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**THIS ANNOUNCEMENT IS AN ADVERTISEMENT AND NOT A PROSPECTUS OR AN EXEMPTED DOCUMENT AND CATALIS SHAREHOLDERS SHOULD NOT MAKE ANY DECISION IN RELATION TO THE NEW TOPCO SHARES EXCEPT ON THE BASIS OF THE INFORMATION TO BE CONTAINED IN THE SCHEME DOCUMENT AND THE EXEMPTED DOCUMENT WHICH ARE PROPOSED TO BE PUBLISHED IN DUE COURSE**

**FOR IMMEDIATE RELEASE**

**15 August 2019**

**RECOMMENDED ACQUISITION**

**of**

**Catalis plc**

**by**

**Project Sword Bidco Limited**

**a newly formed company indirectly controlled by funds managed by NorthEdge Capital LLP**

**to be effected by means of a scheme of arrangement under Part 26 of the Companies Act 2006**

**Summary**

- The Board of Bidco and the Independent Directors of Catalis are pleased to announce that they have reached agreement on the terms of a recommended cash offer, with a partial cash and unlisted securities alternative, to be made by Bidco to acquire the entire issued and to be issued share capital of Catalis.
- Bidco is a newly-incorporated entity indirectly controlled, as at the date of this Announcement, by funds managed by NorthEdge.
- Under the terms of the Acquisition, each Scheme Shareholder will be entitled to receive:

|                                   |                       |
|-----------------------------------|-----------------------|
| <b>for each Scheme Share held</b> | <b>£95.13 in cash</b> |
|-----------------------------------|-----------------------|
- The Cash Consideration values the entire issued and to be issued share capital of Catalis at approximately £89.8 million on a fully diluted basis.
- The equity valuation of the Company implied by the Acquisition of £89.8 million (equivalent to approximately €96.8 million at the Applied Exchange Rate) represents a premium of approximately:
  - 179.6 per cent. to the market capitalisation of Catalis of €34.6 million implied by the last price at which the ordinary shares in Catalis were traded on the Frankfurt Stock Exchange prior to its delisting, being €44.00 per share; and
  - 159.6 per cent. to the market capitalisation of Catalis of €37.3 million implied by the highest price at which the ordinary shares in Catalis were traded on the Frankfurt Stock Exchange in the twelve months period prior to its delisting, being €47.40 per share on 12 June 2018.

- The terms of the Acquisition will also include the Partial Cash and Unlisted Securities Alternative under which eligible Scheme Shareholders will be entitled to elect to receive cash and Units on the following basis:

|                                   |   |
|-----------------------------------|---|
| <b>for each Scheme Share held</b> | <b>£36.57 in cash and 1 Unit (each Unit comprising 5.9048 New Topco Ordinary Shares plus 585 New Topco Preferred Ordinary Shares)</b> |
|-----------------------------------|---|

in lieu of the full Cash Consideration to which they would otherwise be entitled under the terms of the Acquisition. The availability of the Units under the Partial Cash and Unlisted Securities Alternative is limited to a maximum of 427,069 Units which would comprise 249,835,365 New Topco Preferred Ordinary Shares and 2,521,762 New Topco Ordinary Shares, representing approximately 25.2 per cent. of the voting rights of the entire issued share capital of Topco following the issue of the Sweet Equity Shares. To the extent that elections for Units under the Partial Cash and Unlisted Securities Alternative cannot be satisfied in full, they will be scaled down as nearly as reasonably practicable pro rata to the size of such elections and the balance of such Scheme Shareholder's entitlement to consideration for their Scheme Shares will be paid in cash on the basis of the Cash Offer. An estimate of value of the Units and the Partial Cash and Unlisted Securities Alternative will be included in the Scheme Document.

- Certain members of Catalis' senior management team have agreed with Bidco, pursuant to the Rollover Arrangements, to exchange their Catalis shares for a combination of cash, shares and loan notes to be issued by Bidco and/or its related entities.
- The Acquisition is intended to be effected by means of a scheme of arrangement under Part 26 of the Companies Act (or if Bidco elects, with the consent of the Panel, by way of a Takeover Offer) and will be subject to approval of the Scheme at the Court Meeting and the Resolutions at the General Meeting.

#### **Independent Directors**

- The Independent Directors are Peter Biewald and Nick Winks, who are Chairman and Non-Executive Director of Catalis respectively. Catalis' other non-executive directors, Nigel Hammond and Tom Chaloner, are nominees of Leo Capital, Catalis' largest shareholder, and are therefore not members of the Independent Committee and have not participated in the decision to recommend the Acquisition.
- In light of their interest in the Rollover Arrangements and the Sweet Equity Arrangements, Dominic Wheatley, Robert Haxton and Andrew Lawton, the executive directors of Catalis, have not participated in the appraisal of the Acquisition by the Independent Directors, or the decision by the Independent Directors to recommend the Acquisition to Catalis Shareholders.

#### **Recommendation**

- The Independent Directors, who have been so advised by Zeus Capital as to the financial terms of the Cash Offer and the Partial Cash and Unlisted Securities Alternative, unanimously consider the terms of the Cash Offer and the Partial Cash and Unlisted Securities Alternative to be fair and reasonable. In providing its advice to the Independent Directors, Zeus Capital has taken into account the commercial assessments of the Independent Directors. Zeus Capital is providing independent financial advice to the Independent Directors for the purposes of Rule 3 of the Code.
- Accordingly, the Independent Directors unanimously intend to recommend that Catalis Shareholders vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting as they have irrevocably undertaken to do in respect of their own beneficial holdings, amounting to 1,620

and 1,000 Catalis Shares respectively and representing on a combined basis approximately 0.3 per cent. of the Catalis Voting Shares. Peter Biewald and Nick Winks have both undertaken not to elect for the Partial Cash and Unlisted Securities Alternative.

- The Independent Directors unanimously intend to recommend that Catalis Shareholders do not elect for the Partial Cash and Unlisted Securities Alternative unless they are fully cognisant of, and are prepared to accept, the risks and other investment considerations attaching to ownership of unlisted securities and have taken independent professional advice appropriate to their own financial circumstances and investment objectives. **In this regard, Catalis Shareholders' attention is specifically drawn to the risks and other investment considerations set out in paragraph 15 below.**

#### **Irrevocable Undertakings and support for the Acquisition**

- Bidco has received irrevocable undertakings from certain other Catalis Shareholders (including Leo Capital) to vote (or to procure the voting) in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting (or, in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure acceptance of the Takeover Offer) in respect of a total of 543,823 Catalis Shares, representing, in aggregate, approximately 56.7 per cent. of the existing Catalis Voting Shares (and representing approximately 67.1 per cent. of the Catalis Shares eligible to vote at (i) the Court Meeting and (ii) the General Meeting in respect of the Rollover and Sweet Equity Resolution) as at the Last Practicable Date.
- Certain of the shareholders who have given irrevocable undertakings as set out above (Axxion S.A., Discover Capital GmbH, Jonathan Newth and Ian Baverstock) have undertaken not to elect for the Partial Cash and Unlisted Securities Alternative in respect of their shareholdings which represent, in aggregate, approximately 12.2 per cent. of the existing Catalis Voting Shares. Leo Capital has undertaken to elect for the Partial Cash and Unlisted Securities Alternative in respect of its entire beneficial holding of Catalis Shares representing, in aggregate, approximately 44.6 per cent. of the existing Catalis Voting Shares. These irrevocable undertakings remain binding even in the event of a higher competing offer.
- In light of their interests in the Rollover Arrangements and, where applicable, the Sweet Equity Arrangements described in paragraph 12 of this Announcement, Dominic Wheatley, Robert Haxton, Stuart Dinsey, Jason Perkins, David Millar and Jonathan Wingrove (being directors and/or management of Catalis and/or its subsidiaries) will not be entitled to vote at the Court Meeting and will not be entitled to vote at the General Meeting in respect of the resolution to approve the Rollover Arrangements and the Sweet Equity Arrangements. However, each of the Rollover Managers have provided Bidco with an irrevocable undertaking to vote (or to procure the voting) in favour of the Special Resolution to approve, *inter alia*, the implementation of the Scheme to be proposed at the General Meeting (or, in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure acceptance of the Takeover Offer) in respect of 147,526 Catalis Voting Shares, being their entire beneficial holdings of Catalis Shares representing, in aggregate, approximately 15.4 per cent. of the existing Catalis Voting Shares as at the Last Practicable Date. These irrevocable undertakings remain binding even in the event of a higher competing offer.
- Further details of these irrevocable undertakings are set out in Appendix III to this Announcement.

#### **Rollover Arrangements**

- Pursuant to the Rollover Arrangements, the Rollover Managers have agreed to exchange their Catalis Shares and B Ordinary Shares for a combination of cash and securities that will ultimately be issued by

Topco via an exchange mechanism, thereby aligning their economic interests with the Wider Bidco Group by way of participation in the equity structure of Topco. No additional value is created at the time of the transaction as a result of the Rollover Arrangements, although participation in future growth could result in further value accruing over time. The Rollover Arrangements will result in the Rollover Managers owning shares and other securities in Topco in the manner more particularly described in paragraph 12 of this Announcement.

- The Independent Directors support Bidco's belief that the ongoing participation of the Rollover Managers in the Company is an important element of the Acquisition, and are pleased that they will continue as employees of Catalis and investors in Topco following completion of the Acquisition.

#### **Sweet Equity Arrangements**

- Pursuant to the Sweet Equity Arrangements, the Sweet Equity Participants will receive equity in Topco to further incentivise them, align their interests with the Wider Bidco Group, and provide additional upside if the equity value of the Company increases. The Sweet Equity Arrangements will result in the Sweet Equity Participants owning shares and other securities in Topco in the manner more particularly described in paragraph 12 of this Announcement.
- The Independent Directors support Bidco's belief that the ongoing participation of the Sweet Equity Participants in the Company is an important element of the Acquisition, and are pleased that they will continue as employees of Catalis in their current roles and investors in Topco following completion of the Acquisition.

#### **Scheme Document**

- The Scheme Document will include further information about the Acquisition, together with notices of the Court Meeting and the General Meeting and the expected timetable of the Scheme, and will specify the actions recommended to be taken by Catalis Shareholders. The Scheme Document will be sent to Catalis Shareholders as soon as reasonably practicable and, in any event (save with the consent of the Panel), within 28 days of this Announcement and will be made available by Catalis and Bidco at [www.catalisgroup.com](http://www.catalisgroup.com) (subject to certain restrictions in relation to persons in Restricted Jurisdictions).
- The Acquisition will be conditional, amongst other things, on the following matters:
  - the approval of the Scheme by a majority in number of Catalis Shareholders entitled to vote at the Court Meeting, either in person or by proxy, representing at least 75 per cent. in value of the Catalis Shares voted;
  - the approval by Catalis Shareholders representing at least 75 per cent. of the votes cast on the Special Resolution;
  - the approval on a poll by Catalis Independent Shareholders, representing a simple majority of the votes cast, of the Rollover and Sweet Equity Resolution;
  - the sanction of the Scheme by the Court;
  - the Scheme becoming Effective by no later than the Long Stop Date; and
  - the satisfaction of the other Conditions listed in Appendix I to this Announcement.

#### **Exempted Document**

The Exempted Document, which is being sent to Catalis Shareholders in connection with the Units being offered through the Partial Cash and Unlisted Securities Alternative, will include further information about Topco, the Topco Group (as enlarged following completion of the Acquisition) and the Topco Ordinary Shares and Topco Preferred Ordinary Shares which eligible Scheme Shareholders may elect for under the Partial Cash and Unlisted Securities Alternative. The Exempted Document will be sent to Catalis Shareholders at the same time as the Scheme Document, and will be made available by Catalis and Bidco at [www.catalisgroup.com](http://www.catalisgroup.com) (subject to certain restrictions in relation to persons in Restricted Jurisdictions).

### **Comments on the Acquisition**

Commenting on the Acquisition, Peter Biewald, Chairman of Catalis said:

*"Catalis has performed well and according to plan since its delisting from the Frankfurt Stock Exchange in 2018, delivering organic growth, a publishing portfolio of increased depth and quality, and a strengthened Testronic business. I would like to take this opportunity to thank all the employees of Catalis for all their hard work and support.*

*The offer from Bidco represents a 179.6 per cent. premium to the market capitalisation implied by the share price at the time of the delisting, just over a year ago. The Independent Directors believe that Bidco will be an excellent partner to Catalis and its management and believe the Acquisition is in the best interests of all our stakeholders. We as the Independent Directors unanimously intend to recommend that shareholders vote in favour of the resolutions relating to the Acquisition."*

### **General**

**This summary should be read in conjunction with, and is subject to, the full text of this Announcement (including its Appendices).**

**The Acquisition will be subject to the Conditions and further terms set out in Appendix I to this Announcement and to the full terms and conditions which will be set out in the Scheme Document. Appendix II to this Announcement contains the sources of and bases of calculation for certain information contained in this Announcement. Appendix III to this Announcement contains a summary of the irrevocable undertakings received in relation to the Acquisition. Appendix IV to this Announcement contains definitions of certain expressions used in this summary and in this Announcement.**

### **Enquiries:**

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Eversheds Sutherland (International) LLP is providing legal advice to NorthEdge and Bidco. Squire Patton Boggs (UK) LLP is providing legal advice to Catalis.

***Important notices***

*GCA Altium, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively as financial adviser to Bidco and NorthEdge and for no one else in connection with the Acquisition or any matters referred to in this Announcement and will not be responsible to anyone other than Bidco and NorthEdge for providing the protections afforded to its clients nor for providing advice in relation to the Acquisition, the contents of this Announcement or any other matters referred to in this Announcement.*

*Zeus Capital, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as financial adviser to Catalis and for no one else in connection with the Acquisition or any matters referred to in this Announcement and will not be responsible to anyone other than Catalis for providing the protections afforded to its clients nor for providing advice in relation to the Acquisition, the contents of this Announcement or any other matters referred to in this Announcement.*

*This Announcement is for information purposes only and is not intended to and does not constitute, or form part of, any offer, invitation, inducement or the solicitation of an offer to purchase or otherwise acquire, subscribe for, sell or otherwise dispose of or exercise rights in respect of any securities, or the solicitation of any vote or approval of an offer to buy securities in any jurisdiction (pursuant to the Acquisition or otherwise) nor shall there be any sale, issuance or transfer of any securities pursuant to the Acquisition in any jurisdiction in contravention of any applicable laws.*

*The Acquisition will be made solely by means of the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, any document by which the Takeover Offer is made), which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Scheme and the Resolutions proposed at the General Meeting, and the Exempted Document. Any decision, vote or other response in respect of the Acquisition should be made only on the basis of information contained in the Scheme Document and the Exempted Document. Catalis will prepare the Scheme Document and Topco will prepare the Exempted Document to be distributed to Catalis Shareholders at no cost to them. Catalis Shareholders are advised to read the formal documentation in relation to the Acquisition carefully once it becomes available because it will contain important information relating to the Acquisition.*

*This Announcement does not constitute a prospectus or a prospectus equivalent document.*

*This Announcement has been prepared for the purpose of complying with English law and the Code and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.*

***Overseas jurisdictions***

*The release, publication or distribution of this Announcement in certain jurisdictions other than the United Kingdom may be restricted by law and the ability of Catalis Shareholders who are not resident in the United Kingdom to participate in the Acquisition may be restricted by the laws and/or regulations of those jurisdictions. In particular, the ability of persons who are not resident in the United Kingdom to vote their*

*Scheme Shares with respect to the Scheme at the Court Meeting or with respect to the Resolutions at the General Meeting, or to execute and deliver Forms of Proxy appointing another to vote at the Court Meeting and/or General Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Therefore, any persons who are subject to the laws and regulations of any jurisdiction other than the United Kingdom or Catalis Shareholders who are not resident in the United Kingdom should inform themselves of, and observe, any applicable requirements in their jurisdiction. To the fullest extent permitted by applicable law, the Wider Bidco Group and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. Any failure to comply with the applicable requirements may constitute a violation of the laws and/or regulations of any such jurisdiction.*

*The Acquisition will not be made, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws of that jurisdiction and no person may vote in favour of the Acquisition by any use, means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this Announcement and any formal documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.*

*Further details in relation to Catalis Shareholders in overseas jurisdictions will be contained in the Scheme Document.*

#### **Notice to US investors**

*Catalis Shareholders in the United States should note that the Acquisition relates to the securities of a company organised under the laws of England and Wales and is proposed to be effected by means of a scheme of arrangement under the laws of England and Wales. This Announcement, the Scheme Document, the Exempted Document and certain other documents relating to the Acquisition have been or will be prepared in accordance with English law, the Code and UK disclosure requirements, format and style, all of which differ from those in the United States. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act. Accordingly, the Acquisition is subject to the disclosure requirements of and practices applicable in the United Kingdom to schemes of arrangement, which differ from the disclosure requirements of the United States tender offer and proxy solicitation rules.*

*The New Topco Shares which may be issued pursuant to the Acquisition have not been registered under the US Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the US Securities Act.*

*Catalis' financial statements, and all financial information that is included in this Announcement or that may be included in the Scheme Document, the Exempted Document or any other documents relating to the Acquisition, have been prepared in accordance with International Financial Reporting Standards and may not be comparable to financial statements of companies in the United States or other companies whose financial statements are prepared in accordance with US generally accepted accounting principles.*

#### **Forward Looking Statements**

*This Announcement contains certain statements about Topco, Bidco and Catalis that are, or may be deemed to be, "forward-looking statements" which are prospective in nature. All statements other than statements of historical fact, are or may be deemed to be, forward-looking statements. Forward-looking statements are based on current expectations and projections about future events and are therefore subject to known and*

*unknown risks and uncertainties which could cause actual results, performance or events to differ materially from the future results, performance or events expressed or implied by the forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects", "is expected", "is subject to", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "believes", "targets", "aims", "projects", "goal", "objective", "outlook", "risks", "seeks" or words or terms of similar substance or the negative thereof, as well as variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might", "probably" or "will" be taken, occur or be achieved. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations.*

*Such forward-looking statements involve risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward-looking statements. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date of this Announcement. Any forward-looking statements made in this Announcement on behalf of Topco, Bidco or Catalis are made as of the date of this Announcement based on the opinions and estimates of directors of Topco, Bidco and Catalis, respectively. Each of Topco, Bidco and Catalis and their respective members, directors, officers, employees, advisers and any person acting on behalf of one or more of them, expressly disclaims any intention or obligation to update or revise any forward-looking or other statements contained in this Announcement, whether as a result of new information, future events or otherwise, except as required by applicable law. Neither Topco, Bidco, Catalis nor their respective members, directors, officers or employees, advisers or any person acting on their behalf, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Announcement will actually occur.*

*No forward-looking or other statements have been reviewed by the auditors of Topco, Bidco or Catalis. All subsequent oral or written forward-looking statements attributable to Topco, Bidco, Catalis or to any of their respective members, directors, officers, advisers or employees or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements above.*

### ***Rounding***

*Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.*

### ***No profit forecasts or estimates***

*Nothing in this Announcement is intended or shall be deemed to be a forecast, projection or estimate of the future financial performance of Topco, Bidco or Catalis for any period and no statement in this Announcement should be interpreted to mean that cash flow from operations, earnings, or earnings per share or income for the current or future financial years would necessarily match or exceed the historical published cash flow from operations, earnings, earnings per share or income of Catalis.*

### ***Disclosure requirements of the Code***

*Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure*



*must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) of the Code applies must be made by no later than 3:30 p.m. (London time) on the 10<sup>th</sup> Business Day following the commencement of the offer period and, if appropriate, by no later than 3:30 p.m. (London time) on the 10<sup>th</sup> Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.*

*Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8 of the Code. A Dealing Disclosure by a person to whom Rule 8.3(b) of the Code applies must be made by no later than 3:30 p.m. (London time) on the Business Day following the date of the relevant dealing.*

*If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will normally be deemed to be a single person for the purpose of Rule 8.3 of the Code.*

*Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4 of the Code).*

*Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.*

***Publication on website and availability of hard copies***

*A copy of this Announcement and the display documents required to be published pursuant to Rule 26.1 of the Code will be made available free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Catalis' website at [www.catalisgroup.com](http://www.catalisgroup.com) by no later than 12 noon (London time) on the Business Day following this Announcement. Neither the content of any website referred to in this Announcement nor the content of any website accessible from hyperlinks is incorporated into, or forms part of, this Announcement.*

*Any person who is required to be sent a copy of this Announcement under the Code, and who has not received a hard copy of it, may request a hard copy of this Announcement (and any information incorporated by reference in this Announcement) by submitting a request in writing to Computershare (The Pavilions, Bridgwater Road, Bristol, BS13 8AE, United Kingdom. Please note that Computershare cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.*

*Save as otherwise referred to above, a hard copy of this Announcement will not be sent unless requested. Any such person may also request that all future documents, announcements and information in relation to the Acquisition should be sent to them in hard copy form.*

**Relevant securities in issue**

*In accordance with Rule 2.9 of the Code, Catalis confirms that, as at the date of this Announcement, its current issued share capital comprises 889,114 ordinary shares of £0.80 each, 69,373 B ordinary shares of £0.80 each and 1,593 deferred shares of £0.80 each. Catalis does not hold any Catalis Shares in treasury. The International Securities Identification Number for Catalis Shares is GB00BJLMMN43.*

**Electronic communications**

*Please be aware that all addresses, electronic addresses (if any) and certain other information provided by the Catalis Shareholders, persons with information rights and other relevant persons for the receipt of communications from Catalis may be provided to offerors (including Bidco) during the Offer Period as required under Section 4 of Appendix 4 of the Code to comply with Rule 2.11(c) of the Code.*

**General**

*If you are in any doubt about the contents of this Announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor or independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriate authorised independent financial adviser.*

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**RECOMMENDED ACQUISITION**

**of**

**Catalis plc**

**by**

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**a newly formed company indirectly controlled by funds managed by NorthEdge Capital LLP**

**to be effected by means of a scheme of arrangement under Part 26 of the Companies Act**

**1. Introduction**

The Board of Bidco and the Independent Directors of Catalis are pleased to announce that they have reached agreement on the terms of a recommended cash offer, with a partial cash and unlisted securities alternative, to be made by Bidco to acquire the entire issued and to be issued share capital of Catalis. The Acquisition is intended to be effected by means of a scheme of arrangement under Part 26 of the Companies Act.

**2. The Acquisition**

Under the terms of the Acquisition, which shall be subject to the Conditions and further terms set out in Appendix I to this Announcement and to be set out in the Scheme Document, Scheme Shareholders shall be entitled to receive:

**for each Scheme Share held                      £95.13 in cash**

The Acquisition values the entire issued and to be issued share capital of Catalis at approximately £89.8 million on a fully diluted basis.

**3. The Partial Cash and Unlisted Securities Alternative**

As an alternative to the Cash Consideration to which they would otherwise be entitled under the Acquisition, eligible Scheme Shareholders will be able to elect to receive the Partial Cash and Unlisted Securities Alternative comprising:

**for each Scheme Share held                      £36.57 in cash and 1 Unit (each Unit  
comprising 5.9048 New Topco Ordinary**

## **Shares plus 585 New Topco Preferred Ordinary Shares)**

Scheme Shareholders who do not elect for the Partial Cash and Unlisted Securities Alternative will automatically receive the full Cash Consideration. The availability of the Units under the Partial Cash and Unlisted Securities Alternative is limited to a maximum of 427,069 Units which would comprise 249,835,365 New Topco Preferred Ordinary Shares and 2,521,762 New Topco Ordinary Shares, representing approximately 25.2 per cent. of the voting rights of the entire issued share capital of Topco following the issue of the Sweet Equity Shares. To the extent that elections for Units under the Partial Cash and Unlisted Securities Alternative cannot be satisfied in full, they will be scaled down as nearly as reasonably practicable pro rata to the proportion of Scheme Shares in respect of which such eligible Scheme Shareholder has validly elected to receive the Partial Cash and Unlisted Securities Alternative relative to the aggregate number of Scheme Shares in respect of which all validly electing and eligible Scheme Shareholders have elected to receive the Partial Cash and Unlisted Securities Alternative. The balance of such eligible Scheme Shareholder's entitlement to consideration for their Scheme Shares will be paid in cash on the basis of the Cash Offer.

Fractional entitlements to New Topco Shares under the Partial Cash and Unlisted Securities Alternative will be rounded down to the nearest whole number and will not be allotted or issued to Scheme Shareholders but will be disregarded.

The Units will be independently valued and an estimate of value of the Units and the Partial Cash and Unlisted Securities Alternative will be included in the Scheme Document. Further information about the New Topco Shares comprised in the Units will be included in the Exempted Document.

The issue of any New Topco Shares is subject to the Conditions and further terms set out in Appendix I to this Announcement and which will be set out in the Scheme Document.

#### **4. Conditions to the Acquisition**

The Acquisition will be subject to the Conditions and further terms set out in Appendix I to this Announcement and which will be set out in the Scheme Document, including:

- the approval of the Scheme by a majority in number of Catalis Shareholders entitled to vote at the Court Meeting, either in person or by proxy, representing at least 75 per cent. in value of the Scheme Shares voted;
- the approval by Catalis Shareholders representing at least 75 per cent. of the votes cast on the Special Resolution;
- the approval on a poll by Catalis Independent Shareholders, representing a simple majority of the votes cast, of the Rollover and Sweet Equity Resolution;
- the sanction of the Scheme by the Court;
- the Scheme becoming Effective by no later than the Long Stop Date; and
- the satisfaction of the other Conditions listed in Appendix I to this Announcement.

#### **5. Background to and reasons for the Acquisition**

Bidco intends to support the Catalis management team in the continued growth of Catalis by way of investment in new third-party development opportunities, continued expansion of Catalis' client base and scaling the business globally. Bidco will also seek to support Catalis management in diversifying its revenue base across new game releases and back-catalogue titles and expanding its testing activities.

NorthEdge has significant prior experience in the gaming sector, most recently through its investment in video game and interactive products developer Sumo Digital, and a strong track record in scaling companies globally. Bidco believes that, with the support of NorthEdge and together with the continuing participation of the existing senior management team, Catalis is well positioned to capitalise on the significant growth opportunities available in its end markets including accessing the streaming market, launching additional service lines and identifying buy-and-build opportunities.

## **6. Recommendation by the Independent Directors**

### ***Independent Directors***

The Independent Directors are Peter Biewald and Nick Winks, who are Chairman and Non-Executive Director of Catalis respectively. Catalis' other non-executive directors, Nigel Hammond and Tom Chaloner, are nominees of Leo Capital, Catalis' largest shareholder, and are therefore not members of the Independent Committee and have not participated in the decision to recommend the Acquisition.

In light of their interest in the Rollover Arrangements and the Sweet Equity Arrangements, Dominic Wheatley, Robert Haxton and Andrew Lawton, the executive directors of Catalis, have not participated in the appraisal of the Acquisition by the Independent Directors, or the decision by the Independent Directors to recommend the Acquisition to Catalis Shareholders.

### ***Recommendation***

The Independent Directors, who have been so advised by Zeus Capital as to the financial terms of the Cash Offer and the Partial Cash and Unlisted Securities Alternative, unanimously consider the terms of the Cash Offer and the Partial Cash and Unlisted Securities Alternative to be fair and reasonable. In providing its advice to the Independent Directors, Zeus Capital has taken into account the commercial assessments of the Independent Directors. Zeus Capital is providing independent financial advice to the Independent Directors for the purposes of Rule 3 of the Code.

Accordingly, the Independent Directors unanimously intend to recommend that Catalis Shareholders vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting as they have irrevocably undertaken to do in respect of their own beneficial holdings, amounting to 1,620 and 1,000 Catalis Shares respectively and representing on a combined basis approximately 0.3 per cent. of the Catalis Voting Shares. Peter Biewald and Nick Winks have both undertaken not to elect for the Partial Cash and Unlisted Securities Alternative.

The New Topco Shares will be unlisted and will represent a minority investment in a company controlled by the NorthEdge Funds. They will not be admitted to trading on any stock exchange and they will therefore be illiquid. Any assessment of the value of New Topco Shares should therefore take into account an individual shareholder's assessment of an appropriate liquidity discount.

The Independent Directors unanimously intend to recommend that Catalis Shareholders do not elect for the Partial Cash and Unlisted Securities Alternative unless they are fully cognisant of, and are prepared to accept, the risks and other investment considerations attaching to ownership of unlisted securities and have taken independent professional advice appropriate to their own financial circumstances and investment objectives. **In this regard, Catalis Shareholders' attention is specifically drawn to the risks and other investment considerations set out in paragraph 15 below.**

## **7. Background to the Independent Directors' recommendation**

Catalis delisted from the Frankfurt Stock Exchange in June 2018 on the grounds that it did little business in Germany, that the listing no longer generated substantial trading liquidity and that the valuation attached to its ordinary shares was not, in the opinion of the Catalis Directors, reflective of the true value of the Company.

Since that time the Catalis Directors have been considering the best way to provide shareholders with trading liquidity and/or an exit event, at a valuation more reflective of the Company's intrinsic value. The Company's executive management and major shareholder is based in the United Kingdom, and this, combined with the strong interest in the video gaming sector amongst the UK investment community, led the Catalis Directors to seek investment from UK based investors. The registered office of Catalis was moved to the UK and the Company converted to a public limited company in order to explore this interest.

The Catalis Directors initially identified an IPO in the UK as being a potentially viable route forward for Catalis, and therefore engaged Zeus Capital to advise on achieving a listing on the AIM market of the London Stock Exchange during 2018. Despite strong demand and interest in the business from institutional investors, global and UK IPO market conditions ultimately proved to not be conducive to achieving a listing at that time in a manner that delivered on the objectives of the Catalis Directors and certain of Catalis' major shareholders, including a valuation that was acceptable to the Catalis Directors and those major shareholders. The process was therefore put on hold pending an improvement in market sentiment and the Catalis Directors' further considerations around the likelihood of a UK IPO delivering the Directors' objectives.

During Q1 of 2019, the Catalis Directors engaged Zeus Capital to explore the possibility of private equity investment in a management buyout transaction. After a short period of information gathering and initial diligence it became clear that the valuation achievable via this route was likely to represent a significant premium to that which the Catalis Directors believed could be achievable via an IPO. The Board of Catalis therefore authorised the Rollover Managers to explore this possibility with a number of potential backers, with a view to presenting the Independent Directors with an offer for the entire issued and to be issued share capital of Catalis. The Rollover Managers ultimately selected NorthEdge as their preferred backer, which has formed Bidco to present an offer on the terms of the proposed Acquisition.

## **8. Reasons for the Independent Directors' recommendation**

Whilst the Independent Directors are confident in the standalone prospects of Catalis, which has grown strongly since its delisting from the Frankfurt Stock Exchange and continues to trade well, they are mindful of the fact that Catalis' many retail shareholders do not currently have a facility via which they can trade in Catalis Shares and/or realise any of either their initially invested capital or the unrealised profits that might exist as a result of the trading performance of the Company and wider interest in the video gaming sector.

The Independent Directors have carefully assessed the merits of the Acquisition on behalf of Catalis Shareholders as a whole, and have come to the unanimous decision to recommend the Acquisition at a price of £95.13 in cash for each Catalis Share.

In the view of the Independent Directors, the Acquisition allows Catalis Shareholders to realise a cash exit at an attractive price, with an equity valuation of the Company of £89.8 million (equivalent to €96.8 million at the Applied Exchange Rate), representing a premium of approximately:

- 179.6 per cent. to the market capitalisation of Catalis of €34.6 million implied by the last price at which the ordinary shares in Catalis were traded on the Frankfurt Stock Exchange prior to its delisting, being €44.00 per share; and

- 159.6 per cent. to the market capitalisation of Catalis of €37.3 million implied by the highest price at which the ordinary shares in Catalis were traded on the Frankfurt Stock Exchange in the twelve months period prior to its delisting, being €47.40 per share on 12 June 2018.

The Independent Directors are mindful of the fact that any cash exit for Catalis Shareholders at these levels may not be achievable in the near-term due to the lack of a trading facility and the political and macroeconomic uncertainty weighing on the UK IPO market.

Important factors that the Independent Directors have taken into account in arriving at this conclusion include:

- The lack of a trading facility in Catalis Shares (and that there is no current intention to provide a trading facility in the future)
- Uncertainty over if or when an IPO might be achievable on economic terms
- The aggregate Cash Consideration representing a significant premium to any UK IPO valuation that was felt to be achievable after conducting a comprehensive IPO marketing exercise in late 2018
- The Acquisition representing the most attractive offer to arise from a competitive process in which a number of institutional investors expressed an interest in acquiring Catalis.

The Independent Directors are also of the view that a significant market opportunity exists for Catalis, but that this will require capital investment both in new games and in M&A activity, both of which are more easily achieved with a concentrated and well-funded shareholder base. The Independent Directors also welcome Bidco's stated intentions concerning Catalis' management and employees, locations of business and strategic plans (further details of which are set out in paragraph 13 of this Announcement).

In considering their recommendation, the Independent Directors also note that certain Catalis Shareholders have provided irrevocable undertakings to vote in favour of the various resolutions required to effect the Acquisition, indicating their support of the proposed Acquisition (further details of which are set out in paragraph 9 of this Announcement).

## **9. Irrevocable Undertakings**

Bidco has received irrevocable undertakings from certain other Catalis Shareholders (including Leo Capital) to vote (or to procure the voting) in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting (or, in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure acceptance of the Takeover Offer) in respect of a total of 543,823 Catalis Shares, representing, in aggregate, approximately 56.7 per cent. of the existing Catalis Voting Shares (and representing approximately 67.1 per cent. of the Catalis Shares eligible to vote at (i) the Court Meeting and (ii) the General Meeting in respect of the Rollover and Sweet Equity Resolution) as at the Last Practicable Date.

Certain of the shareholders who have given irrevocable undertakings as set out above (Axxion S.A., Discover Capital GmbH, Jonathan Newth and Ian Baverstock) have undertaken not to elect for the Partial Cash and Unlisted Securities Alternative in respect of their shareholdings which represent, in aggregate, approximately 12.2 per cent. of the existing Catalis Voting Shares. Leo Capital has undertaken to elect for the Partial Cash and Unlisted Securities Alternative in respect of its entire beneficial holding of Catalis Shares representing, in aggregate, approximately 44.6 per cent. of the existing Catalis Voting Shares. These irrevocable undertakings remain binding even in the event of a higher competing offer.

In light of their interests in the Rollover Arrangements and, where applicable, the Sweet Equity Arrangements described in paragraph 12 of this Announcement, Dominic Wheatley, Robert Haxton, Stuart Dinsey, Jason Perkins, David Millar and Jonathan Wingrove (being directors and/or management of Catalis and/or its

subsidiaries) will not be entitled to vote at the Court Meeting and will not be entitled to vote at the General Meeting in respect of the resolution to approve the Rollover Arrangements and the Sweet Equity Arrangements. However, each of the Rollover Managers have provided Bidco with an irrevocable undertaking to vote (or to procure the voting) in favour of the Special Resolution to approve, *inter alia*, the implementation of the Scheme to be proposed at the General Meeting (or, in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure acceptance of the Takeover Offer) in respect of 147,526 Catalis Voting Shares, being their entire beneficial holdings of Catalis Shares representing, in aggregate, approximately 15.4 per cent. of the existing Catalis Voting Shares as at the Last Practicable Date. These irrevocable undertakings remain binding even in the event of a higher competing offer.

Further details of these irrevocable undertakings, including the circumstances in which they may lapse, are set out in Appendix III to this Announcement.

#### **10. Information on NorthEdge, the Topco Group and the Co-investors**

##### *NorthEdge Capital LLP*

NorthEdge manages over £650m of private equity funds aimed at mid-market buy-out and development capital transactions. NorthEdge invests across growth and development capital, management buy-outs, equity release and buy-and-build opportunities.

The NorthEdge team has substantial experience of investing in high growth companies having supported 30 growth businesses to date across the technology, industrials, logistics, legal services and consumer sectors. NorthEdge has prior expertise in the gaming sector, most significantly through its prior investment in Sumo Digital, a developer of video games and interactive entertainment products.

NorthEdge is a limited liability partnership and is authorised and regulated by the Financial Conduct Authority.

##### *Topco Group*

Topco is a company limited by shares, incorporated on 4 June 2019 under the laws of England and Wales for the purpose of holding shares in Midco 1 and acting as the holding company of the Topco Group into which the NorthEdge Funds, the Co-investors and the Rollover Managers and eligible Scheme Shareholders who elect to receive the Partial Cash and Unlisted Securities Alternative will hold their interests. The directors of Topco are Phillip Frame and Dominic Wheatley.

Topco is currently owned indirectly by NorthEdge Fund II and by Dominic Wheatley.

Midco 1 is a company limited by shares, incorporated on 4 June 2019 under the laws of England and Wales for the purpose of holding shares in Midco 2. The directors of Midco 1 are Phillip Frame and Dominic Wheatley.

Midco 2 is a company limited by shares, incorporated on 4 June 2019 under the laws of England and Wales for the purpose of holding shares in Bidco. The directors of Midco 2 are Phillip Frame and Dominic Wheatley.

Bidco is a company limited by shares, incorporated on 4 June 2019 under the laws of England and Wales for the purpose of implementing the Acquisition. The directors of Bidco are Phillip Frame and Dominic Wheatley.

No company in the Topco Group has traded since the date of its incorporation nor entered into any obligations other than in connection with the Acquisition and its financing.

##### *Co-investors*

Each of Pathway, Unigestion and MLC (the “Co-investors”) has agreed to invest alongside NorthEdge in the Topco Group in connection with the Offer.



MLC Limited (“**MLC**”) is the wealth management business of National Australia Bank, and provides investments, superannuation and financial advice to corporate, institutional and retail customers. MLC invests in private equity funds through its MLC Private Equity business, founded in 1997.

Pathway Capital Management (“**Pathway**”) provides private market solutions with over US\$55 billion of assets under management from private equity, private credit and infrastructure markets. Formed in 1991, Pathway creates and manages single- and multi-investor programs for institutional investors worldwide, investing in various private market strategies through primaries, secondaries and co-investments.

Unigestion SA (“**Unigestion**”) is an independent, specialist asset manager serving a worldwide investor base of more than 500 clients. Unigestion manages US\$22.9 billion in assets across the equities, private equity, liquid alternatives and multi asset categories, and is headquartered in Geneva, Switzerland.

Further details of the Co-investors and their investment in the Topco Group will be set out in the Scheme Document.

## **11. Information on Catalis**

Catalis consists of three businesses providing support services and publishing to the global games marketplace. Catalis’ Testronic business is an award-winning provider of QA and testing services to the video games and film and TV industries. Kuju is Catalis’ in-house video games development business. Curve Digital is a major video games publisher for third-party independent developers.

The Curve Digital publishing portfolio includes titles such as Flame in the Flood, Smoke and Sacrifice, Bomber Crew and Human Fall Flat. Game franchises developed by Kuju include Guitar Hero, The Voice, Zumba, Risk, Top Gun, Lord of the Rings and Art Academy.

Catalis is headquartered in London, with other offices in Los Angeles, Warsaw, Santiago, Brighton and Bangkok and a sales and marketing presence in San Francisco.

## **12. Rollover Arrangements and Sweet Equity Arrangements**

### *Rollover Arrangements*

Pursuant to the Rollover Arrangements, the Rollover Managers have agreed to exchange their Catalis Shares and B Ordinary Shares for a combination of cash, loan notes, preferred ordinary shares and ordinary shares that will ultimately be issued by Topco via an exchange mechanism, alongside NorthEdge on a pari passu basis, thereby aligning their economic interests with the Wider Bidco Group by way of participation in the equity structure of Topco. No additional value is created at the time of the transaction as a result of the Rollover Arrangements, although participation in future growth could result in further value accruing over time. The Rollover Arrangements will result in the Rollover Managers owning shares and other securities in Topco in the manner described below.

The Rollover Managers' participation in the Rollover Arrangements, which are conditional upon the Scheme having become Effective in accordance with its terms, are as follows:

| <b>Shareholder</b> | <b>Job Title</b> | <b>Shareholding in Catalis*</b> | <b>% Value rollover into Bidco equity**</b> | <b>Equity shareholding % post Acquisition (following the issue of the Sweet Equity Shares)</b> |
|--------------------|------------------|---------------------------------|---|--|
| Dominic Wheatley   | Group CEO        | 10.1%                           | 60.0%                                       | 17.5%  |

|                   |                            |              |        |              |
|-------------------|----------------------------|--------------|--------|--------------|
| Robert Haxton     | Group CFO                  | 1.9%         | 60.0%  | 4.0%         |
| Stuart Dinsey     | Chairman, Curve Digital    | 1.4%         | 60.0%  | 1.8%         |
| Jason Perkins     | MD, Curve Digital          | 0.4%         | 60.0%  | 0.2%         |
| David Miller      | Founder, Runner Duck Games | 0.1%         | 100.0% | 0.1%         |
| Jonathan Wingrove | Founder, Runner Duck Games | 0.1%         | 100.0% | 0.1%         |
| <b>TOTAL</b>      |                            | <b>14.1%</b> |        | <b>23.8%</b> |

\* Calculated as if B Ordinary Shares had been converted into Catalis Shares in accordance with Catalis' articles of association.

\*\*The balance of the Rollover Managers' Catalis shareholding not rolled over into Bidco equity will be acquired by Bidco for cash pursuant to the Sale and Purchase Agreement

The Independent Directors support Bidco's belief that the ongoing participation of the Rollover Managers in the Company is an important element of the Acquisition, and are pleased that they will continue as employees of Catalis in their current roles and investors in the Wider Bidco Group following completion of the Acquisition.

#### *Sweet Equity Arrangements*

Sweet equity arrangements are in place so that the value of the equity held by certain members of management in the Wider Bidco Group, following the Acquisition, can be increased relative to other shareholders, depending on the success of the investment.

Pursuant to the terms of the Acquisition, the Sweet Equity Participants will receive equity (the "**Sweet Equity Shares**") in Topco (the "**Sweet Equity Pot**") to further incentivise them, align their interests with the Wider Bidco Group, and provide additional upside if the equity value of the Company increases (the "**Sweet Equity Arrangements**"). The Sweet Equity Arrangements will result in the Sweet Equity Participants owning shares and other securities in Topco in the manner more particularly described below.

The Sweet Equity Pot allocation relates to 20 per cent. of Topco's equity share capital which will have little value immediately following the Acquisition (and will be initially issued at nominal value).

The Topco articles of association will contain a ratchet which enables the holders of the Sweet Equity Shares to participate in greater proportions of the proceeds on any sale of Topco depending on the amount of proceeds received by the NorthEdge Funds. The minimum proportion that the Sweet Equity Shares will participate in as a class is 20 per cent. of the proceeds of a sale.

There are three target return levels based on a multiple of the amount of return on investment received by the NorthEdge Funds set at 3 times, 4 times and 6 times the amount invested and received by way of dividend or return of capital. The Rollover Managers will participate in an additional 5 per cent. of the excess over and above the amount required to achieve each level of return up to a maximum of an additional 15 per cent.

The Sweet Equity Participants will be allocated 19 per cent. out of the 20 per cent. of the Sweet Equity Pot at or shortly after the Effective Date based on their role. The remaining 1 per cent. will remain unallocated and reserved for future incentivisation.

The Sweet Equity Pot will be allocated as follows:

| <b>Category</b>  | <b>Job Title</b>                      | <b>Initial Sweet Equity Entitlement</b> |
|------------------|---------------------------------------|---|
| Dominic Wheatley | Group CEO                             | 12.0%                                   |
| Robert Haxton    | Group CFO                             | 3.0%                                    |
| Andrew Lawton    | Corporate Finance & Strategy Director | 3.0%                                    |
| Stuart Dinsey    | Chairman, Curve Digital               | 1.0%                                    |
| Unallocated      | N/A                                   | 1.0%                                    |
| <b>TOTAL</b>     |                                       | <b>20.0%</b>                            |

The Independent Directors support Bidco's belief that the ongoing participation of the Sweet Equity Participants in the Company is an important element of the Acquisition, and are pleased that they will continue as employees of Catalis and investors in the Wider Bidco Group following completion of the Acquisition.

*Agreements effecting the Rollover Arrangements and the Sweet Equity Arrangements*

The Rollover Managers have entered into a number of agreements with Bidco to effect the Rollover Arrangements and the Sweet Equity Arrangements, as follows:

*Sale and Purchase Agreement*

A Sale and Purchase Agreement dated on the date hereof entered into by the Rollover Managers provides for the sale by each of the Rollover Manager of his Catalis Shares and, his B Ordinary Shares in consideration for cash and loan notes to be issued by Bidco. All of the B Ordinary Shares in issue are held by the Rollover Managers. The Rollover Managers hold 78,153 Catalis Shares and 69,373 B Ordinary Shares in aggregate which, will have an aggregate value of £12.7 million. Pursuant to the Sale and Purchase Agreement, in addition to £3.7 million of cash, loan notes issued by Bidco with an aggregate principal amount of £8.9 million will be issued to the Rollover Managers (the "**Bidco Rollover Notes**").

*Put and Call Option Deed*

A Put and Call Option Deed dated on the date hereof provides for the transfer by the Rollover Managers, by means of a series of put and call options of certain securities in the Topco Group. The Rollover Managers will be issued Bidco Rollover Notes by Bidco under the Sale and Purchase Agreement. The Rollover Managers will exchange the Bidco Rollover Notes in consideration for loan notes issued by Midco 2. The Rollover Managers will then exchange the loan notes issued by Midco 2 for loan notes issued by Midco 1. Finally, the Rollover Managers will exchange the loan notes issued by Midco 1 for ordinary shares, preferred ordinary shares and, in the case of Dominic Wheatley, loan notes issued by Topco.

*Equity Terms Agreement*

An Equity Terms Agreement dated on the date hereof sets out the terms on which, amongst other things, the Rollover Managers will hold their investment in Topco in the form of Topco Ordinary Shares, Topco Preferred Ordinary Shares and, in the case of Dominic Wheatley, loan notes issued by Topco following the completion of the series of puts and calls provided for by the Put and Call Option Deed.

Following the Effective Date, the Rollover Managers will hold in aggregate, approximately 9.7 per cent. of the Topco Preferred Ordinary Shares and approximately 23.8 per cent. of the Topco Voting Shares following the issue of the Sweet Equity Shares.

*Approval of the Rollover Arrangements and the Sweet Equity Arrangements*

Pursuant to Rule 16.2 of the Code the Catalis Independent Shareholders will be asked at the General Meeting to approve the Rollover Arrangements and Sweet Equity Arrangements described in this paragraph 12 by voting on the Rollover and Sweet Equity Resolution. None of the Rollover Managers or Sweet Equity Participants who hold Catalis Shares nor their connected persons, nor any person holding Catalis Shares on behalf of the Rollover Managers or Sweet Equity Participants and / or any of their connected persons will be entitled to vote on the Rollover and Sweet Equity Resolution.

Voting on the Rollover and Sweet Equity Resolution will be by way of a poll.

The Independent Directors unanimously intend to recommend that Catalis Independent Shareholders vote in favour of the Rollover and Sweet Equity Resolution at the General Meeting. For the purposes of Rule 16.2 of the Code, Zeus Capital have confirmed to the Independent Directors that, in their opinion, the terms of the

Rollover Arrangements and the Sweet Equity Arrangements are fair and reasonable so far as the Catalis Independent Shareholders are concerned. In providing this opinion, Zeus Capital have taken into account the commercial assessments of the Independent Directors.

The Acquisition will be conditional on, amongst other things, the Catalis Independent Shareholders approving the Rollover and Sweet Equity Resolution at the General Meeting.

Further details on the terms of the Rollover Arrangements and the Sweet Equity Arrangements will be set out in the Scheme Document.

Other than the Rollover Arrangements and the Sweet Equity Arrangements, there are no arrangements or understandings between NorthEdge or Bidco and / or any person acting in concert with NorthEdge and / or Bidco and the management or directors of Catalis having any connection with or dependence upon the Acquisition.

### **13. Directors, management, employees, pensions, research and development, locations of business and strategic plans**

As set out in paragraph 5 of this Announcement, Bidco intends to support Catalis' management to develop the Company by way of investment in staff and operational capacity to support the expansion of Catalis' global operations and service offerings.

Bidco will also seek to support Catalis' management in identifying, assessing and financing the acquisition of complementary companies which are perceived to be value-enhancing to the overall Catalis proposition.

Bidco believes that, under private ownership and supported by NorthEdge's expertise and access to capital, Catalis would be better able to capitalise on additional growth and investment opportunities available in its end markets. Bidco will actively monitor these additional opportunities and pursue them with Catalis where appropriate.

Bidco recognises the contribution made by the Catalis management team in developing the Company and attaches great importance to their skills and experience. Bidco intends to support the Catalis management team in the execution of their long term strategy.

Bidco does not intend to initiate any headcount reductions within Catalis as a result of the Acquisition and expects that existing employees of Catalis will continue to contribute to Catalis' ongoing success. Bidco confirms that, following the Scheme becoming Effective, the existing contractual and statutory employment rights, including in relation to pensions, of Catalis' management and employees will be fully safeguarded in accordance with applicable law. Bidco does not intend to make any material change to the conditions of employment or in the balance of skills and functions of the management and employees of Catalis. Bidco does not intend to make any changes with regards to Catalis' existing pension schemes, the accrual of benefits to existing members or the admission of new members to such pension schemes. As disclosed in paragraph 12 of this Announcement, other than in respect of the Rollover Arrangements and the Sweet Equity Arrangements, Bidco has not entered into, and has not had discussions on proposals to enter into, any form of incentivisation or any other arrangements with the management and employees of Catalis.

It is intended that each of the non-executive directors of Catalis (being Peter Biewald, Nick Winks, Nigel Hammond and Tom Chaloner) will resign upon and with effect from the Effective Date (or, in the event that the Acquisition is implemented by a Takeover Offer, upon or shortly following the Takeover Offer becoming or being declared wholly unconditional).

Following the Scheme becoming Effective, Bidco does not intend to make any restructurings or changes in location of Catalis' headquarters and headquarter functions, operations and places of business. In addition, no

changes are expected with respect to the redeployment of Catalis' fixed asset base or the research and development functions of Catalis.

No statements in this paragraph 13 are "post-offer undertakings" for the purposes of Rule 19.5 of the Code.

The Independent Directors welcome Bidco's stated intentions concerning Catalis management and employees, locations of business and strategic plans. In particular, the Independent Directors are pleased that Bidco does not intend to initiate any headcount reductions within Catalis as a result of the Acquisition. The Independent Directors also welcome Bidco's confirmation that, following completion of the Acquisition, the existing contractual and statutory employment rights of all Catalis management and employees will be fully safeguarded in accordance with applicable law.

#### **14. Financing arrangements**

The cash consideration payable by Bidco pursuant to the Acquisition and the amount required to refinance the existing facilities of Catalis will be funded through equity financing of £46.6 million in aggregate drawn down from the NorthEdge Funds, of which £16.6 million is being provided through equity financing by the Co-investors and £15.0 million through debt facilities arranged with Tosca Debt Capital (Luxembourg) S.à r.l. pursuant to the Facilities Agreement. In connection with their equity financing of Bidco, each of the NorthEdge Funds and the Co-investors has entered into the Equity Terms Agreement.

Under the terms of the Facilities Agreement, Bidco has agreed it will not waive or amend or declare or treat as satisfied (other than if satisfied in accordance with its terms) any of the Conditions unless: (i) the Agent has given its consent; or (ii) it is required by law, regulation, the Code, the Panel, or the Court; or (iii) such action would not be materially prejudicial to the interests of the Lender.

GCA Altium, in its capacity as financial adviser to Bidco, is satisfied that sufficient resources are available to Bidco to enable it to satisfy, in full, the cash consideration payable to Catalis Shareholders under the terms of the Acquisition.

#### **15. Information on the Partial Cash and Unlisted Securities Alternative**

The consideration under the Partial Cash and Unlisted Securities Alternative will comprise £36.57 in cash and a Unit which is comprised of 5.9048 New Topco Ordinary Shares and 585 New Topco Preferred Ordinary Shares. BDO LLP will provide an independent estimate of value of the Units and the Partial Cash and Unlisted Securities Alternative, together with the assumptions forming the basis of its estimate of value, in a letter to be included in the Scheme Document. Further information about the New Topco Shares will be included in the Exempted Document.

The issue of any New Topco Shares pursuant to the Partial Cash and Unlisted Securities Alternative will be subject to the Conditions and further terms set out in Appendix I to this Announcement and which will be set out in the Scheme Document. Full details of the Partial Cash and Unlisted Securities Alternative will be contained in the Scheme Document. The Partial Cash and Unlisted Securities Alternative is not being offered to persons located in or for the account or benefit of any person located in the United States, Canada, Australia, Republic of Ireland, Japan or any other jurisdiction where the sale, issue or transfer of the New Topco Shares would be a contravention of applicable law.

### *New Topco Shares*

The New Topco Shares will be issued credited as fully paid and will rank pari passu in all respects with the other Topco Ordinary Shares and Topco Preferred Ordinary Shares in issue at the time the New Topco Shares are issued pursuant to the Acquisition, including the right to receive and retain dividends and other distributions declared, made or paid by reference to a record date falling after the date of this Announcement.

The availability of the Units under the Partial Cash and Unlisted Securities Alternative is limited to a maximum of 427,069 Units which would comprise 249,835,365 New Topco Preferred Ordinary Shares and 2,521,762 New Topco Ordinary Shares, representing approximately 25.2 per cent. of the of the voting rights of the entire issued share capital of Topco, following the issue of the Sweet Equity Shares.

Assuming that the maximum number of New Topco Shares available pursuant to the Acquisition are issued, it is expected that NorthEdge and the Co-investors will own a minimum of approximately 58.8 per cent. of the Topco Preferred Ordinary Shares and approximately 47.0 per cent. of the Topco Voting Shares, the Rollover Managers will own approximately 9.7 per cent. of the Topco Preferred Ordinary Shares and approximately 23.8 per cent. of the Topco Voting Shares, and the eligible Scheme Shareholders electing to participate in the Partial Cash and Unlisted Securities Alternative will own approximately 31.5 per cent. of the Topco Preferred Ordinary Shares and approximately 25.2 per cent. of the Topco Voting Shares based on Topco's enlarged issued share capital following the issue of the Sweet Equity Shares.

No application has been or will be made for any New Topco Shares to be admitted to listing or trading on any stock exchange. Topco has no other shares admitted to listing or trading on any stock exchange.

The attention of eligible Scheme Shareholders who may be considering electing for the Partial Cash and Unlisted Securities Alternative is drawn to certain risk factors and other investment considerations relevant to such an election. These will be set out in full in the Exempted Document and the Scheme Document and, in respect of the Topco Shares, include, inter alia, the following:

- The Topco Shares are unquoted and there is no current expectation that they will be listed or admitted to trading on any exchange or market for the trading of securities.
- The Topco Ordinary Shares will represent a minority interest in Topco and Electing Scheme Shareholders will have limited influence over decisions made by Topco in relation to its investment in Catalis.
- The value of the Topco Shares will be uncertain and there can be no assurance that the Topco Shares can be sold in the future at the same price as that at which they have been valued for the purposes of the Acquisition.
- Payments in respect of the Topco Shares will not be guaranteed or secured and, for so long as the Topco Group has any secured debt outstanding, it is not anticipated that Topco will declare or pay any dividends on any of the Topco Shares.
- Upon the Scheme becoming effective, the Topco Group will be controlled by the NorthEdge Funds, the Co-investors and the Rollover Managers.

The rights of the Topco Shares will be governed by the amended Topco Articles, a summary of which will be included in the Exempted Document and in the Scheme Document, including:

- The holders of New Topco Ordinary Shares will be entitled to receive any dividend which is declared, following the priority accrual of the preferential dividend attached to the New Topco Preferred Ordinary Shares. Similarly on a return of capital, the holders of New Topco Ordinary Shares will be entitled to receive their pro rata share of any surplus assets of Topco available for distribution after any unpaid arrears and accruals of the Topco Preferred Ordinary Share dividend have been paid. The New Topco Ordinary Shares can be freely transferred. The holders of New Topco Ordinary Shares will be entitled to attend and vote at any general meeting of Topco. On an Exit or a Liquidation (as such terms are defined in the Topco Articles), the return available for the holders of New Topco Ordinary Shares will be diluted by a performance based ratchet, in favour of those management shareholders who hold Topco B Ordinary Shares.
- The holders of New Topco Ordinary Shares comprising 10% of the total issued Topco Voting Shares following the issue of the Sweet Equity Shares will be entitled to additional rights as a 'Significant Shareholder' (as such term is defined in the Topco Articles), including rights of veto in relation to certain aspects of the operation of Topco and the Topco Group.
- The holders of New Topco Preferred Ordinary Shares will be entitled to a fixed, cumulative preferential dividend at an annual interest rate of 10% that will accrue on a daily basis and compound semi-annually and be payable on a return of capital, a redemption eight years after the date of adoption of the Topco Articles or on an Exit or Liquidation (as such terms are defined in the Topco Articles). The New Topco Preferred Ordinary Shares can be freely transferred. Otherwise, the New Topco Preferred Ordinary Shares will carry no rights to voting, will not entitle a holder to attend any general meeting of Topco and will not entitle a holder to avail themselves of the rights afforded to Significant Shareholders (as such term is defined in the Topco Articles).

## **16. Structure of the Acquisition and the Scheme Document**

### ***Scheme***

It is intended that the Acquisition will be effected by a Court-sanctioned scheme of arrangement between Catalis and the Scheme Shareholders under Part 26 of the Companies Act. Bidco reserves the right to elect to implement the Acquisition by way of a Takeover Offer (with the consent of the Panel).

The purpose of the Scheme is to enable Bidco to become the owner of the whole of the issued and to be issued Catalis Shares.

Under the Scheme, the Scheme Shares will be transferred to Bidco in consideration for which the Scheme Shareholders will receive the Cash Consideration on the basis set out in paragraph 2 of this Announcement or the cash and Units comprising the Partial Cash and Unlisted Securities Alternative to the extent an eligible Scheme Shareholder has so elected and has not been scaled down on the basis set out in paragraph 3 of this Announcement. The Scheme will be subject to the Conditions and further terms referred to in Appendix I to this Announcement and to be set out in the Scheme Document. The Acquisition will lapse if the Scheme does not become Effective by the Long Stop Date.

### ***Approval by the Court Meeting and the General Meeting***

In order to become Effective, the Scheme requires:

- (a) the approval of a majority in number of the Catalis Shareholders entitled to vote, representing not less than 75 per cent. in value of the Catalis Shares voted, either in person or by proxy, at

the Court Meeting. At the Court Meeting, voting will be by poll and not on a show of hands and, other than holders of Excluded Shares (including the Rollover Managers, who are precluded from voting by virtue of their interest in the Acquisition, including the Rollover Arrangements and the Sweet Equity Arrangements), all Catalis Shareholders appearing on Catalis' register of members at the Voting Record Time, will be entitled to vote at the Court Meeting and to cast one vote for each Scheme Share held;

- (b) the approval of not less than 75 per cent. of the votes cast, either in person or by proxy, of the Special Resolution to be proposed at the General Meeting (to be held directly after the Court Meeting) necessary in order to implement the Scheme, including to approve amendments to Catalis' articles of association to ensure that any Catalis Shares issued after the approval of the Scheme at the Court Meeting and the Scheme Record Time will be (i) subject to the Scheme and (ii) automatically acquired by Bidco (or its nominee(s)) on the same terms as under the Scheme. This will avoid any person (other than Bidco, its nominee(s) or the NorthEdge Funds) being left with Catalis Shares after the Effective Date. At the General Meeting, all Catalis Shareholders, appearing on Catalis' register of members at the Voting Record Time, will be entitled to vote on the Special Resolution and to cast one vote for each Catalis Share held;
- (c) the approval on a poll by a simple majority of the votes cast by Catalis Independent Shareholders, either in person or by proxy, of the Rollover and Sweet Equity Resolution. At the General Meeting, all Catalis Independent Shareholders, appearing on Catalis' register of members at the Voting Record Time, will be entitled to vote on the Rollover and Sweet Equity Resolution and to cast one vote for each Catalis Share held; and
- (d) all of the other Conditions to be satisfied or (where applicable) waived.

For the avoidance of doubt, the Conditions described in paragraphs (a), (b) and (c) cannot be waived.

#### ***Application to the Court to sanction the Scheme***

Once the necessary approvals have been obtained at the Catalis Meetings, and the other Conditions have been satisfied or (where applicable) waived (save for the Conditions set out at paragraph 1(d) of Part A of Appendix I to this Announcement), in order for the Scheme to be capable of becoming Effective, it must be sanctioned by the Court at the Scheme Court Hearing.

The Scheme will only become Effective once a copy of the Scheme Court Order is delivered to the Registrar of Companies.

#### ***Lapsing of the Acquisition***

The Acquisition will lapse if, amongst other things:

- (a) the approval of the requisite majority of Catalis Shareholders at the Court Meeting is not obtained on or before the 22nd day after the expected date of the Court Meeting to be set out in the Scheme Document (or such later date, if any, as Bidco and Catalis may agree and the Court may allow); or
- (b) the approval of the requisite majority of Catalis Shareholders to pass the Special Resolution to be proposed at the General Meeting is not obtained on or before the 22nd day after the expected date of the General Meeting to be set out in the Scheme Document (or such later date, if any, as Bidco and Catalis may agree and the Court may allow); or



- (c) the approval on a poll of the requisite majority of Catalis Independent Shareholders to pass the Rollover and Sweet Equity Resolutions required pursuant to Rule 16.2 of the Code is not obtained on or before the 22nd day after the expected date of the General Meeting to be set out in the Scheme Document (or such later date, if any, as Bidco and Catalis may agree and the Court may allow); or
- (d) the sanction of the Scheme by the Court (without modification or with modification on terms acceptable to Bidco and Catalis) and the delivery of a copy of the Scheme Court Order to the Registrar of Companies does not take place by the Long Stop Date.

### ***Scheme becoming Effective***

Upon the Scheme becoming Effective, it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting, or whether they voted in favour of or against the Scheme.

The cash consideration due to Scheme Shareholders will be dispatched, and the New Topco Ordinary Shares and New Topco Preferred Ordinary Shares issued to Scheme Shareholders who have elected for the Partial Cash and Unlisted Securities Alternative, no later than 14 days after the Effective Date. Upon the Scheme becoming Effective, certificates in respect of Scheme Shares will cease to be valid and entitlements to Scheme Shares held within the CREST system, or any other analogous system, will be cancelled.

### ***Scheme Document***

The Scheme Document will include full details of the Scheme, together with notices of the Court Meeting and the General Meeting and the expected timetable for the Scheme, and will specify the action to be taken by Catalis Shareholders.

It is expected that the Scheme Document, together with the Forms of Proxy and the Form of Election, will be dispatched to Catalis Shareholders within 28 days of the date of this Announcement, unless Bidco and Catalis otherwise agree, and the Panel consents, to a later date.

### ***Exempted Document***

The Exempted Document, which is being sent to Catalis Shareholders in connection with the Units being offered through the Partial Cash and Unlisted Securities Alternative, will include further information about Topco, the Topco Group (as enlarged following completion of the Acquisition) and the Topco Ordinary Shares and Topco Preferred Ordinary Shares which eligible Scheme Shareholders may elect for under the Partial Cash and Unlisted Securities Alternative. The Exempted Document will be sent to Catalis Shareholders at the same time as the Scheme Document, and will be made available by Catalis and Bidco at [www.catalisgroup.com](http://www.catalisgroup.com) (subject to certain restrictions in relation to persons in Restricted Jurisdictions).

### ***General***

The Scheme will be governed by the laws of England and Wales. The Scheme will be also subject to the applicable requirements of the Code, the Panel and the Financial Conduct Authority.

## **17. Interests of Bidco and NorthEdge in Catalis Shares**

Bidco will make a public Opening Position Disclosure setting out details required to be disclosed by it under Rule 8.1(a) of the Code.

As at the Last Practicable Date, the NorthEdge Funds, of which NorthEdge Fund II is the indirect shareholder of 90 per cent. of the issued share capital of Bidco, held no Catalis Shares.

Save as referred to above and in respect of the irrevocable undertakings referred to in paragraph 9 of this Announcement, as at the Last Practicable Date neither Bidco, nor any of their respective directors, nor, so far as Bidco is aware, any person acting in concert (within the meaning of the Code) with Bidco had (i) any interest in or right to subscribe for Catalis Shares; nor (ii) any short positions in respect of relevant Catalis Shares (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell, any delivery obligation or right to require another person to purchase or take delivery; nor (iii) borrowed or lent any Catalis Shares (including, for these purposes, any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Code); nor (iv) is a party to any dealing arrangement of the kind referred to in Note 11 on the definition of acting in concert in the Code.

It has not been practicable for Bidco to make enquiries of all of its concert parties in advance of the release of this Announcement. Therefore, if Bidco becomes aware, following the making of such enquiries, that any of its concert parties have any such interests in relevant securities of Catalis, all relevant details in respect of Bidco's concert parties will be included in Bidco's Opening Position Disclosure in accordance with Rule 8.1(a) and Note 2(a)(i) on Rule 8 of the Code, which must, unless there are no such interests of which Bidco is aware, be made on or before 12 noon (London time) on 29 August 2019.

'Interests in securities' for these purposes arise, in summary, when a person has long economic exposure, whether absolute or conditional, to changes in the price of securities (and a person who only has a short position in securities is not treated as interested in those securities). In particular, a person will be treated as having an 'interest' by virtue of the ownership, voting rights or control of securities, or by virtue of any agreement to purchase, option in respect of, or derivative referenced to, securities.

## **18. Acquisition related arrangements**

### *Confidentiality agreement*

On 17 January 2019, NorthEdge entered into a confidentiality agreement in relation to the Acquisition before the identity of the bid vehicle had been determined, pursuant to which NorthEdge undertook, subject to certain exceptions, to keep information relating to Catalis and the Acquisition confidential, to use such information solely for the agreed purposes in connection with the Acquisition and not to disclose such information to non-permitted third parties. Unless terminated earlier, the confidentiality obligations will remain in force for 24 months from the date of the agreement unless and until Bidco completes the Acquisition in which event the terms of the agreement will cease to have effect.

The confidentiality agreement also contains standstill provisions which restrict NorthEdge, during the period of 18 months following cessation of discussions between NorthEdge and Catalis (save with the prior written consent of Catalis or its professional advisers) from (i) acquiring, procuring or inducing any other person to acquire interests in the Catalis Shares; (ii) making, procuring or inducing any other person to make an offer for all or any of the Catalis Shares; (iii) making, procuring or inducing any person to announce an offer for all or any of the Catalis Shares; and (iv) solicit or seek to influence the exercise of voting rights attached to the Catalis Shares by the Catalis Shareholders. These restrictions ceased to apply on the making of this Announcement.

The confidentiality agreement also contains restrictions on NorthEdge soliciting or employing an employee of Catalis or a member of the Wider Catalis Group and who is a director or officer or who occupies a senior or managerial position. Such restrictions shall survive until such date that is 24 months from the date of the confidentiality agreement. NorthEdge has also undertaken that, save in the ordinary course of business, it will not make or have any contact in relation to the Acquisition with any of the shareholders, directors, employees,

customers, suppliers, contractors, sub-contractors or lenders of Catalis or any member of the Wider Catalis Group without Catalis' prior written consent.

#### **19. Re-registration**

Shortly after the Effective Date, it is intended that Catalis will be re-registered as a private limited company pursuant to the relevant provisions of the Companies Act.

#### **20. Documents available on website**

Copies of the following documents will, in accordance with Rule 26.2 of the Code, be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Catalis' website at [www.catalisgroup.com](http://www.catalisgroup.com) by no later than 12 noon on the Business Day following the date of this Announcement until the end of the Offer Period:

- a copy of this Announcement;
- the irrevocable undertakings referred to in paragraph 9 of this Announcement;
- the written consents of each of GCA Altium and Zeus Capital referred to in paragraph 23 below;
- the Sale and Purchase Agreement referred to in paragraph 12 of this Announcement;
- the Put and Call Option Deed referred to in paragraph 12 of this Announcement;
- the Equity Terms Agreement referred to in paragraph 12 of this Announcement;
- the Facilities Agreement referred to in paragraph 14 of this Announcement;
- a conditions precedent satisfaction letter addressed from Agent (as agent) to Bidco; and
- the confidentiality agreement described in paragraph 18 of this Announcement.

#### **21. Dividends**

The Catalis Shares to be acquired under the Acquisition shall be acquired fully paid and free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and any other rights and interests of any nature whatsoever and together with all rights now and hereafter attaching thereto, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the date of this Announcement.

If any dividend or other distribution or return of value or capital is authorised, declared, made or paid in respect of Catalis Shares on or after the date of this Announcement and prior to the Effective Date, Bidco reserves the right to reduce the Cash Consideration and the Partial Cash and Unlisted Securities Alternative by an amount up to the per share amount of such dividend or other distribution or return, except where the Catalis Shares are or will be acquired pursuant to the Scheme on a basis which entitles Bidco to receive the dividend, distribution or return and to retain it.

If any such dividend, distribution or return is authorised, declared, paid or made after the date of this Announcement and Bidco exercises its rights described above, any reference in this Announcement to the consideration payable under the Scheme shall be deemed to be a reference to the consideration as so reduced. Any exercise by Bidco of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Scheme.

## **22. General**

The Acquisition and the Scheme will be subject to the Conditions and certain further terms set out in Appendix I to this Announcement and to the full terms and conditions to be set out in the Scheme Document. Appendix II to this Announcement contains the sources and bases of certain information contained in this Announcement. Appendix III to this Announcement contains a summary of the irrevocable undertakings received in relation to the Acquisition. Appendix IV to this Announcement contains the definitions of certain terms used in this Announcement.

Bidco reserves the right, subject to the prior consent of the Panel, to elect to implement the Acquisition by way of a Takeover Offer for the entire issued and to be issued share capital of Catalis, as an alternative to the Scheme. In such an event, such offer will be implemented on the same terms (subject to appropriate amendments described in Part B of Appendix I to this Announcement), so far as applicable, as those which would apply to the Scheme.

If the Acquisition is effected by way of a Takeover Offer and such offer becomes or is declared unconditional in all respects and sufficient acceptances are received, Bidco intends to exercise its rights to apply the provisions of Chapter 3 of Part 28 of the Companies Act to acquire compulsorily the remaining Catalis Shares in respect of which the Takeover Offer has not been accepted.

Investors should be aware that Bidco may purchase Catalis Shares otherwise than under any Takeover Offer or scheme of arrangement relating to the Acquisition, such as privately negotiated purchases.

The availability of any such Takeover Offer to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Such persons should inform themselves about and observe any applicable requirements.

The Panel has granted Catalis and Bidco a dispensation from the requirements under the Code that the announcement must be published via a Regulatory Information Service (“RNS”). Bidco and Catalis are instead required to publish all announcements on Catalis’ website at [www.catalisgroup.com](http://www.catalisgroup.com). No announcements other than this Announcement will be sent in hard copy form to Catalis Shareholders. The Panel has also granted a dispensation from the requirement in Note 3 on Rule 8 of the Code that disclosures made under Rule 8 of the Code must be made to a RIS. Therefore, any Opening Position Disclosures and Dealing Disclosures required under Rule 8 of the Code may be made to Catalis by email to [investors@catalisgroup.com](mailto:investors@catalisgroup.com) and will be published on Catalis’ website at [www.catalisgroup.com](http://www.catalisgroup.com). A copy must also be sent to the Panel’s Market Surveillance Unit by fax (+44 (0) 20 7236 7013) or by email ([monitoring@disclosure.org.uk](mailto:monitoring@disclosure.org.uk)).

## **23. Consents**

GCA Altium has given and has not withdrawn its written consent to the issue of this Announcement with the inclusion therein of the references to its name in the form and context in which it appears.

Zeus Capital has given and has not withdrawn its written consent to the issue of this Announcement with the inclusion therein of the references to its name in the form and context in which it appears.

### **Enquiries:**

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Eversheds Sutherland (International) LLP is providing legal advice to NorthEdge and Bidco. Squire Patton Boggs (UK) LLP is providing legal advice to Catalis.

***Further Information***

*GCA Altium, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively as financial adviser to Bidco and NorthEdge and for no one else in connection with the Acquisition or any matters referred to in this Announcement and will not be responsible to anyone other than Bidco and NorthEdge for providing the protections afforded to its clients nor for providing advice in relation to the Acquisition, the contents of this Announcement or any other matters referred to in this Announcement.*

*Zeus Capital, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as financial adviser to Catalis and for no one else in connection with the Acquisition or any matters referred to in this Announcement and will not be responsible to anyone other than Catalis for providing the protections afforded to its clients nor for providing advice in relation to the Acquisition, the contents of this Announcement or any other matters referred to in this Announcement.*

*This Announcement is for information purposes only and is not intended to and does not constitute, or form part of, any offer, invitation, inducement or the solicitation of an offer to purchase or otherwise acquire, subscribe for, sell or otherwise dispose of or exercise rights in respect of any securities, or the solicitation of any vote or approval of an offer to buy securities in any jurisdiction (pursuant to the Acquisition or otherwise) nor shall there be any sale, issuance or transfer of any securities pursuant to the Acquisition in any jurisdiction in contravention of any applicable laws.*

*The Acquisition will be made solely by means of the Scheme Document, (or, if the Acquisition is implemented by way of a Takeover Offer, any document by which the Takeover Offer is made) which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Scheme, and the Exempted Document. Any decision, vote or other response in respect of the Acquisition should be made only on the basis of information contained in the Scheme Document and the Exempted Document. Catalis will prepare the Scheme Document and Topco will prepare the Exempted Document, to be distributed to Catalis Shareholders at no cost to them. Catalis Shareholders are advised to read the formal documentation in relation to the Acquisition carefully once it becomes available because it will contain important information relating to the Acquisition.*

*This Announcement does not constitute a prospectus or a prospectus equivalent document.*

*This Announcement has been prepared for the purpose of complying with English law and, the Code and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.*

### ***Overseas jurisdictions***

*The release, publication or distribution of this Announcement in certain jurisdictions other than the United Kingdom may be restricted by law and the ability of Catalis Shareholders who are not resident in the United Kingdom to participate in the Acquisition may be restricted by the laws and/or regulations of those jurisdictions. In particular, the ability of persons who are not resident in the United Kingdom to vote their Scheme Shares with respect to the Scheme at the Court Meeting or with respect to the Resolutions at the General Meeting, or to execute and deliver Forms of Proxy appointing another to vote at the Court Meeting and/or General Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Therefore, any persons who are subject to the laws and regulations of any jurisdiction other than the United Kingdom or Catalis Shareholders who are not resident in the United Kingdom should inform themselves of, and observe, any applicable requirements in their jurisdiction. To the fullest extent permitted by applicable law, the Wider Bidco Group and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. Any failure to comply with the applicable requirements may constitute a violation of the laws and/or regulations of any such jurisdiction.*

*The Acquisition will not be made, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws of that jurisdiction and no person may vote in favour of the Acquisition by any use, means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this Announcement and any formal documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.*

*Further details in relation to Catalis Shareholders in overseas jurisdictions will be contained in the Scheme Document.*

### ***Notice to US investors***

*Catalis Shareholders in the United States should note that the Acquisition relates to the securities of a company organised under the laws of England and Wales and is proposed to be effected by means of a scheme of arrangement under the laws of England and Wales. This Announcement, the Scheme Document, the Exempted Document and certain other documents relating to the Acquisition have been or will be prepared in accordance with English law, the Code and UK disclosure requirements, format and style, all of which differ from those in the United States. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act. Accordingly, the Acquisition is subject to the disclosure requirements of and practices applicable in the United Kingdom to schemes of arrangement, which differ from the disclosure requirements of the United States tender offer and proxy solicitation rules.*

*None of the securities referred to in this Announcement have been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have such authorities passed upon or determined the adequacy or accuracy of the information contained in this document. Any representation to the contrary is a criminal offence in the United States.*

*The New Topco Shares which may be issued pursuant to the Acquisition have not been registered under the US Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the US Securities Act.*

*Catalis' financial statements, and all financial information that is included in this Announcement or that may be included in the Scheme Document, or any other documents relating to the Acquisition, have been prepared in accordance with International Financial Reporting Standards and may not be comparable to financial statements of companies in the United States or other companies whose financial statements are prepared in accordance with US generally accepted accounting principles.*

### ***Forward Looking Statements***

*This Announcement contains certain statements in relation to Bidco and Catalis that are, or may be deemed to be, "forward-looking statements" which are prospective in nature. All statements other than statements of historical fact, are or may be deemed to be, forward-looking statements. Forward-looking statements are based on current expectations and projections about future events and are therefore subject to known and unknown risks and uncertainties which could cause actual results, performance or events to differ materially from the future results, performance or events expressed or implied by the forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects", "is expected", "is subject to", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "believes", "targets", "aims", "projects", "goal", "objective", "outlook", "risks", "seeks" or words or terms of similar substance or the negative thereof, as well as variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might", "probably" or "will" be taken, occur or be achieved. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations.*

*Such forward-looking statements involve risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward-looking statements. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date of this Announcement. Any forward-looking statements made in this Announcement on behalf of Bidco or Catalis are made as of the date of this Announcement based on the opinions and estimates of directors of Bidco and Catalis, respectively. Each of the Bidco and Catalis and their respective members, directors, officers, employees, advisers and any person acting on behalf of one or more of them, expressly disclaims any intention or obligation to update or revise any forward-looking or other statements contained in this Announcement, whether as a result of new information, future events or otherwise, except as required by applicable law. Neither Bidco and Catalis nor their respective members, directors, officers or employees, advisers or any person acting on their behalf, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Announcement will actually occur.*

*No forward-looking or other statements have been reviewed by the auditors of Bidco or Catalis. All subsequent oral or written forward-looking statements attributable to Bidco, Catalis or their respective members, directors, officers, advisers or employees or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements above.*

## **Rounding**

*Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.*

## **No profit forecasts or estimates**

*Nothing in this Announcement is intended or shall be deemed to be a forecast, projection or estimate of the future financial performance of Bidco or Catalis for any period and no statement in this Announcement should be interpreted to mean that cash flow from operations, earnings, or earnings per share or income for the current or future financial years would necessarily match or exceed the historical published cash flow from operations, earnings, earnings per share or income of Catalis.*

## **Disclosure requirements of the Code**

*Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) of the Code applies must be made by no later than 3:30 p.m. (London time) on the 10<sup>th</sup> Business Day following the commencement of the offer period and, if appropriate, by no later than 3:30 p.m. (London time) on the 10<sup>th</sup> Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.*

*Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8 of the Code. A Dealing Disclosure by a person to whom Rule 8.3(b) of the Code applies must be made by no later than 3:30 p.m. (London time) on the Business Day following the date of the relevant dealing.*

*If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will normally be deemed to be a single person for the purpose of Rule 8.3 of the Code.*

*Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4 of the Code).*

*Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market*



Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

**Publication on website and availability of hard copies**

A copy of this Announcement and the display documents required to be published pursuant to Rule 26.1 of the Code will be made available free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Catalis' website at [www.catalisgroup.com](http://www.catalisgroup.com) by no later than 12 noon (London time) on the Business Day following this Announcement. Neither the content of any website referred to in this Announcement nor the content of any website accessible from hyperlinks is incorporated into, or forms part of, this Announcement.

Any person who is required to be sent a copy of this Announcement under the Code, and who has not received a hard copy of it, may request a hard copy of this Announcement (and any information incorporated by reference in this Announcement) by submitting a request in writing to Computershare (The Pavilions, Bridgwater Road, Bristol, BS13 8AE, United Kingdom. Please note that Computershare cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Save as otherwise referred to above, a hard copy of this Announcement will not be sent unless requested. Any such person may also request that all future documents, announcements and information in relation to the Acquisition should be sent to them in hard copy form.

**Electronic communications**

Please be aware that all addresses, electronic addresses (if any) and certain other information provided by the Catalis Shareholders, persons with information rights and other relevant persons for the receipt of communications from Catalis may be provided to offerors (including Bidco) during the Offer Period as required under Section 4 of Appendix 4 of the Code to comply with Rule 2.11 of the Code.

**General**

If you are in any doubt about the contents of this Announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor or independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriate authorised independent financial adviser.

**Appendix I**  
**Conditions and Further Terms of the Acquisition and the Scheme**

**Part A: Conditions of the Acquisition**

The Acquisition is conditional upon the Scheme becoming unconditional and becoming Effective, subject to the Code, by no later than 5p.m. on the Long Stop Date or such later date (if any) as Bidco and Catalis may agree and (if required) the Panel and the Court may allow.

1. The Scheme shall be conditional on the following Conditions:

**Scheme Approval**

- (a) the approval of the Scheme at the Court Meeting (or at any adjournment of any such meeting provided that the Court Meeting may not be adjourned beyond the 22nd day after the expected date of the Court Meeting to be set out in the Scheme Document (or such later date, if any, as Bidco and Catalis may agree and the Court may allow)) by a majority in number of the Catalis Shareholders entitled to vote representing 75 per cent. or more in value (or the relevant class or classes thereof, if applicable) present and voting, either in person or by proxy;
  - (b) the Special Resolution required to approve and implement the Scheme as set out in the notice of the General Meeting (including, without limitation, to amend Catalis' articles of association) being duly passed by the requisite majority required to pass such resolution at the General Meeting or at any adjournment of that meeting provided that the General Meeting may not be adjourned beyond the 22nd day after the expected date of the General Meeting to be set out in the Scheme Document (or such later date, if any, as Bidco and Catalis may agree and the Court may allow);
  - (c) the Rollover and Sweet Equity Resolution required pursuant to Rule 16.2 of the Code to approve the Rollover Arrangements and the Sweet Equity Arrangements as set out in the notice of the General Meeting being duly passed on a poll by the requisite majority required to pass such resolution at the General Meeting or at any adjournment of that meeting provided that the General Meeting may not be adjourned beyond the 22nd day after the expected date of the General Meeting to be set out in the Scheme Document (or such later date, if any, as Bidco and Catalis may agree and the Court may allow); and
  - (d) the sanction of the Scheme by the Court (without modification or with modification on terms acceptable to Bidco and Catalis) and the delivery of a copy of the Scheme Court Order to the Registrar of Companies.
2. In addition, subject as stated in Part B below and to the requirements of the Panel and in accordance with the Code, the Acquisition will be conditional upon the following Conditions and, accordingly, the Scheme Court Order will not be delivered to the Registrar of Companies unless such Conditions have been satisfied or, where relevant, waived:

**Other third party clearances**

- (a) no government or governmental, quasi-governmental, supranational, statutory, administrative or regulatory body or association, institution or agency (including any trade

agency) or any court tribunal in any jurisdiction (each a "**Relevant Authority**") having taken or instituted or given written notice of any action, proceeding, suit, investigation, enquiry or reference (and, in each case, not having withdrawn the same) or enacted, made or proposed and there not continuing to be outstanding any statute, regulation, order or decision that would or would reasonably be expected to:

- (i) make the Acquisition or other acquisition of Catalis Shares, or control or management of Catalis by Bidco or any member of the Wider Bidco Group void, unenforceable or illegal in any jurisdiction or directly or indirectly prohibit or otherwise materially restrict, materially delay or materially interfere with the implementation of, or impose material additional conditions or obligations with respect to, or otherwise materially challenge or require material amendment to the terms of, the Scheme or the Acquisition or other acquisition of any Catalis Shares, or control or management of Catalis by Bidco or any member of the Wider Bidco Group;
- (ii) require, prevent or materially delay the divestiture (or alter the terms of any proposed divestiture) by the Wider Bidco Group (as a result of or in connection with the Acquisition) or the Wider Catalis Group of all or any material part of their respective businesses, assets or properties or impose any material limitation on their ability to conduct all or any part of their respective businesses and to own, control or manage any of their respective assets or properties;
- (iii) impose any limitation on, or result in any material delay in, the ability of any member of the Wider Bidco Group to acquire or hold or to exercise effectively, directly or indirectly, all or any rights of ownership of shares or other securities (or the equivalent) in, or to exercise management control over, any member of the Wider Catalis Group or on the ability of any member of the Wider Catalis Group to hold or to exercise effectively, directly or indirectly, all or any rights of ownership of shares or other securities (or the equivalent) in, or to exercise management control over, any other member of the Wider Catalis Group to an extent which is material in the context of the Wider Catalis Group taken as a whole or the Wider Bidco Group taken as a whole or material in the context of the Acquisition (as the case may be);
- (iv) except pursuant to Chapter 3 of Part 28 of the Companies Act, require any member of the Wider Bidco Group (as a result of or in connection with the Acquisition) or of the Wider Catalis Group to acquire or offer to acquire any shares or other securities (or the equivalent) or interest in any member of the Wider Catalis Group or any member of the Wider Bidco Group owned by a third party (other than in the implementation of the Acquisition);
- (v) other than in the implementation of the Acquisition, require the divestiture by any member of the Wider Bidco Group of any shares, securities or other interests in any member of the Wider Catalis Group;
- (vi) impose any material limitation on, or result in any material delay in, the ability of any member of the Wider Bidco Group or the Wider Catalis Group to integrate or co-ordinate its business, or any part of it, with the businesses or any part of the

businesses of any other member of the Wider Bidco Group and/or the Wider Catalis Group;

- (vii) result in any member of the Wider Catalis Group ceasing to be able to carry on business under any name under which it presently does so, to an extent which is material in the context of the Wider Catalis Group taken as a whole or the Wider Bidco Group taken as a whole or material in the context of the Acquisition (as the case may be);
- (viii) otherwise materially and adversely affect the business, assets, financial or trading position or profits of any member of the Wider Catalis Group,

and all applicable waiting and other time periods (including extensions thereof) during which any such Relevant Authority could decide to take, institute or threaten any such action, proceeding, suit, investigation, enquiry or reference having expired, lapsed or been terminated; provided that, for the avoidance of doubt, this paragraph 2.(a) shall not apply to any action taken by a Relevant Authority in relation to a contract or arrangement with a member of the Wider Catalis Group entered into in the ordinary course of its business;

- (b) other than in relation to the approvals referred to in paragraph 2(a) of this Appendix I, all material filings, applications and/or notifications which are necessary under applicable legislation or regulation of any relevant jurisdiction having been made and all relevant waiting periods and other time periods (including any extensions thereof) under any applicable legislation or regulation of any relevant jurisdiction having expired, lapsed or been terminated and all applicable statutory or regulatory obligations in any jurisdiction having been complied with in each case in respect of the Scheme and the Acquisition or, except pursuant to Chapter 3 of Part 28 of the Companies Act, other acquisition of any shares or other securities in, or control or management of, Catalis or any member of the Wider Catalis Group by any member of the Wider Bidco Group or (except as Disclosed) the carrying on by any member of the Wider Catalis Group of its business;
- (c) other than in relation to the approvals referred to in paragraph 2(a) of this Appendix I, all Authorisations which are necessary in any jurisdiction for or in respect of the Acquisition and other acquisition of any Catalis Shares, or control of Catalis, by Bidco or any member of the Wider Bidco Group being obtained on terms and in a form reasonably satisfactory to Bidco from appropriate Relevant Authorities, or (except as Disclosed) from any persons or bodies with whom any member of the Wider Catalis Group has entered into contractual arrangements or material business relationships, and such Authorisations, together with all other Authorisations necessary for any member of the Wider Catalis Group to carry on its business (except as Disclosed) (where the absence of any such Authorisations would be material and adverse in the context of the Acquisition) remaining in full force and effect and no written notice of any intention to revoke, suspend, restrict or modify or not to renew any of the same having been given.

**Confirmation of absence of adverse circumstances**

- (d) except as Disclosed, there being no provision of any agreement, arrangement, licence, lease, franchise, permit or other instrument to which any member of the Wider Catalis Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or subject which, as a result of the implementation of the Acquisition or other acquisition by

Bidco or any member of the Wider Bidco Group of any Catalis Shares, or change in the control or management of Catalis, would or would reasonably be expected to result in (in each case to an extent which is material in the context of the Wider Catalis Group taken as a whole):

- (i) any monies borrowed by or any other indebtedness (actual or contingent) of, or any grant available to, any such member of the Wider Catalis Group becoming repayable, or capable of being declared repayable, immediately or earlier than the stated repayment date or the ability of such member to borrow monies or incur any indebtedness being withdrawn or inhibited;
- (ii) other than in the ordinary course of business, the creation or enforcement of any mortgage, charge or other security interest over the whole or any material part of the business, property or assets of any such member of the Wider Catalis Group or any such mortgage, charge or other security interest (whenever arising or having arisen) becoming enforceable;
- (iii) any material rights, assets or interests of any such member of the Wider Catalis Group being or falling to be disposed of or ceasing to be available to any member of the Wider Catalis Group or any right, under which any such asset or interest could be required to be disposed of or could cease to be available to any member of the Wider Catalis Group, being exercised or reasonably likely to be exercised;
- (iv) the interest or business of any such member of the Wider Catalis Group in or with any other person, firm or company (or any agreements or arrangements relating to such interest or business) being terminated or adversely modified or affected;
- (v) any such member of the Wider Catalis Group ceasing to be able to carry on business under any name under which it presently does so;
- (vi) the value of any such member of the Wider Catalis Group or its financial or trading position or prospects being prejudiced or adversely affected;
- (vii) any such agreement, arrangement, licence, lease, franchise, permit or other instrument being terminated or the rights, liabilities, obligations or interests of any member of the Wider Catalis Group being adversely modified or adversely affected or any obligation or liability arising or any adverse action being taken or arising thereunder;
- (viii) any liability of any member of the Wider Catalis Group to make any severance, termination, bonus or other payment to any of its directors, or other officers;
- (ix) the creation or acceleration of any liability (actual or contingent) by any such member of the Wider Catalis Group, other than trade creditors or other liabilities incurred in the ordinary course of business; or
- (x) any requirement on any member of the Wider Catalis Group to acquire, subscribe, pay up or repay any shares or other securities (or the equivalent);

and no event having occurred which, under any provision of any agreement, arrangement, licence or other instrument to which any member of the Wider Catalis Group is a party or by or to which any such member or any of its assets is or may be bound or subject, would or would reasonably be expected to result in any events or circumstances as are referred to

in this paragraph 2.(d) (in each case to an extent which is material in the context of the Wider Catalis Group taken as a whole);

**No material transactions, claims or changes in the conduct of the business of the Wider Catalis Group**

- (e) except as Disclosed, no member of the Wider Catalis Group having since 31 December 2018:
  - (i) issued or agreed to issue or authorised or proposed the issue of additional shares of any class, or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or convertible or exchangeable securities or transferred or sold (or agreed to transfer or sell) any shares out of treasury (except as between Catalis and its wholly owned subsidiaries or solely between wholly owned subsidiaries of Catalis);
  - (ii) recommended, declared, paid or made or resolved to recommend, declare, pay or make any bonus, dividend or other distribution, whether payable in cash or otherwise other than dividends or other distributions, whether payable in cash or otherwise, lawfully paid or made by any wholly-owned subsidiary of Catalis to Catalis or any of its wholly-owned subsidiaries;
  - (iii) (except for transactions between Catalis and its wholly-owned subsidiaries, or between its wholly-owned subsidiaries or transactions in the ordinary course of business) implemented or authorised, or announced its intention to implement or authorise, any merger, demerger, reconstruction, amalgamation, scheme or commitment, acquired or disposed of or transferred, mortgaged or charged, or created any other security interest over, any asset or any right, title or interest in any asset (in each case to an extent which is material in the context of the Wider Catalis Group taken as a whole);
  - (iv) entered into, or authorised the entry into, any joint venture, asset or profit sharing arrangement, partnership or merger of businesses or corporate entities (in each case to an extent which is material in the context of the Wider Catalis Group taken as a whole);
  - (v) other than pursuant to the Acquisition and except for transactions between Catalis and its wholly owned subsidiaries or between wholly owned subsidiaries of Catalis, implemented or authorised any reconstruction, amalgamation, scheme or other transaction or arrangement with a substantially equivalent effect (in each case to an extent which is material in the context of the Wider Catalis Group taken as a whole);
  - (vi) purchased, redeemed or repaid any of its own shares or other securities or reduced or made or authorised any other change in its share capital (except, in each case, where relevant, as between Catalis and its wholly owned subsidiaries or solely between wholly owned subsidiaries of Catalis);
  - (vii) made or authorised any change in its loan capital or issued or authorised the issue of any debentures or incurred or increased any indebtedness (except in the ordinary course of business) or contingent liability (except, in each case, where relevant, as between Catalis and wholly owned subsidiaries of Catalis or between the wholly

- owned subsidiaries of Catalis) (in each case to an extent which is material in the context of the Wider Catalis Group taken as a whole);
- (viii) entered into, varied or terminated, or authorised the entry into, variation or termination of, any contract, commitment or arrangement (whether in respect of capital expenditure, real estate or otherwise) which is outside the ordinary course of business or which is of a long term, onerous or unusual nature or magnitude or which involves, or would reasonably be expected to involve, an obligation of a nature or magnitude which is materially restrictive on the business of any member of the Wider Catalis Group (in each case to an extent which is material in the context of the Wider Catalis Group taken as a whole);
  - (ix) been unable or deemed unable, or admitted in writing that it is unable, to pay its debts as they fall due or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business (in each case to an extent which is material in the context of the Wider Catalis Group taken as a whole);
  - (x) commenced negotiations with any of its creditors or taken any step with a view to rescheduling or restructuring any of its indebtedness or entered into a composition, compromise, assignment or arrangement with any of its creditors whether by way of a voluntary arrangement, scheme of arrangement, deed of compromise or otherwise (in each case to an extent which is material in the context of the Wider Catalis Group taken as a whole);
  - (xi) (other than in respect of a member of the Wider Catalis Group which is dormant and solvent at the relevant time) taken any corporate action or had any legal proceedings started, served or threatened against it or any documents filed or faxed in court for its winding-up (voluntary or otherwise), dissolution or reorganisation (or for any analogous proceedings or steps in any jurisdiction) or for the appointment of a liquidator, provisional liquidator, receiver, administrator, administrative receiver, trustee or similar officer (or for the appointment of any analogous person in any jurisdiction) of all or any of its assets and revenues or had written notice given of the intention to appoint any of the foregoing to it (in each case to an extent which is material in the context of the Wider Catalis Group taken as a whole);
  - (xii) except in the ordinary course of business, waived, compromised, settled, abandoned or admitted any dispute, claim or counter-claim whether made or potential and whether by or against any member of the Wider Catalis Group (in each case to an extent which is material in the context of the Wider Catalis Group taken as a whole);
  - (xiii) made any material alteration to its constitutional documents (other than the amendments to Catalis' articles of association as required in connection with the Acquisition);
  - (xiv) entered into, or varied the terms of, or terminated or given notice of termination of, in each case except in the ordinary course of business, any service agreement,

- commitment or arrangement with any director or senior executive of any member of the Wider Catalis Group;
- (xv) proposed, agreed to provide, or agreed to modify to any material extent the terms of, any share option scheme, incentive scheme or other benefit relating to the employment or termination of employment of any person employed by any member of the Wider Catalis Group; or
  - (xvi) entered into any contract, commitment or arrangement or passed any resolution or made any offer (which remains open for acceptance) to effect, or proposed or announced any intention to effect, any of the transactions, matters or events referred to in this paragraph 2.(e) (otherwise than where permitted or referred to in this paragraph 2.(e));
- (f) except as Disclosed, since 31 December 2018:
- (i) no adverse change having occurred, and no circumstances having arisen which would reasonably be expected to result in any adverse change, in the business, assets, financial or trading position or profits of any member of the Wider Catalis Group (in each case to an extent which is material in the context of the Wider Catalis Group taken as a whole);
  - (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings in any jurisdiction having been threatened, announced, instituted or remaining outstanding by, against or in respect of any member of the Wider Catalis Group or to which any member of the Wider Catalis Group is a party (whether as claimant or defendant or otherwise) and no investigation by any Relevant Authority or other investigative body against or in respect of any member of the Wider Catalis Group having been threatened, announced, instituted or remaining outstanding by, against or in respect of any member of the Wider Catalis Group (in each case to an extent which is material in the context of the Wider Catalis Group taken as a whole);
  - (iii) no enquiry, review or investigation by, or complaint or reference to, any Third Party against or in respect of any member of the Wider Catalis Group having been threatened in writing, announced or instituted or remaining outstanding by, against or in respect of any member of the Wider Catalis Group, in each case to an extent which is material in the context of the Wider Catalis Group taken as a whole;
  - (iv) no steps having been taken and no omissions having been made which would result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Catalis Group which is necessary for the proper carrying on of its business, and the withdrawal, cancellation, termination or modification of which would have a material adverse effect on the Wider Catalis Group taken as a whole; or
  - (v) no contingent or other liability having arisen outside the ordinary course of business which would or would reasonably be expected to adversely affect any member of the Wider Catalis Group (in each case to an extent which is material in the context of the Wider Catalis Group taken as a whole);
- (g) except as Disclosed, Bidco has not discovered that:



- (i) any financial, business or other information concerning the Wider Catalis Group publicly announced or disclosed in the context of the Acquisition on or prior to the date of this Announcement at any time by any member of the Wider Catalis Group is misleading, contains a misrepresentation of fact or omits to state a fact necessary to make the information contained therein not misleading (in each case to an extent which is material in the context of the Wider Catalis Group taken as a whole);
- (ii) there is any information which renders inaccurate any information publicly announced or disclosed in the context of the Acquisition prior to the date of this Announcement by or on behalf of any member of the Wider Catalis Group (in each case to an extent which is material in the context of the Wider Catalis Group taken as a whole);
- (iii) any member of the Wider Catalis Group is subject to any liability, contingent or otherwise, other than in the ordinary course of business (in each case to an extent which is material in the context of the Wider Catalis Group taken as a whole); or
- (iv) there is or is likely to be any obligation or liability (whether actual or contingent) to make good, repair, re-instate or clean up any property now or previously owned, occupied, operated or made use of or controlled by any past or present member of the Wider Catalis Group under any environmental legislation, regulation, notice, circular or order of any Relevant Authority in any jurisdiction (in each case to an extent which is material in the context of the Wider Catalis Group taken as a whole);

**Anti-corruption, sanctions and criminal property**

- (h) save as Disclosed, Bidco has not discovered (in each case to an extent which is material in the context of the Wider Catalis Group taken as a whole) that:
  - (i) any past or present member, director or officer of the Wider Catalis Group is or has at any time engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption legislation;
  - (ii) any asset of any member of the Wider Catalis Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition);
  - (iii) any past or present member, director or officer of the Wider Catalis Group, or any other person for whom any such person may be liable or responsible, has engaged in any business with, made any investments in, made any funds or assets available to or received any funds or assets from: (a) any government, entity or individual in respect of which US or European Union persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by US or European Union laws or regulations, including the economic sanctions administered by the US Office of Foreign Assets Control, or HM Treasury in the UK; or (b) any government, entity or individual targeted by any of the economic sanctions of the United Nations, the US, the European Union or any of its member states; or

- (iv) any member of the Wider Catalis Group has been engaged in any transaction with any person targeted by any of the economic sanctions of the United Nations, the US, the European Union or any of its member states which would cause Bidco to be in breach of any law or regulation upon its acquisition of Catalis, including the economic sanctions of the US Office of Foreign Assets Control, or HM Treasury & Customs in the UK; and

### **Intellectual Property**

- (i) save as Disclosed, Bidco has not discovered that:
  - (i) any member of the Wider Catalis Group does not own or have licensed to it or otherwise possess legally enforceable rights to use all intellectual property that is:
    - required or reasonably necessary for the conduct of business of the relevant member of the Wider Catalis Group as currently conducted; or
    - under development for such business;
  - (ii) any member of the Wider Catalis Group has infringed, any intellectual property rights of any third party where the consequences of which would be material in the context of the Wider Catalis Group taken as a whole;
  - (iii) any intellectual property held by any member of the Wider Catalis Group that is material in the context of the Wider Catalis Group taken as a whole is not valid and subsisting; or
  - (iv) any persons who are now, or within the last five years have been, employees, consultants or contractors of any member of the Wider Catalis Group have failed to execute proprietary information and confidentiality agreements, where such failure is material in the context of the Wider Catalis Group taken as a whole;

### **No tax abuse or avoidance notice**

- (j) except as Disclosed, Bidco has not discovered that any member of the Wider Catalis Group has received any notice, assessment or claim from any tax authority to the effect that:
  - (i) any such member has advised on or knowingly been involved in any transaction or series of transactions the main purpose, or one of the main purposes, of which was the avoidance of tax, either for itself or any customer of the Wider Catalis Group;
  - (ii) any such member has advised on or been party to any arrangements that were notifiable under the disclosure of tax avoidance scheme rules provided for in part 7 of the Finance Act 2004, Schedule 11A VAT 1994 or Schedule 17 of the Finance (No.2) Act 2017 (and, in each case, related regulations), either for itself or any customer of the Wider Catalis Group and which were not so notified;
  - (iii) any such member has advised on or taken any action as a result of which it could be treated as having enabled abusive tax arrangements within the meaning of Schedule 16 Finance (No.2) Act 2017; or
  - (iv) any circumstances have arisen which would result in any such member being guilty of an offence under section 45 or section 46 of the Criminal Finances Act 2017.

**Part B: Certain further terms of the Acquisition**

1. Bidco reserves the right (subject to the requirements of the Code and the Panel) to waive, in whole or in part, the Conditions in paragraph 2 of Part A of this Appendix.
2. If Bidco is required by the Panel to make an offer for Catalis Shares under the provisions of Rule 9 of the Code, Bidco may make such alterations to any of the above Conditions and terms of the Acquisition as are necessary to comply with the provisions of that Rule.
3. The Acquisition shall lapse unless all the above Conditions in paragraphs 1(a), 1(b), 1(c) and 2 of Part A of this Appendix have been fulfilled or, where permitted, waived before the Scheme Court Hearing. Such date may not be further extended, other than with the agreement of Bidco, Catalis and the Panel.
4. Bidco shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as fulfilled any of the Conditions in paragraph 2 of Part A of this Appendix by a date earlier than the latest date for the fulfilment of that Condition notwithstanding that the other Conditions of the Acquisition may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such conditions may not be capable of fulfilment.
5. Under Rule 13.5 of the Code, Bidco may not invoke a Condition so as to cause the Acquisition not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the Condition are of material significance to Bidco in the context of the Acquisition. The Conditions contained in paragraph 1 of Part A of this Appendix are not subject to this provision of the Code.
6. The Catalis Shares to be acquired under the Acquisition shall be acquired fully paid and free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and any other rights and interests of any nature whatsoever and together with all rights now and hereafter attaching thereto, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the date of this Announcement. Accordingly, without prejudice to paragraph 2 of this Announcement, insofar as any dividend or other distribution or return of value or capital is authorised, declared, made or paid in respect of Catalis Shares on or after the date of this Announcement and prior to the Effective Date, Bidco reserves the right to reduce the Cash Consideration and the Partial Cash and Unlisted Securities Alternative by the amount of any such dividend or other distribution or return except where the Catalis Shares are or will be acquired pursuant to the Scheme on a basis which entitles Bidco to receive the dividend, distribution or return and to retain it.
7. The availability of the Acquisition to persons not resident in the United Kingdom may be affected by the laws of the Restricted Jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.
8. Bidco reserves the right, subject to the prior consent of the Panel, to implement the Acquisition by way of a Takeover Offer. In such event, the Takeover Offer will be implemented on the same terms, so far as applicable, as those which would apply to the Scheme, subject to appropriate amendments to reflect the change in acquisition method. In the event that the Acquisition is implemented by way of a Takeover Offer, the Catalis Shares acquired under the Acquisition will be acquired fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or

accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any).

9. The Acquisition is governed by English law and is subject to the jurisdiction of the English courts and to the Conditions and further terms set out in this Appendix and those terms which will be set out in the Scheme Document. The Acquisition shall be subject to the applicable requirements of the Code, the Panel and the Financial Conduct Authority.
10. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.
11. The Acquisition shall lapse, and shall no longer bind Scheme Shareholders or Bidco if:
  - (a) in so far as the Acquisition or any matter arising from or relating to the Acquisition constitutes a concentration with a Community dimension within the scope of the Regulation, the European Commission either initiates proceedings under Article 6(1)(c) of the Regulation or makes a referral to a competent authority in the United Kingdom under Article 9(1) of the Regulation and there is then any CMA Reference; or
  - (b) in so far as the Acquisition or any matter arising from the Acquisition does not constitute a concentration with a Community dimension within the scope of the Regulation, the Acquisition or any matter arising from or relating to the Acquisition becomes subject to any CMA Reference,

in each case, before the date of the Court Meeting.

**Appendix II**  
**Sources of information and bases of calculation**

In this Announcement, unless otherwise stated, or the context otherwise requires, the bases and sources used are set out below.

1. Unless otherwise stated, financial information relating to Catalis has been extracted or derived (without any adjustment) from Catalis' audited consolidated financial statements for the financial year ended 31 December 2018.
2. As at the Last Practicable Date, Catalis' issued share capital consisted of 889,114 Catalis Shares, 69,373 B Ordinary Shares and 1,593 deferred shares.
3. The International Securities Identification Number for the Catalis Shares is GB00BJLMMN43
4. The value of the issued and to be issued share capital of Catalis of £89,808,307 has been calculated as being the aggregate of the following:
  - (a) £77,146,313, which has been calculated by multiplying £95.13 per share by the number of issued and to be issued Scheme Shares, which consists of 810,961 Catalis Shares in issue as at the Last Practicable Date, less fractional entitlements to New Topco Shares under the Partial Cash and Unlisted Securities Alternative which will be rounded down to the nearest whole number and will not be allotted or issued to Scheme Shareholders but will be disregarded; and
  - (b) £12,661,993, being the value of the consideration from Bidco for the 78,153 Catalis Shares and the 69,373 B Ordinary Shares being acquired from the Rollover Managers pursuant to the Rollover Arrangements.

### Appendix III

#### Irrevocable Undertakings

##### Catalis Director's Irrevocable Undertakings

The Rollover Managers including Dominic Wheatley and Robert Haxton, both of whom are Catalis Directors, have given irrevocable undertakings to vote (or procure the voting) in favour of the Special Resolution to be proposed at the General Meeting (or in the event that the Acquisition is implemented by way of a Takeover Offer, to accept, or procure the acceptance of, the Takeover Offer) in relation to the following Catalis Shares and B Ordinary Shares, in which they or their family members are beneficially interested:

| <b>Name</b>       | <b>Number of Catalis Voting Shares in respect of which undertaking is given</b> | <b>Percentage of Catalis Voting Shares at the Last Practicable Date</b> |
|-------------------|---|---|
| Dominic Wheatley  | 102,679   | 10.7%   |
| Robert Haxton     | 21,023  | 2.2%  |
| Stuart Dinsey     | 16,083  | 1.7%  |
| Jason Perkins     | 5,011   | 0.5%  |
| David Millar      | 1,365   | 0.1%  |
| Jonathan Wingrove | 1,365   | 0.1%  |

These irrevocable undertakings will cease to be binding if:

- (a) the Independent Directors withdraw their recommendation of the Acquisition before the General Meeting and the Court Meeting are held and the Scheme lapses or is withdrawn; or
- (b) the Scheme or any resolution to be proposed at the General Meeting is not approved by the requisite majority at the Court Meeting or at the General Meeting respectively.

### **Catalis Independent Director's Irrevocable Undertakings**

The Independent Directors who hold Catalis Voting Shares have given irrevocable undertakings to vote (or procure the voting) in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting (or in the event that the Acquisition is implemented by way of a Takeover Offer, to accept, or procure the acceptance of, the Takeover Offer) and have undertaken not to elect for the Partial Cash and Unlisted Securities Alternative in relation to the following Catalis Shares, in which they or their family members are beneficially interested:

| <b>Name</b>   | <b>Number of Catalis Voting Shares in respect of which undertaking is given</b> | <b>Percentage of Catalis Voting Shares at the Last Practicable Date</b> |
|---------------|---|---|
| Peter Biewald | 1,620   | 0.2%  |
| Nick Winks    | 1,000   | 0.1%  |

This irrevocable undertaking will cease to be binding if:

- (a) the Independent Directors withdraw their recommendation of the Acquisition before the General Meeting and the Court Meeting are held; or
- (b) the Scheme or any resolution to be proposed at the General Meeting is not approved by the requisite majority at the Court Meeting or at the General Meeting respectively.

### Other Catalis Shareholders' Irrevocable Undertakings

Certain other Catalis Shareholders have given irrevocable undertakings to vote (or procure the voting) in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting (or in the event that the Acquisition is implemented by way of a Takeover Offer, to accept, or procure the acceptance of, the Takeover Offer) and, in some cases, have undertaken to elect/not to elect to receive the Partial Cash and Unlisted Securities Alternative (where applicable) in relation to the following Catalis Shares:

| Name                  | Number of Catalis Shares in respect of which undertaking is given | Percentage of Catalis Voting Shares at the Last Practicable Date | Percentage of Scheme Shares at the Last Practicable Date | Undertaken to elect / not to elect to receive the Partial Cash and Unlisted Securities Alternative |
|-----------------------|---|--|--|--|
| Leo Capital           | 427,069   | 44.6%  | 52.7%  | Elected to receive Partial Cash and Unlisted Securities Alternative                                |
| Axxion S.A.           | 68,421  | 7.1%   | 8.4%   | Elected to receive the Cash Consideration  |
| Discover Capital GmbH | 22,000  | 2.3%   | 2.7%   | Elected to receive the Cash Consideration  |
| Jonathan Newth        | 13,333  | 1.4%   | 1.6%   | Elected to receive the Cash Consideration  |
| Ian Baverstock        | 13,000  | 1.4%   | 1.6%   | Elected to receive the Cash Consideration  |
| <b>Total</b>          | <b>543,823</b>  | <b>56.7%</b>   | <b>67.1%</b>   |  |

These irrevocable undertakings will cease to be binding if:

- (a) the Independent Directors withdraw their recommendation of the Acquisition before the General Meeting and the Court Meeting are held and the Scheme lapses or is withdrawn; or
- (b) the Scheme or any resolution to be proposed at the General Meeting is not approved by the requisite majority at the Court Meeting or at the General Meeting respectively.



## Appendix IV

### Definitions

|   |  |
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| <b>"Acquisition"</b>                      | the proposed recommended acquisition by Bidco of the entire issued and to be issued share capital of Catalis by means of the Scheme, on the terms and subject to the conditions set out in this Announcement and to be set out in the Scheme Document (or the Takeover Offer, under certain circumstances as described in this Announcement) |
| <b>"Agent"</b>                            | Global Loan Agency Services Limited (acting as agent under the Facilities Agreement)   |
| <b>"Announcement"</b>                     | means this announcement made pursuant to Rule 2.7 of the Code  |
| <b>"Applied Exchange Rate"</b>            | means the exchange rate of €1.07735/£1 being the exchange rate at the Last Practicable Date  |
| <b>"Authorisations"</b>                   | regulatory authorisations, orders, recognitions, grants, consents, clearances, confirmations, certificates, licences, permissions or approvals   |
| <b>"B Ordinary Shares"</b>                | the B ordinary shares in the capital of Catalis  |
| <b>"Bidco"</b>                            | Project Sword Bidco Limited, a company incorporated in England and Wales (registered number 12032770) whose registered office address is at Suffolk House George Street, East Croydon, London, United Kingdom, CR0 1PE   |
| <b>"Bidco Group"</b>                      | Bidco and its subsidiary undertakings and, where the context permits, each of them   |
| <b>"Bidco Rollover Notes"</b>             | has the meaning given to it in paragraph 12 of this Announcement   |
| <b>"Board"</b>                            | in relation to Bidco or Catalis, the board of directors of the relevant company  |
| <b>"Business Day"</b>                     | a day (other than Saturdays, Sundays and public or bank holidays in the UK) on which banks are generally open for business in the City of London   |
| <b>"Cash Consideration"</b>               | the consideration of £95.13 per Scheme Share, payable in cash in accordance with the terms of the Acquisition  |
| <b>"Cash Offer"</b>                       | the offer for the Scheme Shares to be acquired for the Cash Consideration  |
| <b>"Catalis" or the "Company"</b>         | Catalis plc, a company incorporated in England and Wales with registered number 11899376, whose registered office is at Suffolk House, George Street, Croydon, CR0 1PE   |
| <b>"Catalis Directors"</b>                | the directors of Catalis at the date of this Announcement  |
| <b>"Catalis Independent Shareholders"</b> | Catalis Shareholders other than the Rollover Managers, their nominees or any person acting in concert with the Rollover Managers for the purposes of the Code at any relevant date or time   |

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| <b>"Catalis Meetings"</b>                  | the Court Meeting and the General Meeting   |
| <b>"Catalis Share"</b>                     | an ordinary share of £0.80 in the capital of Catalis  |
| <b>"Catalis Shareholders"</b>              | the holders of Catalis Shares from time to time   |
| <b>"Catalis Voting Shares"</b>             | the Catalis Shares and the B Ordinary Shares  |
| <b>"CMA Reference"</b>                     | a reference of the Acquisition to the chair of the Competition and Markets Authority for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013  |
| <b>"Code"</b>                              | the City Code on Takeovers and Mergers issued from time to time by the Panel  |
| <b>"Co-investors"</b>                      | has the meaning given to it in paragraph 10 of this Announcement  |
| <b>"Companies Act"</b>                     | the Companies Act 2006, as amended from time to time  |
| <b>"Competition and Markets Authority"</b> | a UK statutory body established under the Enterprise and Regulatory Reform Act 2013   |
| <b>"Conditions"</b>                        | the conditions of the Acquisition (including the Scheme) set out in Part A of Appendix I to this Announcement and to be set out in the Scheme Document  |
| <b>"Court"</b>                             | the High Court of Justice in England and Wales  |
| <b>"Court Meeting"</b>                     | the meeting(s) of the Scheme Shareholders to be convened by order of the Court pursuant to section 896 of the Companies Act for the purpose of considering, and if thought fit, approving the Scheme (with or without amendment) and any adjournment thereof  |
| <b>"CREST"</b>                             | the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755) in respect of which Euroclear is the Operator (as defined in such Regulations) for the paperless settlement of trades in securities and the holding of uncertificated securities   |
| <b>"Dealing Disclosure"</b>                | has the meaning given to it by Rule 8 of the Code   |
| <b>"Disclosed"</b>                         | information which has been either: <ul style="list-style-type: none"> <li>(a) fairly disclosed by, or on behalf of, Catalis to Bidco (or its advisers) in the data room established by Catalis for the purposes of the Acquisition, on or before 5.30 p.m. on the Last Practicable Date;</li> <li>(b) disclosed in the annual report and accounts for Catalis for the financial period ended 31 December 2018;</li> <li>(c) disclosed in any announcement by, or on behalf of, Catalis, and published on the Catalis website, www.catalisgroup.com, prior to the publication of this Announcement;</li> <li>(d) disclosed in this Announcement; or</li> </ul> |

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|                                       | (e) fairly disclosed to Bidco (or its respective officers, employees, agents or advisers) in writing on or before the Business Day prior to the date of this Announcement (including all matters fairly disclosed in the written replies, correspondence, documentation and information provided in an electronic data room or sent to any member of the Bidco Group or NorthEdge or their affiliates or any of their professional advisers during the due diligence process and whether or not in response to any specific request for information made by any member of the Bidco Group or NorthEdge or their affiliates or any of their professional advisers) |
| <b>"Effective"</b>                    | the Scheme having become effective in accordance with its terms, upon delivery of the Scheme Court Order to the Registrar of Companies  |
| <b>"Effective Date"</b>               | the date upon which the Scheme becomes Effective  |
| <b>"Electing Scheme Shareholders"</b> | eligible Scheme Shareholders who validly elect to take the Partial Cash and Unlisted Securities Alternative   |
| <b>"Equity Terms Agreement"</b>       | the equity terms agreement dated the date hereof between the NorthEdge Funds, Bidco, Topco, Midco 1, Midco 2, the Co-investors and the Rollover Managers  |
| <b>"Euroclear"</b>                    | Euroclear UK and Ireland Limited  |
| <b>"Excluded Shares"</b>              | <ul style="list-style-type: none"> <li>(a) any Catalis shares held by Bidco or, otherwise, directly or indirectly by the NorthEdge Funds;</li> <li>(b) any Catalis Shares held in treasury from time to time; and</li> <li>(c) any Catalis Shares registered in the name of or beneficially owned by the Rollover Managers, their nominees or any person acting in concert with the Rollover Managers for the purposes of the Code at any relevant date or time</li> </ul>  |
| <b>"Exempted Document"</b>            | the document to be published by Topco in accordance with Article 1 paragraph 4(f) of Regulation (EU) 2017/1129 containing information describing the Acquisition and its impact on Topco, including information in relation to Topco, the Topco Group (as enlarged following the Acquisition) and the New Topco Shares which eligible Scheme Shareholders may elect for under the Partial Cash and Unlisted Securities Alternative  |
| <b>Facilities Agreement"</b>          | the senior term and revolving facilities agreement dated on the date hereof and entered into between, amongst others, Bidco (as borrower), Tosca Debt Capital (Luxembourg) S.à r.l. and HSBC UK Bank PLC (as arrangers), Global Loan Agency Services Limited (as agent) and GLAS Trust Corporation Limited (as security agent)  |

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| <b>"Financial Conduct Authority"</b>         | the UK Financial Conduct Authority or its successor from time to time  |
| <b>"Frankfurt Stock Exchange"</b>            | the Basic Board segment of the Frankfurt Stock Exchange  |
| <b>"Form of Election"</b>                    | means the form of election for use by Scheme Shareholders electing for the Partial Cash and Unlisted Securities Alternative  |
| <b>"Forms of Proxy"</b>                      | the forms of proxy for use at the Court Meeting and at the General Meeting which will accompany the Scheme Document  |
| <b>"GCA Altium"</b>                          | GCA Altium Limited, financial adviser to NorthEdge and Bidco in relation to the Acquisition  |
| <b>"General Meeting"</b>                     | the general meeting of Catalis Shareholders (including any adjournment thereof) to be convened in connection with the Scheme, notice of which will be set out in the Scheme Document   |
| <b>"Independent Directors"</b>               | Nick Winks and Peter Biewald   |
| <b>"Last Practicable Date"</b>               | 14 August 2019, being the last practicable date prior to the publication of this Announcement  |
| <b>"Lender"</b>                              | has the meaning given to it in the Facilities Agreement  |
| <b>"Leo Capital"</b>                         | Leo Capital 1 LLP, a limited liability partnership wholly owned by funds managed by Vespa Capital  |
| <b>"London Stock Exchange"</b>               | London Stock Exchange plc  |
| <b>"Long Stop Date"</b>                      | 5 p.m. on 31 December 2019, or such later date (if any) as may be agreed by Bidco and Catalis (with the consent of the Panel) and the approval of the Court (if such approval is required)   |
| <b>"Midco 1"</b>                             | Project Sword Midco 1 Limited, a company incorporated in England and Wales (company number 12032315) whose registered office is at Suffolk House, George Street, East Croydon, London, United Kingdom, CR0 1PE, a wholly owned subsidiary of Topco   |
| <b>"Midco 2"</b>                             | Project Sword Midco 2 Limited, a company incorporated in England and Wales (company number 12032495) whose registered office is at Suffolk House, George Street, East Croydon, London, United Kingdom, CR0 1PE, a wholly owned subsidiary of Midco 1 |
| <b>"MLC"</b>                                 | means MLC Limited as described in paragraph 10   |
| <b>"New Topco Ordinary Shares"</b>           | the new A ordinary shares of £0.001 each in the capital of Topco to be issued to Scheme Shareholders pursuant to the Acquisition   |
| <b>"New Topco Preferred Ordinary Shares"</b> | the new preferred ordinary shares of £0.000001 each in the capital of Topco to be issued to Scheme Shareholders pursuant to the Acquisition  |
| <b>"New Topco Shares"</b>                    | the New Topco Ordinary Shares and the New Topco Preferred Ordinary Shares  |

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| <b>"NorthEdge"</b>  | NorthEdge Capital LLP, the discretionary manager of each of the NorthEdge Funds  |
| <b>"NorthEdge Fund II"</b>                                | NorthEdge Capital Fund II, LP  |
| <b>"NorthEdge Funds"</b>                                  | the investment funds managed by NorthEdge, specifically NorthEdge Fund II and NorthEdge Capital Co-investment II, LP, and, where applicable, funds managed by the Co-investors   |
| <b>"Offer Period"</b>                                     | in relation to the Acquisition, has the meaning given to it in the Code, which period commenced on the date of this Announcement   |
| <b>"Opening Position Disclosure"</b>                      | has the meaning given to it in Rule 8 of the Code  |
| <b>"Panel"</b>  | the Panel on Takeovers and Mergers   |
| <b>"Partial Cash and Unlisted Securities Alternative"</b> | the arrangements pursuant to which Scheme Shareholders may elect to receive £36.57 in cash and one Unit per Scheme Share in lieu of the Cash Consideration to which they would otherwise have been entitled under the Acquisition                |
| <b>"Pathway"</b>  | means Pathway Capital Management as described in paragraph 10  |
| <b>"Put and Call Option Deed"</b>                         | the put and call option deed dated on the date hereof between Topco, Midco 1, Midco 2 and the Rollover Managers  |
| <b>"Registrar of Companies"</b>                           | the Registrar of Companies in England and Wales  |
| <b>"Regulation"</b>                                       | Council Regulation (EC) No 139/2004  |
| <b>"Relevant Authority"</b>                               | has the meaning given to it in paragraph 2.(a) of Appendix I to this Announcement  |
| <b>"Resolutions"</b>                                      | together the Special Resolution and the Rollover and Sweet Equity Resolution   |
| <b>"Restricted Jurisdiction"</b>                          | any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if the information concerning the Acquisition is sent or made available to Catalis Shareholders in that jurisdiction |
| <b>"Rollover Arrangements"</b>                            | the arrangements between Bidco and the Rollover Managers as documented in the Sale and Purchase Agreement, the Put and Call Option Deed and the Equity Terms Agreement   |
| <b>"Rollover Managers"</b>                                | Dominic Wheatley, Robert Haxton, Stuart Dinsey, Jason Perkins, David Millar and Jonathan Wingrove  |
| <b>"Rollover and Sweet Equity Resolution"</b>             | the ordinary resolution to approve the Rollover Arrangements and the Sweet Equity Arrangements to be considered at the General Meeting   |
| <b>"Sale and Purchase Agreement"</b>                      | the conditional sale and purchase agreement dated on the date hereof between Bidco and the Rollover Managers   |
| <b>"Scheme"</b>   | the proposed scheme of arrangement under Part 26 of the Companies Act between Catalis and the Scheme Shareholders to implement the   |

|                                    |   |
|------------------------------------|---|
|                                    | Acquisition with or subject to any modification, addition or condition approved or imposed by the Court (where applicable) and agreed by Catalis and Bidco  |
| <b>"Scheme Court Hearing"</b>      | the hearing of the Court to sanction the Scheme under section 899 of the Companies Act  |
| <b>"Scheme Court Order"</b>        | the order of the Court sanctioning the Scheme under section 899 of the Companies Act  |
| <b>"Scheme Document"</b>           | the document to be despatched to (among others) Catalis Shareholders including, among other things, details of the Scheme required by section 897 of the Companies Act, the full terms and conditions of the Scheme and the notices of the Catalis Meetings   |
| <b>"Scheme Record Time"</b>        | the time and date to be specified as such in the Scheme Document or such later time and/or date as Bidco and Catalis may agree  |
| <b>"Scheme Shareholder"</b>        | holders of Scheme Shares  |
| <b>"Scheme Shares"</b>             | all Catalis Shares: <ul style="list-style-type: none"> <li>(a) in issue at the date of the Scheme Document;</li> <li>(b) issued after the date of the Scheme Document and before the Voting Record Time (if any); and</li> <li>(c) issued at or after the Voting Record Time and before the Scheme Record Time in respect of which the original or any subsequent holders thereof are, or shall have agreed in writing to be, bound by the Scheme (if any),</li> </ul> in each case excluding the Excluded Shares |
| <b>"Significant Interest"</b>      | in relation to an undertaking, a direct or indirect interest of 20 per cent. or more of (i) the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act) of such undertaking or (ii) the relevant partnership interest  |
| <b>"Special Resolution"</b>        | the special resolution to amend the Company's articles of association in connection with the Scheme, and to approve the implementation of the Scheme to be considered at the General Meeting  |
| <b>"Sweet Equity Arrangements"</b> | has the meaning given to it in paragraph 12 of this Announcement  |
| <b>"Sweet Equity Participants"</b> | Dominic Wheatley, Robert Haxton, Andrew Lawton and Stuart Dinsey  |
| <b>"Sweet Equity Pot"</b>          | has the meaning given to it in paragraph 12 of this Announcement  |
| <b>"Sweet Equity Shares"</b>       | has the meaning given to it in paragraph 12 of this Announcement and which will be Topco B Ordinary Shares  |
| <b>"Takeover Offer"</b>            | should the Acquisition be implemented by way of a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act, the offer to be made by or on behalf of Bidco to acquire the entire issued and to be issued share capital of Catalis and, where the context requires,   |

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|  | any subsequent revision, variation, extension or renewal of such offer and includes any election available thereunder   |
| <b>"Third Party"</b>                     | each of a central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body, court, trade agency, association, institution, environmental body, employee representative body or any other body or person whatsoever performing a similar function in any jurisdiction   |
| <b>"Topco"</b>                           | Project Sword Topco Limited, a company incorporated in England and Wales (registered number 12032049) whose registered office is at Suffolk House George Street, East Croydon, London, United Kingdom, CR0 1PE, the ultimate holding company of Bidco   |
| <b>"Topco Articles"</b>                  | the articles of association of Topco  |
| <b>"Topco B Ordinary Shares"</b>         | the B ordinary shares of £0.001 each in the capital of Topco  |
| <b>"Topco Group"</b>                     | Topco and its subsidiary undertakings and, where the context permits, each of them  |
| <b>"Topco Ordinary Shares"</b>           | the A ordinary shares of £0.001 each in the capital of Topco  |
| <b>"Topco Preferred Ordinary Shares"</b> | the Preferred Ordinary Shares of £0.000001 each in the capital of Topco   |
| <b>"Topco Shares"</b>                    | the Topco Ordinary Shares and the Topco Preferred Ordinary Shares   |
| <b>"Topco Voting Shares"</b>             | the Topco Ordinary Shares and the Sweet Equity Shares   |
| <b>"UK" or "United Kingdom"</b>          | the United Kingdom of Great Britain and Northern Ireland  |
| <b>"Unigestion"</b>                      | means Unigestion SA as described in paragraph 10  |
| <b>"Unit"</b>                            | a unit comprising 5.9048 New Topco Ordinary Share and 585 New Topco Preferred Ordinary Shares   |
| <b>"United States" or "US"</b>           | the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all other areas subject to its jurisdiction   |
| <b>"US Exchange Act"</b>                 | the US Securities Exchange Act of 1934, as amended from time to time  |
| <b>"US Securities Act"</b>               | the US Securities Act of 1933, as amended   |
| <b>"Voting Record Time"</b>              | the date and time specified in the Scheme Document by reference to which entitlement to vote at the Court Meeting or the General Meeting (as applicable) will be determined, expected to be 6:00 p.m. on the day which is two Business Days before the date of the Court Meeting or General Meeting (as applicable) or, if the Court Meeting or General Meeting (as applicable) is adjourned, 6:00 p.m. on the day which is two Business Days before the date of such adjourned meeting |
| <b>"Vespa Capital"</b>                   | Vespa Capital LLP   |

|                              |   |
|------------------------------|---|
| <b>"Wider Bidco Group"</b>   | Bidco and its subsidiaries, subsidiary undertakings, associated undertakings, holding companies, and their respective subsidiaries, subsidiary undertakings, associated undertakings, holding companies and any other body corporate, partnership, joint venture or person in which Bidco and all such undertakings (aggregating their interests) have a Significant Interest or which have a Significant Interest in Bidco or any other member of the Wider Bidco Group, in each case other than any member of the Wider Catalis Group |
| <b>"Wider Catalis Group"</b> | Catalis and its subsidiaries, subsidiary undertakings, associated undertakings and any other body corporate, partnership, joint venture or person in which Catalis and all such undertakings (aggregating their interests) have a Significant Interest  |
| <b>"Zeus Capital"</b>        | Zeus Capital Limited, Financial Adviser and Rule 3 Adviser to Catalis   |

For the purposes of this Announcement, "**subsidiary**", "**subsidiary undertaking**", "**undertaking**" and "**associated undertaking**" have the respective meanings given thereto by the Companies Act.

All references to "**pounds**", "**pounds Sterling**", "**Sterling**", "**£**", "**pence**", "**penny**" and "**p**" are to the lawful currency of the United Kingdom.

All references to Euro or € refer to the European currency unit, a single currency for certain members of the European Union managed by the European Central Bank

All references to US dollars or US\$ refer are to the lawful currency of the United States

All the times and/or dates referred to in this Announcement are to those times and/or dates as determined by Greenwich Mean Time, unless otherwise stated.

References to the singular include the plural and vice versa.