdiction**

The terms and conditions of the Open Offer as set out in this document, the Application Form and any non-contractual obligation related thereto shall be governed by, and construed in accordance with, English law.

The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this document or the Application Form. By taking up Offer Shares, by way of their Open Offer Entitlement and the Excess Application Facility (as applicable), in accordance with the instructions set out in this document and, where applicable, the Application Form, Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

PART 4

QUESTIONS AND ANSWERS ABOUT THE OPEN OFFER

The questions and answers set out in this Part 4 “Questions and Answers about the Open Offer” are intended to be in general terms only and, as such, you should read Part 3 “Terms and Conditions of the Open Offer” of this document for full details of what action to take. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank, fund manager, solicitor, accountant or other appropriate independent financial adviser, who is authorised under the FSMA if you are in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser. For certainty, the Open Offer is not being extended into the United States or in any other Restricted Jurisdiction where such offer is not permitted pursuant to applicable securities laws.

This Part 4 “Questions and Answers about the Open Offer” deals with general questions relating to the Open Offer and more specific questions relating principally to persons resident in the United Kingdom who hold their Existing Ordinary Shares in certificated form only. If you are an Overseas Shareholder, you should read paragraph 6 of Part 3 “Terms and Conditions of the Open Offer” of this document and you should take professional advice as to whether you are eligible and/or you need to observe any formalities to enable you to take up your Open Offer Entitlement. If you hold your Existing Ordinary Shares in uncertificated form (that is, through CREST) you should read Part 3 “Terms and Conditions of the Open Offer” of this document for full details of what action you should take.

If you are a CREST sponsored member, you should also consult your CREST sponsor. If you do not know whether your Existing Ordinary Shares are in certificated or uncertificated form, please call the Shareholder helpline on +44 (0) 371 384 2050. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Equiniti Limited cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

The contents of this document should not be construed as legal, business, accounting, tax, investment or other professional advice. Each prospective investor should consult their own appropriate professional advisers for advice. This document is for your information only and nothing in this document is intended to endorse or recommend a particular course of action.

1. What is an open offer?

An open offer is a way for companies to raise money. Companies usually do this by giving their existing Shareholders a right to acquire further shares at a fixed price in proportion to their existing shareholdings.

In this instance Shareholders will also be offered the opportunity to apply for additional Ordinary Shares in excess of their entitlement to the extent that other Qualifying Shareholders do not take up their entitlement under the Open Offer in full or otherwise as the Directors may determine in their absolute discretion.

This Open Offer is an invitation by the Company to Qualifying Shareholders to apply to acquire up to an aggregate of 2,249,015 new Ordinary Shares at a price of 45 pence per share. If you hold Existing Ordinary Shares on the Record Date or have a *bona fide* market claim, other than, subject to certain exceptions, where you are a Shareholder with a registered address or located in the United States, or any other Restricted Jurisdiction, you should be entitled to buy Offer Shares under the Open Offer.

The Open Offer is being made on the basis of 1 Offer Share for every 23 Existing Ordinary Shares held by Qualifying Shareholders on the Record Date. If your entitlement to Offer Shares is not a whole number, you will not be entitled to buy a fraction of an Offer Share and your entitlement will be rounded down to the nearest whole number. The Offer Price of 45 pence per Offer Share represents a premium of 7.1 per cent. to the closing middle-market price quotation as derived from the Daily Official List of the London Stock Exchange of 42 pence per Ordinary Share on 24 February 2022 (being the last practicable date prior to the date of this document).

The Excess Application Facility allows Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement. Applications made under the Excess Application Facility may be allocated in such manner as the Directors may determine in their absolute discretion if applications are received from Qualifying Shareholders for more than the available number of Offer Shares, and no assurance can be given that excess applications by Qualifying Shareholders will be met in full, or in part, or at all.

Unlike in a rights issue, Application Forms are not negotiable documents and neither they nor Open Offer Entitlements can themselves be traded. Shareholders will not be able to apply for any new Ordinary Shares which are the subject of the Firm Placing.

2. I hold my Existing Ordinary Shares in certificated form. How do I know I am eligible to participate in the Open Offer?

If you receive an Application Form and, subject to certain exceptions, are not a holder with a registered address or located in the United States of America or any other Restricted Jurisdiction, then you should be eligible to participate in the Open Offer as long as you have not sold all of your Existing Ordinary Shares before 8.00 am on 28 February 2022 (the time when the Existing Ordinary Shares are expected to be marked “ex-entitlement” by the London Stock Exchange).

3. I hold my Existing Ordinary Shares in certificated form. How do I know how many Offer Shares I am entitled to take up?

If you hold your Existing Ordinary Shares in certificated form and, subject to certain exceptions, do not have a registered address and are not located in the United States or any Restricted Jurisdiction, you will be sent an Application Form that shows:

- how many Existing Ordinary Shares you held at the close of business on the Record Date;
- how many Offer Shares are comprised in your Open Offer Entitlement; and
- how much you need to pay if you want to take up your right to buy all your entitlement to the Offer Shares.

Subject to certain exceptions, if you have a registered address in the United States or any of the Restricted Jurisdictions, you will not receive an Application Form.

If you would like to apply for any of or all of the Offer Shares comprised in your Open Offer Entitlement you should complete the Application Form in accordance with the instructions printed on it and the information provided in this document. Completed Application Forms should be returned, along with a cheque drawn in the appropriate form, by post to Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing Business Park, West Sussex BN99 6DA or by hand (during normal office hours only) so as to be received by them by no later than 11.00 a.m. on 14 March 2022, after which time Application Forms will not be valid.

4. I hold my Existing Ordinary Shares in certificated form and am eligible to receive an Application Form. What are my choices in relation to the Open Offer?

(a) If you do not want to take up your Open Offer Entitlement

If you do not want to take up the Offer Shares to which you are entitled, you do not need to do anything. In these circumstances, you will not receive any Offer Shares. You will also not receive any money when the Offer Shares you could have taken up are sold, as would happen under a rights issue.

You cannot sell your Application Form or your Open Offer Entitlement to anyone else. If you do not return your Application Form subscribing for the Offer Shares to which you are entitled by 11.00 a.m. on 14 March 2022, the Company has made arrangements under which the Company has agreed to issue the Offer Shares to other Qualifying Shareholders under the Excess Application Facility.

If you do not take up your Open Offer Entitlement then following the issue of the Offer Shares pursuant to Open Offer, your interest in the Company will be significantly diluted. Even if a Qualifying Shareholder subscribes for the basic entitlement under the Open Offer, their proportionate economic interest would be diluted by the issue of New Ordinary Shares pursuant to the Transaction.

(b) ***If you want to take up some but not all of your Open Offer Entitlement***

If you want to take up some but not all of the Offer Shares to which you are entitled, you should write the number of Offer Shares you want to take up in Boxes 4 and 6 of your Application Form; for example, if you are entitled to take up 50 shares but you only want to take up 25 shares, then you should write '25' in Boxes 4 and 6. To work out how much you need to pay for the Offer Shares, you need to multiply the number of Offer Shares you want (in this example, '25') by £0.45, which is the price in pounds of each Offer Share (giving you an amount of £11.25 in this example). You should write this amount in Box 7, rounding up to the nearest whole pence and this should be the amount your cheque is made out for. You should then return the completed Application Form, together with a cheque for that amount, by post to Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing Business Park, West Sussex BN99 6DA or by hand (during normal office hours only) so as to be received by them by no later than 11.00 a.m. on 14 March 2022, after which time Application Forms will not be valid. If you post your Application Form by first class post, you should allow at least four Business Days for delivery.

All payments must be in pounds sterling and made by cheque made payable to "Equiniti Limited – re Tekmar Group plc Open Offer", and crossed "A/C Payee Only". Cheques must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or the British Isles which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques to be cleared through the facilities provided by any of those companies and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third party cheques will not be accepted with the exception of building society cheques where the building society or bank has confirmed the name of the account holder and the number of an account held in the applicant's name at the building society or bank by stamping or endorsing the cheque to such effect. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted. Third party cheques (other than building society cheques where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds) will not be accepted (see paragraph 4 of Part 3 "Terms and Conditions of the Open Offer" of this document).

Cheques will be presented for payment upon receipt. The Company reserves the right to instruct Equiniti Limited to seek special clearance of cheques to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.

A definitive share certificate will then be sent to you for the Offer Shares that you take up. Your definitive share certificate for Offer Shares is expected to be despatched to you, at your own risk, by no later than 10 Business Days from Admission.

(c) ***If you want to take up all of your Open Offer Entitlement***

If you want to take up all of the Offer Shares to which you are entitled, all you need to do is send the Application Form (ensuring that all joint holders sign (if applicable)), together with your cheque for the amount (as indicated in Box 3 of your Application Form), by post to Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing Business Park, West Sussex BN99 6DA or by hand (during normal office hours only) so as to be received by them by no later than 11.00 a.m. on 14 March 2022, after which time Application Forms will not be valid. If you post your Application Form by first-class post, you should allow at least four Business Days for delivery.

All payments must be in pounds sterling and made by cheque made payable to "Equiniti Limited – re Tekmar Group plc Open Offer", and crossed "A/C Payee Only". Cheques must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or the British Isles which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques to be cleared through the facilities provided by any of those companies and must bear the appropriate sort code in the top right-hand corner. Third party cheques will not be accepted with the exception of building society cheques where the building society or bank has confirmed the name of the account holder and the number of an

account held in the applicant's name at the building society or bank by stamping or endorsing the cheque to such effect. The account name should be the same as that shown on the application.

Post-dated cheques will not be accepted. Third party cheques (other than building society cheques where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds) will not be accepted.

A definitive share certificate will then be sent to you for the Offer Shares that you take up. Your definitive share certificate for Offer Shares is expected to be despatched to you, at your own risk, by no later than 10 Business Days from Admission.

(d) ***If you want to apply for more than your Open Offer Entitlement***

Provided you have agreed to take up your Open Offer Entitlement in full or otherwise as the Directors may determine in their absolute discretion, you can apply for further Offer Shares under the Excess Application Facility.

The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement as at the Record Date. You should write the number of Offer Shares comprised in your Open Offer Entitlement (as indicated in Box 2 of the Application Form) in Box 4 and write the number of Excess Shares for which you would like to apply in Box 5. You should then add the totals in Boxes 4 and 5 and insert the total number of Offer Shares for which you would like to apply in Box 6.

For example, if you have an Open Offer Entitlement for 50 Offer Shares but you want to apply for 75 Offer Shares in total, then you should write '50' in Box 4, '25' in Box 5 and '75' in Box 6. To work out how much you need to pay for the Offer Shares, you need to multiply the number of Offer Shares you want (in this example, '75') by £0.45, which is the price in pounds sterling of each Offer Share (giving you an amount of £33.75 in this example). You should write this amount in Box 7. You should then return your Application Form by post to Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing Business Park, West Sussex BN99 6DA or by hand (during normal office hours only) so as to be received by them by no later than 11.00 a.m. on 14 March 2022, after which time Application Forms will not be valid. If you post your application form by first class post, you should allow at least four Business Days for delivery.

If applications under the Excess Application Facility are received for more than the total number of Offer Shares available following take up of Open Offer Entitlements, the Excess Shares may be allocated in such manner as the Directors may determine in their absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full, or in part, or at all.

A definitive share certificate will then be sent to you for the Offer Shares that you take up and otherwise successfully apply for using the Excess Application Facility. Your definitive share certificate for Offer Shares is expected to be despatched to you, at your own risk, by no later than 10 Business Days from Admission.

5. I hold my Existing Ordinary Shares in uncertificated form in CREST. What do I need to do in relation to the Open Offer?

CREST members should follow the instructions set out in Part 3 "Terms and Conditions of the Open Offer" of this document. Persons who hold Existing Ordinary Shares through a CREST member should be informed by the CREST member through which they hold their Existing Ordinary Shares of (i) the number of Offer Shares which they are entitled to acquire under their Open Offer Entitlement and (ii) how to apply for Offer Shares in excess of their Open Offer Entitlement under the Excess Application Facility provided they choose to take up their Open Offer Entitlement in full or otherwise as the Directors may determine in their absolute discretion and should contact them should they not receive this information.

6. I acquired my Existing Ordinary Shares prior to the Record Date and hold my Existing Ordinary Shares in certificated form. What if I do not receive an Application Form or I have lost my Application Form?

If you do not receive an Application Form, this probably means that you are not eligible to participate in the Open Offer. Some Non-CREST Shareholders, however, will not receive an Application Form but may still be eligible to participate in the Open Offer, namely:

- Qualifying CREST Shareholders who held their Existing Ordinary Shares in uncertificated form on 24 February 2022 and who have converted them to certificated form;
- Qualifying Non-CREST Shareholders who bought Existing Ordinary Shares before 1 March 2022 but were not registered as the holders of those shares at the close of business on 24 February 2022; and
- certain Overseas Shareholders who are not resident in or subject to the laws of a Restricted Jurisdiction.

If you do not receive an Application Form but think that you should have received one or you have lost your Application Form, please contact the Shareholder helpline on +44 (0)371 384 2050. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Equiniti Limited cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

7. Can I trade my Open Offer Entitlement?

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying Non-CREST Shareholders should also note that their Application Forms are not negotiable documents and cannot be traded.

Qualifying CREST Shareholders should note that, although Open Offer Entitlements will be admitted to CREST they will have limited settlement capabilities (for the purposes of market claims only), Open Offer Entitlements will not be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim. Offer Shares for which an application has not been made under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Shareholders who do not apply to take up their Open Offer Entitlement will have no rights under the Open Offer or receive any proceeds from it. The Offer Shares are not underwritten.

8. What if I change my mind?

If you are a Qualifying Non-CREST Shareholder, once you have sent your Application Form and payment to Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing Business Park, West Sussex BN99 6DA you cannot withdraw your application or change the number of Offer Shares for which you have applied, except in the very limited circumstances which are set out in this document.

9. What if the number of Offer Shares to which I am entitled is not a whole number: am I entitled to fractions of Offer Shares?

If the number is not a whole number, you will not receive a fraction of an Offer Share and your entitlement will be rounded down to the nearest whole number.

10. I hold my Existing Ordinary Shares in certificated form. What should I do if I have sold some or all of my Existing Ordinary Shares?

If you hold Existing Ordinary Shares in the Company directly and you sell some or all of your Existing Ordinary Shares before 24 February 2022, you should contact the buyer or the person/company through whom you sell your shares. The buyer may be entitled to apply for Offer Shares under the Open Offer. If you sell any of your Existing Ordinary Shares on or after 24 February 2022, you may still take up and apply for the Offer Shares as set out on your Application Form.

11. I hold my Existing Ordinary Shares in certificated form. How do I pay?

Completed Application Forms should be returned with a cheque drawn in the appropriate form. All payments must be in pounds sterling and made by cheque made payable to “Equiniti Limited – re Tekmar Group plc Open Offer”, and crossed “A/C Payee Only”. Cheques must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or the British Isles which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques to be cleared through the facilities provided by any of those companies and must bear the appropriate sort code in the top right-hand corner. Third party cheques may not be accepted with the exception of building society cheques where the building society or bank has confirmed the name of the account holder and the number of an account held in the applicant’s name at the building society or bank by stamping or endorsing the cheque to such effect. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted. Third party cheques (other than building society cheques where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds) will not be accepted.

12. Will the Existing Ordinary Shares that I hold now be affected by the Open Offer?

If you decide not to apply for any of the Offer Shares to which you are entitled under the Open Offer, or only apply for some of your entitlement, your proportionate ownership and voting interest in the Company will be reduced.

13. I hold my Existing Ordinary Shares in certificated form. Where do I send my Application Form?

You should send your completed Application Form together with the monies in the appropriate form, by post to Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing Business Park, West Sussex BN99 6DA or by hand (during normal office hours only). If you post your Application Form by first-class post, you should allow at least four Business Days for delivery. If you do not want to take up or apply for Open Offer Shares then you need take no further action.

14. I hold my Existing Ordinary Shares in certificated form. When do I have to decide if I want to apply for Offer Shares?

Equiniti Limited must receive the Application Form by no later than 11.00 a.m. on 14 March 2022, after which time Application Forms will not be valid. If an Application Form is being sent by first class post in the UK, Qualifying Shareholders are recommended to allow at least four Business Days for delivery.

15. How do I transfer my entitlements into the CREST system?

If you are a Qualifying Non-CREST Shareholder, but are a CREST member and want your Open Offer Shares to be in uncertificated form, you should complete the CREST deposit form (contained in the Application Form), and ensure it is delivered to the CREST Courier and Sorting Services in accordance with the instructions in the Application Form. CREST sponsored members should arrange for their CREST sponsors to do this.

16. I hold my Existing Ordinary Shares in certificated form. When will I receive my new share certificate?

It is expected that Equiniti Limited will post all new share certificates within 10 Business Days from Admission.

17. If I buy Existing Ordinary Shares after the Record Date, will I be eligible to participate in the Open Offer?

If you bought your Existing Ordinary Shares after the Record Date, you are unlikely to be able to participate in the Open Offer in respect of such Ordinary Shares. If you do not receive an application form but think you should have received one please contact Equiniti Limited on +44 (0)371 384 2050. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30 a.m. – 5.30 p.m., Monday to Friday

excluding public holidays in England and Wales. Please note that Equiniti Limited cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

18. Will I be taxed if I take up my entitlements?

Shareholders who are in any doubt as to their tax position should consult an appropriate professional adviser immediately.

19. What should I do if I live or am located outside the United Kingdom?

Your ability to apply to acquire Offer Shares may be affected by the laws of the country in which you live or are located and you should take professional advice as to whether you require any governmental or other consents or need to observe any other formalities to enable you to take up your Open Offer Entitlement. Shareholders with registered addresses or who are located or resident in the United States or any other Restricted Jurisdiction are, subject to certain exceptions, not eligible to participate in the Open Offer. Your attention is drawn to the information in paragraph 6 of Part 3 “Terms and Conditions of the Open Offer” of this document.

20. Further assistance

Should you require further assistance please call the Shareholder helpline on +44 (0)371 384 2050. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Equiniti Limited cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

TEKMAR GROUP PLC

(Incorporated and registered in England and Wales with registered no. 11383143)

NOTICE OF GENERAL MEETING

DETAILS ON HOW TO VOTE ON THE RESOLUTIONS AT THE GENERAL MEETING ARE SET OUT IN THE NOTES BELOW.

NOTICE IS HEREBY GIVEN that the General Meeting of Tekmar Group plc (the "Company") will be held at the Company's registered office, Innovation House, Centurion Way, Darlington, DL3 0UP on 16 March 2022 at 10.00 a.m. to consider, and if thought fit pass, the following resolutions ("**Resolutions**") of which resolution 1 will be proposed as an ordinary resolution and resolution 2 as a special resolution.

ORDINARY RESOLUTION

1. **THAT**, in accordance with section 551 of the Companies Act 2006 (the "Act"), the Directors be generally and unconditionally authorised to exercise all powers of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company up to a maximum aggregate nominal amount of £111,490.15 (being equal to 11,149,015 Ordinary Shares) pursuant to the Firm Placing, Open Offer and Directors' Subscription, provided that this authority will expire at whichever is the earlier of the conclusion of the annual general meeting of the Company to be held in 2022, or the date falling six months from the date of the passing of this resolution (unless renewed varied or revoked by the Company prior to or on that date) but the Company may, before this authority expires, make an offer or agreement which would or might require shares in the Company or rights to be allotted or granted after this authority expires and that the Directors may allot shares in the Company or grant rights pursuant to such an offer or agreement as if the authority conferred by this Resolution had not expired.

SPECIAL RESOLUTION

2. **THAT**, subject to and conditional upon the passing of Resolution 1, in accordance with section 571(1) of the Act, the directors be empowered to allot equity securities for cash (within the meaning of section 560 of the Act) pursuant to the authority conferred by Resolution 1 above, as if section 561 of the Act did not apply to any such allotment, provided that this power shall:
 - be limited to the allotment of equity securities pursuant to the Firm Placing, Open Offer and Directors' Subscription up to an aggregate nominal value of £111,490.15 (being equal to 11,149,015 Ordinary Shares); and
 - expire at whichever is the earlier of the conclusion of the annual general meeting of the Company to be held in 2022 or the date falling six months from the date of passing this resolution but may be previously revoked or varied by special resolution and so that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if such power had not expired.

Registered Office
Innovation House
Centurion Way
Darlington, DL3 0UP

Dated 28 February 2022

Derek Bulmer
Company Secretary

Tekmar Group plc

Notes:

Shareholders are encouraged to submit their proxy votes in advance of the meeting. Details of how to do this are set out in the notes below.

1. Pursuant to Regulation 41(3) of the Uncertificated Securities Regulations 2001/3755, the Company specifies that only those members registered on the Company's register of members at 6.30 pm on 14 March 2022 shall be entitled to vote at the General Meeting.
2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the General Meeting and you should have received a proxy form with this notice of General Meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. A proxy does not need to be a member of the Company but must attend the General Meeting to represent you. Details of how to appoint the Chair of the General Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the Company's registrars at the address set out in note 5.
5. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote. To appoint a proxy using the proxy form, the form must be:
 - (a) completed and signed;
 - (b) sent or delivered to Equiniti Limited, Aspect House, Spencer Road, Lancing Business Park, West Sussex BN99 6DA; and
 - (c) received by them no later than 10.00 a.m. on 14 March 2022.
6. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
7. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
8. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
10. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy, or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's registrars (ID: RA19) by the latest time(s) for receipt of proxy appointments specified in Note 5 above. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
11. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that their CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings (www.euroclear.com/CREST).
12. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended).
13. Full details of the procedure to submit a proxy electronically are given on the website at www.sharevote.co.uk. To use this service, you will need your Voting ID, Task ID and Shareholder Reference Number printed on the proxy form.
14. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
15. As at 5.00 p.m. on the day immediately prior to the date of posting of this Notice of General Meeting, the Company's issued share capital comprised 51,727,353 ordinary shares of 1p each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 5.00 p.m. on the day immediately prior to the date of posting of this notice of General Meeting is 51,727,353.

