

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PART 2 (EXPLANATORY STATEMENT) COMPRISES AN EXPLANATORY STATEMENT IN COMPLIANCE WITH SECTION 897 OF THE COMPANIES ACT 2006. If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice immediately from an independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended), if you are resident in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.**

If you sell or have sold or otherwise transferred all of your Catalis Shares, please send this document and the accompanying documents at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. However, such documents must not be forwarded, distributed or transmitted in, into or from any jurisdiction in which such act would constitute a violation of the relevant laws or regulations of such jurisdiction. If you sell or have sold or transferred only part of your holding of Catalis Shares, please retain these documents and consult the bank, stockbroker or other agent through whom the sale or transfer was effected.

The release, publication or distribution of this document and/or the accompanying documents (in whole or in part) in or into jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

Neither this document nor any of the accompanying documents do or are intended to constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval pursuant to the Scheme or otherwise, in any jurisdiction in which such offer, invitation or solicitation is unlawful. This document is not a prospectus.

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## **Recommended Acquisition**

of

### **Catalis plc**

*(incorporated in England and Wales with Company Registration Number 11899376)*

by

### **Project Sword Bidco Limited**

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

**Circular to shareholders and Explanatory Statement under section 897 of the Companies Act 2006,  
Notice of Court Meeting and Notice of General Meeting**

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This document (including any document incorporated into it by reference to another source) should be read as a whole, together with the accompanying Forms of Proxy and the Form of Election. Your attention is drawn to Part 1 (Letter from the Chairman of Catalis plc) of this document, which contains the unanimous recommendation of the Independent Directors of Catalis plc that you vote in favour of the Scheme at the Court Meeting and the Resolutions at the General Meeting. A letter from Zeus Capital explaining the Scheme appears in Part 2 of this document.

Notices of the Court Meeting and the General Meeting, each of which will be held at the offices of Squire Patton Boggs (UK) LLP at 7 Devonshire Square, London EC2M 4YH on 30 September 2019, are set out in Part 12 and Part 13 of this document. The Court Meeting is scheduled to start at 10.00 a.m. on that date and the General Meeting will start at 10.10 a.m., or as soon thereafter as the Court Meeting is concluded or adjourned.

Your attention is drawn to pages 4, 11 to 13 and paragraph 14 of Part 2 of this document, which explain the actions you should take in relation to the Scheme. It is very important that Scheme Shareholders use their votes so that the Court can be satisfied that there is a fair and reasonable representation of Scheme Shareholders' views at the Court Meeting.

Eligible Catalis Shareholders may elect to receive New Topco Shares instead of some of the Cash Consideration they would otherwise be entitled to receive in respect of their holdings of Catalis Shares by electing for the Partial Cash and Unlisted Securities Alternative. Details of how eligible Catalis Shareholders may make such an election are set out on page 13 and in Part 8 of this document. However, it should be noted that the Independent Directors 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 Part 7 of this document.

Zeus Capital, which is authorised and regulated in the United Kingdom by the FCA, is acting as financial adviser to Catalis and for no-one else in connection with the Acquisition 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 or any other matters referred to in this document.

GCA Altium, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for Bidco and NorthEdge and no-one else in connection with the Acquisition 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 or any other matter referred to in this document.

Certain words and terms used in this document are defined in Part 11 of this document. All times referred to are London time unless otherwise stated.

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## TO VOTE ON THE ACQUISITION

Whether or not you plan to attend the Meetings, if you are a Catalis Shareholder please:

- 1 complete and return the **BLUE Form of Proxy (for the Court Meeting)** to be received by Computershare no later than 5.00 p.m. on 27 September 2019; and
- 2 complete and return the **WHITE Form of Proxy (for the General Meeting)** to be received by Computershare no later than 5.00 p.m. on 27 September 2019.

Alternatively, the BLUE Form of Proxy may be handed to Computershare (on behalf of the chairman of the Court Meeting) before the start of the Court Meeting and will still be valid. However, in the case of the General Meeting, the WHITE Form of Proxy will be valid only if it is returned by the time indicated above.

The completion and return of the Forms of Proxy will not prevent eligible Catalis Shareholders from attending and voting at the Court Meeting or the General Meeting, or any adjournment thereof, in person.

**IT IS IMPORTANT THAT, FOR THE COURT MEETING, AS MANY VOTES AS POSSIBLE ARE CAST SO THAT THE COURT MAY BE SATISFIED THAT THERE IS A FAIR AND REASONABLE REPRESENTATION OF SCHEME SHAREHOLDER OPINION. YOU ARE THEREFORE STRONGLY URGED TO COMPLETE, SIGN AND RETURN YOUR FORMS OF PROXY AS SOON AS POSSIBLE.**

**YOUR ATTENTION IS DRAWN TO THE REGIME FOR THE APPOINTMENT OF PROXIES, IN PARTICULAR THE APPOINTMENT OF MORE THAN ONE PROXY, SET OUT IN THE NOTES TO THE FORMS OF PROXY AND THE NOTES IN RESPECT OF THE APPOINTMENT OF MULTIPLE PROXIES SET OUT IN THE NOTICE OF GENERAL MEETING.**

This page should be read in conjunction with the section of this document entitled "ACTION TO BE TAKEN", starting on page 11 of this document, the rest of this document and the accompanying Forms of Proxy (as the context requires).

**For further information, please contact Computershare on 0370 702 0000 or +44 370 702 0000 if calling from outside the United Kingdom. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Computershare cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.**

## IMPORTANT NOTICE

### ***Further information***

This document is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Acquisition or otherwise, nor shall there be any sale, issuance or transfer of securities of Catalis in any jurisdiction in contravention of applicable law. This document contains the full terms and conditions of the Acquisition including details of how to vote in respect of the Scheme. Any vote in respect of the Scheme or other response in relation to the Acquisition should be made only on the basis of the information contained in this document.

Zeus Capital, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively as financial adviser to Catalis and for no-one else in connection with the Acquisition 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 or any other matters referred to in this document.

GCA Altium, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively as financial adviser to Bidco and NorthEdge and for no-one else in connection with the Acquisition 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 or any other matter referred to in this document.

### ***Overseas jurisdictions***

The availability of the Acquisition to Catalis Shareholders who are not resident in and citizens of the UK may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the UK should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions.

The release, publication or distribution of this document in or into jurisdictions other than the UK may be restricted by law and therefore any persons who are subject to the law of any jurisdiction other than the UK should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. This document has been prepared for the purposes 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 document had been prepared in accordance with the laws of jurisdictions outside of England.

Copies of this document and the formal documentation relating to the Scheme and the Acquisition will not be, and must not be, mailed or otherwise forwarded, distributed or sent in, into or from any jurisdiction where to do so would violate the laws of that jurisdiction.

The relevant clearances and/or registrations have also not been, nor will they be, sought or obtained under, nor have any steps been taken, nor will they be, to enable the New Topco Shares available under the Partial Cash and Unlisted Securities Alternative to be publicly offered in compliance with, the securities laws of Australia, Canada, South Africa or Japan (or any state, province or territory thereof, if applicable) or any other Restricted Jurisdiction. Accordingly, the New Topco Shares are not being offered to any person in such jurisdiction and may not be offered, sold, resold, transferred, or delivered, directly or indirectly, in, into or from, Australia, Canada, South Africa or Japan or any other jurisdiction where to do so would violate the laws of that jurisdiction or would require registration thereof (or similar

action) in such jurisdiction. The New Topco Shares will not be listed or admitted to trading on any securities exchange or market and no listing authority or equivalent has reviewed, approved or disapproved of this document, the Acquisition or the New Topco Shares, or expressed a view on the accuracy or adequacy of this document.

### ***Notice to US Investors***

US Holders should note that the Acquisition relates to the securities of a UK company, is subject to UK disclosure requirements (which are different from those of the US) and is proposed to be implemented under a scheme of arrangement provided for under English company law. Under the present circumstances, a transaction effected by means of a scheme of arrangement is not subject to the tender offer rules under the US Exchange Act. Accordingly, the Scheme will be subject to UK disclosure requirements and practices, which are different from the disclosure requirements of the US tender offer and proxy solicitation rules. The financial information included in this document has been or will have been prepared in accordance with IFRS and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US.

Neither the SEC nor any securities commission of any state of the US nor any other US regulatory authority has approved the Acquisition, passed upon the fairness of the Acquisition or passed upon the adequacy or accuracy of this document. Any representation to the contrary is a criminal offence in the US.

The New Topco Shares which may be issued pursuant to the Partial Cash and Unlisted Securities Alternative have not been and will not be registered under the US Securities Act, as amended or under the relevant securities laws of any state or territory of the United States. Accordingly, the New Topco Shares may not be offered or sold in the United States, except in a transaction not subject to, or in reliance on an applicable exemption from, the registration requirements of the US Securities Act and any applicable state securities laws.

The receipt of cash pursuant to the Acquisition by a direct or indirect US Holder as consideration for the transfer of its Scheme Shares pursuant to the Scheme may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws. Each Catalis Shareholder is urged to consult his independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to him.

It may be difficult for US Holders to enforce their rights and claims arising out of the US federal securities laws, since Catalis is located outside the US, and some or all of its officers and directors may be residents of countries other than the US. US Holders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

### ***Forward looking statements***

This document (including information incorporated by reference in this document), oral statements made regarding the Acquisition, and other information published by Catalis and Bidco contain statements which are, or may be deemed to be, "forward-looking statements". Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Catalis and Bidco about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.

The forward-looking statements contained in this document include statements relating to the expected effects of the Acquisition on Catalis and Bidco, the expected timing and scope of the Acquisition and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects" or "does not expect", "is expected", "is subject to", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Although Catalis and Bidco believe that the expectations reflected in such forward-looking statements are reasonable, Catalis and Bidco can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements.

These factors include, but are not limited to: the ability to consummate the Acquisition; the ability to obtain requisite shareholder approval and the satisfaction of other Conditions on the proposed terms and schedule; the ability of Catalis and Bidco to successfully integrate their respective operations and retain key employees; the potential impact of the announcement or consummation of the Acquisition on relationships, including with employees, suppliers, customers and competitors; and changes in general economic, business and political conditions; the combined company's ability to make acquisitions and its ability to integrate or manage such acquired businesses. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Such forward-looking statements should therefore be construed in the light of such factors. Neither Catalis nor Bidco, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur. You are cautioned not to place undue reliance on these forward-looking statements. Other than in accordance with their legal or regulatory obligations, neither Catalis nor Bidco is under any obligation, and Catalis and Bidco expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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

No statement in this document is intended as a profit forecast or estimate for any period and no statement in this document should be interpreted to mean that earnings or earnings per ordinary share, for Topco or Catalis, respectively for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per ordinary share for Topco or Catalis, respectively.

### ***Dealing disclosure requirements***

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) applies must be made by no later than 12 noon (London time) on the 10th Business Day following the commencement of the offer period and, if appropriate, by no later than 12 noon (London time) on the 10th 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(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 12 noon (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 be deemed to be a single person for the purpose of Rule 8.3.

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).

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***

A copy of this document will 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 (London time) on the Business Day following the date of this document and will continue to be made available on these websites during the Offer Period. For the avoidance of doubt, the contents of these websites are not incorporated by reference and do not form part of this document.

### ***Requesting hard copy documents***

In accordance with Rule 30.3 of the Code, a person so entitled may request a hard copy of this document (or any document incorporated by reference within this document) by submitting a request in writing to Computershare, Corporate Actions Projects, Bristol BS99 6AH or by calling Computershare on 0370 702 0000 or +44 370 702 0000 if calling from outside the United Kingdom. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Computershare cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

For persons who receive a copy of this document in electronic form or via a website notification, a hard copy of this document will not be sent unless so requested. You may also request that all future documents, announcements and information to be sent to you in relation to the Acquisition should be in hard copy form.



### ***Electronic Communications***

Please be aware that addresses, electronic addresses and certain other information provided by Catalis Shareholders, persons with information rights and other relevant persons for the receipt of communications from Catalis may be provided to 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.

### ***Rounding***

Certain figures included in this document 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 figures that precede them.

### ***Date of publication***

The date of publication of this document: 9 September 2019.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The following indicative timetable sets out the expected dates for implementation of the Acquisition. All times shown in this document are London times unless otherwise stated.

Event	Expected time/date <sup>(1)</sup>
Latest time for lodging Forms of Proxy for the:	
<ul style="list-style-type: none"> <li>• Court Meeting</li> </ul>	5.00 p.m. on 27 September 2019 <sup>(2)</sup>
<ul style="list-style-type: none"> <li>• General Meeting</li> </ul>	5.00 p.m. on 27 September 2019 <sup>(3)</sup>
Scheme Voting Record Time	6.00 p.m. on 26 September 2019 <sup>(4)</sup>
<b>Court Meeting</b>	<b>10.00 a.m. on 30 September 2019</b>
<b>General Meeting</b>	<b>10.10 a.m. on 30 September 2019<sup>(5)</sup></b>
Partial Cash and Unlisted Securities Alternative Election Deadline	1.00 p.m. on 1 October 2019 <sup>(6)</sup>
Last day for registration of Catalis Shares	7 October 2019 <sup>(6)</sup>
Court Hearing to sanction the Scheme	7 October 2019 <sup>(6)</sup>
Scheme Record Time	6.00 p.m. on 7 October 2019 <sup>(6)</sup>
Effective Date of the Scheme	8 October 2019 <sup>(6)</sup>
Latest date for despatch of cheques or for settlement through CREST	22 October 2019 <sup>(6)</sup>
Latest date by which Scheme must be implemented	31 December 2019 <sup>(7)</sup>

### Notes:

- (1) All times set out in this timetable refer to London time unless otherwise stated.
- (2) It is requested that the Forms of Proxy for the Court Meeting be lodged by 5.00 p.m. on 27 September 2019 or, if the Court Meeting is adjourned, not later than 48 hours prior to the time appointed for the Court Meeting (excluding any part of such 48 hour period falling on a weekend or a public holiday in the UK unless otherwise announced). Forms of Proxy not so lodged may be handed to Computershare (on behalf of the chairman of the Court Meeting) before the start of the Court Meeting and will still be valid.
- (3) Forms of Proxy for the General Meeting must be lodged by 5.00 p.m. on 27 September 2019 or, if the General Meeting is adjourned, not later than 48 hours prior to the time appointed for the adjourned Meeting (excluding any part of such 48 hour period falling on a weekend or a public holiday in the UK unless otherwise announced).
- (4) If either the Court Meeting or the General Meeting is adjourned, the Scheme Voting Record Time for the relevant adjourned meeting will be 6.00 p.m. on the day falling two Business Days before the date of the adjourned meeting.
- (5) Or as soon thereafter as the Court Meeting shall have concluded.
- (6) These times and dates are indicative only and will depend on, among other things, the dates upon which (a) the Court sanctions the Scheme; and (b) the Conditions are satisfied or (where applicable) waived.
- (7) The latest date by which the Scheme must be implemented may be extended by agreement between Catalis and Bidco with the prior consent of the Panel and (if required) the approval of the Court.

**To the extent any of the above expected dates or times change, Catalis will give notice of any such changes and details of the revised dates and/or times to Catalis Shareholders by issuing an announcement through a Regulatory Information Service.**

## **ACTION TO BE TAKEN**

Detailed instructions on the action to be taken are set out in paragraph 14 of Part 2 of this document and are summarised below.

**Please check that you have received the following with this document:**

- (1) a BLUE Form of Proxy for use in respect of the Court Meeting; and**
- (2) a WHITE Form of Proxy for use in respect of the General Meeting.**

**If you have not received these documents, please contact the relevant helpline telephone number indicated on page 13.**

### **VOTING AT THE COURT MEETING AND GENERAL MEETING**

**IT IS IMPORTANT THAT, FOR THE COURT MEETING, AS MANY VOTES AS POSSIBLE ARE CAST SO THAT THE COURT MAY BE SATISFIED THAT THERE IS A FAIR AND REASONABLE REPRESENTATION OF SCHEME SHAREHOLDER OPINION. YOU ARE THEREFORE STRONGLY URGED TO COMPLETE, SIGN AND RETURN YOUR FORMS OF PROXY AS SOON AS POSSIBLE.**

**YOUR ATTENTION IS DRAWN TO THE REGIME FOR THE APPOINTMENT OF PROXIES, IN PARTICULAR THE APPOINTMENT OF MORE THAN ONE PROXY, SET OUT IN THE NOTES TO THE FORMS OF PROXY AND THE NOTES IN RESPECT OF THE APPOINTMENT OF MULTIPLE PROXIES SET OUT IN THE NOTICE OF GENERAL MEETING.**

Whether or not you plan to attend both or either of the Meetings, please appoint a proxy by (a) completing the Forms of Proxy (see below); or (b) using a proxy appointment through CREST (see below). This will enable your votes to be counted at the Meetings in the event of your absence. The completion and return of a Form of Proxy will not prevent you from attending and voting at the Court Meeting and the General Meeting, or any adjournment thereof, in person should you so wish to do so and if you are so entitled.

#### **To vote at the Meetings using the Forms of Proxy:**

Catalis Shareholders will find enclosed with this document a BLUE Form of Proxy and a WHITE Form of Proxy. The BLUE Form of Proxy is to be used in connection with the Court Meeting and the WHITE Form of Proxy is to be used in connection with the General Meeting. Whether or not you intend to attend both or either of the Meetings, please complete and sign both Forms of Proxy and return them in accordance with the instructions thereon by post or (during normal business hours only) by hand to Computershare, Corporate Actions Projects, Bristol BS99 6AH so as to arrive as soon as possible but in any event by 5.00 p.m. on 27 September 2019 (or in the case of any adjournment, not later than 48 hours before the time fixed for the holding of the adjourned Meeting (excluding any part of such 48 hour period falling on a weekend or a public holiday in the UK unless otherwise announced)).

If the BLUE Form of Proxy relating to the Court Meeting is not returned or lodged by such time, it may be handed to Computershare (on behalf of the chairman of the Court Meeting) before the start of the Court Meeting and will still be valid. However, in the case of the General Meeting, if the WHITE Form of Proxy is not lodged so as to be received by Computershare by 5.00 p.m. on 27 September 2019 and in accordance with the instructions on that Form of Proxy, it will be invalid.

### **To vote at the Meetings using a proxy appointment through CREST:**

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's registrars, Computershare (ID 3RA50) by 5.00 p.m. on 27 September 2019 (in the case of both the Court Meeting and the General Meeting) or, in the case of any adjournment, not later than 48 hours before the time fixed for the holding of the adjourned Meeting (excluding any part of such 48 hour period falling on a weekend or a public holiday in the UK unless otherwise announced)). For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company's registrars, Computershare are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Catalis may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the CREST Regulations.

### **To vote at the Meetings using an electronic proxy appointment:**

Catalis Shareholders may also register their proxy appointments electronically via CREST, using CREST ID 3RA50, where full details of the procedure are given. This address is given only for the filing of proxies for the Court Meeting and the General Meeting and not for any other purpose. If you choose to appoint a proxy electronically you will need your unique investor code which is printed on the Forms of Proxy. In order to be valid, such electronic appointments and directions must be registered by no later than 5.00 p.m. on 27 September 2019 (in the case of both the Court Meeting and the General Meeting) or, in the case of an adjourned meeting, by no later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any day that is not a working day). Catalis Shareholders are advised to read the terms and conditions of use carefully.

## **ELECTIONS FOR THE PARTIAL CASH AND UNLISTED SECURITIES ALTERNATIVE**

Catalis Shareholders (other than any person in a Restricted Jurisdiction) may elect to receive a combination of cash and New Topco Shares in respect of all (but not part only) of their holdings of Catalis Shares at the Scheme Record Time. If you are eligible to do so and wish to make an election under the Partial Cash and Unlisted Securities Alternative, you should complete the enclosed PINK Form of Election and return it with your share certificate(s) (if applicable) to Computershare, Corporate Actions Projects, Bristol, BS99 6AH by post or (during normal business hours only) by hand to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE or, if you hold your shares in CREST, submit a TTE instruction through CREST in accordance with the requirements of paragraph 3 of Part 8 of this document by 1.00 p.m. on 1 October 2019, which is the Partial Cash and Unlisted Securities Alternative Election Deadline. The prepaid envelope supplied with this document may be used (within the UK only) for the return of the Form of Election as well as Forms of Proxy. Notes on completing the Form of Election are set out in Part 8 of this document.

The latest time for Catalis Shareholders who wish to elect for the Partial Cash and Unlisted Securities Alternative to return their Form of Election and share certificates (if applicable) or submit their TTE instructions through CREST in accordance with the requirements of paragraph 3 of Part 8 of this document is 1.00 p.m. on 1 October 2019. Catalis Shareholders who fail (or choose not) to make an election by the Partial Cash and Unlisted Securities Alternative Election Deadline, or who make elections which are in any way invalid, will not be entitled to participate in the Partial Cash and Unlisted Securities Alternative and will instead receive the Cash Consideration in respect of all their Catalis Shares in accordance with the terms of the Scheme.

Catalis Shareholders who do not wish to elect to receive the Partial Cash and Unlisted Securities Alternative do not need to return the Form of Election.

Catalis Shareholders who are in a Restricted Jurisdiction are only eligible to receive the Cash Consideration, and are not eligible to elect to receive New Topco Shares in respect of all or any part of the consideration for their Catalis Shares.

### **Assistance**

For further information, please contact Computershare on 0370 702 0000 or +44 370 702 0000 if calling from outside the United Kingdom. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Computershare cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

## PART 1

### LETTER FROM THE CHAIRMAN OF CATALIS PLC

#### **Catalis plc**

*(Incorporated in England and Wales with Company Registration Number 11899376)*

Registered office:  
Suffolk House  
George Street  
East Croydon  
London  
CR0 1PE

#### **Independent Directors**

Peter Biewald (Non-Executive Chairman)

Nick Winks (Non-Executive Director)

9 September 2019

*To the holders of Catalis Shares and, for information only, to holders of awards and options in respect of Catalis Shares and persons with information rights*

Dear Catalis Shareholder,

#### **Recommended cash acquisition of Catalis plc by Project Sword Bidco Limited**

#### **1 INTRODUCTION**

On 15 August 2019, the Independent Directors and the Board of Bidco announced that agreement had been reached on the terms of a recommended cash acquisition by which the entire issued and to be issued share capital of Catalis will be acquired by Bidco. Bidco is a newly-incorporated company indirectly controlled, as at the date of this document, by funds managed by NorthEdge.

The Acquisition will be effected by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act. This requires the approval of Catalis Shareholders at the Court Meeting and at the General Meeting and the sanction of the Court, as more particularly set out below.

I am writing to you on behalf of the Independent Directors to explain the background to, and terms of, the Acquisition, and to encourage you to vote in favour of the Scheme and the Resolutions to be proposed at the Meetings required to implement the Scheme and the associated Rollover Arrangements and Sweet Equity Arrangements. I will also explain why the Independent Directors are unanimously recommending that Catalis Shareholders vote at the Meetings in favour of the Scheme and the Resolutions to be put to the Meetings.

Details of the actions you should take are set out in paragraph 14 of Part 2 of this document and the recommendation of the Independent Directors is set out in paragraph 15 of this Part 1 (Letter from the Chairman of Catalis plc). Statements made or referred to in this letter regarding Bidco's reasons for the Acquisition, information concerning the business of Bidco and/or NorthEdge, the financial effects of the Acquisition on Bidco and/or the intentions or expectations of or concerning NorthEdge reflect the views of the Bidco Directors and the NorthEdge Responsible Persons.

## 2 SUMMARY OF THE TERMS OF THE ACQUISITION

Under the terms of the Acquisition, which is subject to the Conditions and to the further terms set out in Part 3 of this document, Scheme Shareholders whose names appear on the register of members of Catalis at the Scheme Record Time will 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 (equivalent to approximately €96.8 million as at the Applied Exchange Rate) and represents a premium of:

- 179.6 per cent. to the market capitalisation of the Company implied by the last price at which Catalis Shares were traded on the Frankfurt Stock Exchange prior to its de-listing on 20 June 2018, being €34.6 million, at which time the price per Catalis Share was €44.00; and
- 159.6 per cent. to the market capitalisation of the Company implied by the highest price at which Catalis Shares were traded on the Frankfurt Stock Exchange in the twelve months period prior to its de-listing on 20 June 2018, being €37.3 million, at which time the price per Catalis Share was €47.40.

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

**for each Scheme Share held                    £36.57 pence in cash and 1 Unit (each Unit comprising 5.9048 New Topco Ordinary Shares plus 585 New Topco Preferred Ordinary Shares)**

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 is set out in Part 9 of this document.

The Exempted Document, which is being sent to eligible Catalis Shareholders in connection with the Units being offered through the Partial Cash and Unlisted Securities Alternative together with this document, includes 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.

Further information in relation to the Partial Cash and Unlisted Securities Alternative and the Units is set out in paragraph 3 of Part 4 and in Parts 6 to 8 of this document.

The purpose of the Court Meeting is to allow Scheme Shareholders to consider and, if thought fit, approve the Scheme. At the Court Meeting, voting will be by poll and each Scheme Shareholder entitled

to vote present in person or by proxy will be entitled to one vote for each Scheme Share held at the Scheme Record Time.

In order to become effective, the Scheme must be approved by a majority in number of the Scheme Shareholders voting at the Court Meeting representing not less than 75 per cent. in value of the Scheme Shares held by the Scheme Shareholders entitled to vote present and voting in person or by proxy.

Implementation of the Scheme will also require:

- 1 the approval by Catalis Shareholders representing at least 75 per cent. of the votes cast on the Special Resolution; and
- 2 the approval on a poll by the Rollover Independent Shareholders representing a simple majority of the votes cast on the Rollover and Sweet Equity Resolution;

in each case at the General Meeting to be held at the same place as the Court Meeting at 10.10 a.m. on 30 September 2019 (or as soon thereafter as the Court Meeting is concluded or adjourned).

You are strongly encouraged to vote at both of these Meetings in person or by proxy.

It is expected that (subject to satisfaction or (where applicable) waiver of the Conditions) the Scheme Court Hearing to sanction the Scheme will be held on 7 October 2019 and that the Scheme will become effective in accordance with its terms on the following Business Day.

If the Scheme becomes effective, it will be binding on all Catalis Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or General Meeting.

### **3 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 prior experience in the gaming sector, most recently through its investment in video game and interactive products developer Sumo Digital Ltd, 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.

### **4 BACKGROUND TO AND REASONS FOR THE INDEPENDENT DIRECTORS' RECOMMENDATION OF THE ACQUISITION**

Catalis de-listed from the Frankfurt Stock Exchange in 20 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 shares was not, in the opinion of the Directors, reflective of the true value of the Company.

Since that time the Catalis Board has 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 shareholders are based in the United Kingdom, and this,



combined with the strong interest in the video gaming sector amongst the UK investment community, led the 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 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 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 a listing at that time in a manner that delivered on the objectives of the Directors and certain of Catalis' major shareholders, including a valuation that was acceptable to the Directors and those major shareholders. The process was therefore put on hold pending an improvement in market sentiment and the Directors' further considerations around the likelihood of a UK IPO delivering the Directors' objectives.

During Q1 of 2019, the 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 Directors believed could be achievable via an IPO. The Board 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 a consortium comprising NorthEdge as their preferred backer, and in conjunction with those parties, formed Bidco to present an offer on the terms of the Acquisition.

Whilst the Independent Directors are confident in the standalone prospects of Catalis, which has grown strongly since its de-listing 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 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 value, which represents a premium of:

- 179.6 per cent. to the market capitalisation of the Company implied by the last price at which Catalis Shares were traded on the Frankfurt Stock Exchange prior to its de-listing on 20 June 2018, being €34.6 million, at which time the price per Catalis Share was €44.00; and
- 159.6 per cent. to the market capitalisation of the Company implied by the highest price at which Catalis Shares were traded on the Frankfurt Stock Exchange in the twelve months period prior to its de-listing on 20 June 2018, being €37.3 million, at which time the price per Catalis Share was €47.40.

The Independent Directors are mindful of the fact that an alternative 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 Acquisition Price 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 potential bidders 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 7 of this Part 1).

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 Acquisition (further details of which are set out in paragraph 5 of this Part 1).

Having taken into account these matters, the Independent Directors believe that the Acquisition is in the best interests of Catalis Shareholders as a whole, and therefore unanimously recommend that:

- Scheme Shareholders vote in favour of the Scheme at the Court Meeting; and
- Catalis Shareholders who are eligible to do so vote in favour of the other Resolutions to be proposed at the General Meeting,

as they intend to do in respect of their own holdings of Catalis Shares.

In light of their interest in the Rollover Arrangements and the Sweet Equity Arrangements, Dominic Wheatley, Robert Haxton and Andrew Lawton have not participated in the appraisal of the Acquisition, or the decision by the Independent Directors to recommend the Acquisition to Catalis Shareholders. Similarly, Nigel Hammond and Thomas Chaloner, who are nominees of Vespa Capital on the Board of Catalis, have not participated in the appraisal of the Acquisition, or the decision by the Independent Directors to recommend the Acquisition to Catalis Shareholders.

## **5 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 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.

Further details of these irrevocable undertakings, including the circumstances in which they fall away, are set out in paragraph 7 of Part 10 of this document.

## 6 ROLLOVER ARRANGEMENTS AND SWEET EQUITY ARRANGEMENTS

### ***Rollover Arrangements***

NorthEdge have agreed with each of the Rollover Managers the terms of their participation in Topco following the successful completion of the Acquisition, subject to the approval of the Scheme Shareholders, as set out in this paragraph 6.

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:

Shareholder	Role	Shareholding in Catalis*	% Value rollover into Bidco equity**	Equity shareholding % post Acquisition (following the issue of the Sweet Equity Shares)
Dominic Wheatley	Group CEO	10.1%	60.0%	17.5%
Robert Haxton	Group FD	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 Bidco Directors believe that the ongoing participation of the Rollover Managers is an important element of the Acquisition, and are pleased that they will continue as employees of and investors in the Bidco Group following completion of the Acquisition.

### ***Sweet Equity Arrangements***

Pursuant to the Sweet Equity Arrangements, 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 in Topco in the manner more particularly described below.

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

The Topco Articles 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:

Category	Role	Initial Sweet Equity Entitlement
Dominic Wheatley	Group CEO	12.0%
Robert Haxton	Group FD	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 Bidco Directors believe that the ongoing participation of the Sweet Equity Participants is an important element of the Acquisition, and are pleased that they will continue as employees of and investors in the Bidco Group following completion of the Acquisition.

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

The Rollover Managers and the Sweet Equity Participants 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 15 August 2019 entered into by the Rollover Managers provides for the sale by each of the Rollover Manager of their Catalis Shares and their 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 have an aggregate value of approximately £12.7 million at the Acquisition Price. Pursuant to the Sale and Purchase Agreement, in addition to the payment of £3.7 million in cash, loan notes with an aggregate principal amount of approximately £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 15 August 2019 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 Topco Ordinary shares, Topco Preferred Ordinary Shares and, in the case of Dominic Wheatley, loan notes issued by Topco.

### ***Equity Terms Agreement***

The Equity Terms Agreement sets out the terms on which, amongst other things, the Rollover Managers will hold their 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 Ordinary Shares following the issue of the Sweet Equity Shares.

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

The Rollover Independent Shareholders will be asked at the General Meeting to approve the Rollover Arrangements and the Sweet Equity Arrangements described in this paragraph 6 by voting on the Rollover and Sweet Equity Resolution. Pursuant to Rule 16.2 of the Code, none of the Rollover Managers nor their connected persons nor any person holding Catalis Shares on behalf of the Rollover Managers and/or any of their connected persons will be entitled to vote on such resolution and voting on this resolution will be by way of a poll.

The Independent Directors unanimously recommend that the Rollover Independent Shareholders vote in favour of the Rollover and Sweet Equity Resolution to approve the Rollover Arrangements and the Sweet Equity Arrangements. For the purposes of Rule 16.2 of the Code, Zeus Capital has confirmed to the Independent Directors that, in its opinion, the terms of the Rollover Arrangements and Sweet Equity Arrangements are fair and reasonable so far as the Rollover Independent Shareholders are concerned. In providing this opinion, Zeus Capital has taken into account the commercial assessments of the Independent Directors.

The Acquisition will be conditional on, amongst other things, the Scheme Shareholders approving the Rollover and Sweet Equity Resolution at the General Meeting as described above.

Other than the Rollover Arrangements and the Sweet Equity Arrangements there are currently 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.

## **7 DIRECTORS, MANAGEMENT, EMPLOYEES, PENSIONS, RESEARCH AND DEVELOPMENT, LOCATIONS OF BUSINESS AND STRATEGIC PLANS**

As set out in paragraph 4 of Part 1 above, 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 set out in paragraph 6 of this letter above, 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.

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.

No statements in this paragraph 7 are "post-offer undertakings" for the purposes of Rule 19.5 of the Code.

## **8 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 by 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 (as defined in the Facilities Arrangement) 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.

Further information relating to the Facilities Agreement and the Equity Terms Agreement is set out in paragraph 10 of Part 10 of this document.

## **9 MEETINGS AND ACTION TO BE TAKEN BY CATALIS SHAREHOLDERS**

Notices convening the Court Meeting and the General Meeting are set out in Part 12 and Part 13 of this document.

Please see paragraph 14 of Part 2 of this document for details of the actions to be taken by Catalis Shareholders in relation to voting at the Meetings and Part 8 of this document in relation to the actions to be taken to elect for the Partial Cash and Unlisted Securities Alternative.

It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of Scheme Shareholder opinion. You are therefore strongly urged to complete, sign and return your Forms of Proxy or appoint a proxy through CREST, as soon as possible.

## **10 CURRENT TRADING AND PROSPECTS**

On 14 March 2019, Catalis published a trading update for the year ended 31 December 2018, a copy of which can be found at [www.catalisgroup.com](http://www.catalisgroup.com). Since 31 December 2018, Catalis has continued to trade in line with management expectations.

Further financial information on Catalis can be found in Part 5 of this document.

## **11 RE-REGISTRATION OF CATALIS AS A PRIVATE COMPANY**

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.

## **12 OVERSEAS SHAREHOLDERS**

The availability of the Acquisition or the distribution of this document to Catalis Shareholders who are not resident in the United Kingdom may be affected by the laws of their relevant jurisdiction. Such persons should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction. Catalis Shareholders who are in any doubt regarding such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

This document does not constitute an offer for sale for any securities or an offer or an invitation to purchase any securities. Catalis Shareholders are advised to carefully read this document and the Forms of Proxy. In particular, overseas Catalis Shareholders should refer to the section of this document entitled "IMPORTANT NOTICE" and paragraph 13 of Part 2 of this document.

## 13 CATALIS SHARE OPTIONS

The Acquisition shall extend to any Catalis Shares which are unconditionally allotted or issued pursuant to the exercise of any options in respect of Catalis Shares prior to the Scheme Record Time.

## 14 FURTHER INFORMATION

I draw your attention to the letter from Zeus Capital set out in Part 2 of this document, which gives further details about the Acquisition, the terms of the Scheme and the Partial Cash and Unlisted Securities Alternative. You should, however, read the whole of this document and not just rely on the information contained in this letter or in Part 2 of this document.

Your attention is also drawn to the information which is incorporated by reference into this document, details of which can be found in Part 5 of this document.

## 15 RECOMMENDATION BY THE INDEPENDENT DIRECTORS

### ***Scheme***

The Independent Directors, who have been so advised by Zeus Capital as to the financial terms of the Acquisition, unanimously consider the terms of the Acquisition to be fair and reasonable. In providing 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.

The Independent Directors consider the terms of the Acquisition to be in the best interest of Catalis Shareholders as a whole. Accordingly, the Independent Directors unanimously recommend that:

- (a) Scheme Shareholders vote in favour of the Scheme at the Court Meeting;
- (b) Catalis Shareholders vote in favour of the Special Resolution at the General Meeting; and
- (c) Rollover Independent Shareholders vote in favour of the Rollover and Sweet Equity Resolution at the General Meeting.

The Independent Directors unanimously 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 Part 7 of this document.

### ***Rollover Arrangements and Sweet Equity Arrangements***

Zeus Capital considers that the terms of the Rollover Arrangements and the Sweet Equity Arrangements are fair and reasonable so far as the Rollover Independent Shareholders are concerned. In forming this view, Zeus Capital has taken into account the commercial assessments of the Independent Directors. The Independent Directors, who have been advised by Zeus Capital, consider that the terms of the Rollover Arrangements and the Sweet Equity Arrangements are fair and reasonable and that the Rollover and Sweet Equity Resolution (being the ordinary resolution of Rollover Independent Shareholders to approve the Rollover Arrangements and the Sweet Equity Arrangements for the purposes of Rule 16 of the Code) is in the best interests of Catalis and its shareholders as a whole.



Accordingly, the Independent Directors unanimously recommend that the Rollover Independent Shareholders vote in favour of the Rollover and Sweet Equity Resolution to approve the Rollover Arrangements and the Sweet Equity Arrangements at the General Meeting.

In light of their interest in the Rollover Arrangements and the Sweet Equity Arrangements, Dominic Wheatley, Robert Haxton and Andrew Lawton have not participated in the appraisal of the Acquisition, or the decision by the Independent Directors to recommend the Acquisition to Catalis Shareholders. Similarly, Nigel Hammond and Tom Chaloner, who are nominees of Vespa Capital on the Board of Catalis, have not participated in the appraisal of the Acquisition, or the decision by the Independent Directors to recommend the Acquisition to Catalis Shareholders.

Yours faithfully,

**Peter Biewald**  
Chairman  
Catalis plc

## PART 2

### EXPLANATORY STATEMENT

(In compliance with section 897 of the Companies Act)

Zeus Capital Limited  
Registered office:  
82 King Street  
Manchester  
M2 4WQ

9 September 2019

*To Catalis Shareholders and, for information only, to holders of awards and options in respect of Catalis Shares and persons with information rights*

Dear Catalis Shareholder

#### **Recommended cash acquisition of Catalis plc by Bidco**

#### **1 INTRODUCTION**

On 15 August 2019, the Independent Directors and the Bidco Directors announced that agreement had been reached on the terms of a recommended cash acquisition by which the entire issued share capital of Catalis will be acquired by Bidco. The Acquisition will be effected by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act.

**Your attention is drawn to Part 1 (Letter from the Chairman of Catalis plc) of this document, which forms part of this Explanatory Statement. That letter contains, among other things, the unanimous recommendation by the Independent Directors to Catalis Shareholders to vote in favour of the Scheme at the Court Meeting and the Resolutions at the General Meeting. That letter also states that the Independent Directors, who have been so advised by Zeus Capital as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing their advice, Zeus Capital has taken into account the commercial assessments of the Independent Directors. Zeus Capital is acting as the independent financial adviser to Catalis for the purposes of providing independent advice to the Independent Directors in connection with the Acquisition under Rule 3 of the Code.**

We have been authorised by the Independent Directors to write to you to explain the terms of the Acquisition and the Scheme and to provide you with other relevant information. Statements made or referred to in this letter regarding Bidco's reasons for the Acquisition, information concerning the business of NorthEdge, the financial effects of the Acquisition on Bidco and/or the intentions or expectations of or concerning NorthEdge reflect the views of the Bidco Directors and the NorthEdge Responsible Persons.

The terms of the Scheme are set out in full in Part 4 of this document. Your attention is also drawn to the other parts of this document, including the information in Part 10 of this document.

The Scheme is subject to the Conditions set out in Part 3 of this document being satisfied (or, where applicable, waived).

Catalis Shareholders should read the whole of this document before deciding whether or not to vote in favour of the Scheme at the Meetings.

## 2 SUMMARY OF THE TERMS OF THE ACQUISITION AND SCHEME

### *The Terms of the Acquisition*

Under the terms of the Acquisition, which is subject to the Conditions and to the further terms set out in Part 3 of this document, Scheme Shareholders whose names appear on the register of members of Catalis at the Scheme Record Time will be entitled to receive:

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

The Acquisition Price values the entire issued and to be issued share capital of Catalis at approximately £89.8 million on a fully diluted basis, calculated on the bases set out in paragraph 15.4 of Part 10 of this document.

The equity valuation of the Company of £89.8 million (equivalent to approximately €96.8 million at the Applied Exchange Rate) represents a premium of:

- 179.6 per cent. to the market capitalisation of the Company implied by the last price at which Catalis Shares were traded on the Frankfurt Stock Exchange prior to its de-listing on 20 June 2018, being €34.6 million, at which time the price per Catalis Share was €44.00; and
- 159.6 per cent. to the market capitalisation of the Company implied by the highest price at which Catalis Shares were traded on the Frankfurt Stock Exchange in the twelve months period prior to its de-listing on 20 June 2018, being €37.3 million, at which time the price per Catalis Share was €47.40.

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

**for each Scheme Share held                      £36.57 pence in cash and 1 Unit (each Unit comprising 5.9048 New Topco Ordinary Shares plus 585 New Topco Preferred Ordinary Shares)**

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 Acquisition Price. Further information in relation to the Partial Cash and Unlisted Securities Alternative and the Units is set out in paragraph 4 of this Part 2 and in Parts 6 to 8 of this document. A valuation of the Units and the Partial Cash and Unlisted Securities Alternative is set out in Part 9 of this document.

The Exempted Document, which is being sent to eligible Catalis Shareholders in connection with the Units being offered through the Partial Cash and Unlisted Securities Alternative together with this document, includes 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 Scheme process*

The purpose of the Court Meeting is to allow Scheme Shareholders to consider and, if thought fit, approve the Scheme. At the Court Meeting, voting will be by poll and each Scheme Shareholder entitled to vote present in person or by proxy will be entitled to one vote for each Scheme Share held at the Scheme Record Time.

In order to become effective, the Scheme must be approved by a majority in number of the Scheme Shareholders voting at the Court Meeting representing not less than 75 per cent. in value of the Scheme Shares held by the Scheme Shareholders entitled to vote present and voting in person or by proxy.

Implementation of the Scheme will also require:

- 1 the approval by Catalis Shareholders representing at least 75 per cent. of the votes cast on the Special Resolution; and
- 2 the approval on a poll by the Rollover Independent Shareholders representing a simple majority of the votes cast on the Rollover and Sweet Equity Resolution,

in each case at the General Meeting to be held at the same place as the Court Meeting at 10.10 a.m. on 30 September 2019 (or as soon thereafter as the Court Meeting is concluded or adjourned).

You are strongly encouraged to vote at both of these Meetings in person or by proxy.

It is expected that (subject to satisfaction or (where applicable) waiver of the Conditions) the Scheme Court Hearing to sanction the Scheme will be held on 7 October 2019 and that the Scheme will become effective in accordance with its terms on the following Business Day.

If the Scheme becomes effective, it will be binding on all Catalis Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or General Meeting.

### **3 BACKGROUND TO AND REASONS FOR THE RECOMMENDATION**

Information relating to the background to and reasons for the Independent Directors' recommendation of the Acquisition is set out in Part 1 of this document.

Bidco has received irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting from major shareholders who hold Catalis Shares in their own names or through a nominee in respect of all their own beneficial holdings of Catalis Shares.

Further details of these irrevocable undertakings, and the extent to which they remain binding in the event of a higher competing offer, are set out in Part 10 of this document.

## 4 THE PARTIAL CASH AND UNLISTED SECURITIES ALTERNATIVE

### 4.1 Terms

Under the Partial Cash and Unlisted Securities Alternative, eligible Scheme Shareholders may elect, in respect of all (but not some only) of their Scheme Shares, to receive a combination of cash and Units in lieu of the Cash Consideration to which they are entitled in respect of such Scheme Shares under the terms of the Acquisition on the following basis:

<b>for each Scheme Share held</b>	<b>£36.57 pence in cash and 1 Unit (each Unit comprising 5.9048 New Topco Ordinary Shares plus 585 New Topco Preferred Ordinary Shares)</b>
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subject to scaling down as described below.

Fractional entitlements to New Topco Shares will be rounded down to the nearest whole number of New Topco Shares and will be disregarded.

Scheme Shareholders will be required to elect for the Partial Cash and Unlisted Securities Alternative in respect of all (and not just some only) of their holding of Catalis Shares.

The Partial Cash and Unlisted Securities Alternative is conditional on the Scheme becoming effective.

### 4.2 Availability

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 Acquisition Price.

### 4.3 Risk factors

New Topco Shares will represent an indirect investment in Catalis. Further details of the capital structure and rights of the New Topco Shares are set out in Part 6 of this document, and further information regarding the New Topco Shares is set out in the Exempted Document.

The attention of 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 set out in Part 7 of this document and in Part 2 of the Exempted Document.

### 4.4 Overseas jurisdictions

The New Topco Shares will not be offered, sold or delivered, directly or indirectly, in or into the United States, Canada, Australia, Republic of Ireland, Japan or any other Restricted Jurisdiction.

New Topco Shares have not been and will not be registered under the US Securities Act or under the securities laws of any state in the United States. The Partial Cash and Unlisted Securities Alternative is not being made available to Scheme Shareholders who are located or resident in any Restricted

Jurisdiction (which include US Persons). Accordingly, persons located or resident in any Restricted Jurisdiction shall receive cash notwithstanding any election made by them for the Partial Cash and Unlisted Securities Alternative, and there shall be no issuance of New Topco Shares to such Scheme Shareholders.

Where Bidco believes that an election for the Partial Cash and Unlisted Securities Alternative by any Scheme Shareholder may infringe applicable legal or regulatory requirements, or may result in a requirement for a registration under the US Securities Act, the US Exchange Act or any other securities laws in the United States, or the securities laws of any other Restricted Jurisdiction, Bidco will have the right to deem that such Scheme Shareholder has not validly elected for the Partial Cash and Unlisted Securities Alternative and such Scheme Shareholder will instead receive the Cash Consideration in respect of the Scheme Shares which were subject to such an election in accordance with the terms of the Acquisition.

#### **4.5 Further details**

Further details of the Partial Cash and Unlisted Securities Alternative are set out in Parts 6 to 8 of this document. Further information regarding Bidco, Topco and the New Topco Shares is set out in the Exempted Document.

### **5 INFORMATION RELATING TO THE CATALIS GROUP**

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.

Catalis is headquartered in London, with other offices in Los Angeles, Warsaw, Santiago, San Francisco, Brighton and Bangkok, and employs 436 staff.

Further financial information on Catalis can be found in Part 5 and Part 10 of this document.

### **6 INFORMATION RELATING TO NORTHEdge, THE TOPCO GROUP AND THE CO-INVESTORS**

#### ***NorthEdge***

NorthEdge manages over £650 million 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 across the technology, industrials, logistics, legal services and consumer sectors. NorthEdge has prior expertise in the gaming sector, most significantly through its investment in Sumo Digital Ltd, 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 Wider Bidco 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 Acquisition.

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.

## **7 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.

Further information relating to the Facilities Agreement and the Equity Terms Agreement is set out in paragraph 10 of Part 10 of this document.

## **8 CATALIS DIRECTORS AND THE EFFECT OF THE SCHEME ON THEIR INTERESTS**

Details of the interests of Catalis' Directors in Catalis Shares are set out in Part 10 of this document. Dominic Wheatley and Robert Haxton (the Catalis Directors who are interested in Catalis Shares as at the date of this document) have undertaken to vote (or procure the voting) in favour of the Special Resolution to be proposed at the General Meeting. Further details of these irrevocable undertakings are set out in paragraph 7 of Part 10 of this document. As a result of their interest in the Rollover Arrangements and/or the Sweet Equity Arrangements, Dominic Wheatley and Robert Haxton are not entitled to vote in relation to the Scheme or the Rollover and Sweet Equity Resolution.

Particulars of the service contracts and letters of appointment of the Catalis' Directors are set out in paragraph 5 of Part 10 of this document.

Save as set out in this paragraph 8 and as detailed in paragraph 6 of Part 1 of this document, the effect of the Scheme on the interests of Catalis Directors does not differ from its effect on the like interests of any other Catalis Shareholder.

## **9 STRUCTURE OF THE ACQUISITION**

### ***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 share capital of Catalis.

Under the Scheme, the Scheme Shares will be transferred to Bidco in consideration for which the Scheme Shareholders will receive the Cash Consideration 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 4.2 of this Part 2. The Scheme will be subject to the Conditions and further terms referred to Part 3. 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***

The Acquisition will be put to Scheme Shareholders at the Court Meeting and at the General Meeting. The Court Meeting and the General Meeting are scheduled to be held at 10.00 a.m. and 10.10 a.m., respectively, on 30 September 2019 at the offices of Squire Patton Boggs (UK) LLP at 7 Devonshire Square, London EC2M 4YH.



Notice of the Court Meeting is set out in Part 12 of this document and notice of the General Meeting is set out in Part 13 of this document. Entitlement to attend and vote at these Meetings and the number of votes which may be cast at them will be determined by reference to the register of members of Catalis at 6.00 p.m. on the date which is two Business Days before the relevant meeting or any adjourned meeting (as the case may be).

If the Scheme becomes 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.

Any Catalis Shares held by Bidco or any other member of the Wider Bidco Group will not qualify to be Scheme Shares. As such, any member of the Wider Bidco Group which holds Scheme Shares will not be entitled to vote at the Court Meeting in respect of the Scheme Shares held or acquired by or for it. Bidco will undertake to be bound by the Scheme.

### ***Court Meeting***

The Court Meeting is being held at the direction of the Court to seek the approval of Scheme Shareholders for the Scheme. At the Court Meeting, voting will be by way of poll and each Scheme Shareholder entitled to vote present in person or by proxy will be entitled to one vote for each Scheme Share held. The approval required at the Court Meeting is a majority in number of the Scheme Shareholders present and voting (and entitled to vote), either in person or by proxy, representing 75 per cent. or more in value of the Scheme Shares held by such holders.

**It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of Scheme Shareholder opinion. You are therefore strongly urged to complete, sign and return your Forms of Proxy or appoint a proxy electronically, as soon as possible.**

### ***General Meeting***

The General Meeting has been convened to consider and, if thought fit, pass:

- 1 the Special Resolution, which requires the approval by Catalis Shareholders representing at least 75 per cent. of the votes cast in person or by proxy; and
- 2 the Rollover and Sweet Equity Resolution, which requires the approval on a poll by Rollover Independent Shareholders representing a simple majority of the votes cast.

### ***Amendments to Catalis' articles of association***

It is proposed to amend Catalis' articles of association to ensure that any Catalis Shares issued between the time of amendment of Catalis' articles of association and the Scheme Record Time will be subject to the Scheme. It is also proposed to amend Catalis' articles of association so that any Catalis Shares issued to any person other than Bidco or a member of the Bidco Group or their respective nominee(s), at or after the Scheme Record Time will be automatically acquired by Bidco on the same terms as under the Scheme. This will avoid any person (other than Bidco or its nominee(s)) being left with Catalis Shares after completion of the Acquisition.

The Special Resolution set out in Part 13 of this document seeks the approval of Catalis Shareholders for such amendment.

### ***The Rollover Arrangements and Sweet Equity Arrangements***

In accordance with Rule 16.2 of the Code, as Dominic Wheatley and Robert Haxton are entering into the Rollover Arrangements and are participating in the Sweet Equity Arrangements and Andrew Lawton is participating in the Sweet Equity Arrangements on a basis that is not being made available to all of Catalis Shareholders, such Rollover Arrangements and Sweet Equity Arrangements must be approved at the General Meeting. The Rollover Arrangements and Sweet Equity Arrangements are therefore subject to the Rollover and Sweet Equity Resolution being approved on a poll by a simple majority of the Rollover Independent Shareholders at the General Meeting. The Rollover and Sweet Equity Resolution is set out in the notice of General Meeting in Part 13 of this document.

### ***The Court Hearings***

Under the Companies Act, the Scheme also requires sanction of the Court. The Scheme Court Hearing to sanction the Scheme is expected to be held on 7 October 2019.

The Scheme will become effective only upon a copy of the Scheme Court Order being delivered to the Registrar of Companies. It is intended that the Scheme will become effective in accordance with its terms on the following Business Day.

### ***Modifications to the Scheme***

The Scheme contains a provision for Catalis and Bidco jointly to consent on behalf of all persons concerned to any modification of, or addition to, the Scheme or to any condition approved or imposed by the Court. The Court would be unlikely to approve any modification of, or addition to, or impose a condition to the Scheme which might be material to the interests of the Scheme Shareholders, unless Scheme Shareholders were informed of such modification, addition or condition. It would be a matter for the Court to decide, in its discretion, whether or not a further meeting of Scheme Shareholders should be held in these circumstances.

In accordance with the Takeover Code, except with the consent of the Panel, modifications or revisions to the Scheme may only be made: (i) more than 14 days prior to the date of the Meetings (or any later date to which such Meetings are adjourned); or (ii) at a later date, with the consent of the Panel.

### ***Alternative means of implementing the Acquisition***

Bidco reserves the right to elect to implement the Acquisition by way of a Takeover Offer (as defined in Part 28 of the Companies Act), subject to the Panel's consent as an alternative to the Scheme. In any such event, such offer will be implemented on the same terms and conditions (subject to appropriate amendments, including (without limitation) an acceptance condition set at 75 per cent. or such other percentage (being more than 50 per cent.) as Bidco may decide (subject to the Panel's consent) of the shares to which such offer relates) so far as applicable, as those which would apply to the Scheme.

If sufficient acceptances of such offer are received and/or sufficient Catalis Shares are otherwise acquired, it is the intention of Bidco to apply the provisions of section 979 of the Companies Act to acquire compulsorily any outstanding Catalis Shares to which the offer related.

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

Once the necessary approvals have been obtained at the Meetings, and the other Conditions have been satisfied or (where applicable) waived, 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:

- 1 the approval of the requisite majority of Scheme Shareholders at the Court Meeting is not obtained on or before the Long Stop Date; or
- 2 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 Long Stop Date; or
- 3 the approval on a poll of the requisite majority of Rollover Independent Shareholders to pass the Rollover and Sweet Equity Resolution to be proposed at the General Meeting is not obtained on or before the Long Stop Date; and
- 4 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 is not procured before 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.

## **10 RE-REGISTRATION AS A PRIVATE COMPANY**

It is intended that, following the Scheme becoming effective, Catalis will be re-registered as a private company under the relevant provisions of the Companies Act.

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.

## **11 SETTLEMENT**

Subject to the Scheme becoming effective, the Cash Consideration due to Scheme Shareholders will be dispatched (as set out below) and the New Topco Ordinary Shares and New Topco Preferred Ordinary Shares will be issued to Scheme Shareholders who have elected for the Partial Cash and Unlisted Securities Alternative, no later than 14 days after the Effective Date.

### ***Settlement of Cash Consideration - Scheme Shares held in certificated form***

Where, at the Scheme Record Time, a Scheme Shareholder holds their Scheme Shares in certificated form (that is, not in CREST), settlement of the Cash Consideration to which such Scheme Shareholder is entitled will be despatched by first class post (or by such other method as may be approved by the Panel) to the Scheme Shareholder or its appointed agents at their respective addresses appearing in the register of members at the Scheme Record Time or in the case of joint holders, at the address of that one of the joint holders whose name stands first in the register in respect of such joint holding at such time (but not into any Restricted Jurisdiction). All such cash payments will be made in Sterling by cheque drawn on a branch of a UK clearing bank.

In the case of joint holders, Bidco reserves the right to make cheques payable to the holder whose name stands first in the register of members of Catalis in respect of the joint holding concerned at the

Scheme Record Time. The encashment of any such cheque as is referred to in this paragraph shall be a complete discharge for the monies represented by it.

***Settlement of Cash Consideration - Scheme Shares held in uncertificated form***

Where, at the Scheme Record Time, a Scheme Shareholder holds their Scheme Shares in uncertificated form, settlement of the Cash Consideration to which such Scheme Shareholder is entitled will be paid by means of a CREST payment in favour of the Scheme Shareholder's payment bank in respect of the Cash Consideration due, in accordance with CREST payment arrangements. The creation of an assured payment arrangement shall be a complete discharge of Bidco's obligations under the Scheme with reference to payments through CREST. Bidco reserves the right to settle all or any part of the consideration referred to in this paragraph, for all or any Scheme Shareholders, in the manner referred to in the paragraph above, if for any reason it wishes to do so.

***Despatch by post***

Cheques in respect of the Cash Consideration will be despatched to the address appearing on Catalis' register of members at the Scheme Record Time (or, in the case of joint holders, to the address of that joint holder whose name stands first in the said register in respect of such joint holding). Despatch will be by ordinary prepaid post if the registered address is located in the same country as that in which despatch is occurring, and by airmail if the registered address is not in the same country. Neither Catalis nor Bidco will be responsible for any loss or delay in the transmission of cheques sent in this way.

***General***

All documents and remittances sent by post will be sent at the risk of the person(s) entitled thereto.

Save with the consent of the Panel, settlement of the Cash Consideration to which any Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms set out in this Part 2 without regard to any lien, right of set off, counterclaim or analogous right to which Bidco may otherwise be, or claim to be, entitled against any Scheme Shareholder.

On the Effective Date, each certificate representing a holding of Catalis Shares will be cancelled and share certificates for such shares will cease to be valid and should be destroyed and entitlements to Catalis Shares in CREST will be cancelled.

## **12 UNITED KINGDOM TAXATION**

**The following paragraphs, which are intended as a general guide only and not a substitute for detailed tax advice, are based on current UK tax legislation and HM Revenue and Customs published practice as at the Last Practicable Date, which may change at any time, possibly with retrospective effect. They summarise certain limited aspects of the UK taxation treatment of Catalis Shareholders. They relate only to the position of Catalis Shareholders who are resident in the UK for taxation purposes at all relevant times and who hold their Catalis Shares beneficially as an investment (other than under a personal equity plan, a self-invested personal pension or an individual savings account) and who have not (and are not deemed to have) acquired their Catalis Shares by reason of an office or employment. The comments below apply only to certain categories of person and, in particular, may not apply to such persons as market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services, to whom special rules may apply.**

**If you are in any doubt as to your taxation position or if you may be subject to taxation in any jurisdiction other than the United Kingdom, you should consult an appropriately qualified independent professional adviser immediately.**

## ***UK taxation of chargeable gains***

### **Cash Consideration**

The sale of Catalis Shares for cash by a Catalis Shareholder pursuant to the Acquisition will constitute a disposal of that shareholding. Such a disposal may give rise to a liability to UK taxation of chargeable gains depending on a Catalis Shareholder's individual circumstances (including the availability of exemptions, reliefs and allowable losses) and, in particular, a Catalis Shareholder's base cost in that holding of Catalis Shares.

### **Partial Cash and Unlisted Securities Alternative**

If an election is made for the Partial Cash and Unlisted Securities Alternative, a Catalis Shareholder should be treated for the purposes of UK taxation of chargeable gains as making a part disposal of their Catalis Shares to the extent that such Catalis Shareholder receives cash which may give rise to a liability to UK taxation of chargeable gains, as described above. To the extent that such a Catalis Shareholder receives Units, the UK "reorganisation of share capital" rules should apply and the Units that the Catalis Shareholder acquires should be treated as the same asset, with the same acquisition date, as the relevant Catalis Shares. A Catalis Shareholder's base cost in their holding of Catalis Shares will be apportioned between the Units and the part disposal for cash by reference to the market value of the Units at the date they are acquired by the Catalis Shareholder.

Catalis Shareholders are advised that no clearance has been sought from HM Revenue and Customs under section 138 of the Taxation of Chargeable Gains Act 1992 that section 137 of that Act will not apply to prevent the treatment described in this section.

### **General**

Subject to available allowances and reliefs, a gain arising on the disposal or part disposal of Catalis Shares by an individual Catalis Shareholder will be taxed at the rate of 10 per cent. except to the extent that the gain, when it is added to the Catalis Shareholder's other taxable income and chargeable gains, exceeds the upper limit of the basic rate income tax band (£50,000 post-allowances for the 2019/20 tax year), in which case it will be taxed at the rate of 20 per cent.

The capital gains tax annual exemption for the 2019/20 tax year is £12,000. It may be available to a UK resident individual Catalis Shareholder to offset against any chargeable gain arising on the disposal of such Catalis Shareholder's Catalis Shares.

Catalis Shareholders within the charge to UK corporation tax (but which do not qualify for the substantial shareholdings exemption in respect of their Catalis Shares) will be taxed at the rate of 19 per cent. on any gain arising on the disposal or part disposal of Catalis Shares. Indexation allowance may be available in respect of the period of ownership of Catalis Shares from the date of acquisition to 31 December 2017 to reduce any chargeable gain arising (but not to create or increase an allowable loss) on the disposal of Catalis Shares.

### ***Stamp duty and stamp duty reserve tax ("SDRT")***

No UK stamp duty or SDRT will be payable by Catalis Shareholders as a result of the Acquisition.

## **13 OVERSEAS SHAREHOLDERS**

The availability of the Acquisition and the Partial Cash and Unlisted Securities Alternative to Overseas Shareholders may be affected by the laws of the relevant jurisdictions in which they are located or of

which they are citizens. Persons who are not resident in the UK should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions.

The release, publication or distribution of this document in or into jurisdictions other than the UK may be restricted by law and therefore any persons who are subject to the law of any jurisdiction other than the UK should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person.

This document has been prepared for the purposes 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 document had been prepared in accordance with the laws of jurisdictions outside of England.

The Acquisition will not be made, directly or indirectly, in, into or from any jurisdiction where to do so would violate the laws in that jurisdiction. Accordingly, copies of this document and other documentation relating to the Acquisition will not be, and must not be, mailed or otherwise forwarded, distributed or sent in, into or from any jurisdiction where to do so would violate the laws of that jurisdiction.

If, in respect of any person with a registered address in a Restricted Jurisdiction, Bidco is advised that the issue of New Topco Shares would infringe the laws of such jurisdiction or would require Bidco or Topco to observe any governmental or other consent or any registration, filing, or other formality which Bidco regards as unduly onerous, Bidco may, in its sole discretion, not issue and dispatch new Topco Shares to the relevant person, who will instead receive the Cash Consideration.

New Topco Shares that may be issued pursuant to the Acquisition have not been and will not be registered under the US Securities Act or under the relevant securities laws of any state or territory or other jurisdiction of the United States. Accordingly, New Topco Shares may not be offered or sold in the United States, except in a transaction not subject to, or in reliance on an exemption from, the registration requirements of the US Securities Act and state securities laws.

The relevant clearances and registrations have not been, nor will they be, sought or obtained, nor have any steps been taken, nor will any steps be taken, to enable the New Topco Shares to be publicly offered in compliance with applicable securities laws of Australia, Canada, South Africa or Japan (or any province or territory thereof, if applicable) or any other jurisdiction. Accordingly, New Topco Shares are not being offered to any person in those jurisdictions (who will instead receive the consideration to which they would otherwise be entitled) and may not be offered, sold, resold, transferred, or delivered, directly or indirectly, in, into or from, Australia, Canada, South Africa or Japan or any other jurisdiction where to do so would violate the laws of that jurisdiction or would require registration thereof in such jurisdiction.

No application has been made, nor will be made, for the New Topco Shares to be listed on any stock exchange. No listing authority or equivalent has reviewed, approved or disapproved of this document, the Acquisition or the New Topco Shares, or expressed a view on the accuracy or adequacy of this document.

Without prejudice to the generality of the foregoing, if, in respect of any Catalis Shareholder who has a registered address outside the UK or who is, or is believed by Bidco to be, a citizen, resident or national of a jurisdiction outside the UK, Bidco is advised that the issue of New Topco Shares would or may infringe the laws of any such jurisdiction, or would or may require Bidco or Topco to obtain or observe any governmental or other consent or any registration, filing or other formality with which Bidco or Topco is unable to comply or which Bidco regards as unduly onerous, Bidco may determine that the Partial Cash and Unlisted Securities Alternative shall not be available to such holder and any Form of Election

or TTE instruction delivered by such holder shall be invalid. Any Scheme Shares in respect of which such holder has purported to elect for the Partial Cash and Unlisted Securities Alternative shall be treated as Scheme Shares for which no valid election for the Partial Cash and Unlisted Securities Alternative has been made for the purposes of the Scheme and such holder shall receive the Cash Consideration to which he would be entitled in respect of such Scheme Shares.

#### **14 ACTION TO BE TAKEN**

Catalis Shareholders will find enclosed with this document a BLUE Form of Proxy and a WHITE Form of Proxy. The BLUE Form of Proxy is to be used in connection with the Court Meeting and the WHITE Form of Proxy is to be used in connection with the General Meeting. Whether or not you intend to attend both or either of these Meetings, please complete and sign both Forms of Proxy and return them in accordance with the instructions by post to Computershare at Corporate Action Projects, Bristol BJ99 6AH or (during normal business hours only) by hand to Computershare Investor Services Plc, The Pavilions, Bridgwater Road, Bristol BS13 8AE so as to arrive as soon as possible but in any event by no later than 5.00 p.m. on 27 September 2019 (in the case of both the BLUE Form of Proxy and the WHITE Form of Proxy) (or in the case of any adjournment, not later than 48 hours before the time fixed for the holding of the adjourned Meeting (excluding any part of such 48 hour period falling on a weekend or a public holiday in the UK unless otherwise announced)).

If the BLUE Form of Proxy relating to the Court Meeting is not returned by or lodged by 5.00 p.m. on 27 September 2019 (or in the case of any adjournment, not later than 48 hours before the time fixed for the holding of the adjourned Meeting (excluding any part of such 48 hour period falling on a weekend or a public holiday in the UK unless otherwise announced)), it may be handed to Computershare (on behalf of the chairman of the Court Meeting) before the start of the meeting and will still be valid. However, in the case of the General Meeting, if the WHITE Form of Proxy is not lodged so as to be received by the time mentioned above and in accordance with the instructions on that Form of Proxy, it will be invalid.

If you hold your Catalis Shares in uncertificated form (that is, in CREST) you may vote using the CREST proxy voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes in the notice of the General Meeting set out at in Part 13). Proxies submitted via CREST must be received by Computershare not later than 5.00 p.m. on 27 September 2019 in the case of both the Court Meeting and the General Meeting (or, in the case of an adjournment, not less than 48 hours (excluding any part of a day that is not a working day) prior to the time and date set for the adjourned Meeting).

Catalis Shareholders may also register their proxy appointments electronically via CREST, using CREST ID 3RA50, where full details of the procedure are given. This address is given only for the filing of proxies for the Court Meeting and the General Meeting and not for any other purpose. If you choose to appoint a proxy electronically you will need your unique investor code which is printed on the Forms of Proxy. In order to be valid, such electronic appointments and directions must be registered by no later than 5.00 p.m. on 27 September 2019 (in the case of both the Court Meeting and the General Meeting) or, in the case of an adjourned meeting, by no later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any day that is not a working day). Catalis Shareholders are advised to read the terms and conditions of use carefully.

Scheme Shareholders, other than any person in a Restricted Jurisdiction, who wish to elect for the Partial Cash and Unlisted Securities Alternative should also, if they hold certificated Catalis Shares, complete and return the PINK Form of Election in accordance with the instructions on it and contained in Part 8 of this document, or, if they hold uncertificated Catalis Shares, make an electronic election through CREST as described in paragraph 3 of Part 8 of this document.

Elections for the Partial Cash and Unlisted Securities Alternative may only be made in respect of all, but not some only, of the shares in a single holding of Catalis Shares. Elections for the Partial Cash and Unlisted Securities Alternative which are not made in respect of a full registered shareholding of Scheme Shares may be rejected and such shareholder will receive cash for their entire holding.

Provided the Scheme becomes effective Scheme Shareholders will receive their Cash Consideration (and, if they have elected for the Partial Cash and Unlisted Securities Alternative, New Topco Shares) without having to take further action.

## **5 FURTHER INFORMATION**

For further information, please contact Computershare on 0370 702 0000 or +44 370 702 0000 if calling from outside the United Kingdom. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Computershare cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

The terms of the Scheme are set out in full in Part 4 of this document. Your attention is also drawn to the further information contained (or incorporated by reference) in this document which forms part of this Explanatory Statement for the purposes of section 897 of the Companies Act and, in particular Part 5 and Part 10 of this document.

Yours faithfully,

**Jamie Peel**

Director, Corporate Finance  
for and on behalf of Zeus Capital



## PART 3

### CONDITIONS AND CERTAIN FURTHER TERMS OF THE SCHEME AND THE ACQUISITION

#### 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 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) above, 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) above, 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;
- (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 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, in each case, as between Catalis and its wholly owned subsidiaries or between its wholly owned subsidiaries);
- (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 wholly owned subsidiaries of Catalis or between the 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 in writing, 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; and
  - (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 not having discovered that:
- (i) any financial, business or other information concerning the Wider Catalis Group publicly announced on or prior to the date of this document 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 prior to the date of this document 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 not having 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;

#### **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 not having 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 Value Added Tax Act 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 above Conditions in paragraph 2.

- 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), 1(d) and 2 of this Part 3 have been fulfilled or, where permitted, waived by 11.59 p.m. on the date immediately preceding the date of 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 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 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 document. Accordingly, without prejudice to paragraph 2 of Part 1 of this document, insofar as any dividend or other distribution or return of value is authorised, declared, made or paid in respect of Catalis Shares on or after the date of this document and prior to the Effective Date, Bidco reserves the right to reduce the Acquisition Price by the amount of any such dividend or other distribution except where Catalis Shares are or will be acquired pursuant to the Scheme on a basis which entitles Bidco to receive the dividend, distribution or return of value 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, 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 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 a Competition and Markets Authority reference; or
  - (b) 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.

**PART 4**

**THE SCHEME OF ARRANGEMENT**

IN THE HIGH COURT OF JUSTICE  
BUSINESS AND PROPERTY  
COURTS OF ENGLAND AND WALES,  
COMPANIES COURT

**No. CR-2019-000950**

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**IN THE MATTER OF CATALIS PLC**  
*(Company Number 11899376)*

and

**IN THE MATTER OF THE COMPANIES ACT 2006**

**SCHEME OF ARRANGEMENT**  
*(under Part 26 of the Companies Act 2006)*

between

**CATALIS PLC**

AND

**THE HOLDERS OF THE SCHEME SHARES**  
*(as hereinafter defined)*

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**PRELIMINARY**

(A) In this Scheme, unless inconsistent with the subject or context, the following expressions have the following meanings:

<b>£, Sterling, pence or p</b>	the lawful currency of the UK
<b>Acquisition</b>	the direct or indirect acquisition of the entire issued share capital of Catalis by Bidco (other than Catalis Shares already held by Bidco, if any) to be implemented by means of the Scheme or (should Bidco so elect, subject to the consent of the Panel (where necessary)) by way of a Takeover Offer
<b>Announcement</b>	the joint announcement of the Acquisition, dated 15 August 2019, by Bidco and Catalis in accordance with Rule 2.7 of the Code
<b>Bidco</b>	Project Sword Bidco Limited, a company incorporated in England and Wales with 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, its subsidiaries and subsidiary undertakings
<b>Bidco Subsidiary</b>	a direct or indirect wholly-owned subsidiary of Bidco which is or may be formed to acquire the Scheme Shares pursuant to the Scheme
<b>B Ordinary Share</b>	a B ordinary share of £0.80 in the capital of the Company
<b>Business Day</b>	a day (other than Saturdays, Sundays and public holidays in the UK) on which banks are open for general commercial business in London
<b>Code</b>	the City Code on Takeovers and Mergers
<b>Companies Act</b>	the Companies Act 2006, as amended from time to time
<b>the Company or Catalis</b>	Catalis plc, incorporated in England with registered number 11899376 and whose registered office is at Suffolk House, George Street, East Croydon, London, United Kingdom CR0 1PE
<b>Court</b>	the High Court of Justice, Business and Property Courts of England and Wales, Companies Court
<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 approving the Scheme, including any adjournment thereof
<b>CREST</b>	the relevant system (as defined in the CREST Regulations in respect of which Euroclear is the Operator (as defined in such Regulations) in accordance with which securities may be held and transferred in uncertificated form
<b>Deferred Share</b>	a deferred ordinary share of £0.80 in the capital of the Company
<b>Effective Date</b>	the date upon which this Scheme becomes effective in accordance with its terms
<b>Euroclear</b>	Euroclear UK & Ireland Limited
<b>Excluded Shares</b>	any Catalis Shares:  (a) held by Bidco or, otherwise, directly or indirectly by the NorthEdge Funds;  (b) any Catalis Shares held in treasury from time to time; and

	(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
<b>General Meeting</b>	a general meeting of Catalis Shareholders (including any adjournment thereof) to be convened in connection with the Scheme and notice of which is set out in the Scheme Document
<b>Last Practicable Date</b>	6 September 2019, being the last practicable date prior to the publication of this Document
<b>Meetings</b>	the Court Meeting and the General Meeting
<b>Rollover Managers' Shares</b>	147,526 Catalis Shares registered in the name of or beneficially owned by the Rollover Managers
<b>Rollover Managers</b>	Dominic Wheatley, Robert Haxton, Stuart Dinsey, Jason Perkins, David Millar and Jonathan Wingrove
<b>Scheme</b>	this scheme of arrangement in its present form or with or subject to any modification, addition or condition approved or imposed by the Court
<b>Scheme Court Hearing</b>	the hearing by the Court of the application to sanction the Scheme under section 899 of the Companies Act
<b>Scheme Court Order</b>	the order of the Court to be granted at the Scheme Court Hearing, sanctioning the Scheme under Part 26 of the Companies Act
<b>Scheme Document</b>	this document in respect of the Scheme sent to (among others) Catalis Shareholders containing and setting out, among other things, the full terms and conditions of the Scheme and containing the notices convening the Court Meeting and General Meeting
<b>Scheme Record Time</b>	6.00 p.m. on the day on which the Scheme Court Hearing is held
<b>Scheme Shareholder or Scheme Shareholders</b>	holders of Scheme Shares
<b>Scheme Shares</b>	Catalis Shares: <ul style="list-style-type: none"> <li>(a) in issue as at the date of the Scheme Document;</li> <li>(b) (if any) issued after the date of the Scheme Document and prior to the Scheme Voting Record Time; and</li> </ul>

- (c) (if any) issued on or after the Scheme Voting Record Time and before the Scheme Record Time, either on terms that the original or any subsequent holders thereof shall be bound by the Scheme or in respect of which the holders thereof shall have agreed in writing to be bound by the Scheme,

but in each case other than the Excluded Shares

**Scheme Voting Record Time** 6.00 p.m. on the day which is two Business Days before the date of the Court Meeting or any adjournment thereof

**Subsequent Dividend** has the meaning given to it in clause 2.2 of this Scheme

- (B) References to clauses are to clauses of this Scheme.
- (C) The issued share capital of the Company as at the close of business on the Last Practicable Date was £768,064, divided into 889,114 Catalis Shares, 69,373 B Ordinary Shares and 1,593 Deferred Shares.
- (D) As at the date of this Scheme, no member of the Bidco Group owns any Catalis Shares.
- (E) Bidco has agreed to appear by Counsel at the Scheme Court Hearing and to undertake to the Court to be bound by the provisions of this Scheme and to execute and do or procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it or on its behalf for the purpose of giving effect to this Scheme.
- (F) The Rollover Managers will not be bound by the Scheme in respect of the 147,526 Catalis Shares beneficially owned by them and these shares are not Scheme Shares. Such shares will be acquired in accordance with the terms of the Sale and Purchase Agreement.

## 1 **TRANSFER OF THE SCHEME SHARES**

- 1.1 On the Effective Date, Bidco (or a Bidco Subsidiary and/or their respective nominee(s)) shall acquire all of the Scheme Shares, fully paid, free from all liens, equities, charges, encumbrances and other interests and together with all rights at the date of the Scheme or thereafter attached thereto, including the right to receive and retain all dividends and other distributions declared or paid or made thereon.
- 1.2 For such purposes, the Scheme Shares shall be transferred to Bidco (or a Bidco Subsidiary and/or their respective nominee(s)) by means of a form of transfer or other instrument or instruction of transfer and, to give effect to such transfer, any person may be appointed by Bidco as attorney and/or agent and/or otherwise and shall be authorised as such attorney and/or agent and/or otherwise on behalf of the relevant Scheme Shareholder to execute and deliver as transferor a form of transfer or other instrument or instruction of transfer, or procure the transfer by means of CREST, of the Scheme Shares and every form of transfer or other instrument or instruction of transfer so executed shall be as effective as if it had been executed by the holder or holders of the Scheme Shares thereby transferred.
- 1.3 Pending the transfer of the Scheme Shares pursuant to clauses 1.1 and 1.2 of this Scheme Document each Scheme Shareholder irrevocably:

- (a) appoints Bidco (or its nominee(s)) as its attorney and agent to exercise any voting rights attached to the Scheme Shares and any or all rights and privileges attaching to the Scheme Shares;
- (b) appoints Bidco (or its nominee(s)) as its attorney and agent to sign any consent to short notice of any general or separate class meeting of Catalis and on their behalf to execute a form of proxy in respect of such Scheme Shares appointing any person nominated by Bidco to attend general and separate class meetings of Catalis; and
- (c) authorises Catalis to send to Bidco any notice, circular, warrant or other document or communication which Catalis sends to its shareholders or any class thereof.

## 2 **CONSIDERATION FOR THE TRANSFER OF SCHEME SHARES**

- 2.1 In consideration of the transfer of the Scheme Shares to Bidco (or a Bidco Subsidiary and/or their respective nominee(s)), Bidco shall provide or procure that there shall be provided to or for the account of each holder of the Scheme Shares whose name appears in the register of members of Catalis at the Scheme Record Time (other than those holders of Scheme Shares who validly elect for the Partial Cash and Unlisted Securities Alternative in accordance with clause 3 below), in accordance with the provisions of clause 4 below:

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

- 2.2 If any dividend (or other distribution) ("**Subsequent Dividend**") is paid or becomes payable by Catalis in respect of a Catalis Share on or after the Announcement Date and prior to the Effective Date, Bidco reserves the right to reduce the amount of consideration for each Scheme Share by up to an amount equal to such Subsequent Dividend.
- 2.3 If Bidco exercises its right to reduce the offer consideration by all or part of the amount of a Subsequent Dividend that has not been paid, Scheme Shareholders will be entitled to receive and retain that Subsequent Dividend.

## 3 **PARTIAL CASH AND UNLISTED SECURITIES ALTERNATIVE**

- 3.1 In consideration of the transfer of the Scheme Shares as provided in clause 1.1 and clause 1.2 of the Scheme, Bidco or its nominees shall, subject as hereinafter provided, procure that there shall be paid (and, in the case of the New Topco Shares, allotted and issued) to the holders of the Catalis Shares as appearing in the register of members of the Company at the Scheme Record Time (who validly elect for the Partial Cash and Unlisted Securities Alternative in accordance with clause 3.3 below), cash and New Topco Shares on the following basis:

**for each Scheme Share held                      £36.57 pence in cash and 1 Unit (each Unit comprising 5.9048 New Topco Ordinary Shares plus 585 New Topco Preferred Ordinary Shares)**

- 3.2 New Topco Shares issued pursuant to clause 3.1 of this Scheme shall be issued credited as fully paid.
- 3.3 Each election for the Partial Cash and Unlisted Securities Alternative shall be made by completion of a Form of Election in respect of certificated shares which shall be executed by the Scheme Shareholder or his duly authorised agent, or by the submission of a TTE instruction in CREST. The instructions, terms, authorities, warranties and provisions contained in or



deemed to be incorporated in the Form of Election and in paragraph 4 of Part 8 of the document of which this Scheme forms a part are incorporated into the terms of this Scheme. To be effective the Form of Election must be completed and returned in accordance with the instructions thereon or the TTE instruction submitted and the deed of adherence provided so as to arrive by not later than 1.00 p.m. on 1 October 2019 at Computershare, Corporate Actions Projects, Bristol, BS99 6AH (by post) or (during normal business hours only) at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE (by hand). Forms of Election so completed and lodged shall, unless otherwise agreed by the Company and Bidco, be irrevocable as at the Scheme Record Time.

- 3.4 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.
- 3.5 Elections made by Scheme Shareholders for the Partial Cash and Unlisted Securities Alternative will not affect the entitlements of Scheme Shareholders who do not make any such election.
- 3.6 The provisions of this clause 3 of this Scheme shall be subject to any prohibition or condition imposed by law and, in the case of Overseas Shareholders, to the provisions of clause 6 of this Scheme.
- 3.7 If a Form of Election is received after 1.00 p.m. on 1 October 2019 or is received before such time but is not, or is deemed not to be valid or complete in all respects at such time, then such election shall, unless the Company and Bidco, in their absolute discretion, elect to treat as valid in whole or in part any such election, be void for all purposes and the Scheme Shareholder purporting to make such election shall be treated as not having made the election but the validity of any other election made by him will not be impugned thereby.

#### **4 SETTLEMENT**

- 4.1 Where, at the Scheme Record Time, a Scheme Shareholder holds the Scheme Shares in certificated form, settlement of the consideration to which the Scheme Shareholder is entitled pursuant to this Scheme shall be despatched by cheque no later than 14 days after the Effective Date by first class post in pre-paid envelopes to the address appearing in the register of the Company at the Scheme Record Time (or, in the case of joint holders, to the holder whose name stands first in such register in respect of the joint holding concerned). All cheques shall be in Sterling drawn on the branch of a UK clearing bank. Payments made by cheque shall be payable to the Scheme Shareholder concerned or, in the case of joint holders, jointly to all holders. The encashment of any such cheque as is referred to in this clause 3.1 shall be a complete discharge of Bidco's obligation under this Scheme to pay for the monies represented thereby. Bidco shall not be responsible for any loss or delay in the transmission or delivery of any cheques sent in accordance with this clause 3.1 which shall be sent at the risk of the persons entitled thereto.
- 4.2 Where, at the Scheme Record Time, a Scheme Shareholder holds the Scheme Shares in uncertificated form, settlement of the Cash Consideration to which the Scheme Shareholder is

entitled pursuant to this Scheme shall be effected through CREST by Bidco procuring the creation of a CREST payment obligation in favour of the appropriate CREST account through which the Scheme Shareholder holds such uncertificated Scheme Shares in respect of the consideration due to him not later than 14 days after the Effective Date. The creation of such an assured payment arrangement shall be a complete discharge of Bidco's obligations under this Scheme with reference to payments through CREST. Bidco reserves the right to pay any consideration referred to in this clause 3.2 to all or any relevant Scheme Shareholders who hold Scheme Shares in uncertificated form at the Scheme Record Time in the manner referred to in clause 3.2 of this Scheme if, for any reason, it wishes to do so.

## **5 SHARE CERTIFICATES AND CANCELLATION OF CREST ENTITLEMENTS**

With effect from, and including, the Effective Date:

- 5.1 all certificates representing Scheme Shares shall cease to have effect as documents of title to the Scheme Shares comprised therein and every holder of Scheme Shares shall be bound at the request of the Company to deliver up the same for cancellation to the Company, or, as it may direct, to destroy the same;
- 5.2 Euroclear shall be instructed by the Company to cancel the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form; and
- 5.3 as regards certificated Scheme Shares, the Company shall make appropriate entries in its register of members with effect from the Effective Date to reflect their transfer.

## **6 OPERATION OF THIS SCHEME**

- 6.1 This Scheme shall become effective in accordance with its terms as soon as a copy of the Scheme Court Order shall have been delivered to the Registrar of Companies for registration.
- 6.2 Unless this Scheme shall become effective on or before 5.00 p.m. on 31 December 2019, or such later date (if any) as the Company may agree and the Court and the Panel on Takeovers and Mergers may allow, this Scheme shall never become effective.

## **7 MANDATES**

All mandates and other instructions to Catalis in force at the Scheme Record Time relating to Scheme Shares shall cease to be valid and effective on the Effective Date.

## **8 MODIFICATION**

The Company and Bidco may jointly consent on behalf of all persons concerned to any modification of, or addition to, this Scheme or to any condition which the Court may approve or impose.

## **9 GOVERNING LAW**

This Scheme is governed by English law and is subject to the jurisdiction of the English courts.

## **10 DATE**

Dated 9 September 2019

## **PART 5**

### **FINANCIAL INFORMATION**

#### **Part A: Financial information relating to Catalis**

The following sets out financial information in respect of Catalis as required by Rule 24.3 of the Code. The documents referred to below (or parts thereof) are incorporated by reference into this document pursuant to Rule 24.15 of the Code:

- the audited accounts of Catalis for the financial year ended 31 December 2016 are available from Catalis' website at [www.catalisgroup.com](http://www.catalisgroup.com);
- the audited accounts of Catalis for the financial year ended 31 December 2017 are available from Catalis' website at [www.catalisgroup.com](http://www.catalisgroup.com); and
- the audited accounts of Catalis for the financial year ended 31 December 2018 are available from Catalis' website at [www.catalisgroup.com](http://www.catalisgroup.com).

#### **Part B: Financial information relating to Bidco**

As Bidco was incorporated on 4 June 2019, no financial information is available or has been published in respect of it. Bidco has not traded since its date of incorporation, has paid no dividends and has not entered into any obligations other than in connection with the Acquisition summarised in section 10 of Part 10 of this document.

#### **Part C: Effect of the Scheme becoming effective on Bidco**

Bidco has no material assets or liabilities other than those described in this document in connection with the Acquisition. With effect from the Effective Date, the earnings, assets and liabilities of Bidco will therefore comprise the consolidated earnings, assets and liabilities of Catalis on the Effective Date.

#### **Part D: No incorporation of website information**

Save as set out above, neither the content of Catalis' website, nor the content of any website accessible from hyperlinks on Catalis' website, is incorporated into, or forms part of, this document.

#### **Part E: Ratings and Outlooks**

For the purposes of Rule 24.3(c) of the Code, there are no current ratings or outlooks by any rating agencies that have been publically accorded to either Catalis or Bidco to disclose.

## PART 6

### SUMMARY OF THE RIGHTS AND OBLIGATIONS OF TOPCO SHAREHOLDERS

#### Information on Topco

Topco is a private company limited by shares, incorporated on 4 June 2019 under the laws of England and Wales for the purpose of implementing the Acquisition. Topco has not traded since the date of its incorporation and has not entered into any obligations, other than in connection with the Acquisition. Topco is owned and controlled by the NorthEdge Funds.

#### Information on the Topco Shares

##### 1. Topco Share Capital

- (a) The share capital of Topco currently comprises £10 divided into 10 ordinary shares of £1 each ("Topco Shares").
- (b) The rights that will attach to the Topco Shares are set out in section 2 below.
- (c) Topco has the power to issue redeemable shares and, subject to Companies Act 2006, to purchase its own shares.

##### 2. Topco Shares

The Topco Shares have the following rights:

###### (a) Voting

- (i) Subject to any special rights or restrictions as to voting attached to any class of shares by or in accordance with the Topco Articles, at a general meeting every holder of Topco Ordinary Shares and Sweet Equity Shares present in person or by proxy has on a show of hands one vote and every holder of Topco Ordinary Shares and Sweet Equity Shares present in person or by proxy has on a poll one vote for every Topco Ordinary Share and Topco Sweet Equity Share of which he is the holder. In the case of joint holders, the vote of the person whose name stands first in the register of members and who tenders a vote is accepted to the exclusion of any votes tendered by any other joint holders.
- (ii) The holders of Topco Preferred Ordinary Shares have no right to receive notice of, attend or vote at general meetings of Topco and do not have the right to vote thereat.

###### (b) Dividends and Distributions

- (i) The Topco Preferred Ordinary Shares entitled the holder to a fixed, cumulative preferential dividend at an annual interest of 10% of their issue price ("**Preference Dividend**"). On a return of capital, surplus assets will be applied in paying any unpaid arrears and accruals of any Preference Dividend. In the event that Topco is precluded by law from making payment of any Preference Dividend on its due date for payment, Topco shall pay any unpaid Preference Dividends when it is next lawfully able to do so.
- (ii) Subject to payment of any unpaid Preference Dividends and subject to the Topco Articles and the Companies Act, Topco may by ordinary resolution declare a dividend to be paid to the holders of Topco Ordinary Shares and Sweet Equity

Shares according to their respective rights and interests, but no dividend may exceed the amount recommended by the Directors. The Directors may declare and pay such interim dividends as appear to it to be justified by the profits of Topco available for distribution. The Topco Ordinary Shares and Topco Preferred Ordinary Share ranks pari passu for the for payment of dividends, as though they constituted one class of shares.

**(c) Exit proceeds**

On a: (i) the sale of the entire issued share capital of Topco in a single transaction or a series of related transactions; or (ii) the admission of any of Topco's issued shares to a recognised investment exchange ("**Exit**"), the proceeds payable to the holders of the Topco Ordinary Shares and Topco Preferred Ordinary Shares ("**Exit Proceeds**") in respect of any Exit are dependent upon the amount the holders of the Topco Ordinary Shares receive in respect of their holdings of Topco Ordinary Shares and Topco Preferred Ordinary Shares from the Effective Date up to (and including) the relevant exit or return of capital ("**Relevant Cash Inflows**") when compared to the amount paid by the holders of the Topco Ordinary Shares and Topco Preferred Ordinary Shares for the issue/allotment or acquisition of those shares in connection with the Acquisition ("**Relevant Cash Outflows**"). The division of Exit Proceeds would vary dependent on whether:

- (i) Relevant Cash Inflows are 3x Relevant Cash Outflows ("**First Threshold**");
- (ii) Relevant Cash Inflows are 4x Relevant Cash Outflows ("**Second Threshold**");
- (iii) Relevant Cash Inflows are 6x Relevant Cash Outflows ("**Third Threshold**").

The Exit Proceeds shall be distributed as follows:

<b>Relevant Cash Inflows divided by Relevant Cash Outflows</b>	<b>Holders of Sweet Equity Shares</b>	<b>Holders of A Ordinary Shares</b>
Less than 3x	20% of the Exit Proceeds	The balance of the Exit Proceeds
Equal to or greater than 3x but less than 4x	20% of the Exit Proceeds up to the First Threshold	The balance of the Exit Proceeds
	25% of the Exit Proceeds above the First Threshold	
Equal to or greater than 4x but less than 6x	20% of the Exit Proceeds up to the First Threshold	The balance of the Exit Proceeds
	25% of the Exit Proceeds above the First Threshold	
	30% of the Exit Proceeds above the Second Threshold	
Equal to or greater than 6x	20% of the Exit Proceeds up to the First Threshold	The balance of the Exit Proceeds
	25% of the Exit Proceeds above the First Threshold	
	30% of the Exit Proceeds above the Second Threshold	

35% of the Exit Proceeds  
above the Second  
Threshold

(d) **Transfer**

The Topco Ordinary Shares and Topco Preferred Ordinary Shares are freely transferable.

(e) **Return of Capital**

On a return of capital, the surplus assets of Topco after payment of its liabilities shall be paid first, to pay all amounts owed in respect of the Preference Shares (being any accrued but unpaid dividends and an amount equal to the nominal value of the Preference Shares), and subsequently shall be divided amongst the holders of the Topco Ordinary Shares and Sweet Equity Shares (pari passu as though they constituted one class of share).

(f) **Redemption of the Topco Preferred Ordinary Shares**

The Topco Preferred Ordinary Shares are redeemable, subject to applicable law, on the eighth anniversary after the date of their issue. On an Exit, the holders of the Topco Preferred Ordinary Shares will receive an amount equal to all arrears and accruals of dividends payable on those shares and an amount equal to the paid-up in in respect of each Topco Preferred Ordinary Share held.

(g) **Changes in capital and purchase of own shares**

(i) Subject to prior Investor Consent, Topco may at any time by way of ordinary resolution:

- (A) consolidate and divide all or any of its share capital into shares of a larger amount;
- (B) subject to the Companies Act, subdivide all or part of its share capital into shares of a smaller amount and may determine that the shares resulting from the sub-division have among themselves such preferred, deferred or other special rights or advantages or be subject to any such restrictions as the Company has power to attach to unissued or new shares;
- (C) cancel any shares which, at the date of the ordinary resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled; and
- (D) increase its share capital.

(ii) Subject to prior Investor Consent, the Companies Act and to the rights attached to existing shares, Topco may:

- (A) subject to the requirements of any relevant investment exchange, purchase, or agree to purchase in the future, its own shares; and
- (B) by special resolution, reduce its share capital, capital redemption reserve, share premium account or other undistributable reserve in any way.

(h) **Variation of rights**

Subject to prior Investor Consent (being the consent of NorthEdge) and the Companies Act, all or any of the rights for the time being attached to any class of shares may be varied or abrogated either with the consent in writing of the holders of at least three-fourths in nominal amount of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the issued shares of that class validly held in

accordance with the Topco Articles. The rights attached to a class of shares are not, unless otherwise expressly provided for in the rights attaching to those shares, deemed to be varied by the creation, allotment or issue of further shares ranking in priority to, pari passu with or subsequent to them or by the purchase or redemption by the Company of its own shares in accordance with the Companies Act and the Topco Articles.

(i) **Investor Consent matters**

The Topco Articles contain a list of matters in respect of both Topco and each of its subsidiaries which cannot occur without Investor Consent (being the consent of NorthEdge), these include amendments to the Topco Articles, Exit events, a sale of the whole or substantially the whole of its assets, reductions of share capital, the approval of annual budgets and business plans and significant acquisitions or disposals. The NorthEdge consent matters are set out in Article 19 of the Topco Articles.

(j) **Significant Shareholder consent matters**

Any Significant Shareholder of Topco also has certain rights of veto in respect of matters related to Topco and each of its subsidiaries. These are more limited than the Investor Consent matters but include amendments to the Topco Articles, reductions of share capital and significant acquisitions or disposals. The Significant Shareholder consent matters are set out in Article 20 of the Topco Articles.

(k) **Topco Sweet Equity Shareholder consent matters**

The holders of a majority of the Sweet Equity Shares also have certain rights of veto in respect of matters related to Topco and each of its subsidiaries. These include a change to the Topco Articles which is a change to the Sweet Equity Shareholder consent matters and reductions of share capital.

## PART 7

### RISK FACTORS IN RELATION TO THE NEW TOPCO SHARES

#### General

Scheme Shareholders should be aware of the risks associated with the Topco Shares, in addition to those risks already associated with an investment in Scheme Shares. Potential investors should carefully consider the following risk factors. The risk which the Directors believe to be the most material risk in relation to the Topco Shares is presented first but the risks are otherwise not presented in any order of priority.

If any of the following risks actually occurs, the business, financial condition, results or future operations of Catalis and/or Topco could be materially and adversely affected and this could have a material and adverse effect on the value of the Topco Shares. In such circumstances, the value of the Topco Shares could decline and investors could lose all or part of their investment.

Additional risks and uncertainties not presently known to the Directors of Bidco, or that the Directors of Bidco currently consider to be immaterial, may also have an adverse effect on Catalis and/or Topco and no assurance can be given that all material risks relating to an investment in the Topco Shares are set out in this Part 7.

An investment in Topco Shares is only suitable for investors who are capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss that might result from such investment. If you are in any doubt about the action you should take, you are advised to consult an appropriately authorised independent financial adviser who specialises in advising on the acquisition of shares and other securities.

Scheme Shareholders should note that an investment in Topco Shares differs in several key respects from an investment in Scheme Shares.

#### **Risks associated with an investment in the Topco Shares**

##### ***Risks related to the nature of Topco Shares***

**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.**

An investment in Topco Shares is likely to carry a higher risk than an investment in shares quoted on a market or stock exchange as it is likely to be significantly more difficult for investors to realise their investment in Topco Shares than to realise an investment in a company whose shares or other securities are quoted on a market or stock exchange.

**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.**

Given that the number of Topco Ordinary Shares available to Scheme Shareholders is capped at 2,521,762 Topco Ordinary Shares (in aggregate approximately 25.2% of Topco's voting share capital following completion of the Acquisition), Electing Scheme Shareholders will not be able to exert any meaningful control over Topco. In particular, Electing Scheme Shareholders may not be able to prevent the issue of shares in Topco which would have a dilutive effect on the value of their investment, or other matters which could adversely affect the value of Topco Shares.



Electing Scheme Shareholders will not enjoy any minority shareholder protection rights, other than those rights contained in applicable law.

**The value of the Topco Shares will be uncertain.**

Since the Topco Shares have not been, and are not intended to be, traded on a market or stock exchange their value is and may remain uncertain. 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. Following the Scheme becoming effective, the value of the Topco Shares, insofar as it can be ascertained, may be volatile and may go down as well as up. Investors in the Topco Shares may therefore be unable to recover their original investment.

General market conditions may also affect the value of the Topco Shares regardless of Topco's operating performance. General market conditions are affected by many factors such as general economic outlook, movements in, or outlook on, interest and inflation rates, currency fluctuations, commodity prices and the demand for and supply of capital. Accordingly, the price at which the Topco Shares can be sold may not reflect the underlying value of Topco, and the price at which investors may dispose of their Topco Shares at any point in time may be influenced by a number of factors, only some of which may pertain to Topco, while others may be outside Topco's control.

**Payments in respect of the Topco Shares will not be guaranteed or secured.**

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.

In addition, the payment of dividends on any Topco Preferred Ordinary Shares or payments due on their redemption will be unsecured ("**Preference Share Returns**") are not guaranteed. The Preference Share Returns may only be paid out of distributable profits of Topco. Any dividends payable in respect of the Topco Preferred Ordinary Shares will be rolled-up and paid out of available proceeds for distribution on an exit or on a return of capital or eight years after the date of their issue. This means that the holders of Topco Preferred Ordinary Shares may not therefore receive any cash payments in respect of the Topco Preferred Ordinary Shares until their final redemption.

***Risks associated with Topco***

**Topco will be controlled by the NorthEdge Funds**

Topco will be controlled by the NorthEdge Funds who may appoint any persons it deems fit to be directors of Topco. In addition, the Topco Articles contain a list of matters in respect of both Topco and each of its subsidiaries which cannot occur without Investor Consent, these include exit events, a sale of the whole or substantially the whole of its assets, approval of annual budgets and business plans and significant acquisitions or disposals.

**Topco will not be subject to rules or regulations applying to companies with securities admitted to or traded on a regulated or prescribed market or exchange or the UK Corporate Governance Code.**

Topco will not be subject to any market or exchange rules or the UK Corporate Governance Code which generally provide additional protections to, and rights for, investors with regard to, amongst other things, disclosure of material information, the publication of financial information and compliance with certain corporate governance standards. The Code will not apply to Topco as it does to Catalis, and holders of Topco Shares will not be afforded the protections set out in the Code if a takeover offer is made for Topco in the future. The absence of these types of rules and regulations in relation to Topco and the Topco

Shares may make an investment in the Topco Shares a higher risk investment than an investment in quoted securities.

## **Risks associated with Catalis**

### ***Industry risks***

#### **Catalis will need to continue to publish new games and enhance existing games**

There is a risk in the ever-changing market that some new or enhanced games will not be well received by consumers which will negatively impact on the profitability of Catalis. To remain competitive within the expanding market, Catalis will have to ensure it continues to build a strong pipeline of titles which are in-line with changing consumer preferences in a fast-changing market. The success of Catalis will depend on its ability to identify, develop and publish new games operating in a highly competitive industry.

Part of Catalis' strategy is to increase investment levels in the development of third party titles and licensed titles developed by first party studios. It is possible that some of these titles will underperform which will impact the profitability of Catalis.

The Catalis Group has a strategy of looking to leverage its increasingly strong back catalogue in the event insufficient new games and titles are identified or are identified and are unsuccessful. It is possible, though, that in the future the back catalogue may not perform well enough to be able to support the Enlarged Group's revenue.

Operating in an extremely competitive industry, there are numerous new developers and publishers entering the video games market constantly, with varying degrees of success. There is no guarantee that Catalis will maintain its competitive edge against new rivals in the industry. Catalis must be innovative and adapt to technological advances and changes in consumer preferences and demands. This may require increased capital investment in existing games and the expansion of new titles, including additional investment in marketing in the long run, which may adversely affect profitability. Failure to maintain the strong customer base and popularity amongst end-users may result in a significant adverse effect on Catalis' revenue and business success.

Furthermore, Catalis uses various third party and proprietary tools and technologies for process control and productivity purposes. Continued investment in these tools is important to ensure Catalis' effectiveness. New technologies for automated testing and crowdsourcing could pose a threat to Catalis in the long-term.

#### **Catalis may be unable to protect its IP rights or could be sued for the infringement of third party IP rights**

The Publishing Division's continuing success is dependent on its ability to protect and register IP rights. Catalis operates with both first party and third-party IP rights. Catalis endeavours to protect its own rights through confidentiality agreements and employment contracts. However, Catalis has not historically registered all of its IP and there is therefore an inherent risk that individuals may assert that Catalis' systems, brand, market or products infringe their proprietary rights. Even if such claims are without merit, it could cause Catalis significant costs in defending such a claim.

Both the Publishing Division's and Testing Division's continuing success will depend on their ability to operate without violating the IP rights of others. There can be no assurance that the products that Catalis is currently marketing or the products Catalis may market in the future do not currently, and will not in the future, infringe any proprietary rights of others. Additionally, any unauthorised leakage of third party IP from any of the testing facilities could lead to action from the right holders.

Thus, Catalis may need to engage in litigation to defend itself against any such claims. Litigation is inherently expensive and time consuming and even if the outcome of litigation is ultimately favourable to Catalis, litigation can result in the diversion of substantial resources from Catalis' other activities as well as exposing Catalis to adverse publicity and reputational risk. Disputes relating to contested IP rights and related litigation may therefore have a material adverse effect on Catalis' business, financial condition and/or operating results.

### **Defective products**

Catalis' quality checks for the games it develops and publishes may not preclude human error and there are no guarantees that defects can be prevented. If Catalis were to release defective products, its operating results could suffer as a result. The result of publishing defective products would have further consequential reputational damage to Catalis, as Catalis relies significantly on word of mouth and reviews from the users, such damage could significantly impact Catalis' profits in the short term.

### **Service delivery**

Testronic provides services which are required to be of a high quality and which are often time-critical for customers. Any decline in quality, service delivery failures or delays could potentially impact the development or launch plans for games. This could lead to the loss of existing customers, and could impact the Testronic brand and its ability to attract new customers.

### **Security breach or sudden business interruption**

The gaming and FTV industries require the highest standards of security within a company offering services such as Testronic. Security breaches may lead to piracy, disruption of clients' marketing plans, loss of competitive edge and could result in compensation claims and an impact on the division's brand name in the industry.

Catalis (and, in particular, Testronic) provides time critical services to its customers and needs to minimise business interruptions and be able to continue servicing customers. This threat could be internal such as a major failure in its IT systems but also external such as damage to premises or external services provided to each facility.

### **Data security**

Catalis must ensure ongoing compliance with various data protection laws, including the UK's Data Protection Act 2018, the Privacy and Electronic Communications (EC Directive) Regulations 2003 and the General Data Protection Regulation (Regulation (EU) 2016/679) ("GDPR"). Catalis does not hold personal data of the end-users, however, is under an obligation to protect private and personal data they do hold, including that of its employees.

Catalis is required to take steps to ensure the implementation and compliance with the GDPR. Any personal information that Catalis does hold in respect of its employees would be subject to the GDPR and relevant laws. There is an inherent risk such data could be processed in a manner which is in direct breach of the relevant data protection legislation, the consequence of which would not only be a potentially significant fine, it may also result in damage to Catalis' reputation further impacting Catalis' revenue.

### **Video Games Tax Relief**

Catalis benefits from the VGTR scheme that came into force in 2014 in respect of some of the games developed and published by Curve and which has been extended to 2023 by the European Commission. There can be no guarantee that future games will qualify for VGTR or that all current claims will be successful. If changes to VGTR policy were made in the future, or if current or future games were not able

to benefit from VGTR, it could potentially restrict how Catalis could remain eligible for VGTR. If current or future games were not able to benefit from VGTR, this could materially impact Catalis' financial performance and have a significant adverse commercial impact on Catalis.

### **Future acquisitions may have an adverse effect on Catalis' ability to manage its business**

If Catalis is presented with appropriate opportunities, it may acquire complementary intellectual property, technologies, development teams, additional studios, companies or assets. Future acquisitions would expose Catalis to potential risks, including risks associated with the assimilation of new technologies and personnel, unforeseen or hidden liabilities, the diversion of management attention and resources from Catalis' existing business and the inability to generate sufficient revenues to offset the costs and expenses of acquisitions. Any difficulties encountered in the acquisition and integration process may have an adverse effect on Catalis' ability to manage its business.

### **Global economic political landscape**

Following the United Kingdom's referendum on membership of the European Union, held on 23 June 2016, the United Kingdom voted to renounce its membership and exit the European Union. The landscape of the European Union and the United Kingdom's ongoing relationship with it is unclear at this time, and as a result there is no certainty or visibility as to the consequences of the referendum on the political, economic and legislative landscape. This uncertainty may result in an impact on the economies of the UK and/or the European Union which may result in a change in consumer spending. Any adverse change in consumer spending due to the Brexit may in turn impact the Catalis Group's revenues, though, this is partly mitigated as the Catalis Group trades internationally with the majority of revenue generated outside of the UK and the European Union.

As a result of political environment in the USA, there have been discussions around the application of new trade tariffs on video game related products imported into the United States. If such a tariff were applied to such products and/or services, this may see a change in consumer spending to cheaper domestic alternatives for which the tariff would not apply. Any adverse change in consumer spending due to the tariffs may in turn impact the Catalis Group's revenues in the long term.

### ***Client concentration/client terms***

#### **Dependence on a concentrated platform base for publishing games**

Catalis is largely dependent on a small number of key customers who run global digital sales platforms for the publishing of games. In FY18, these key customers in aggregate contributed approximately 45 per cent. of Catalis' revenue. Therefore, the loss of any one of Catalis' key customers may have a significant impact on Catalis' revenue and success.

Catalis requires the continued success and availability of distribution channels developed by its key customers and this exposes Catalis to dependence on those distribution channels. If a key customer were required to remove their platform or distribution channel, for example due to the failure of their business, owing to a security breach or due to general operational issues, this would have an immediate impact on Catalis' profitability. This adverse impact would likely subsist until such time as the platform or distribution channel was relaunched, or in the event the relevant business has failed, until an alternative platform or distribution channel is made available.

### **Onerous contract terms**

A number of Catalis' key customer contracts contain unfavourable terms. Such terms include wide ranging warranties and indemnities, provided in some cases on an uncapped basis. These wide-ranging warranties and indemnities are not limited to the contracting party, they are in certain cases extended

to Catalis as a whole or in some cases third parties. Such warranties and indemnities given by Catalis create an inherent risk that its liability for any breach could be extensive, given the uncapped basis. This would have a significant impact on Catalis' profitability.

Additionally, a number of Catalis' key customer contracts contain foreign jurisdiction clauses. This means that claims brought against Catalis, and any claims brought by Catalis under the terms of the customer contracts will be governed by the applicable jurisdiction clauses. Therefore, both bringing and defending such a claim is likely to require overseas counsel and input, resulting in potentially costly and lengthy litigation affecting Catalis' profits. In particular the distribution of Catalis' game software to users in the US, and its submission to jurisdiction in the agreements, will potentially subject the target to the jurisdiction of US federal and state courts. Since US litigation is costly compared to the rest of the world (due to class actions, jury trials, expansive discovery processes, punitive damages, etc.), this may amplify the financial impact of any other legal issues that arise in relation to the game software.

### **Contractual termination rights**

A number of Catalis' key customer contracts contain termination clauses that allow in some cases either party to terminate the contract on short notice for convenience and without cause. As Catalis' customer base is so concentrated, any loss of a customer would have an immediate impact on Catalis' ability to generate revenue, Catalis would have little lead time to then identify and secure a replacement customer, if one is indeed available, given the short notice periods. Whilst such termination rights are considered by the Board to be industry standard and not unfairly prejudicial to Catalis in comparison to its competitors, it is possible that such rights could be exercised.

### **Client concentration**

Testronic's client base principally comprises some of the major global game and media companies with the top 10 clients accounting for 52 per cent. of Testronic revenue in FY18 (24 per cent. of Catalis' turnover for FY18). The companies have exacting standards and demand a high-quality of service. Any failure in this regard or breakdown in the relationships at the top level could cause considerable damage to the business.

Furthermore, the outsourcing industry remains very competitive with a requirement to continue to review rates to ensure they are in-line with the competition. There is a risk that pressure on price may reduce the margins earned by Testronic in the future.

### **Forex risk**

A number of Catalis' key customer contracts are subject to a variety of foreign currencies (in particular \$, € and £). Despite Catalis' hedging policy, there is a risk that Catalis and its reported financial results could be adversely affected by any material negative changes in the exchange rate of such currencies.

### ***Key personnel***

#### **Dependence on key personnel/Loss of management**

Catalis' performance relies heavily on the efforts and abilities of its key senior staff. Their knowledge, expertise and experience are vital contributors to the continued success of the business. Failure to retain the services of any of the key senior staff could in the medium to long term, have a material adverse effect on Catalis' profitability.

**Ability to recruit and retain skilled personnel**

The success of Catalis' business and revenues depends upon the talent and skill of its personnel. It may prove increasingly difficult in a fast-growing, competitive industry to recruit highly trained employees across its geographical locations.

Catalis' operational, production and publishing teams possess key skill sets that are essential to the success of the business. Should Catalis no longer be able to retain such employees and/or attract new employees, Catalis' business, revenues and prospects could suffer significantly.

## **PART 8**

### **PROCEDURE FOR ELECTING FOR THE PARTIAL CASH AND UNLISTED SECURITIES ALTERNATIVE**

#### **1 SUMMARY INSTRUCTIONS**

If you are eligible and wish to elect for the Partial Cash and Unlisted Securities Alternative, if you hold your Scheme Shares in certificated form, you must complete the PINK Form of Election in respect of your holding of Scheme Shares, and return it either by post to Computershare, Corporate Actions Projects, Bristol, BS99 6AH or (during normal business hours only) by hand to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE, or, if you hold your Scheme Shares in CREST, submit a TTE instruction in accordance with the requirements of paragraph 3 below, in each case by the Partial Cash and Unlisted Securities Alternative Election Deadline at 1.00 p.m. on 1 October 2019.

Please telephone Computershare on the helpline on 0370 702 0000 (or, if you are telephoning from outside the UK, on +44 370 702 0000) if you need further copies of the Form of Election or if you have any questions relating to the Form of Election.

Full instructions on electing for the Partial Cash and Securities Alternative are set out below.

#### **2 OVERSEAS SHAREHOLDERS**

The availability of the New Topco Shares to persons who are not resident in the United Kingdom may be affected by the laws of relevant jurisdictions. Persons who are not so resident should inform themselves about and observe any applicable requirements in those jurisdictions. It is the responsibility of each such person to satisfy himself or herself as to the full observance of the laws of the relevant jurisdictions in connection with the Acquisition, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction. If you are in any doubt about your position, you should consult your professional adviser in the relevant territory.

Any person in a Restricted Jurisdiction may not participate in the Partial Cash and Unlisted Securities Alternative, will not be entitled to receive New Topco Shares and will receive only the Cash Consideration pursuant to the Scheme. If any person in a Restricted Jurisdiction purports to make an election pursuant to the Partial Cash and Unlisted Securities Alternative, then such person will be deemed to have elected to receive Cash Consideration and will only be entitled to receive only Cash Consideration pursuant to the Scheme.

If the issue of New Topco Shares to any Scheme Shareholder would or may infringe the laws of any jurisdiction outside the United Kingdom or necessitate compliance with any registration or other special requirement, the Scheme provides that such New Topco Shares will not be issued to the relevant Scheme Shareholder unless Topco agrees.

The New Topco Shares have not been and will not be registered under the US Exchange Act or under the relevant securities laws of any state or territory or other jurisdiction of the United States. Accordingly, New Topco Shares may not be offered or sold in or into the United States, except in a transaction not subject to, or in reliance on an exemption from, the registration requirements of the US Exchange Act and such state securities laws.

The relevant clearances and registrations have not been, nor will they be, sought or obtained, nor have any steps been taken, nor will any steps be taken, to enable the New Topco Shares to be publicly offered in compliance with applicable securities laws of Australia, Canada, South Africa or Japan (or any province or territory thereof, if applicable) or any other jurisdiction. Accordingly, the New Topco Shares (subject to certain exceptions) are not being offered to such persons in those jurisdiction and may not be offered, sold, resold, transferred, or delivered, directly or indirectly, in, into or from, Australia, Canada, South Africa or Japan or any Restricted Jurisdiction. No listing authority or equivalent has reviewed, approved or disapproved of this document, the Acquisition or the New Topco Shares, or expressed a view on the accuracy or adequacy of this document.

### **3 ELECTING TO RECEIVE THE PARTIAL CASH AND UNLISTED SECURITIES ALTERNATIVE**

You may elect for the Partial Cash and Unlisted Securities Alternative in respect of all (but not some only) of your Scheme Shares.

#### **To elect for the Partial Cash and Unlisted Securities Alternative in respect of all your Scheme Shares held in certificated form**

You must complete and return a PINK Form of Election along with your corresponding share certificate(s). If you have more than one holding of Scheme Shares, you are required to complete a separate Form of Election for each holding of Scheme Shares. You must check that the details set out at the top of page 3 of the Form of Election are correct. Please also fill in Box 4, if appropriate. You cannot elect to receive Units for some but not all of your Scheme Shares but you may make different elections for separate holdings of Scheme Shares.

You must then (if you are an individual) sign Box 3 of the Form of Election in the presence of a witness, who should also sign in accordance with the instructions accompanying that Box. A company incorporated in Great Britain may affix its common seal in Box 3 in accordance with the requirements of its articles of association or, as appropriate, execute the Form of Election acting by a director in the presence of a witness or by two directors or a director and its company secretary. A company incorporated outside Great Britain may execute the Form of Election by the signature of any person duly authorised who signs in accordance with the laws of the territory in which the relevant company is incorporated. In all cases where a company executes the Form of Election, the name of the company must be inserted next to the signature. If you hold Scheme Shares jointly, all joint holders must sign in Box 1. Each signature of an individual should be independently witnessed.

A completed Form of Election (together with your share certificate(s) and/or other document(s) of title or signed indemnity in respect of lost share certificates, if any) should be returned, signed and witnessed in accordance with the instructions printed thereon, either by post to Computershare, Corporate Actions Projects, Bristol, BS99 6AH or (during normal business hours only) by hand to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE as soon as possible, but in any event so as to be received by the Partial Cash and Unlisted Securities Alternative Election Deadline. No acknowledgement of receipt of documents will be given.

**If any Form of Election is received after the Partial Cash and Unlisted Securities Alternative Election Deadline or is received before the Partial Cash and Unlisted Securities Alternative Election Deadline but is not valid or complete in all respects as at the Partial Cash and Unlisted Securities Alternative Election Deadline, such election shall, for all purposes, be void and the person purporting to make such election shall not, for any purpose, be entitled to receive any New Topco Shares under the Partial Cash and Unlisted Securities Alternative but will instead receive the Cash Consideration pursuant to the Scheme.**



**To elect for the Partial Cash and Unlisted Securities Alternative in respect of all your Scheme Shares held in uncertificated form.**

If you are a CREST personal member, you should refer to your CREST sponsor before taking any action. Your CREST sponsor will be able to confirm details of your participant ID and the member account ID under which your Catalis Shares are held. In addition, only your CREST sponsor will be able to send the Electronic Election to Euroclear in relation to your Catalis Shares.

You should send (or, if you are a CREST personal member, procure that your CREST sponsor sends) an Electronic Election (by means of a TTE instruction) to Euroclear, which must be properly authenticated in accordance with Euroclear's specifications and which must contain, in addition to the other information that is required for a TTE instruction to settle in CREST, the following details:

- (a) the number of Catalis Shares in respect of which you are making an Electronic Election (such Catalis Shares to be transferred to an escrow balance);
- (b) your member account ID;
- (c) your participant ID;
- (d) the participant ID of the escrow agent, Computershare, in its capacity as a CREST Receiving Agent. This is "3RA23";
- (e) the relevant member account ID of the escrow agent, Computershare, in its capacity as a CREST Receiving Agent. This is "CATALI01";
- (f) the ISIN of the relevant Catalis Shares (this is "GB00BJLMMN43");
- (g) the intended settlement date (this should be as soon as possible and in any event by the Partial Cash and Unlisted Securities Alternative Election Deadline);
- (h) the corporate action number for the transaction: this is allocated by Euroclear and can be found by viewing the relevant corporate action details onscreen in CREST;
- (i) CREST standard delivery instructions priority of 80; and
- (j) a contact name and telephone number (inserted in the shared note field of the TTE instruction).

After making the Electronic Election, you will not be able to access the Catalis Shares concerned in CREST for any transaction or for charging purposes. If the Scheme is implemented in accordance with its terms, the escrow agent will arrange for the cancellation of the Catalis Shares. You are recommended to refer to the CREST Manual published by Euroclear for further information on the CREST procedure outlined above.

A Partial Cash and Unlisted Securities Alternative election is revocable. If you have submitted an Electronic Election you may withdraw your Electronic Election through CREST by sending (or, if you are a CREST sponsored member, procuring that your CREST sponsor sends) an ESA instruction to settle in CREST by no later than 1.00 p.m. on 1 October 2019 in relation to each Electronic Election to be withdrawn. Each ESA instruction must, in order for it to be valid and to settle, include the following details:

- (a) the number of Catalis Shares to be withdrawn;

- (b) the ISIN number of the Catalis Shares, which is "GB00BJLMMN43";
- (c) your member account ID;
- (d) your participant ID;
- (e) the participant ID of the escrow agent, Computershare, in its capacity as a CREST Receiving Agent. This is "3RA23";
- (f) the relevant member account ID(s) of the escrow agent, Computershare, in its capacity as a CREST Receiving Agent included in the relevant Electronic Election (this is "CATALI01");
- (g) the CREST transaction ID of the Electronic Election to be withdrawn;
- (h) the intended settlement date for the withdrawal;
- (i) the corporate action number for the transaction: this is allocated by Euroclear and can be found by viewing the relevant corporate action details on screen in CREST; and
- (j) CREST standard delivery instructions priority of 80.

Any such withdrawal will be conditional upon Computershare verifying that the withdrawal request is validly made. Accordingly, Computershare will, on behalf of Catalis and Bidco reject or accept the withdrawal or amendment by transmitting in CREST a receiving agent reject ("AEAD") or receiving agent accept ("AEAN") message.

#### **4 OTHER TERMS RELATING TO THE PARTIAL CASH AND UNLISTED SECURITIES ALTERNATIVE**

- 4.1 Each Scheme Shareholder by whom, or on whose behalf, a Form of Election is, in due course, executed and lodged either by post or by hand with Computershare irrevocably undertakes, represents, warrants and agrees to and with Bidco and Computershare (so as to bind him/her and his/her heirs, successors and assigns) to the effect that the execution of the Form of Election will, conditionally on (and with effect from) the Scheme becoming effective, constitute:
- (a) an irrevocable authority pursuant to which Bidco shall be entitled to direct the exercise of any votes and any or all other rights and privileges (including the right to requisition the convening of a general meeting of the Company or any class of its shareholders) attaching to the Catalis Shares to which such Form of Election relates;
  - (b) an authority to the Company from such Scheme Shareholder to send any notice, warrant, document or other communication issued after the Effective Date which may be required to be sent to him/her as a member of the Company (including any share certificate(s) or other document(s) of title issued as a result of conversion of such Catalis Shares into certificated form) to Bidco c/o Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE;
  - (c) an authority to Bidco or any director of Bidco to sign any instrument of transfer or consent to short notice on his/her behalf in respect of such Catalis Shares, and to attend or execute a Form of Proxy (and, where appropriate, any appointment pursuant to section 323 of the Companies Act) in respect of such Catalis Share appointing any person nominated by Bidco to attend general meetings and separate class meetings of the Company or its members (or any of them) (and any adjournment thereof) and

further to exercise or refrain from exercising the votes attaching to such Catalis Shares on his/her behalf;

- (d) the agreement of such Scheme Shareholder not to exercise any such rights without the consent of Bidco and the irrevocable undertaking of such Scheme Shareholder not to appoint a proxy or corporate representative to attend, and not himself/herself to attend, any such general meeting or separate class meeting; and
- (e) a representation and warranty to Bidco that he/she/it is not a Restricted Overseas Person or otherwise prohibited by law from electing to receive the Partial Cash and Unlisted Securities Alternative.

- 4.2 Without prejudice to any other provisions of this Part 8, Bidco reserves the right (subject to the terms of the Acquisition and the provisions of the Code) to treat as valid in whole or in part any election for the Partial Cash and Unlisted Securities Alternative which is not entirely in order. No New Topco Shares will be issued in respect of any such election under the Partial Cash and Unlisted Securities Alternative until after the relevant share certificate(s) and/or other document(s) of title or indemnities satisfactory to Bidco have been received.
- 4.3 The Form of Election and all elections thereunder, all action taken or made or deemed to be taken or made pursuant to any of these terms and the relationship between a Scheme Shareholder and Bidco or Computershare will be governed by English law. Execution of a Form of Election by or on behalf of a Scheme Shareholder will constitute his/her agreement that the courts of England are (subject to paragraph 4.4 of this Part 8) to have exclusive jurisdiction to settle any dispute which may arise in connection with the creation, validity, effect, interpretation or performance of the legal relationships established by the Form of Election or otherwise arising in connection with the Acquisition and the Form of Election (but, for the avoidance of doubt, not in respect of the New Topco Shares themselves), and for such purposes that he irrevocably submits to the jurisdiction of the courts of England.
- 4.4 The execution of a Form of Election by or on behalf of a Scheme Shareholder will constitute his/her agreement that the provision in paragraph 4.3 of this Part 8 is included for the benefit of Bidco, Computershare and their respective agents and accordingly, notwithstanding the exclusive agreement in paragraph 4.3 of this Part 8, each of Bidco, Computershare and their respective agents shall retain the right to, and may in its absolute discretion, bring proceedings in the courts of any other country which may have jurisdiction and that the electing Scheme Shareholder irrevocably submits to the jurisdiction of the courts of any such country.
- 4.5 All powers of attorney, appointments as agent and authorities on the terms conferred by or referred to in this document or in the Form of Election are given by way of security for the performance of the obligations of the Scheme Shareholder concerned and are irrevocable (in accordance with section 4 of the Powers of Attorney Act 1971), except as required by law or as determined by the Panel in accordance with the Code.
- 4.6 No acknowledgement of receipt of any Form of Election, communication, notice, share certificate or other document of title will be given by or on behalf of Bidco.
- 4.7 All communications, notices, certificates, documents of title and remittances to be delivered by or sent to, from or on behalf of any Scheme Shareholders (or their designated agents) will be delivered by or sent to or from them (or their designated agents) at their own risk. No such document will be sent to an address in the United States, Canada, South Africa, Australia or Japan or any Restricted Jurisdiction.

- 4.8 Bidco and its agents reserve the right to notify any matter to any Scheme Shareholder: (a) with a registered address outside the UK; or (b) whom Bidco or its agent knows to be a nominee, trustee or custodian for a beneficial owner of Scheme Shares with a registered address outside the UK, by announcement in the UK or paid advertisement in any daily newspaper published and circulated in the UK or any part thereof, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Scheme Shareholder to receive or see such notice. All references in this document to notice in writing, or the provision of information in writing, by or on behalf of Bidco or its agents shall be construed accordingly.
- 4.9 Any Scheme Shareholder who has validly elected for the Partial Cash and Unlisted Securities Alternative may, by written notice to Computershare, cancel their election for the Partial Cash and Unlisted Securities Alternative, provided that such notice is received by Computershare by 1.00 p.m. on 1 October 2019, or if the Scheme Court Hearing is adjourned, 1.00 p.m. on the day which is 7 days before the adjourned Scheme Court Hearing. Consequently, if any election for the Partial Cash and Unlisted Securities Alternative is so cancelled, Computershare will (in relation to the Scheme Shares in respect of which the election was made) immediately after the date on which the Company notifies the relevant Scheme Shareholder that their election for the Partial Cash and Unlisted Securities Alternative has been cancelled (or within such longer period as the Panel may approve, not exceeding 14 days from the date on which such notification is made) return share certificates and other documents of title relating to such Scheme Shares by post (or other such method as maybe approved by the Panel). All documents sent to Scheme Shareholders or their appointed agents in these circumstances will be sent at their own risk.
- 4.10 If you hold your Scheme Shares in certificated form and the Scheme does not become effective in accordance with its terms, all documents of title lodged pursuant to the Scheme will be returned by post within 14 days of the Scheme lapsing, at the risk of the Scheme Shareholders. If you hold your Scheme Shares in uncertificated form and the Scheme does not become effective in accordance with its terms, Computershare as the escrow agent will transfer back to you all of your Scheme Shares that were transferred to the escrow balance.
- 4.11 Neither Bidco nor any of its respective advisers or any person acting on its behalf shall have any liability to any person for any loss or alleged loss arising from any decision as to the treatment of elections under the Partial Cash and Unlisted Securities Alternative on any of the bases set out in this Part 8 or otherwise in connection therewith. Elections for Units which are not made in respect of a full registered shareholding of Scheme Shares will be rejected and such Scheme Shareholder will receive Cash Consideration for their entire holding. A stock transfer form can be obtained by calling the Computershare helpline between 8:30 am and 5:30 pm (London time) Monday to Friday (except UK public holidays) on 0370 702 0000 from within the UK or +44 370 702 0000 if calling from outside the UK. Alternatively, you may download a stock transfer from <https://www-uk.computershare.com/investor/formscatalogue.asp>.

## PART 9

### RULE 24.11 ESTIMATE OF VALUE LETTER

**Private and Confidential**  
Project Sword Bidco Limited  
Suffolk House  
George Street  
East Croydon  
London  
CR0 1PE

6 September 2019

#### ESTIMATE OF VALUE OF THE PARTIAL CASH AND UNLISTED SECURITIES ALTERNATIVE

Dear Sirs,

#### RECOMMENDED ACQUISITION BY PROJECT SWORD BIDCO LIMITED (“Project Sword”) FOR CATALIS PLC (“Catalis”) (“the Transaction” or “the Offer”)

We are writing to provide Project Sword our opinion on the reasonableness of the proposed value of the unquoted securities in Project Sword Topco Limited (“**New Topco**”) that have been offered to the shareholders of Catalis in exchange for their current shareholding in Catalis as intended under the Transaction.

As described in Part 1 of this scheme document (“**Scheme Document**”), under the terms of the Offer, Catalis shareholders have the option to elect to receive:

**For each Catalis Share:** £95.13 in cash (the “**Cash Offer**”)

OR

**For each Catalis Share:** £36.57 in cash

AND

1 Unit (each **Unit** comprising 585 New Topco Preferred Ordinary Shares (“**Preferred Ordinary Share**”) and 5.9048 New Topco Ordinary Shares (“**Ordinary Share**”))

(together, the “**Partial Cash and Unlisted Securities Alternative**”)

The Cash Offer and the Partial Cash and Unlisted Securities Alternative are both subject to the terms and conditions of the Transaction as described in Part 3 of this Scheme Document.

In accordance with the requirements of Rule 24.11 of the City Code on Takeovers and Mergers (the “**City Code**”), you have requested our view as to the estimated value of each Unit, accordingly, the Partial Cash and Unlisted Securities Alternative (the “**Estimate of Value**”). In assessing the Estimate of Value of each Unit we have had regard to the ‘market value’ definition set out by the International Valuation Standards Council, being “*Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion*”.

Capitalised terms used in this letter will, unless otherwise stated, have the meaning given to them

elsewhere in the Scheme Document.

## 1. Purpose

This Estimate of Value is provided to the directors of Project Sword (the “**Directors**”) solely for the purposes of complying with the requirements of the City Code in connection with the Transaction and shall not be used or relied upon for any other purpose.

This Estimate of Value does not represent the value that a holder of a Unit may realise for a holding that is redeemed in the future, which may be higher or lower than the figure in this letter. The Estimate of Value takes into account the fact that an election for the Partial Cash and Unlisted Securities Alternative will result in shareholders holding shares that are unlisted. In providing this letter BDO LLP (“**BDO**”) assumes no obligation to update or revise our Estimate of Value at any date in the future.

## 2. Information

In arriving at our Estimate of Value, we have, among other things, reviewed or otherwise taken the following into account:

- Certain publicly available financial statements and other information relating to Catalis;
- The terms of the Offer and its proposed financing;
- The terms of the Ordinary and Preferred Ordinary Shares;
- The Articles of Association of Project Sword Topco Limited; and
- Other factors and such other analyses as we consider appropriate.

We have relied on and assumed, without independent verification, the accuracy, reasonableness and completeness of the information provided to us. We have not made any independent valuation or appraisal of the assets and liabilities of New Topco or Catalis, nor have we sought or been provided with any such valuation or appraisal. It should be understood that subsequent developments may affect our Estimate of Value and that we do not have any obligation to update, revise or reaffirm the Estimate of Value set out in this letter. Specifically, this Estimate of Value is necessarily based on financial, economic, market, exchange rates and other conditions in effect, and the information made available to us, up to 5 September 2019.

The valuation of securities, particularly those not traded on a recognised exchange, is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing this analysis, we have made numerous assumptions with respect to industry performance and general business, economic and market conditions, many of which are beyond the control of New Topco. Consequently, the view expressed in this letter is not necessarily indicative of: (i) the price at which a Unit (and each underlying New Topco Preferred Ordinary Share or New Topco Ordinary Share), might actually trade in any public market at any future date; (ii) the amount which might be realised upon a sale of New Topco to a third party; or (iii) the amount that might be realised by a holder of a Unit upon a liquidation event of New Topco.

This Estimate of Value may differ substantially from estimates available from other sources. In addition, our view would be expected to fluctuate with changes in prevailing conditions, the financial condition and prospects of New Topco and Catalis and other factors which generally influence the valuation of companies and securities.

## 3. Methodology

We have arrived at our Estimate of Value of the Partial Cash and Unlisted Securities Alternative using our experience of a range of widely accepted valuation methods including comparable company trading multiples and discounted cash flows (where appropriate), and we have taken into account the information, factors, assumptions and limitations set out above.

We have also taken into account the fact that the New Topco Preferred Ordinary Shares and New Topco Ordinary Shares underlying each Unit will be unlisted, not admitted to trading on any stock exchange and not capable of being deposited in an American Depositary Receipt programme.

No account has been taken of any potential transaction costs that a holder of a Unit (and the underlying New Topco Preferred Ordinary Shares and New Topco Ordinary Shares), may incur, or any potential costs that might be associated with a sale of New Topco to a third party or a liquidation of New Topco and which might be expected to reduce any return to a holder of a Unit upon the occurrence of such an event.

The taxation position of individual shareholders will vary and so we have not taken into account the effects of any taxation exemptions, allowances or reliefs available for income, capital gains or inheritance tax purposes, notwithstanding that these may be significant in the case of some shareholders.

#### **4. General**

BDO is acting exclusively for Project Sword and for no one else in connection with the Offer. In providing our Estimate of Value, we are not making any recommendations to any person regarding the Scheme Document in whole or in part and are not expressing an opinion on the fairness of the terms of the Transaction. It is the responsibility of the Directors to agree the price in connection with the Transaction. It is our responsibility to form an opinion as to the Estimate of Value of each Unit offered as part of the proposed Partial Cash and Unlisted Securities Alternative in connection with the Transaction and in accordance with rule 24.11 of the City Code.

This Estimate of Value is not addressed to, and may not be relied upon by, any other person for any purpose whatsoever and BDO expressly disclaims any duty or liability to any third party with respect to the contents of this letter. In providing this Estimate of Value, BDO consents to the inclusion of this Estimate of Value in the Scheme Document on the basis that no duties or responsibilities are accepted by us to any third party, individually or collectively with respect to this Estimate of Value. Catalis shareholders should ascertain whether acquiring or holding a Unit (and the underlying New Topco Preferred Ordinary Shares or New Topco Ordinary Shares) is affected by the laws of the relevant jurisdiction in which they reside and consider whether Units are a suitable investment in light of their own personal circumstances and are, therefore, strongly recommended to seek their own independent financial, tax and legal advice in light of their own particular circumstances and investment objectives before deciding whether to elect for the Partial Cash and Unlisted Securities Alternative. In particular, Catalis shareholders should note that the Units (and the underlying New Topco Preferred Ordinary Shares and New Topco Ordinary Shares) will not be listed and that no market exists or is expected to exist in them.

Each Catalis shareholder that elects for the Partial Cash and Unlisted Securities Alternative will become a shareholder in the combined group. The value of an investment in New Topco may go down as well as up. The value of New Topco Preferred Ordinary Shares and New Topco Ordinary Shares can fluctuate and may not always reflect the underlying value of New Topco. A number of factors outside of the control of New Topco may impact its performance and the price of the Units (and the underlying New Topco Preferred Ordinary Shares and New Topco Ordinary Shares). Any decision to elect for the Partial Cash and Unlisted Securities Alternative should be based on independent financial, tax and legal advice and a full consideration of the Scheme Document and other information related to the Transaction.

#### **5. Estimate of Value**

On the basis of and subject to the foregoing, if the New Topco Preferred Ordinary Shares and New Topco Ordinary Shares had been in issue as at 5 September 2019, the estimated value of one New Topco Preferred Ordinary Share is between £0.0827 and £0.0968 and the estimated value of one New Topco Ordinary Share is between £0.0000 and £0.0000 before taking into account any discount for the lack of marketability. On this basis the estimated value of each Unit, comprising 585 New Topco Preferred Ordinary Shares and 5.9048 New Topco Ordinary Shares, is between £48.38 and £56.64.

We would expect holders of the Units (and the underlying New Topco Preferred Ordinary Shares and New Topco Ordinary Shares) to value such at a discount to take into account the lack of marketability. The amount of such discount, if any, will depend on the type of holder and their individual circumstances. We estimate that a discount for the lack of marketability of 15.0% is reasonable, which would imply an estimated value of one New Topco Preferred Ordinary Share of between

£0.0703 and £0.0823 and an estimated value of one New Topco Ordinary Share of between £0.0000 and £0.0000, as at as at 5 September 2019. On this basis, the Estimate of Value of each Unit, on a market value basis and as at as at 5 September 2019, comprising 585 New Topco Preferred Ordinary Shares and 5.9048 New Topco Ordinary Shares, is between £41.12 and £48.14.

Yours faithfully,

A handwritten signature in black ink that reads "BDO LLP". The letters are written in a cursive, slightly slanted style.

BDO LLP



## PART 10

### ADDITIONAL INFORMATION

#### 1 RESPONSIBILITY

- 1.1 Catalis' Directors, whose names are set out in paragraph 2 below, each accept responsibility for the information contained in this document other than the information for which responsibility is taken by the Independent Directors pursuant to paragraph 1.2 and the Bidco Directors and NorthEdge Responsible Persons pursuant to paragraph 1.3 below. To the best of the knowledge and belief of Catalis' Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The Independent Directors, whose names are set out in paragraph 2.2 below, each accept responsibility for the recommendations and opinions of the Independent Directors relating to the Acquisition contained in this document. To the best of the knowledge and belief of the Independent Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.3 The Bidco Directors and the NorthEdge Responsible Persons, whose names are set out in paragraphs 2.3 and 2.4 below respectively, each accept responsibility for the information contained in this document, including expressions of opinion, relating to NorthEdge, the Wider Bidco Group, and themselves and their immediate respective families, related trusts and persons connected with the Bidco Directors and the NorthEdge Responsible Persons. To the best of the knowledge and belief of the Bidco Directors and the NorthEdge Responsible Persons (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### 2 DIRECTORS

- 2.1 Catalis' Directors and their respective positions are:

<i>Name</i>	<i>Position</i>
Dominic Wheatley	Chief Executive Officer
Robert Haxton	Group Finance Director
Andrew Lawton	Corporate Finance and Strategy Director and Company Secretary
Peter Biewald	Non-Executive Chairman
Tom Chaloner	Non-Executive Director
Nigel Hammond	Non-Executive Director
Nick Winks	Non-Executive Director

The business address of each of Catalis' Directors is Suffolk House, George Street, East Croydon, London CR0 1PE.

- 2.2 The Independent Directors are Peter Biewald and Nick Winks.

2.3 The Bidco Directors and their respective positions are:

<i>Name</i>	<i>Position</i>
Phillip Frame	Director
Dominic Wheatley	Director

The business address of each of the Bidco Directors is Suffolk House, George Street, East Croydon, London CR0 1PE.

2.4 The NorthEdge Responsible Persons and their respective positions are:

<i>Name</i>	<i>Position</i>
Grant Berry	Managing Partner
Ray Stenton	Managing Partner
Michael Joseph	Chairman
Andrew Ball	Partner
Jon Pickering	Partner and Head of New Business
Keven Parker	Partner, Head of Portfolio.

The business address of each of the NorthEdge Responsible Persons is 13th Floor, Number One Spinningfields 1 Hardman Square, Spinningfields, Manchester, England, M3 3EB.

### 3 INTERESTS IN RELEVANT SECURITIES

3.1 For the purposes of this Part 10:

**acting in concert** with a party means any person acting or deemed to be acting in concert with that party for the purposes of the Code in respect of the Acquisition;

**arrangement** includes an indemnity or option arrangement, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or to refrain from dealing but excludes irrevocable commitments and letters of intent;

**dealing** or **dealt** has the meaning given to it in the Code;

**derivative** has the meaning given to it in the Code;

**disclosure date** means 6 September 2019 (being the Last Practicable Date);

**disclosure period** means the period commencing on 15 August 2018 (being the date 12 months prior to the commencement of the Offer Period) and ending on the disclosure date;

**interest** or **interests** in relevant securities shall have the meaning given to it in the Code;

**relevant securities** mean relevant securities (such term having the meaning given to it in the Code in relation to an offeree) of Catalis including equity share capital of Catalis (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof;

**short position** means any short position (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery.

3.2 As at the disclosure date, Catalis' Directors held the following interests in, or rights to subscribe in respect of, relevant securities:

<i>Name</i>	<i>Number of Catalis Shares</i>	<i>Number of B Shares</i>
Peter Biewald	1,620	-
Robert Haxton	1,023	20,000
Tom Chaloner and Nigel Hammond*	427,069	-
Dominic Wheatley	67,679	35,000
Nick Winks	1,000	-

\*100,000 Catalis Shares held directly by Leo Capital LLP and 327,069 Catalis Shares held by Commerzbank on behalf of Leo Capital LLP.

3.3 As at the disclosure date, none of Catalis' Directors held any outstanding awards over relevant securities.

3.4 As at the disclosure date, the following persons acting in concert with Catalis held interests in, or rights to subscribe in respect of, relevant securities:

(a) Leo Capital holds 100,000 Catalis Shares and has interests in 327,069 Catalis Shares which are held by Commerzbank on behalf of Leo Capital.

3.5 Save as disclosed in this paragraph 3, as at the disclosure date:

(a) neither Bidco nor any member of the Wider Bidco Group had any interest in, right to subscribe in respect of, any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of relevant securities nor has any member of the Wider Bidco Group dealt in any relevant securities during the disclosure period;

(b) none of the Bidco Directors had any interest in, right to subscribe in respect of any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of relevant securities, nor has any such person dealt in any relevant securities or during the disclosure period;

(c) no person acting in concert with Bidco had any interest in, right to subscribe in respect of, or any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of relevant securities, nor has any such person dealt in any relevant securities, during the disclosure period;

(d) no person who has an arrangement with Bidco had any interest in, right to subscribe in respect of, or any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of relevant securities, nor has any such person dealt in any relevant securities during the disclosure period; and

(e) neither Bidco, nor any person acting in concert with Bidco, has borrowed or lent any relevant securities, save for any borrowed shares which have been either on-lent or sold.

- 3.6 Save as disclosed in this paragraph 3, as at the disclosure date:
- (a) no member of the Catalis Group had any interest in, right to subscribe in respect of or any short position in relation to relevant securities nor has any such person dealt in any relevant securities during the Offer Period;
  - (b) none of Catalis' Directors had any interest in, right to subscribe in respect of, or any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of relevant securities, nor has any such person dealt in any relevant securities during the Offer Period;
  - (c) no person acting in concert with Catalis had any interest in, right to subscribe in respect of, any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of relevant securities, nor has any such person dealt in any relevant securities during the Offer Period;
  - (d) neither Catalis nor any person acting in concert with Catalis has borrowed or lent any relevant securities, save for any borrowed shares which have been either on-lent or sold.
- 3.7 Save as disclosed in this document, no persons have given any irrevocable or other commitment to vote in favour of the Scheme or the Resolutions to be proposed at the General Meeting.
- 3.8 Save as disclosed in this document, none of (i) Bidco or any person acting in concert with Bidco; or (ii) Catalis or any person acting in concert with Catalis has any arrangement in relation to relevant securities.
- 3.9 Save as disclosed in this document, no agreement, arrangement or understanding (including any compensation arrangement) exists between Bidco or any person acting in concert with Bidco and any of the Catalis Directors or the recent directors, shareholders or recent shareholders of Catalis having any connection with or dependence upon or which is conditional upon the Acquisition.
- 3.10 There is no agreement, arrangement or understanding whereby the beneficial ownership of any Catalis Shares to be acquired by Bidco pursuant to the Scheme will be transferred to any other person.
- 3.11 No relevant securities have been redeemed or purchased by Catalis during the disclosure period.
- 3.12 For the purposes of Rule 24.9 of the Code, no securities acquired by Bidco in pursuance of the Acquisition will be transferred to any other persons and, save as disclosed in this document, no person has any interest in, or any right to acquire, any relevant securities.
- 4 PERSONS ACTING IN CONCERT**
- 4.1 In addition to Bidco and the Bidco Directors, for the purposes of the Code, the persons who are acting in concert with Bidco are:

<i>Name</i>	<i>Type</i>	<i>Registered office</i>	<i>Relationship to Bidco</i>
Project Sword Midco 1 Limited	Private Limited Company	Suffolk House, George Street, East Croydon, London CR0 1PE	Controlled by funds managed by NorthEdge Capital LLP; part of the Bidco Group
Project Sword Midco 2 Limited	Private Limited Company	Suffolk House, George Street, East Croydon, London CR0 1PE	Controlled by funds managed by NorthEdge Capital LLP; part of the Bidco Group
Project Sword Topco Limited	Private Limited Company	Suffolk House, George Street, East Croydon, London CR0 1PE	Controlled by funds managed by NorthEdge Capital LLP; part of the Bidco Group
NorthEdge Capital Fund II LP	Limited Partnership	13th Floor, Number One Spinningfields 1 Hardman Square, Manchester M3 3EB	Providing funding to the Bidco Group
NorthEdge Capital Coinvestment II, LP	Limited Partnership	13th Floor, Number One Spinningfields 1 Hardman Square, Manchester M3 3EB	Providing funding to the Bidco Group
NorthEdge Capital II GP LLP	Limited Liability Partnership	13th Floor, Number One Spinningfields 1 Hardman Square, Manchester M3 3EB	NorthEdge associated party with discretionary management powers
NorthEdge Capital LLP	Limited Liability Partnership	13th Floor, Number One Spinningfields 1 Hardman Square, Manchester M3 3EB	NorthEdge associated party with discretionary management powers
Public Employees' Retirement System of Nevada	Employee Retirement System	693 West Nye Lane Carson City, NV 89703-1527	Providing funding to the Bidco Group
Pathway Private Equity Fund XXV, LP	Limited Partnership	18575 Jamboree Road, 7th Floor Irvine, CA 92612	Providing funding to the Bidco Group
MLC Investments Limited as Trustee of the WM Pool –	Private company	MLC Building, 105 – 153 Miller Street, North Sydney, NSW 2060, Australia	Providing funding to the Bidco Group

Equities Trust No. 66				
Equity Trustees Limited as Trustee of the MLC Private Equity Co-Investment Trust II	Private company	Level 1, 575 Bourke Street, Melbourne, VIC 3000, Australia	Providing funding to the Bidco Group	
Euro Choice Direct L.P.	Limited Liability Partnership	Level 1, 575 Bourke Street, Melbourne, VIC 3000	Providing funding to the Bidco Group	
Dominic Wheatley	Individual	C/o Suffolk House, George Street, East Croydon, London CR0 1PE	Rollover Manager who will hold shares in the Bidco Group following completion	
Robert Haxton	Individual	C/o Suffolk House, George Street, East Croydon, London CR0 1PE	Rollover Manager who will hold shares in the Bidco Group following completion	
Stuart Dinsey	Individual	C/o Suffolk House, George Street, East Croydon, London CR0 1PE	Rollover Manager who will hold shares in the Bidco Group following completion	
Jason Perkins	Individual	C/o Suffolk House, George Street, East Croydon, London CR0 1PE	Rollover Manager who will hold shares in the Bidco Group following completion	
David Millar	Individual	C/o Suffolk House, George Street, East Croydon, London CR0 1PE	Rollover Manager who will hold shares in the Bidco Group following completion	
Jonathan Wingrove	Individual	C/o Suffolk House, George Street, East Croydon, London CR0 1PE	Rollover Manager who will hold shares in the Bidco Group following completion	
Pimberly Limited	Private Limited Company	Ninth Floor, St. James's House, Charlotte Street, Manchester, United Kingdom, M1 4DZ	NorthEdge portfolio company captured within paragraph 1 of the 'definition of acting in concert'	

Tron Limited	Topco	Private Limited Company	3rd Floor, Bright Building Manchester Science Park, 5 Pencroft Way, Manchester, United Kingdom, M15 6GZ	NorthEdge portfolio company captured within paragraph 1 of the 'definition of acting in concert'
Meteo Limited	Topco	Private Limited Company	Lowry House, 17 Marble Street, Manchester, Greater Manchester, M2 3AW	NorthEdge portfolio company captured within paragraph 1 of the 'definition of acting in concert'
Hamsard 3493 Limited		Private Limited Company	4th Floor, The Exchange, Station Parade, Harrogate, England, HG1 1TS	NorthEdge portfolio company captured within paragraph 1 of the 'definition of acting in concert'
TFHC Investments Limited		Private Limited Company	Total Fitness Wilmslow Way, Handforth, Wilmslow, Cheshire, England, SK9 3PE	NorthEdge portfolio company captured within paragraph 1 of the 'definition of acting in concert'
Arthouse Topco Limited		Private Limited Company	St James Church Bacup Road, Waterfoot, Rossendale, Lancashire, England, BB4 7JU	NorthEdge portfolio company captured within paragraph 1 of the 'definition of acting in concert'
T.K. Components (Holdings) Limited		Private Limited Company	Unit 3 Cranberry Drive, Denton, Manchester, United Kingdom, M34 3UL	NorthEdge portfolio company captured within paragraph 1 of the 'definition of acting in concert'
Direct Healthcare Group Holdings Limited		Private Limited Company	6-10 Withey Court Western Industrial Estate, Caerphilly, Mid Glamorgan, Wales, CF83 1BF	NorthEdge portfolio company captured within paragraph 1 of the 'definition of acting in concert'
East Coast Concepts Group Limited		Private Limited Company	1st Floor, Rational House, Bridge Street, Manchester, England, M3 3BN	NorthEdge portfolio company captured within paragraph 1 of the 'definition of acting in concert'
Belfield Limited	Group	Private Limited Company	Site 3 Furnace Road, Ilkeston, England, DE7 5EP	NorthEdge portfolio company captured within paragraph 1 of the 'definition of acting in concert'

Axle Limited	Topco	Private Limited Company	Suite 11, Stone Cross Place Stone Cross Lane North, Lowton, Warrington, England, WA3 2SH	NorthEdge portfolio company captured within paragraph 1 of the 'definition of acting in concert'
Bliss Limited	Topco	Private Limited Company	Bridgetown House, Lower Bridge Street, Chester, United Kingdom, CH1 1RU	NorthEdge portfolio company captured within paragraph 1 of the 'definition of acting in concert'
Acorn Limited	Topco	Private Limited Company	Northumbria Spring Riverside Road, Southwick, Sunderland, Tyne & Wear, England, SR5 3JG	NorthEdge portfolio company captured within paragraph 1 of the 'definition of acting in concert'
Project Delorean Topco Limited		Private Limited Company	Image Business Park Acornfield Road, Kirkby, Liverpool, United Kingdom, L33 7UF	NorthEdge portfolio company captured within paragraph 1 of the 'definition of acting in concert'
Hamsard 3466 Limited		Private Limited Company	Unit 10 Cross Hills Business Park, Cross Hills, Keighley, West Yorkshire, United Kingdom, BD20 7BW	NorthEdge portfolio company captured within paragraph 1 of the 'definition of acting in concert'
Project Georgia Limited	Topco	Private Limited Company	React House Spedding Road, Fenton Industrial Estate, Stoke On Trent, Staffordshire, United Kingdom, ST4 2ST	NorthEdge portfolio company captured within paragraph 1 of the 'definition of acting in concert'
Crossco (1427) Limited		Private Limited Company	Unit A, Riverside Drive, Cleckheaton, England, BD19 4DH	NorthEdge portfolio company captured within paragraph 1 of the 'definition of acting in concert'
Project Topco Limited	Cube	Private Limited Company	Beaufort House, Cricket Field Road, Uxbridge, Middlesex, United Kingdom, UB8 1QG	NorthEdge portfolio company captured within paragraph 1 of the 'definition of acting in concert'
Apollo Limited	Topco	Private Limited Company	Lansdowne Gate, 65 New Road, Solihull,	NorthEdge portfolio company captured within paragraph 1 of



		West Midlands, England, B91 3DL	the 'definition of acting in concert'
GCA Altium	Private limited company	3rd Floor, 1 Southampton Street, London, WC2R 0LR	Financial adviser to Bidco and NorthEdge

4.2 In addition to the Catalis Directors, for the purposes of the Code, the persons who are acting in concert with Catalis are:

<i>Name</i>	<i>Type</i>	<i>Registered office</i>	<i>Relationship to Catalis</i>
Zeus Capital	Private limited company	82 King Street, Manchester M2 4WQ	Rule 3 adviser for the purposes of the Code and financial adviser
Leo Capital LLP	Limited liability partnership	4th Floor, 115 George Street, Edinburgh EH2 4JN	Owns greater than 20 per cent. of Catalis Shares as at the disclosure date

## 5 DIRECTORS' SERVICE CONTRACTS AND EMOLUMENTS

### 5.1 *Executive directors*

#### (a) *Dominic Wheatley - Chief Executive Officer*

Dominic Wheatley will enter into a service agreement on completion of the Equity Terms Agreement for an indefinite period, subject to termination for cause in accordance with the terms therein. The agreement provides for an annual salary of £240,000 (exclusive of discretionary bonus payment of up to 33.3% of annual salary) and 30 working days' paid holiday per year (in addition to public and bank holidays).

#### (b) *Robert Haxton - Group Finance Director*

Robert Haxton will enter into a service agreement on completion of the Equity Terms Agreement for an indefinite period, subject to termination for cause in accordance with the terms therein. The agreement provides for an annual salary of £140,000 (exclusive of discretionary bonus payment of up to 25% of annual salary), membership of a private medical expenses insurance scheme and 25 working days' paid holiday per year (in addition to public and bank holidays).

#### (c) *Andrew Lawton - Corporate Finance and Strategy Director*

Andrew Lawton will enter into a service agreement on completion of the Equity Terms Agreement for an indefinite period, subject to termination for cause in accordance with the terms therein. The agreement provides for an annual salary of £120,000 (exclusive of discretionary bonus payment of up to 30% of annual salary and a one-off payment of £30,000 conditional upon the sale of Catalis), membership of a private medical expenses insurance scheme, life assurance cover and 25 working days' paid holiday per year (in addition to public and bank holidays).

## 5.2 **Non-executive directors**

5.3 Each of the Independent Directors, Nigel Hammond and Tom Chaloner have agreed to 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).

5.4 Save as disclosed above, the Catalis Directors' service contracts and/or letters of appointment (as the case may be) do not contain any provisions relating to early termination.

5.5 Save as disclosed above, there are no service contracts between any Catalis Director and Catalis and no such contract has been entered into or amended or any Catalis Director's remuneration increased within the six months immediately prior to the date of publication of this document.

## 6 **MARKET QUOTATIONS**

The following table shows the closing middle market prices for Catalis Shares for the first dealing day of each of the six months prior to the date on which Catalis was de-listed from the Frankfurt Stock Exchange, being 20 June 2018:

<i>Date</i>	<i>Price per Catalis Share</i> (€)
01/06/2018	43.80
02/05/2018	36.00
03/04/2018	30.40
01/03/2018	23.40
01/02/2018	26.80
02/01/2018	15.70

## 7 **IRREVOCABLE UNDERTAKINGS AND OTHER CONFIRMATIONS**

### ***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><i>Name</i></b>	<b><i>Number of Catalis Shares in respect of which undertaking is given</i></b>	<b><i>Percentage of Catalis Shares at the Last Practicable Date</i></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.

***Independent Directors' Irrevocable Undertakings***

The Independent Directors who hold Catalis 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:

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

***Other Catalis Shareholders' Irrevocable Undertaking***

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:

<b>Name</b>	<b>Number of Catalis Shares in respect of which undertaking is given</b>	<b>Percentage of Catalis Shares at the Last Practicable Date</b>	<b>Percentage of Scheme Shares at the Last Practicable Date</b>	<b>Undertaken to elect / not to elect to receive the Partial Cash and Unlisted Securities Alternative</b>
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.

## 8 OFFER-RELATED ARRANGEMENTS

### 8.1 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 Announcement Date.

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.

## 9 MATERIAL CONTRACTS

9.1 Save as disclosed below, no member of the Catalis Group, nor Bidco, has, during the period beginning on 15 August 2017 and ending on the Last Practicable Date, entered into any material contact otherwise than in the ordinary course of business.

9.2 The following contracts, not being material contracts entered into the ordinary course of business and which are or may be material, have been entered into by members of the Catalis Group or by Bidco in the period beginning on 15 August 2017 and ending on the Last Practicable Date:

### ***Catalis material contracts***

- (a) See section 8.1 of this Part 10 above for details of the Confidentiality Agreement between NorthEdge and Catalis.
- (b) The terms of the Sale and Purchase Agreement are summarised at section 6 of Part 1 of this document.
- (c) Loan Agreements:
  - (i) Testronic Laboratories Limited (“TLL”)

HSBC Bank plc advanced the sum of £675,000 to TLL pursuant to an English-law term loan facility letter dated 2 October 2017. The loan facility is for a term of 3 years and 6 months and interest is charged at 3.5 per cent. per annum above the Bank of England base rate.

Catalis, Testronic Laboratories SE, Testronic sp. z o.o. and Testronic, Inc. are bound to comply with certain obligations under the facility and entered into a cross-guarantee dated 18 October 2017 in respect of all monies owed to HSBC by each of them at that time or any time in the future. In addition to the cross-guarantee, a debenture over all of the assets of TLL, and a charge given by TLL over contract monies were granted in favour of HSBC. The amount of the loan outstanding as at 30 June 2019 was £377,145. TLL makes monthly repayments of £19,857 to HSBC Bank plc.

- (ii) Curve Digital Publishing Limited (“CDPL”)

HSBC Bank plc has provided a loan facility for up to £900,000 to CDPL pursuant to a loan agreement dated 24 April 2018. The loan facility is for a term of 4 years and interest is charged at 3.25 per cent. per annum above the Bank of England base rate. The loan facility has a 15 month interest only period, followed by monthly instalments of £28,750.58 (covering principal and interest).

CDPL granted a debenture dated 22 May 2018 in favour of HSBC in respect of all monies and liabilities owed at any time by it to HSBC and there is a £2

million limited cross-guarantee between CDPL, Kuju Limited, CDEL and the Company. The amount of the loan outstanding as at 30 June 2019 was £913,927, with accrued interest of £13,927.

(d) **Runner Duck SPA**

On 13 March 2019, Curve Digital Publishing Limited entered into an agreement (the "**SPA**") for the acquisition of the entire issued share capital of Runner Duck Games Limited ("**Runner Duck**") from the sellers of Runner Duck (the "**Sellers**") for consideration of £250,000 in cash, the issue of 2,730 Catalis Shares and the potential for two further tranches of consideration shares (the "**Deferred Consideration Shares**").

In the event that the Company is a private company, rather than a PLC, at the time the Deferred Consideration Shares are due to be issued to the sellers, Curve Digital Publishing Limited, as the Buyer, has the option to either (i) pay further tranches of Cash Consideration to the Sellers on the first anniversary (13 March 2020) and second anniversary (13 March 2021), in the amounts set out in the SPA, or (ii) issue tranches of Catalis Shares to the Sellers, in the amount and value as set out in the SPA.

Pursuant to the terms of the SPA, the Sellers assigned all IP rights in respect of the business and also waived their moral rights.

***Bidco material contracts***

- (a) See section 8.1 of this Part 10 above for details of the Confidentiality Agreement between NorthEdge and Catalis.
- (b) The terms of the Sale and Purchase Agreement, the Put and Call Option Deed and the Equity Terms Agreement are summarised at section 6 of Part 1 of this document.
- (c) The terms of the Facilities Agreement and the Equity Terms Agreement are summarised in paragraph 10 of this Part 10 below.

**10 FINANCING ARRANGEMENTS**

**10.1 Facilities Agreement**

Tosca Debt Capital (Luxembourg) S.à.r.l. will advance the sum of £15,000,000 to Bidco pursuant to an English-law term and revolving facilities agreement dated 15 August 2019 to part-finance the Acquisition. The term loan facility is for a term of six years and interest is charged at 9 per cent. per annum above the Bank of England base rate. HSBC UK Bank PLC are also party to the Facilities Agreement as a revolving facility lender. The revolving facility is in an amount of £5,000,000, for a term five years and interest is charged at three per cent. per annum above the Bank of England base rate.

Following the Acquisition, each of Catalis, Attack Games Limited, Catalis Development Services Limited, Curve Digital Entertainment Limited, Curve Games Development One Limited, Curve Games Development Two Limited, Testronic Laboratories SE, Testronic sp. z o.o., Testronic, Inc., Doublesix Digital Publishing B.V., Doublesix Digital publishing Limited, Kuju Limited, Kuju Group S.E., Testronic Laboratories Limited and CDPL, (together, the "**Target Obligors**") will accede to the Facilities Agreement and will be bound to comply with certain obligations pursuant to the cross-guarantee contained therein. In addition to the cross-guarantee, security will be granted by each of the Target Obligors over all of its assets. The term loan is repayable

on the sixth anniversary of the Effective Date, and interest is paid to the relevant lender no less frequently than every six months.

## 10.2 **Equity Terms Agreement**

The Equity Terms Agreement 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.

## 11 **CASH CONFIRMATION**

GCA Altium, financial advisers to Bidco and NorthEdge, 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.

## 12 **SIGNIFICANT CHANGE**

Save as disclosed in this document, the Catalis Directors are not aware of any significant change in the financial or trading position of Catalis which has occurred since 31 December 2018 (being the date to which the last audited financial information of Catalis was prepared).

## 13 **CONSENTS**

Each of Zeus Capital and GCA Altium has given and has not withdrawn its written consent to the issue of this document with the inclusion of references to its name in the form and context in which it is included.

## 14 **OFFER RELATED FEES AND EXPENSES**

### 14.1 ***Fees and Expenses of the Wider Bidco Group***

The aggregate fees and expenses expected to be incurred by the Wider Bidco Group in connection with the Acquisition (excluding any applicable VAT and disbursements) are expected to be:

<i>Category</i>	<i>Amount (£)</i>
Financing arrangements	1,706,319
Financial advice	900,000
Legal advice	915,542
Accounting advice	135,000
Other professional services	484,000
Other costs and expenses	506,800
<b>Total</b>	<b>4,647,661</b>

### 14.2 ***Fees and Expenses of Catalis***

The aggregate fees and expenses expected to be incurred by Catalis in connection with the Acquisition (excluding any applicable VAT and disbursements) are expected to be:

<i>Category</i>	<i>Amount (£)</i>
Financial and corporate broking advice	998,000
Legal advice (including Counsel)	485,000
Other costs and expenses	301,138
<b>Total</b>	<b>1,784,138</b>

## 15 BASES OF CALCULATIONS AND SOURCES OF INFORMATION

15.1 Unless otherwise stated, financial information relating to the Catalis Group has been extracted or derived (without any adjustment) from the Catalis Group's audited consolidated financial statements for the financial year ended 31 December 2018.

15.2 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.

15.3 The International Securities Identification Number for the Catalis Shares is GB00BJLMMN43.

15.4 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 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.

15.5 The number of Scheme Shares entitled to be voted at the Court Meeting is 810,961 and has been calculated by subtracting the Excluded Shares from the 889,114 Catalis Shares in issue as at the Last Practicable Date.

15.6 Unless otherwise stated, all Closing Prices for Catalis Shares are taken from S&P CapitalIQ.

## 16 DOCUMENTS AVAILABLE FOR INSPECTION

16.1 Up to and including the Effective Date (or the date on which the Scheme lapses or is withdrawn, whichever is earlier), copies of the following documents can be viewed on Catalis' website which can be accessed directly at the address [www.catalisgroup.com/offer-for-catalis](http://www.catalisgroup.com/offer-for-catalis):

- (a) the articles of association of Catalis;
- (b) a draft of the articles of association of Catalis as proposed to be amended at the General Meeting;
- (c) the consolidated audited report and accounts of Catalis for the two financial years ended 31 December 2017 and 31 December 2018;
- (d) the irrevocable undertakings referred to in paragraph 7 of this Part 10;



- (e) the confidentiality agreement referred to in paragraph 8 of this Part 10;
- (f) the written consents referred to in paragraph 13 of this Part 10;
- (g) the Sale and Purchase Agreement;
- (h) the Put and Call Option Deed;
- (i) the Equity Terms Agreement;
- (j) the Facilities Agreement;
- (k) the Announcement;
- (l) the Exempted Document; and
- (m) this document, the Forms of Proxy and the Form of Election.

**17 DATE OF PUBLICATION**

This document was published on 9 September 2019.

## PART 11

### DEFINITIONS

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

<b>£, Sterling, pence or p</b>	the lawful currency of the UK
<b>\$, US\$ or Dollar</b>	the lawful currency of the US
<b>Acquisition</b>	the proposed recommended acquisition by Bidco for 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 Scheme Document (or the Takeover Offer, under certain circumstances as described in this Scheme Document)
<b>Acquisition Price</b>	£95.13 per Catalis Share
<b>Announcement</b>	the announcement of the Acquisition, dated 15 August 2019, by Bidco and Catalis in accordance with Rule 2.7 of the Code
<b>Applied Exchange Rate</b>	means the exchange rate of €1.07735/£1 being the exchange rate as at 14 August 2019, being the last practicable date prior to the Announcement
<b>Authorisations</b>	regulatory authorisations, orders, recognitions, grants, consents, clearances, confirmations, certificates, licences, permissions or approvals
<b>Bidco</b>	Project Sword Bidco Limited, a company incorporated in England and Wales with registered number 12032770, whose registered office address is at Suffolk House, George Street, East Croydon, London, CR0 1PE
<b>Bidco Directors</b>	Phillip Frame and Dominic Wheatley
<b>Bidco Group</b>	Bidco and its subsidiary undertakings and, where the context permits, each of them
<b>Board</b>	in relation to Bidco or Catalis, the board of directors of the relevant company
<b>B Ordinary Share</b>	a B ordinary share of £0.80 in the capital of the Company
<b>Business Day</b>	a day (other than Saturdays, Sundays and public 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>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 East Croydon, CR0 1PE
<b>Catalis Directors</b>	the directors of Catalis as at the date of this document
<b>Catalis Group</b>	Catalis, its subsidiaries and subsidiary undertakings
<b>Catalis Share</b>	an ordinary share of £0.80 in the capital of Catalis
<b>Catalis Shareholders</b>	the registered holders of Catalis Shares from time to time
<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>	MLC Limited, Pathway Capital Management and Unigestion SA
<b>Companies Act</b>	the Companies Act 2006, as amended from time to time
<b>Computershare</b>	Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE
<b>Conditions</b>	the conditions to the implementation of the Acquisition (including the Scheme) as set out in Part 3 of this document
<b>Court</b>	the High Court of Justice, Business and Property Courts of England and Wales, Companies Court
<b>Court Meeting</b>	the meeting of the Scheme Shareholders to be convened by order of the Court pursuant to section 896 of the Companies Act, notice of which is set out in Part 12 of this document, 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>CREST Regulations</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755)
<b>Dealing Disclosure</b>	has the meaning given to it by Rule 8 of the Code
<b>Deferred Share</b>	a deferred share of £0.80 in the capital of the Company

<b>Disclosed</b>	<p>information which has been either:</p> <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 14 August 2019;</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, <a href="http://www.catalisgroup.com">www.catalisgroup.com</a>, prior to the publication of the Announcement;</li> <li>(d) disclosed in the Announcement; or</li> <li>(e) fairly disclosed to Bidco (or its respective officers, employees, agents or advisers) in writing on or before the Business Day prior to the Announcement Date (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)</li> </ul>
<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 15 August 2019 between the NorthEdge Funds, Bidco, Topco, Midco 1, Midco 2, the Co-investors and the Rollover Managers
<b>Electronic Election</b>	An election for the Partial Cash and Unlisted Securities Alternative by a Scheme Shareholder who holds Catalis Shares in uncertificated form immediately before the Partial Cash and Unlisted Securities Alternative Election Deadline
<b>Euroclear</b>	Euroclear UK & Ireland Limited
<b>Excluded Shares</b>	any Catalis Shares:

- (a) held by Bidco or, otherwise, directly or indirectly by the NorthEdge Funds;
- (b) any Catalis Shares held in treasury from time to time; and
- (c) any Catalis Shares registered in the name of or beneficially owned by the Rollover Managers and the Sweet Equity Participants, their respective nominees or any person acting in concert with the Rollover Managers or the Sweet Equity Participants for the purposes of the Code at any relevant date or time

<b>Exempted Document</b>	the document 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>Explanatory Statement</b>	the explanatory statement (in compliance with section 897 of the Companies Act) relating to the Scheme, as set out at Part 2 of this document
<b>Facilities Agreement</b>	the senior term and revolving facilities agreement dated 15 August 2019 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)
<b>FCA or 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>	the PINK form of election and authority for use by Scheme Shareholders electing for the Partial Cash and Unlisted Securities Alternative, which (subject to exceptions for certain overseas jurisdictions) accompanies this document
<b>Forms of Proxy</b>	the BLUE form of proxy for use at the Court Meeting and the WHITE form of proxy for use at the General Meeting, which accompany this document
<b>FSMA</b>	the Financial Services and Markets Act 2000, as amended
<b>GCA Altium</b>	GCA Altium Limited, financial adviser to Bidco and NorthEdge 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 is set out in Part 13 of this document
<b>IFRS</b>	International Financial Reporting Standards
<b>Independent Directors</b>	Peter Biewald and Nick Winks
<b>Last Practicable Date</b>	6 September 2019, being the last practicable date prior to the publication of this document
<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 Group plc
<b>Long Stop Date</b>	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>Meetings</b>	the Court Meeting and the General Meeting
<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, 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, CR0 1PE, a wholly owned subsidiary of Midco 1
<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
<b>NorthEdge</b>	NorthEdge Capital LLP, the discretionary manager 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>NorthEdge Responsible Persons</b>	those persons listed in paragraph 2.4 of Part 10 of this document
<b>Offer Period</b>	in relation to Catalis, has the meaning given to it in the Code, which period commenced on 15 August 2019
<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 facility provided for in the Scheme whereby (subject to certain exceptions for Scheme Shareholders located in a Restricted Jurisdiction) a Scheme Shareholder may elect, in respect of all (but not some only) of their Scheme Shares, to receive £36.57 in cash and one Unit in lieu of the Cash Consideration which they would otherwise receive under the terms of the Acquisition.
<b>Partial Cash and Unlisted Securities Alternative Election Deadline</b>	1.00 p.m. on 1 October 2019
<b>Put and Call Option Deed</b>	the put and call option deed dated 15 August 2019 between Topco, Midco 1, Midco 2, Bidco 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 Part 3 of this document
<b>Regulatory Information Service</b>	a service approved by the London Stock Exchange for the distribution to the public of announcements and included on the list maintained on the London Stock Exchange's website
<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, among others, 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 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
<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 15 August 2019 between Bidco, the Company 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 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 to be granted at the Scheme Court Hearing sanctioning the Scheme under Part 26 of the Companies Act
<b>Scheme Document</b>	this document sent to (among others) Catalis Shareholders containing and setting out, among other things, the full terms and conditions of the Scheme and containing the notices convening the Court Meeting and General Meeting
<b>Scheme Record Time</b>	6.00 p.m. on the day on which the Scheme Court Hearing is held
<b>Scheme Shareholders</b>	holders of Scheme Shares
<b>Scheme Shares</b>	all Catalis Shares: <ul style="list-style-type: none"> <li>(a) in issue as at the date of the Scheme Document;</li> <li>(b) issued after the date of the Scheme Document and before the Scheme Voting Record Time (if any); and</li> <li>(c) issued at or after the Scheme 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> <p>but in each case other than the Excluded Shares</p>



<b>Scheme Voting Record Time</b>	6.00 p.m. on the day which is two Business Days before the date of the Court Meeting or any adjournment thereof
<b>SEC</b>	the US Securities and Exchange Commission
<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 approve the implementation of the Scheme and the alteration of Catalis' articles of association to be considered at the General Meeting as set out in Part 13 of this document
<b>Sweet Equity Arrangements</b>	has the meaning given to it in paragraph 6 of Part 1 of this document
<b>Sweet Equity Participants</b>	Dominic Wheatley, Robert Haxton, Andrew Lawton and Stuart Dinsey
<b>Sweet Equity Shares</b>	has the meaning given to it in paragraph 6 of Part 1 of this document
<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, 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, CR0 1PE, the ultimate holding company of Bidco
<b>Topco Articles</b>	the articles of association of Topco which will be adopted with effect from the Effective Date
<b>Topco Group</b>	Topco and its subsidiary undertakings and, where the context permits, each of them

<b>Topco Shareholders</b>	holders of Topco Shares
<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>TTE instruction</b>	a transfer to escrow instruction
<b>Unit</b>	5.9048 New Topco Ordinary Shares and 585 New Topco Preferred Ordinary Shares
<b>United Kingdom or UK</b>	the United Kingdom of Great Britain and Northern Ireland
<b>United States of America, 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 Holders</b>	holders of Catalis Shares ordinarily resident in the US or with a registered address in the US, and any custodian, nominee or trustee holding Catalis Shares for persons in the US or with a registered address in the US
<b>US Securities Act</b>	the US Securities Act of 1933, as amended from time to time
<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

All references to "GBP", "pence", "sterling", "£", or "p" are to the lawful currency of the United Kingdom.

For the purposes of this document, "subsidiary", "subsidiary undertaking", "undertaking" and "associated undertaking" have the meanings given by the Companies Act.

All references to the statutory provision or law or to any order or regulation shall be construed as a reference to that provision, law, order or regulation as extended, modified, replaced or re-enacted from time to time and all statutory instruments, regulations and orders from time to time made thereunder or deriving therefrom.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

A reference to "includes" shall mean "includes without limitation", and reference to "including" and any other similar term shall be interpreted accordingly.

**PART 12**

**NOTICE OF COURT MEETING**

**IN THE HIGH COURT OF JUSTICE**

**BUSINESS AND PROPERTY  
COURTS OF ENGLAND AND WALES  
COMPANIES COURT**

**No. CR-2019-005668**

**IN THE MATTER OF CATALIS PLC**

**- and -**

**IN THE MATTER OF THE COMPANIES ACT 2006**

NOTICE IS HEREBY GIVEN that, by an order dated 6 September 2019 made in the above matters, the Court has directed that Catalis plc ("Company") be permitted to convene a meeting ("Court Meeting") of the Scheme Shareholders (as defined in the Scheme of Arrangement referred to below), for the purposes of considering and, if thought fit, approving (with or without modification) a scheme of arrangement ("Scheme of Arrangement") pursuant to Part 10 of the Companies Act 2006, as amended from time to time ("Companies Act") proposed to be made between the Company and the holders of Scheme Shares.

The Court Meeting will be held at the offices of Squire Patton Boggs (UK) LLP at 7 Devonshire Square, London EC2M 4YH on 30 September 2019 at 10.00 a.m., at which place and time all Scheme Shareholders entitled to vote are requested to attend either in person or by proxy.

Voting on the resolution will be by poll which may be conducted as the chairman of the Court Meeting shall determine. For the Court Meeting (or any adjournment thereof) to be properly convened, a quorum of two persons entitled to vote on the business to be transacted, each being a Scheme Shareholder, the proxy of a Scheme Shareholder or (where the Scheme Shareholder is a corporation) a duly authorised representative must be present.

A copy of the Scheme of Arrangement and a copy of the Explanatory Statement required to be furnished pursuant to section 897 of the Companies Act are set out in the document of which this notice forms part.

Scheme Shareholders entitled to attend and vote at the Court Meeting may vote in person at the Court Meeting or they may appoint another person as their proxy to attend, speak and vote in their stead. A proxy need not be a member of the Company. A holder of Scheme Shares may appoint more than one proxy in relation to the Court Meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that holder. A BLUE Form of Proxy for use at the Court Meeting is enclosed with this notice.

It is requested that BLUE Forms of Proxy (together with any power of attorney or other authority under which they are signed, or a notarially certified copy of such power of attorney) be lodged by post to Computershare at Corporate Actions Projects, Bristol BS99 6AH or (during normal business hours only) by hand with the Company's registrars, Computershare, at Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE (or at the electronic address provided on the Form of Proxy), in each case no later than 5.00 p.m. on 27 September 2019 or, if the Court Meeting is adjourned, not later than 48 hours prior to the time appointed for the adjourned Court Meeting (excluding any part of such 48 hour period falling on a weekend or a public holiday in the UK unless otherwise announced). Forms

of Proxy submitted by fax will not be accepted. If the Form of Proxy is not so lodged, it may be handed to Computershare (on behalf of the chairman of the Court Meeting) before the start of the Court Meeting and will still be valid. In order to be valid, the appointment of a proxy electronically using CREST in accordance with the procedures described below must be made not less than 48 hours before the start of the Court Meeting (excluding any part of such 48 hour period falling on a weekend or public holiday in the UK unless otherwise announced).

Holders of Scheme Shares who hold their shares through CREST may also appoint a proxy or proxies through the CREST electronic proxy appointment service. For further guidance, please refer to the instructions set out in the notes to the Notice of General Meeting contained in Part 13 of the document of which this notice forms part.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST Proxy Instruction must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instruction, as described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's registrars, Computershare (ID 3RA50) by the proxy deadline. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company's registrars, Computershare are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings ([www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the CREST Regulations.

Completion of the BLUE Form of Proxy or the appointment of a proxy or proxies through CREST shall not prevent a holder of Scheme Shares from attending and voting at the Court Meeting or at any adjournment thereof.

In the case of joint Scheme Shareholders the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.

Entitlement to attend and vote at the Court Meeting and the number of votes which may be cast will be determined by reference to the register of members of the Company at 6.00 p.m. on 26 September 2019 (or, in the event of any adjournment, on the date which is two Business Days before the time of the adjourned Court Meeting). In each case, changes to the register of members of the Company after such time will be disregarded.

By the said order, the Court has appointed Peter Biewald or, failing him, Nick Winks to act as chairman of the Court Meeting and has directed the chairman to report the result of the Court Meeting to the Court.

The Scheme of Arrangement will be subject to the subsequent sanction of the Court.

Dated 9 September 2019

**Squire Patton Boggs (UK) LLP**

7 Devonshire Square

London

EC2M 4YH

*Solicitors for the Company*

**Notes:**

1. Any person to whom this Notice of Court Meeting is sent who is a person nominated under section 146 of the Companies Act to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Court Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
2. The statement of the rights of shareholders in relation to the appointment of proxies in this Notice of Court Meeting does not apply to Nominated Persons. The rights described in this Notice of Court Meeting can only be exercised by shareholders of the Company.

## PART 13

### NOTICE OF GENERAL MEETING

#### CATALIS PLC

Notice is hereby given that a general meeting of Catalis plc ("Company") will be held at the offices of Squire Patton Boggs (UK) LLP at 7 Devonshire Square, London EC2M 4YH on 30 September 2019 at 10.10 a.m. (or as soon thereafter as the Court Meeting (as defined in the document of which this notice forms part, being the Scheme Document) convened for 10.00 a.m. (on the same day and at the same place) shall have concluded or been adjourned) for the purpose of considering and, if thought fit, passing the following resolutions. Unless defined in this notice, capitalised terms used in this notice shall have the meaning given to them in Part 11 of the Scheme Document.

#### SPECIAL RESOLUTION

1 THAT, for the purpose of giving effect to the scheme of arrangement dated 9 September 2019 between the Company and the holders of Scheme Shares (as defined in the said scheme of arrangement), a print of which has been produced to this meeting and for the purposes of identification signed by the chairman hereof, in its original form or subject to such modification, addition or condition as may be agreed between the Company and Project Sword Bidco Limited ("Bidco") and approved or imposed by the Court ("Scheme"):

- (a) the directors of the Company be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into full effect;
- (b) with effect from the passing of this resolution, the articles of association of the Company be and are hereby amended by:

- (i) the inclusion of the following definitions as new definitions in article 2.1:

**"Acquisition"** means the acquisition of the company by the Purchaser pursuant to a scheme of arrangement sanctioned by the court under Part 26 the Companies Act 2006;

**"Bidco"** has the meaning given in article 22A.1;

**"Bidco Company"** has the meaning given in article 22A.2;

**"Effective Date"** has the meaning given to it in Part 11 of the scheme document issued by the Company on 9 September 2019 in connection with the Scheme;

**"New Member"** has the meaning given in article 22A.3;

**"Post-Scheme Shares"** has the meaning given in article 22A.3;

**"Purchaser"** has the meaning given in article 22A.3;

**"Scheme"** has the meaning given in article 22A.1;

**"Scheme Shares"** has the meaning given to it in Part 11 of the scheme document issued by the Company on 9 September 2019 in connection with the Scheme;

**"Scheme Record Time"** has the meaning given to it in Part 11 of the scheme document issued by the Company on 9 September 2019 in connection with the Scheme;

**"Transfer Completion Date"** means such date for the completion of the sale and purchase of the Post-Scheme Shares as the Purchaser may determine;

- (ii) the adoption and inclusion of the following new article 22A after article 22 (and amending the remainder of the articles and any cross references thereto accordingly):

**"22A Scheme of Arrangement**

22A.1 In this Article 22A, references to the "Scheme" are to the Scheme of Arrangement under Part 26 of the Companies Act 2006 between the Company and the holders of Scheme Shares (as defined in the Scheme) dated 9 September 2019 (with or subject to any modification, addition or condition approved or imposed by the Court and agreed by the Company and Project Sword Bidco Limited ("Bidco")) and (save as defined in this article) terms defined in the Scheme shall have the same meanings in this article.

22A.2 Notwithstanding any other provisions in these Articles, if the Company issues any Shares (other than to Bidco, any subsidiary of Bidco, any parent undertaking of Bidco or any subsidiary of such parent undertaking, or any nominee of Bidco (each a "Bidco Company")) on or after the date of the adoption of this Article and prior to the Scheme Record Time such Shares shall be issued subject to the terms of the Scheme and the holder or holders of such Shares shall be bound by the Scheme accordingly.

22A.3 Notwithstanding any other provision of these Articles, subject to the Scheme becoming effective, any shares issued to any person (other than a Bidco Company) after the Scheme Record Time (a "New Member") (each a "Post-Scheme Share") shall be issued on terms that they shall (on the Effective Date (as defined in the Scheme) or, if later, on issue (but subject to the terms of Articles 22A.4 below)), be immediately transferred to Bidco (or such person as it may direct) ("Purchaser"), who shall be obliged to acquire each Post-Scheme Share in consideration of and conditional upon the payment by or on behalf of Bidco to the New Member of an amount in cash for each Post-Scheme Share equal to the consideration to which a New Member would have been entitled had such Post-Scheme Share been a Scheme Share.

22A.4 Any New Member (other than, for the avoidance of doubt, a person who becomes a New Member by virtue of a transfer pursuant to this Article 22A.4) may, prior to the issue of Post-Scheme Shares to him or her pursuant to the exercise of an option or satisfaction of an award



under any employee option plan operated by the Company, give not less than two working days' written notice to the Company in such manner as the board shall prescribe of his or her intention to transfer some or all of such Post-Scheme Shares to his or her spouse or civil partner and may, if such notice has been validly given, on such Post-Scheme Shares being issued to him or her, immediately transfer to his or her spouse or civil partner any such Post-Scheme Shares, provided that such Post-Scheme Shares will then be immediately transferred by that spouse or civil partner (as applicable) to the Purchaser pursuant to Article 22A.3 above. If notice has been validly given pursuant to this Article 22A.4 but the New Member does not immediately transfer to his or her spouse or civil partner the Post-Scheme Shares in respect of which notice was given, such shares will be transferred to the Purchaser and/or its nominee(s) pursuant to Article 22A.3 above.

- 22A.5 To give effect to any transfer of Post-Scheme Shares required pursuant to Article 22A.3, the Company may appoint any person as attorney and/or agent for the New Member to transfer the Post-Scheme Shares to the Purchaser and/or its nominees and do all such other things and execute and deliver all such documents or deeds as may in the opinion of such attorney or agent be necessary or desirable to vest the Post-Scheme Shares in the Purchaser and pending such vesting to exercise all such rights attaching to the Post-Scheme Shares as the Purchaser may direct. If an attorney or agent is so appointed, the New Member shall not thereafter (except to the extent that the attorney or agent fails to act in accordance with the directions of the Purchaser) be entitled to exercise any rights attaching to the Post-Scheme Shares unless so agreed in writing by the Purchaser. The attorney or agent shall be empowered to execute and deliver as transferor a form of transfer or instructions of transfer on behalf of the New Member (or any subsequent holder) in favour of the Purchaser and the Company may give a good receipt for the consideration for the Post-Scheme Shares and may register the Purchaser as holder thereof and issue to it certificate(s) for the same. The Company shall not be obliged to issue a certificate to the New Member for the Post-Scheme Shares. The Purchaser shall settle the consideration due to the New Member pursuant to Article 22A.3 above by sending a cheque drawn on a UK clearing bank in favour of the New Member (or any subsequent holder) for the purchase price of such Post-Scheme Shares as soon as practicable and in any event no later than 14 days after the date on which the Post-Scheme Shares are issued to the New Member.
- 22A.6 If the Scheme shall not have become effective by the applicable date referred to in (or otherwise set in accordance with) section 5.2 of the Scheme, this Article 22A shall cease to be of any effect.
- 22A.7 Notwithstanding any other provision of these Articles, both the Company and the board shall refuse to register the transferor of any Scheme Shares effected between the Scheme Record Time and the Effective Date other than to the Purchaser and/or its nominees pursuant to the Scheme."

## ORDINARY RESOLUTIONS

- 2 **THAT** the Rollover Arrangements and the Sweet Equity Arrangements proposed by Bidco, summarised in Part 1 (Letter from the Chairman of Catalis plc) of the Scheme Document are hereby approved in, or substantially in, such form for the purposes of Rule 16 of the Code, notwithstanding that such arrangements are not extended to all shareholders of the Company.

9 September 2019

By Order of the Board

*Registered Office:*

Suffolk House  
George Street  
East Croydon  
London  
CR0 1PE

Company Registration No. 11899376

### Notes:

1. A member who is entitled to attend and vote at the meeting is entitled to appoint one or more proxies to exercise all or any of his or her rights to attend, speak and vote at the meeting. A member may not appoint more than one proxy to exercise rights attached to any one share.
2. A proxy does not need to be a member of the Company. Details of how to appoint the Chairman of the meeting or another person as your proxy using the WHITE Form of Proxy are set out in the notes to the WHITE Form of Proxy. If no voting indication is given on the WHITE Form of Proxy, the proxy appointed will vote or abstain from voting at his or her discretion.
3. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different ordinary shares. You may not appoint more than one proxy to exercise rights attached to any one ordinary share. If a member wishes to appoint more than one proxy and so requires additional WHITE Forms of Proxy or if members have general queries about the meeting, the member should telephone the Company's registrars, Computershare on 0370 702 0000 or +44 370 702 0000 if calling from outside the United Kingdom. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Computershare cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.
5. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

6. A WHITE Form of Proxy for use by members in connection with the meeting is enclosed with this document. To be valid, the WHITE Form of Proxy should be completed and signed and delivered, together with (if any) any power of attorney or other authority under which it is signed, or a notarially certified copy of such power of attorney under which it is signed, to the Company's registrars, Computershare, at Corporate Actions Projects, Bristol BS99 6AH, by no later than 5.00 p.m. on 27 September 2019 or in the case of an adjournment, no later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any part of such 48 hour period falling on a weekend or public holiday in the UK unless otherwise announced). Alternatively, a member may appoint a proxy electronically by following the procedure set out in the WHITE Form of Proxy. Completing and returning a WHITE Form of Proxy will not prevent a member from attending in person at the meeting referred to above and voting should he or she wish to do so.
7. CREST members who wish to appoint a proxy or proxies by utilising the procedures described in the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by utilising the procedures detailed in the CREST Manual (which can be viewed at [www.euroclear.com](http://www.euroclear.com)). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
8. In order for a proxy appointment or instructions made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("EUI") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Company's registrars, Computershare (CREST ID 3RA50) by no later than 5.00 p.m. on 27 September 2019, or in the case of an adjournment, no later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any part of such 48 hour period falling on a weekend or public holiday in the UK unless otherwise announced). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Company's registrars, Computershare are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
9. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST systems by any particular time. CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended).
10. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), and for the purposes of section 360B of the Companies Act (as amended), only those members entitled to vote registered on the Company's register of members at 6.00 p.m. on 26 September 2019 or, if this meeting is adjourned, on the day falling two Business Days prior to the adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of ordinary shares registered in their name at that time. Changes to the entries on the register of members after 6.00 p.m. on 26 September 2019, or if the meeting is adjourned, on the register of members at 6.00 p.m. (UK time) on the day falling two Business Days before the date of any adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting notwithstanding any provision in any enactment, articles of association of the Company or other instrument to the contrary.
11. Copies of the Company's existing articles of association and copies of the new articles of association as amended pursuant to the Special Resolution are available for inspection on weekdays (Saturdays, Sundays and public holidays excluded) during normal business hours at the registered office of the Company and will be available at the place of the meeting for at least 15 minutes prior to and during the meeting.

12. A corporate member may appoint one or more corporate representatives to act as its representative. Corporate representatives have the same rights to attend and vote at the meeting as the member that appointed them could have exercised if it were an individual member (provided, in the case of multiple corporate representatives of the same corporate member, they are appointed in respect of different shares owned by the corporate member or, if they are appointed in respect of those same shares, they vote those shares in the same way). To be able to attend and vote at the meeting, corporate representatives will be required to produce prior to their entry to the meeting evidence satisfactory to the Company of their appointment. Corporate members can also appoint one or more proxies in accordance with the relevant Notes above. Please note, however, that if multiple corporate representatives purport to vote the same block of shares in different ways, they will be treated as not having voted.
13. You may not use any electronic address provided either in this notice of general meeting or any related documents (including the WHITE Form of Proxy), to communicate with the Company for any purposes other than those expressly stated.
14. In accordance with Rule 16.2 of the Code, the Rollover and Sweet Equity Resolution to be put to the meeting will be voted on by poll and not by show of hands. Members and proxies will be asked to complete a poll card to indicate how they wish to cast their votes.
15. Any person to whom this Notice of General Meeting is sent who is a person nominated under section 146 of the Companies Act to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
16. As at 6 September 2019 (being the latest practicable date prior to publication of this Notice) the Company's issued share capital consisted of 889,114 ordinary shares of £0.80 each, carrying one vote each, 69,373 B ordinary shares of £0.80 each, carrying one vote each., and 1,593 deferred shares of £0.80 each, carrying no votes