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THE DEFINED TERMS SET OUT IN APPENDIX 1 APPLY IN THIS ANNOUNCEMENT.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION AS STIPULATED UNDER THE MARKET ABUSE REGULATION (EC NO. 596/2014) (“MAR”)

23 March 2018

**Primary Health Properties PLC
 (“PHP” or the “Company”)**

**Proposed Firm Placing and Placing, Open Offer and Offer for Subscription
 and Notice of General Meeting**

The Board of PHP today announces a proposed share issue to raise gross proceeds of up to £100 million (approximately £97 million net of expenses) through the issue of up to 92,592,592 new Ordinary Shares by way of a Firm Placing and Placing, Open Offer and Offer for Subscription at a price of 108 pence per New Share. The Board will have the ability to increase the size of the Issue by up to 25 per cent. should there be sufficient demand.

The Issue Price represents a discount of 5.3 per cent. to the Closing Price of 114 pence per Ordinary Share on 22 March 2018.

PHP will shortly be publishing a Prospectus in connection with the Capital Raising and will convene a General Meeting to approve certain matters necessary to implement the proposed fundraising.

This summary should be read in conjunction with the full text of the announcement.

Summary

- Issue of 46,296,296 new Ordinary Shares through a Firm Placing raising gross proceeds of £50 million. The Firm Placing is underwritten by Numis and Peel Hunt.

- Issue of up to 46,296,296 new Ordinary Shares pursuant to a Placing, Open Offer and Offer for Subscription to raise gross proceeds of up to £50 million.
- Qualifying Shareholders are being offered the opportunity to participate in the Open Offer on the basis of 1 Open Offer Share for every 17 Existing Ordinary Shares.
- Qualifying Shareholders are also being offered the opportunity to subscribe for New Shares in addition to their Basic Entitlements under the Excess Application Facility.
- The Board will have the ability to increase the size of the Capital Raising by up to 25 per cent should there be sufficient demand so that the gross proceeds would be approximately £125 million.
- The Capital Raising will enable the Company to continue delivering its long-term strategy of growing the portfolio through selected property acquisitions in line with its prudent acquisition policies whilst maintaining gearing at a conservative level and supporting its progressive dividend policy.
- The Board's medium to long term target is to operate with leverage in the range of 45 per cent. to 65 per cent. of gross property value and in the short to medium term no higher than 60 per cent..
- The Board is confident that GPs will continue to be at the forefront of the development and delivery of integrated care models, with increased numbers of services delivered from local community settings to enable both the NHS and the HSE to modernise the provision of care, meet their patient choice agendas and provide care in a cost effective manner. PHP's long standing track record of delivering flexible, modern accommodation and continuing to invest to improve and expand its facilities provides the foundation from which PHP can capitalise on the continued demand for healthcare real estate.
- The Group has taken its first steps into healthcare real estate in the Republic of Ireland and now owns three completed properties with 16 tenants, comprising nearly 118,500 square feet of lettable space, and is working to acquire or develop additional premises in the Republic of Ireland.
- The proceeds will be selectively applied alongside existing and future debt facilities to generate a growing return and to maintain a progressive dividend policy, including:
 - initially, where possible, to pay down sums drawn on the Group's revolving debt, totalling £129 million as at 31 December 2017, maximising treasury management efficiency and allowing the Group to re-draw sums as necessary to fund existing acquisition, development and asset management commitments as envisaged below, and further as investment opportunities require;
 - to fund transactions from PHP's current acquisition and development pipeline totalling some £81.8 million in the UK and some €79.0 million in the Republic of Ireland; and
 - to fund existing asset management projects totalling £1.5 million as at 31 December 2017.

- The Capital Raising is conditional on, amongst other things, the passing of the Resolutions at the General Meeting. If the Resolutions are passed and the other conditions to the Capital Raising are satisfied, it is expected that dealings in the New Shares will commence at 8.00 a.m. on 19 April 2018.

The Prospectus concerning the Capital Raising will shortly be sent to Shareholders and will also be made available on the Company's website www.phpgroup.co.uk. Further details are set out in this announcement and in the Prospectus. A copy of the Prospectus will be submitted to the National Storage Mechanism and will shortly be available for inspection at: <http://www.Hemscott.com/nsm.do>.

Harry Hyman, Managing Director of PHP said:

"I am delighted to announce this share issue which enables us to continue to deliver earnings enhancing acquisitions funded by a diversified mix of equity and debt. We believe there is a good understanding from governments in both the UK and the Republic of Ireland that it is important to deliver an increased number of health services from the local community and that investment in primary care premises can deliver value for money and better patient outcomes. The funds raised will be used to finance our existing identified acquisition targets, as well as our current pipeline of development and asset management opportunities which we are seeing in both the UK and in the Republic of Ireland."

Further details of the Firm Placing and Placing, Open Offer and Offer for Subscription are set out in this announcement. Readers are referred to the important notice that applies to this announcement. The times set out in the expected timetable of principal events below and mentioned throughout this announcement are times in London unless otherwise stated. This announcement has been issued by and is the sole responsibility of Primary Health Properties PLC.

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 ECM Syndicate: Jock Maxwell Macdonald / Sohail Akbar

Expected timetable

Record Date for entitlements under the Open Offer close of business on 21
 March 2018

Announcement of the Capital Raising, publication and posting of the Prospectus, Form of Proxy and Application Form	23 March 2018
Ex-entitlement date for the Open Offer	23 March 2018
Basic Entitlements and Excess CREST Open Offer Entitlements credited to stock accounts of Qualifying CREST Shareholders in CREST	26 March 2018
Recommended latest time for requesting withdrawal of Basic Entitlements and Excess CREST Open Offer Entitlements from CREST	4.30 p.m. on 11 April 2018
Latest time for depositing Basic Entitlements and Excess CREST Open Offer Entitlements into CREST	3.00 p.m. on 12 April 2018
Latest time and date for splitting of Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 13 April 2018
Latest time and date for receipt of Forms of Proxy and receipt of electronic proxy appointments via the CREST system	10.45 a.m. on 16 April 2018
Latest time and date for receipt of Placing commitments	11.00 a.m. on 17 April 2018
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST Instructions	11.00 a.m. on 17 April 2018
Latest time and date for receipt of completed Subscription Forms and payment in full under the Offer for Subscription	11.00 a.m. on 17 April 2018
General Meeting	10.45 a.m. on 18 April 2018 (or as soon thereafter as the annual general meeting of the Company convened for 10.30a.m. on such day concludes)
Expected date of announcement of results of the General Meeting and the Capital Raising through a Regulatory Information Service	18 April 2018
Latest time to input DVP trades in regards to Offer for Subscription, as instructed by the Receiving Agent	3.00pm on 18 April 2018
Expected date of Admission and commencement of dealings in New Shares and CREST Members' accounts credited in respect of New Shares in uncertificated form	by 8.00 a.m. on 19 April 2018
Expected date of despatch of definitive share certificates for New Shares in certificated form	No later than 30 April 2018

The times set out in the expected timetable of principal events above and mentioned throughout this announcement are times in London unless otherwise stated, and may be adjusted by the Company in consultation with or, if required, with the agreement of Numis and Peel Hunt, in which event details of the new times and dates will be notified to the Financial Conduct Authority, the London Stock Exchange and, where appropriate, Shareholders.

Introduction

The Company intends to raise up to £100 million (approximately £97 million net of all Capital Raising costs and expenses) in a Capital Raising by way of a Firm Placing and a Placing, Open Offer and Offer for Subscription, consisting of the issue of up to 92,592,592 New Shares at an Issue Price of 108 pence per New Share. The Board has the ability to increase the size of the Issue by up to 25 per cent. should there be sufficient demand. It is the Board's opinion that the Capital Raising will enable the Company to continue delivering its long-term strategy of growing the portfolio through selected property acquisitions in line with its prudent acquisition policies whilst maintaining gearing at a conservative level. The Board believes that investing the proceeds in primary care properties, in the current environment, will generate a favourable return, thus enabling the Company to continue a progressive dividend policy.

Shareholders will be asked to approve the Resolutions to approve the Capital Raising, details of which are set out within this announcement and in the Prospectus. A General Meeting has been convened for 10.45 a.m. on 18 April 2018 (or as soon thereafter as the annual general meeting of the Company convened for 10.30 a.m. on such day concludes) at CMS Cameron McKenna Nabarro Olswang LLP, Cannon Place, 78 Cannon Street, London EC4N 6AF. If the Resolutions are not passed at the General Meeting, the Capital Raising will not proceed.

Background to and reasons for the Capital Raising

Overview of the Company, its objectives and investment characteristics

The principal activity of the Group is the generation of rental income and capital growth through the acquisition and development of healthcare property in the United Kingdom and the Republic of Ireland. Its properties are leased principally to GPs, NHS, HSE and other governmental bodies and other associated healthcare users. The Group's activities are carried out in the United Kingdom and the Republic of Ireland.

The Group's rental income has the following characteristics:

- strong underlying tenant covenant on its properties (relative to the UK and Irish property market): In the UK the NHS effectively reimburses approximately 90 per cent. of the rent roll as at 31 December 2017, and in the Republic of Ireland, 75 per cent. of the rent roll as at 31 December 2017 is from leases to the HSE or other government agencies;
- long weighted average unexpired lease term remaining ("WAULT"): As at 31 December 2017 the WAULT of the Group's portfolio was 13.2 years; and
- minimal vacancies: The Group's portfolio of investment properties was 99.7 per cent. let as at 31 December 2017.

The Directors believe that these factors differentiate the primary care property market from the wider commercial property market, shielding the Group's portfolio from the worst effects of any economic downturn.

The Directors also believe that the Company's earnings are further insulated from market movements as, unlike with other commercial property, speculative (unlet) development rarely takes place in the primary care property sector, minimising vacant space and the potential for reductions in rental and property values.

Accordingly, the Directors believe that PHP offers strong long-term cash flows to Shareholders. Historically, the increase in rents receivable achieved through the rent review process has broadly matched increases in the RPI. If this trend continues in the UK, the Directors believe that an investment in PHP will provide an effective hedge against inflation.

The Directors consider that the attractive investment characteristics of the Company and the stability of its underlying income and shareholder returns have contributed to PHP delivering a 78 per cent return over the five years ended 31 December 2017, compared to the FTSE All Share Index which delivered a 39 per cent. return over the same period.

Reasons for the Capital Raising and Use of Proceeds

The Board sees growing levels of opportunity from shared health policy aims in both the UK and in the Republic of Ireland for the continued expansion of primary care facilities able to deliver a wider range of health services to a local population, such as diagnostic and screening services, so reducing pressure on acute hospital facilities. The Board’s opinion is that the Capital Raising will enable the Company to continue delivering its long-term strategy of growing the portfolio through selected property acquisitions in this sector whilst maintaining gearing at an appropriate level and supporting its progressive dividend policy. The Board’s medium to long term target is to operate with leverage in the range of 45 per cent. to 65 per cent. of gross property value and in the short to medium term no higher than 60 per cent..

The Group is in active, and in some cases advanced, negotiations with sellers of potential property acquisitions and development opportunities in both the UK and the Republic of Ireland. Some represent opportunities where the Company has agreed acquisition terms with sellers and, subject to contract, are currently in the hands of solicitors for documenting and completion whereas others are nearing that state or are at the stage where the Group is in the course of agreeing terms with sellers. The Group is under no contractual obligation and there can be no guarantee that the Group will complete the acquisition of any of these investment opportunities. The Directors consider that these assets, if completed, would benefit the Company. The Group’s current pipeline of opportunities is as follows:

Nature of opportunity	Number of opportunities*	Anticipated total acquisition cost*
Subject to contract	5	£57m
Other opportunities	10	£94m
*Unaudited		

If the opportunities indicated above complete, it is estimated that they will provide approximately an additional £8.2 million of rent annually. The Board believes that this pipeline is indicative of the attractive investment opportunities that currently exist and are expected to arise. While the gap between yields and financing costs has been narrowing as investors are attracted to the secure, long-term income streams offered by the sector, the Board considers that opportunities remain for PHP to make immediately earnings enhancing and cash generating property investments.

In addition, the Group has asset management projects currently on site. These schemes have funding commitments remaining totalling £5.7 million as at 31 December 2017, since which date the development at Churchdown in Gloucestershire has completed and the Group will pay the remaining £4.2 million following the completion of the lease for the property which is anticipated to occur before Admission. In addition, the Adviser is working on further asset management projects that will potentially commit £11.3 million of capital, if approved.

PHP’s LTV ratio as at 31 December 2017 was 52.9 per cent. and the Group had committed but undrawn facilities amounting to £120 million available for investment.

It is the intention of the Board that over the medium term the net proceeds of the Capital Raising will be selectively applied alongside existing and future debt facilities to generate a growing return and to maintain its progressive dividend policy, including:

- initially, where possible, to pay down sums drawn on the Group's revolving debt, totalling £129 million as at 31 December 2017, maximising treasury management efficiency and allowing the Group to re-draw sums as necessary to fund existing acquisition, development and asset management commitments as envisaged below, and further as investment opportunities require;
- to fund transactions from PHP's current acquisition and development pipeline totalling some £81.8 million in the UK and some €79.0 million in the Republic of Ireland; and
- to fund existing asset management projects totalling £1.5 million as at 31 December 2017.

Current trading trends and prospects

The Company announced its audited preliminary results for the year ended 31 December 2017 on 15 February 2018. The information below is extracted from the Chairman's statement in that announcement.

"I am delighted to present PHP's preliminary results for 2017, which has been another successful year delivering earnings, net asset value and dividend growth. We have continued to make disciplined progress in growing the portfolio to 306 primary health properties, valued at over £1.36 billion, and have a strong and deliverable pipeline of opportunities both in the UK and Ireland. We have maintained both earnings and net asset value growth, strengthened the balance sheet, reduced the cost of debt and extended the maturity profile of our loan facilities.

The continued strong progress in the year has allowed us to deliver value to shareholders with our 21st successive year of dividend growth of 2.4 per cent. and a total NAV return of 14.9 pence, an increase of 16.4 per cent. (2016: 8.5 pence, an increase of 9.7 per cent.).

Outlook

Whilst continued political and economic uncertainty has been a significant distraction to markets during the last year, the attraction of secure, low risk income will continue as an alternative to low yielding government bonds. The primary health property sector benefits from strong fundamentals of a population that is growing, ageing, suffering from increased occurrence of chronic conditions and well publicised pressures on both GPs and the NHS. The future demand for healthcare is driven by demographics developments, while funding for the NHS is supported on a cross party basis.

Whilst the NHS adapts, albeit slowly, to meet these increased pressures, PHP is well placed and stands ready to assist. We have strengthened our balance sheet and have significant headroom to selectively invest further in both the UK and Ireland. We look forward to helping deliver the modernisation of the primary care estate by actively pursuing attractive investment opportunities through both acquiring assets and funding developments. In addition, we are committed to managing our existing assets to ensure they meet the future healthcare requirements of the local communities they serve.

PHP's sector-leading metrics have been maintained thanks to our disciplined approach to acquisitions and strong asset management activity in the year. With occupancy at 99.7 per cent., a weighted average unexpired lease term of 13.2 years and only 0.6 per cent. of our income due to expire in the next three years, the majority of which is in advanced negotiations to renew. Over 90 per cent. of PHP's drawn debt is either fixed or hedged with fixed interest rate swaps

and the recent rises in interest rates are not expected to have a material impact on future earnings. We are well placed to continue growing dividends in the future, covered by earnings.”

Principal Terms of the Capital Raising

PHP is proposing to raise gross proceeds of up to £ 100 million (approximately £ 97 million net of expenses) by the issue of up to 92,592,592 new Ordinary Shares through the Capital Raising at 108 pence per New Share , although the Directors have the ability to increase the size of the Issue by up to 25 per cent. such that the gross proceeds would be approximately £125 million (approximately £121 million net of expenses). The Firm Placing is underwritten by Numis and Peel Hunt. The Board considers the Firm Placing and Placing, Open Offer and Offer for Subscription to be a suitable fundraising structure as it will allow access to a wide variety of new investors to broaden the Company’s shareholder base, whilst providing existing Shareholders with the opportunity to participate in the fundraising to an extent through the Open Offer and the Offer for Subscription.

Assuming that the size of the Issue is approximately £100 million, 46,296,296 of the New Shares will be issued through the Firm Placing and 46,296,296 of the New Shares will be issued through the Placing, Open Offer and Offer for Subscription. The actual number of New Shares to be issued pursuant to the Issue will be notified by the Company via a Regulatory Information Service announcement prior to Admission. Qualifying Shareholders are being offered the right to subscribe for Open Offer Shares in accordance with the terms of the Open Offer. Qualifying Shareholders are not being offered the right to subscribe for the Firm Placed Shares or Placed Shares. Qualifying Shareholders applying for their Basic Entitlements, however, may also apply, under the Excess Application Facility, for Excess Shares in excess of their Basic Entitlements as described below. The Company is making the Offer for Subscription as described below in the UK only.

All elements of the Capital Raising have the same Issue Price. The Issue Price was set having regard to the prevailing market conditions and the size of the Issue, and represents a discount of approximately 5.3 per cent. to the Closing Price of 114 pence per Ordinary Share on 22 March 2018 (being the last Business Day before this announcement). The Board believes that both the Issue Price and the discount are appropriate having also taken into account the period of the Open Offer (23 days) and the potential for share price fluctuation during this time.

The New Shares, when issued and fully paid, will rank equally to the Existing Ordinary Shares and will rank in full for all dividends or distributions made, paid or declared if any, by reference to a record date after the date of their issue or otherwise *pari passu* in all respects with the Existing Ordinary Shares. The New Shares will not qualify for the dividend to be declared on or about 27 March 2018 payable to Shareholders on the Company’s register as at or about 6 April 2018.

On the basis that the Issue size is £100 million, the Capital Raising is expected to result in 92,592,592 new Ordinary Shares being issued (representing approximately 14.8 per cent. of the existing issued share capital). On the basis that the Issue size is increased to a maximum of £125 million, the Capital Raising is expected to result in 115,740,740 new Ordinary Shares being issued (representing approximately 18.5 per cent. of the existing issued share capital).

The New Shares may be offered: (a) to certain institutional and qualified professional investors in the United Kingdom and elsewhere; and (b) in the United States only to a limited number of persons that are reasonably believed to be QIBs that (unless otherwise agreed by the Company) are not ERISA Entities in transactions exempt from the registration requirements under the US Securities Act. The New Shares are being offered and sold outside the United States in reliance on Regulation S. There will be no public offering of the New Shares in the United States.

Some questions and answers in relation to the Open Offer, together with details of further terms and conditions of the Open Offer, including the procedure for application and payment and the procedure in respect of entitlements not taken up, are set out in the Prospectus and, where relevant, are set out in the Application Form.

Details of further terms and conditions of the Offer for Subscription, including the procedure for application and payment, are set out in the Prospectus and are set out in the Subscription Form. The Subscription Form is contained in the Prospectus and will be available on the Company's website.

Firm Placing

The Firm Placees have conditionally agreed to subscribe for in aggregate 46,296,296 New Shares at the Issue Price (representing gross proceeds of approximately £50 million). The Firm Placed Shares are not subject to clawback to satisfy the valid applications by Qualifying Shareholders under the Open Offer and are not part of the Placing, Open Offer or Offer for Subscription. The Firm Placing is underwritten by Numis and Peel Hunt. The terms and conditions of the Firm Placing and the Placing are contained in Appendix 2 to this announcement.

Open Offer

The Directors fully recognise the importance of pre-emption rights to Shareholders and consequently 36,720,668 New Shares are being offered to existing Shareholders by way of the Open Offer. The Open Offer provides an opportunity for Qualifying Shareholders to participate in the Capital Raising by both subscribing for their respective Basic Entitlements and by subscribing for Excess Shares under the Excess Application Facility, subject to availability. The Placing and the Offer for Subscription may be scaled back at the Directors' discretion (in consultation with Numis and Peel Hunt) to increase the size of the Open Offer by allocating New Shares that could otherwise be available under the Placing and/or the Offer for Subscription to be available to Qualifying Shareholders through the Excess Application Facility.

To the extent that valid applications are not received in respect of Open Offer Shares under the Open Offer, such Open Offer Shares may be allocated to Qualifying Shareholders to meet any valid applications under the Excess Application Facility.

Basic Entitlements

Qualifying Shareholders are being offered the opportunity to subscribe at the Issue Price for Open Offer Shares on the following basis:

1 Open Offer Share for every 17 Existing Ordinary Shares

registered in their name at the close of business on the Record Date.

Basic Entitlements under the Open Offer will be rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will not be allocated but will be aggregated and sold for the benefit of the Company under the Excess Application Facility and/or the Placing and/or the Offer for Subscription.

If you have sold or otherwise transferred all of your Existing Ordinary Shares before the entitlement date, you are not entitled to participate in the Open Offer.

Qualifying Shareholders are also being offered the opportunity to subscribe for Excess Shares in excess of their Basic Entitlements pursuant to the Excess Application Facility as described below.

Excess Application Facility

Qualifying Shareholders may apply to subscribe for Excess Shares using the Excess Application Facility, should they wish. Qualifying Non-CREST Shareholders wishing to apply to subscribe for Excess Shares may do so by completing the relevant sections on the Application Form. Qualifying CREST Shareholders who wish to apply to subscribe for more than their Basic Entitlements will have Excess CREST Open Offer Entitlements credited to their stock account in CREST and should refer to the Prospectus for information on how to apply for Excess Shares pursuant to the Excess Application Facility.

The Excess Application Facility will be comprised of New Shares that are not taken up by Qualifying Shareholders under the Open Offer pursuant to their Basic Entitlements and any New Shares that the Directors determine should be reallocated from the Placing and/or the Offer for Subscription to satisfy demand from Qualifying Shareholders in preference to prospective new investors.

The maximum amount of New Shares to be issued under the Excess Application Facility (the "Maximum Excess Application Number") will be limited to: (a) the maximum size of the Issue (as may be increased by the Directors by up to 25 per cent. to approximately £125 million); less (b) the aggregate of the Firm Placed Shares, the New Shares issued under the Open Offer pursuant to Qualifying Shareholders' Basic Entitlements and any New Shares that the Directors determine to issue under the Placing and the Offer for Subscription. Excess Applications will therefore only be satisfied to the extent that: (a) other Qualifying Shareholders do not apply for their Basic Entitlements in full; (b) where fractional entitlements have been aggregated and made available under the Excess Application Facility; and (c) if the Directors exercise their discretion to reallocate New Shares that would otherwise have been available under the Placing and/or the Offer for Subscription to the Excess Application Facility. Qualifying Shareholders can apply for up to the Maximum Excess Application Number of New Shares under the Excess Application Facility, although applications under the Excess Application Facility shall be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that the applications under the Excess Application Facility by Qualifying Shareholders will be met in full or in part or at all. Excess monies in respect of applications which are not met in full will be returned to the applicant either by cheque without interest (at the risk of the applicant), or direct to the account of the bank or building society on which the relevant cheque or banker's draft was drawn or CREST payment, as appropriate.

Placing

To the extent that any New Shares remain unallocated via the Excess Application Facility and are not allocated to the Offer for Subscription, such New Shares will be made available under the Placing. New Shares are being allocated to Non-Firm Placees pursuant to the Placing Agreement. The Placing will not be underwritten by Numis or Peel Hunt and may be scaled back in favour of the Open Offer and/or the Offer for Subscription. The terms and conditions of the Firm Placing and the Placing are contained in Appendix 2 to this announcement.

Offer for Subscription

To the extent that any New Shares remain unallocated via the Excess Application Facility and are not allocated to the Placing, such New Shares will be made available under the Offer for Subscription. The Offer for Subscription may be scaled back in favour of the Open Offer and/or the Placing.

The Offer for Subscription is only being made in the UK but, subject to applicable law, the Company may allot New Shares on a private placement basis to applicants in other jurisdictions. The terms and conditions of application under the Offer for Subscription are set out in the Prospectus and, in the Subscription Form. These terms and conditions should be read

carefully before an application is made. Investors should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser if they are in doubt.

Dilution

Assuming that the size of the Issue is approximately £100 million, if a Qualifying Shareholder does not take up his Basic Entitlements in full, such Qualifying Shareholder's holding will be diluted by up to approximately 12.9 per cent. as a result of the Firm Placing and the Placing, the Open Offer and the Offer for Subscription. A Qualifying Shareholder who takes up his Basic Entitlements in full in respect of the Open Offer (but does not subscribe for any other New Shares pursuant to the Capital Raising) will suffer dilution of approximately 7.8 per cent. to his shareholding in the Company as a result of the Firm Placing.

If the Directors increase the Issue by 25 per cent., the size of the Issue will be approximately £125 million and if a Qualifying Shareholder does not take up his Basic Entitlements in full, such Qualifying Shareholder's holding will be diluted by up to approximately 15.6 per cent. as a result of the Firm Placing and the Placing, the Open Offer and the Offer for Subscription. A Qualifying Shareholder who takes up his Basic Entitlements in full in respect of the Open Offer (but does not subscribe for any other New Shares pursuant to the Capital Raising) will suffer dilution of approximately 10.7 per cent. to his shareholding in the Company as a result of the Firm Placing and the increase in size of the Issue.

Shareholders who are not Qualifying Shareholders, subject to certain exceptions, will be diluted by approximately 12.9 per cent., assuming the size of the Issue is approximately £ 100 million, or 15.6 per cent. if the Directors increase the size of the Issue to approximately £125 million.

Fractions

Fractions of Open Offer Shares will not be allocated to Qualifying Shareholders in the Open Offer. Fractional entitlements under the Open Offer will be aggregated and sold in the market place for the benefit of the Company under the Excess Application Facility and/or the Placing and/or the Offer for Subscription.

Basis of allocation under the Capital Raising

The Placing may be scaled back in favour of the Open Offer and/or the Offer for Subscription and the Offer for Subscription may be scaled back in favour of the Placing and/or the Open Offer. The Open Offer is being made on a pre-emptive basis to Qualifying Shareholders and is not subject to scaling back in favour of either the Placing or the Offer for Subscription. The Directors have the discretion to scale back the Placing and/or the Offer for Subscription in favour of the Open Offer by reallocating New Shares that would otherwise be available under the Placing and/or the Offer for Subscription to be available to Qualifying Shareholders through the Excess Application Facility under the Open Offer. Any New Shares that are available under the Open Offer and are not taken up by Qualifying Shareholders pursuant to their Basic Entitlements and under the Excess Application Facility will be reallocated to the Placing and/or the Offer for Subscription and be available thereunder.

The Directors have the discretion to determine the basis of allotment between Qualifying Shareholders under the Excess Application Facility and any scaling back of or reallocation of Open Offer Shares to the Placing and/or the Offer for Subscription. In exercising this discretion, the Directors generally intend to give priority to existing Shareholders over prospective new Shareholders, although the Directors will seek to balance the benefits to the Company of allowing existing Shareholders to maintain or increase the size of their relative shareholdings with expanding the Shareholder base of the Company.

Conditionality

The Capital Raising is conditional, *inter alia*, upon:

- the passing of the Resolutions without amendment to be proposed at the General Meeting to be held on 18 April 2018;
- the Placing Agreement having become unconditional in all respects save for the condition relating to Admission and not being terminated in accordance with its terms before Admission occurs; and
- Admission occurring by not later than 8.00 a.m. on 19 April 2018 (or such later time and date as the Company, Numis and Peel Hunt may agree, not being later than 8.00 a.m. on 3 May 2018).

Prior to Admission, Numis and Peel Hunt may terminate the Placing Agreement in certain defined circumstances. Following Admission, the Placing Agreement cannot be terminated.

If the conditions of the Placing Agreement are not fulfilled on or before 8.00 a.m. on 3 May 2018, application monies will be returned to applicants (at the applicant's risk) without interest as soon as possible thereafter.

Admission

Applications will be made to the FCA and to the London Stock Exchange, respectively, for the New Shares to be admitted to the listing on the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities.

Subject to the conditions to the Capital Raising having been satisfied (or, if applicable, waived) it is expected that Admission will occur at 8.00 a.m. on or around 19 April 2018.

Existing Ordinary Shares are already admitted to listing on the premium segment of the Official List, the London Stock Exchange's main market for listed securities and to CREST. It is expected that the New Shares, when allotted and issued, credited as fully paid, will be capable of being held and transferred by means of CREST. It is expected that the New Shares will trade under ISIN code GB00BYRJ5J14.

General meeting

A General Meeting is to be held on 18 April 2018 at 10.45 a.m. (or as soon thereafter as the annual general meeting of the Company convened for 10.30 a.m. on such day concludes) at CMS Cameron McKenna Nabarro Olswang LLP, Cannon Place, 78 Cannon Street, London EC4N 6AF. The full text of the Notice of General Meeting is set out in the Prospectus.

At the General Meeting, the Resolutions will be proposed to:

- grant the Directors authority pursuant to section 551 of the Companies Act to allot Ordinary Shares generally and in connection with the Capital Raising;
- disapply where relevant statutory pre-emption rights set out in section 561 of the Companies Act; and
- grant the Directors authority pursuant to section 701 of the Companies Act to make market purchases of Ordinary Shares.

Irrevocable undertakings

Each of the Directors is supportive of the fundraising and as detailed below, Directors have irrevocably undertaken to subscribe or apply, in aggregate, for 34,421 New Shares under the Open Offer and have committed to acquire, in aggregate, 484,026 shares within the Firm Placing.

Alun Jones has irrevocably undertaken to apply for his full Basic Entitlement, of 5,823 Open Offer Shares and has committed to acquire 12,695 shares within the Firm Placing.

Harry Hyman has irrevocably undertaken to apply for his full Basic Entitlement of 22,744 Open Offer Shares in respect of his direct holding of Ordinary Shares and has committed to acquire 46,296 shares within the Firm Placing. Nexus Central Management Services has also committed to acquire 50,231 shares within the Firm Placing.

Richard Howell has irrevocably undertaken to apply for his full Basic Entitlement of 821 Open Offer Shares in respect of his direct holding of Ordinary Shares and has committed to acquire 63,000 shares within the Firm Placing.

Stephen Kell has committed to acquire 13,888 shares within the Firm Placing.

Geraldine Kennell has irrevocably undertaken to apply for her full Basic Entitlement, of 1,470 Open Offer Shares and has committed to acquire 231,481 shares within the Firm Placing.

Ian Krieger has committed to acquire 81,481 shares within the Firm Placing.

Steven Owen has irrevocably undertaken to apply for his full Basic Entitlement of 2,093 Open Offer Shares and has committed to acquire 10,185 shares within the Firm Placing.

Nick Wiles has irrevocably undertaken to apply for his full Basic Entitlement of 1,470 Open Offer Shares in respect of his direct holding of Ordinary Shares and has committed to acquire 25,000 shares within the Firm Placing.

In addition, each of the Directors has irrevocably undertaken to vote in favour of all of the Resolutions in respect of his own direct holding to the extent that he has any such holding, and procure that those parties connected with him will vote in favour of all of the Resolutions in respect of their holdings, which together amount to 13,216,914 Ordinary Shares representing approximately 2.12 per cent of the Ordinary Shares in issue as at 22 March 2018 (being the latest practicable date prior to this announcement).

Recommendation

The Board considers the Capital Raising and the passing of the Resolutions to be in the best interests of Shareholders as a whole.

Accordingly, the Board recommends unanimously that Shareholders vote in favour of the Resolutions, as each of the Directors has irrevocably undertaken to do in respect of their own beneficial holding, to the extent that they have any such holding, which together amount to 683,716 Ordinary Shares, representing approximately 0.11 per cent. of the Ordinary Shares in issue as at 22 March 2018.

Shareholders should also be aware that if the Resolutions to be proposed at the General Meeting are not passed, the Capital Raising will lapse.

It is anticipated that a Prospectus providing further details of the Firm Placing and Placing, Open Offer and Offer for Subscription and convening the General Meeting will be published today and posted to Shareholders and will also be made available on the Company's website

www.phpgroup.co.uk. Copies of the Prospectus will be available from the registered office of PHP at 5th Floor, Greener House, 66-68 Haymarket, London SW1Y 4RF.

APPENDIX 1

In this announcement, the following expressions have the following meanings unless the context requires otherwise:

Admission	one or more admissions of the New Shares issued pursuant to the Capital Raising to the Official List becoming effective in accordance with the Listing Rules and the admission of such shares to trading on the premium segment of the London Stock Exchange's main market for listed securities becoming effective in accordance with the Admission and Disclosure Standards
Admission and Disclosure Standards	the "Admission and Disclosure Standards" of the London Stock Exchange containing, among other things, the admission requirements to be observed by companies seeking admission to trading on the London Stock Exchange's main market for listed securities
Adviser	Nexus Tradeco Limited of Greener House, 66-68 Haymarket, London SW1Y 4RF
Application Form	the application form accompanying the Prospectus on which Qualifying Non-CREST Shareholders may apply for Open Offer Shares under the Open Offer (including under the Excess Application Facility)
Articles	the articles of association of the Company
Basic Entitlements	the pro rata entitlement of Qualifying Shareholders to subscribe for 1 Open Offer Share for every 17 Existing Ordinary Shares registered in their name as at the Record Date
Board	the Directors of PHP
Bookrunners	Numis and/or Peel Hunt, as applicable;
Business Day	a day (other than a Saturday, Sunday or public holiday) on which banks are generally open for business in the City of London for the transaction of normal banking business
Capital Raising	the Firm Placing and the Placing, Open Offer and the Offer for Subscription
certificated or in certificated form	in relation to a share or other security, a share or other security which is not in uncertificated form
Closing Price	the closing middle market quotation as derived from the Daily Official List of the London Stock Exchange on a particular day

Code	the US Internal Revenue Code of 1986, as amended
Companies Act	the Companies Act 2006 as amended
CREST	the relevant system, as defined in the CREST Regulations (in respect of which Euroclear is the operator as defined in the CREST Regulations)
CREST Member	a person who has been admitted to Euroclear as a system member (as defined in the CREST Regulations)
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 01/378), as amended
Daily Official List	the daily record setting out the prices of all trades in shares and other securities conducted on the London Stock Exchange
Directors	the executive director and non-executive directors of the Company
Disclosure Guidance and Transparency Rules	the rules relating to the disclosure of information made in accordance with section 73A(3) of the FSMA
ERISA	the US Employee Retirement Income Security Act of 1974, as amended
ERISA Entity	any person that is: (i) an “employee benefit plan” as defined in Section 3(3) of ERISA that is subject to Title 1 of ERISA; (ii) a “plan” as defined in Section 4975 of the Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the Code; or (iii) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title 1 of ERISA or Section 4975 of the Code; or any governmental, church, non U.S. or other employee benefit plan that is subject to any federal, state, local or non U.S. law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the Code whose purchase, holding, and disposition of the New Shares could constitute or result in a non-exempt violation of any such substantially similar law
EU or European Union	the European Union
Euroclear	Euroclear & Ireland Limited, the operator of CREST
Excess Application Facility	the arrangement pursuant to which Qualifying Shareholders may apply for additional Open Offer Shares in excess of their Basic Entitlements in accordance with the terms and conditions of the Open Offer
Excess CREST Open Offer Entitlements	in respect of each Qualifying CREST Shareholder, the entitlement (in addition to their basic entitlement) to apply for Existing Ordinary Shares pursuant to the Excess Application Facility

Excess Shares	Open Offer Shares applied for by Qualifying Shareholders under the Excess Application Facility
Excluded Territories	Australia, Canada, Japan, New Zealand and South Africa and any other jurisdiction where the extension or availability of the Capital Raising (and any other transaction contemplated thereby) would breach any applicable law or regulation
ex-entitlement date	the date on which the Ordinary Shares trade ex-entitlement to participate in the Open Offer, expected to be 23 March 2018
Existing Ordinary Shares	the 624,251,370 Ordinary Shares in issue as at the date of this announcement
Financial Conduct Authority or FCA	the Financial Conduct Authority of the United Kingdom
Firm Placed Shares	the 46,296,296 new Ordinary Shares which are to be allocated pursuant to the Firm Placing
Firm Placees	any persons who have agreed to subscribe for Firm Placed Shares pursuant to the Firm Placing
Firm Placing	the conditional placing by Numis and Peel Hunt on behalf of the Company of the Firm Placed Shares pursuant to the Placing Agreement
Form of Proxy	the form of proxy for use at the General Meeting
FPO	Financial Services and Markets Act 2000 (Financial Promotion) Order 2005
FSMA	the Financial Services and Markets Act 2000, as amended
General Meeting	the general meeting of PHP to be held at 10.45 a.m. on 18 April 2018 (or as soon as thereafter as the annual general meeting of the Company convened for 10.30 a.m. on such day concludes), notice of which is set out in Part 10 of the Prospectus
GP	General Practitioner
Group	the Company and each of its subsidiaries and subsidiary undertakings from time to time
HSE	Health Service Executive in Ireland
Issue	the issue of New Shares pursuant to the Capital Raising
Issue Price	108 pence per New Share
Listing Rules	the Listing Rules made by the FCA under Part VI of FSMA
London Stock Exchange	London Stock Exchange PLC

LTV	loan-to-value
MAR	the Market Abuse Regulation (EC No. 594/2014)
Maximum Excess Application Number	the maximum amount of New Shares to be issued under the Excess Application Facility
Member State	a sovereign state which is a member of the European Union
New Shares	the new Ordinary Shares to be issued under the terms set out in the Prospectus
NHS	the National Health Service
Non-Firm Places	any persons who have agreed to subscribe for Placed Shares pursuant to the Placing
Notice of General Meeting	the notice of the General Meeting contained in Part 10 of the Prospectus
Numis	Numis Securities Limited
Offer for Subscription	the offer for subscription to the public in the UK of the New Shares on the terms set out in the Prospectus and the Subscription Form
Official List	the Official List of the Financial Conduct Authority pursuant to Part VI of FSMA
Open Offer	the conditional invitation to Qualifying Shareholders to subscribe for the Open Offer Shares at the Issue Price on the terms and subject to the conditions set out in the Prospectus and in the case of Qualifying Non-CREST Shareholders only, the Application Form
Open Offer Shares	means the 36,720,668 New Shares being offered pursuant to the Open Offer together, where the context requires, with the Excess Application Facility
Ordinary Shares or Shares	ordinary shares of 12.5 pence each in the share capital of the Company
Overseas Shareholders	Shareholders with registered addresses outside the United Kingdom or who are citizens or residents of countries outside the United Kingdom
Peel Hunt	Peel Hunt LLP
PHP or the Company	Primary Health Properties PLC, a public limited company incorporated in England and Wales with registered number 03033634
Placed Shares	the New Shares which are the subject of the Placing

Placees	the Firm Placees and Non-Firm Placees
Placing	the conditional placing by Numis and Peel Hunt on behalf of the Company of the Placed Shares pursuant to the Placing Agreement
Placing Agreement	the placing agreement dated 23 March 2018 between the Company, Numis and Peel Hunt relating to the Capital Raising and further described in paragraph 15.1 of Part 7 of the Prospectus
Pounds Sterling or £	the lawful currency of the United Kingdom
Prospectus Directive	the Prospectus Directive (Directive 2003/71/EC)
Prospectus	the document dated 23 March 2018 comprising a combined prospectus and notice of general meeting
Prospectus Rules	the Prospectus Rules published by the FCA under Section 73A of FSMA
QIB	a “qualified institutional buyer” as defined by Rule 144A(a)(1) or under the US Securities Act
Qualifying CREST Shareholders	Qualifying Shareholders holding Ordinary Shares in uncertificated form in CREST at close of business on the Record Date
Qualifying Non-CREST Shareholders	Qualifying Shareholders holding Ordinary Shares in certificated form at close of business on the Record Date
Qualifying Shareholders	holders of Ordinary Shares on the register of members of the Company at the Record Date with the exclusion (subject to certain exemptions) of Overseas Shareholders and ERISA Entities
Record Date	close of business on 21 March 2018
Registrars	Equiniti Limited
Regulation S	Regulation S under the US Securities Act
Regulatory Information Service	one of the regulatory information services authorised by the Financial Conduct Authority to receive, process and disseminate regulatory information in respect of listed companies
Resolutions	the resolutions to be proposed at the General Meeting set out in the Notice of General Meeting
RPI	retail price index
Shareholder	a holder of Ordinary Shares from time to time

stock account	an account within a member account in CREST to which a holding of a particular share or other security in CREST is credited
Subscription Form	the application form to be included in Appendix 4 of the Prospectus for use in connection with the Offer for Subscription
uncertificated or in uncertificated form	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland
US Securities Act	the United States Securities Act 1933, as amended

IMPORTANT NOTICE

This announcement does not constitute or form part of any offer or invitation to purchase, or otherwise acquire, subscribe for, sell, otherwise dispose of or issue, or any solicitation of any offer to sell, otherwise dispose of, issue, purchase, otherwise acquire or subscribe for, any security in the capital of the Company in any jurisdiction.

The information contained in this announcement is not for release, publication or distribution to persons in the United States, Canada, Australia, Japan, New Zealand or the Republic of South Africa or in any jurisdiction where to do so would breach any applicable law. The New Shares have not been and will not be registered under the securities laws of such jurisdictions and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within such jurisdictions except pursuant to an exemption from and in compliance with any applicable securities laws. No public offer of the New Shares is being made by virtue of this announcement in or into the United States, Australia, Canada, Japan, New Zealand or the Republic of South Africa or any other jurisdiction outside the United Kingdom in which such offer would be unlawful. No action has been or will be taken by the Company, Numis, Peel Hunt or any other person to permit a public offering or distribution of this announcement or any other offering or publicity materials or the New Shares in any jurisdiction where action for that purpose may be required, other than in the United Kingdom.

The New Shares and any entitlements pursuant to the open offer and offer for subscription will not be registered under the US Securities Act of 1933, as amended (the “US Securities Act”), or with the securities regulatory authority of any state or other jurisdiction of the United States. Unless so registered, the New Shares and any entitlements pursuant to the open offer and offer for subscription may not be offered, sold, taken up or exercised, within the United States except in a transaction that is exempt from, the registration requirements of the US Securities Act. There will be no public offer of New Shares in the United States. Outside the United States, the New Shares are being offered in reliance on Regulation S under the US Securities Act.

This announcement has been issued by and is the sole responsibility of the Company.

Numis Securities Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting for Primary Health Properties PLC and for no-one else in connection with the Capital Raising and will not be responsible to anyone other than Primary Health Properties PLC for providing the protections afforded to clients of Numis Securities Limited, or for providing advice in relation to the Capital Raising or any matters referred to in

this announcement. Numis Securities Limited is not responsible for the contents of this announcement.

Peel Hunt LLP, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting for Primary Health Properties PLC and for no-one else in connection with the Capital Raising and will not be responsible to anyone other than Primary Health Properties PLC for providing the protections afforded to clients of Peel Hunt LLP, or for providing advice in relation to the Capital Raising or any matters referred to in this announcement. Peel Hunt LLP is not responsible for the contents of this announcement.

This announcement has been prepared for the purposes of complying with the applicable laws and regulations of the United Kingdom and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws and regulations of any jurisdiction outside of the United Kingdom.

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

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

Note regarding forward-looking statements:

This announcement includes statements that are, or may be deemed to be, forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms ‘anticipates’, ‘believes’, ‘estimates’, ‘expects’, ‘intends’, ‘may’, ‘plans’, ‘projects’, ‘should’ or ‘will’, or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this announcement and include, but are not limited to, statements regarding the Company’s and/or Directors’ intentions, beliefs or current

expectations concerning, amongst other things, the Group's results of operations, financial position, prospects, growth, strategies and expectations for the primary healthcare market.

Any forward-looking statements in this announcement reflect the Company's view as at the date of this announcement with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group's operations, results of operations and growth strategy. Investors should specifically consider the factors identified in this announcement which could cause actual results to differ before making an investment decision. Subject to the requirements of the rules of the FCA, the London Stock Exchange or by law (and in particular the Prospectus Rules, the Disclosure Guidance and Transparency Rules, MAR and the Listing Rules), none of the Company, the Directors, Numis and Peel Hunt undertake any obligation publicly to release the result of any revisions to any forward-looking statements in this announcement that may occur due to any change in the Company's expectations or to reflect events or circumstances after the date of this announcement. Past performance of the Company is not necessarily indicative of future performance.

You are advised to read this announcement and, once available the Prospectus and the information incorporated by reference therein, in their entirety for a further discussion of the factors that could affect the Company's or the Group's future performance and the industries in which they operate. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this announcement may not occur.

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

Any person receiving this announcement is advised to exercise caution in relation to the Capital Raising. If in any doubt about any of the contents of this announcement, independent professional advice should be obtained.

APPENDIX 2

TERMS AND CONDITIONS OF THE FIRM PLACING AND THE PLACING

1 ELIGIBLE PARTICIPANTS

Members of the public are not eligible to take part in the Firm Placing or the Placing. This appendix and the terms and conditions set out herein are for information purposes only and are directed only at:

- a) persons in member states of the European Economic Area who are qualified placees as defined in section 86(7) of the FSMA, as amended ("Qualified Placees"), being persons falling within the meaning of Article 2(1)(e) of the Prospectus Directive including any relevant implementing directive measure in any member state;
- b) in the United Kingdom, Qualified Placees who are persons who:
 - (i) fall within Article 19(5) of the FPO;
 - (ii) fall within Article 49(2)(a) to (d) (High Net Worth Companies, Unincorporated Associations, etc) or the FPO; or
 - (iii) are persons to whom it may otherwise be lawfully communicated (all such persons together being referred to as "Relevant Persons").

This appendix and these terms and conditions must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which these terms and conditions relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

Furthermore, the Firm Placed Shares and the Placed Shares may not be offered or sold in the United States absent (A) registration under the US Securities Act or (B) an available exemption from the registration requirements under the US Securities Act. The Firm Placed Shares and the Placed Shares have not been, and will not be, registered under the US Securities Act and will be offered only (A) to investors located outside of the United States in “offshore transactions” as defined in and in accordance with Regulation S, or (B) within the United States to a limited number of persons that are reasonably believed to be QIBs that (unless otherwise agreed by the Company) are not ERISA Entities pursuant to an exemption from the registration requirements under the US Securities Act in a transaction not involving any public offering.

2 INTRODUCTION

Participation in the Firm Placing and/or the Placing is only available to persons who are invited to participate by the Bookrunners. This appendix and the terms and conditions set out herein apply to persons making an offer to subscribe for Firm Placed Shares under the Firm Placing and/or Placed Shares under the Placing. The Placee hereby agrees with the Bookrunners and the Company to be bound by the terms and conditions set out in this appendix as being the terms and conditions upon which Firm Placed Shares will be sold under the Firm Placing and Placed Shares will be sold under the Placing (as applicable). A Placee shall, without limitation, become so bound if a Bookrunner confirms its allocation of Firm Placed Shares under the Firm Placing and/or Placed Shares under the Placing (as applicable) to such Placee.

Upon being notified of its allocation of Firm Placed Shares under the Firm Placing and/or Placed Shares under the Placing, a Placee shall, subject to the provisions of paragraph 6 of this appendix with respect to the Placed Shares, be contractually committed to acquire the number of Firm Placed Shares and/or Placed Shares allocated to them at the Issue Price and to the fullest extent permitted by law, will be deemed to have agreed not to exercise any rights to rescind or terminate or otherwise withdraw from such commitment. Dealing may not begin before any notification is made.

The Firm Placed Shares and the Placed Shares may not be offered or sold in the United States absent: (A) registration under the US Securities Act; or (B) an available exemption from the registration requirements under the US Securities Act. The Firm Placed Shares and the Placed Shares have not been, and will not be, registered under the US Securities Act and will be offered only: (A) to investors located outside of the United States that are not ERISA Entities in “offshore transactions” as defined in and in accordance with Regulation S; or (B) within the United States to a limited number of persons that are reasonably believed to be QIBs that (unless otherwise agreed by the Company) are not ERISA Entities pursuant to an exemption from the registration requirements under the US Securities Act in a transaction not involving any public offering.

Accordingly, the Company is not making the Firm Placing and Placing into the United States unless an exemption from the registration requirements of the US Securities Act is available and, subject to certain exceptions, this announcement (including this appendix) will not constitute an offer or an invitation to apply for or an offer or an invitation to acquire any Firm Placed Shares and Placed Shares in the United States.

Subject to certain exceptions, any person who applies for Firm Placed Shares and/or Placed Shares will be deemed to have declared, warranted and agreed that they are not, and that at the time of application they will not be, in the United States, or acting on a nondiscretionary basis for a person located within the United States

The Company reserves the right to treat as invalid any application for Firm Placed Shares and/or Placed Shares or which does not make a warranty to the effect that the person applying for Firm Placed Shares and/or Placed Shares does not have a registered address and is not otherwise located in the United States and is not applying for Firm Placed Shares and/or Placed Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of the Firm Placed Shares and/or Placed Shares in the United States or where the Company believes application for such Firm Placed Shares and/or Placed Shares may infringe applicable legal or regulatory requirements.

In addition, until 40 days after the commencement of the Firm Placing and Placing, an offer, sale or transfer of the Firm Placed Shares and/or Placed Shares within the United States by a dealer (whether or not participating in the Firm Placing and/or Placing) may violate the registration requirements of the US Securities Act.

3 AGREEMENT TO ACQUIRE FIRM PLACED SHARES AND/OR PLACED SHARES

Each of the Firm Placing and the Placing is conditional upon, *inter alia*, the following conditions:

- a) the Resolutions being passed at the General Meeting;
- b) the Placing Agreement having become unconditional in all respects save for the condition relating to Admission, and not being terminated in accordance with its terms before Admission becomes effective; and
- c) Admission becoming effective by not later than 8.00 a.m. (London time) on 19 April 2018 (or such later time and/or date as the Company, Numis and Peel Hunt may agree (being no later than 3 May 2018) in accordance with the terms of the Placing Agreement).

Subject to the above conditions, a Placee agrees to become a Shareholder and agrees to acquire Firm Placed Shares and/or Placed Shares (as applicable) at the Issue Price. The number of Firm Placed Shares issued to such Placee under the Firm Placing and/or Placed Shares issued to such Placee under the Placing (as applicable) shall be in accordance with the arrangements described above, subject to the provisions of paragraph 6 of this appendix with respect to the Placed Shares.

If any of the conditions set out in the Placing Agreement is not fulfilled or, where permitted, waived to the extent permitted by law or regulation in accordance with the Placing Agreement, or the Placing Agreement is terminated in accordance with its terms, the Firm Placing and the Placing will lapse and the Placee's rights and obligations shall cease and terminate at such time and each Placee agrees that no claim can be made by or on behalf of the Placee (or any person on whose behalf the Placee is acting) in respect thereof.

The commitments of a Non-Firm Placee to subscribe for the number of Placed Shares allotted to them is subject to the right of the Company to clawback any or all of such Placed Shares in order to satisfy valid applications by Qualifying Shareholders under the Open Offer or the Offer for Subscription. The number of Placed Shares to be clawed back from Non-Firm Placees will be calculated *pro rata* to each Non-Firm Placee's commitment to subscribe for Placed Shares.

The Company has undertaken that the Firm Placed Shares and the Placed Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares and will have the same rights and restrictions as each Existing Ordinary Share, including in respect of any dividends or distributions declared in respect of the New Shares following Admission. The

Firm Placed Shares and the Placed Shares will not qualify for the dividend to be declared on or about 27 March 2018 payable to Shareholders on the Company's register as at on or about 6 April 2018.

4 PAYMENT FOR FIRM PLACED SHARES AND/OR PLACED SHARES

Each Placee undertakes to pay the Issue Price for the Firm Placed Shares and/or Placed Shares (as applicable) issued to such Placee in such manner as shall be directed by the Bookrunners. In the event of any failure by a Placee to pay as so directed by the Bookrunners, the relevant Placee shall be deemed hereby to have appointed the Bookrunners or any nominee of the Bookrunners to sell (in one or more transactions) any or all of the Firm Placed Shares and/or Placed Shares (as applicable) in respect of which payment shall not have been made as so directed and to have agreed to indemnify on demand the Bookrunners in respect of any liability for UK stamp duty and/or stamp duty reserve tax arising in respect of any such sale or sales.

5 REPRESENTATIONS AND WARRANTIES

By receiving this announcement, each Placee and, in the case of paragraph 5s) of this appendix, any person confirming his agreement to subscribe for Firm Placed Shares and/or Placed Shares on behalf of a Placee or authorising the Bookrunners to notify a Placee's name to the Registrars, is deemed to acknowledge, agree, undertake, represent and warrant to each of the Bookrunners, the Registrars and the Company that:

- a) the Placee has read this announcement, including this appendix in its entirety and acknowledges that its participation in the Firm Placing and/or the Placing (as applicable) shall be made solely on the terms and subject to the conditions set out in this appendix, the Placing Agreement and the Articles. Such Placee agrees that these this appendix and the terms and conditions contained herein and the contract note issued by the Bookrunners to such Placee represents the whole and only agreement between the Placee, the Bookrunners and the Company in relation to the Placee's participation in the Firm Placing and/or the Placing (as applicable) and supersedes any previous agreement between any of such parties in relation to such participation. Accordingly, all other terms, conditions, representations, warranties and other statements which would otherwise be implied (by law or otherwise) shall not form part of this appendix and the terms and conditions contained herein. Such Placee agrees that none of the Bookrunners nor any of their officers or directors will have any liability for any such other information or representation and irrevocably and unconditionally waives any rights it may have in respect of any such other information or representation;
- b) the Placee has the power and authority to subscribe for the Placed Shares under the Placing and/or the Firm Placed Shares under the Firm Placing (as applicable) and to execute and deliver all documents necessary for such subscription;
- c) neither the Bookrunners nor any person affiliated with the Bookrunners or acting on their behalf is responsible for or shall have any liability for any information, representation or statement contained in this announcement or any information previously published by or on behalf of the Company or any member of the Group and will not be liable for any decision by a Placee to participate in the Firm Placing and/or the Placing based on any information, representation or statement contained in this announcement or otherwise;
- d) the Placee acknowledges that the New Shares will be admitted to the Official List, and the Company is therefore required to publish certain business and financial information in accordance with the rules and practices of the FCA (collectively, the "Exchange Information"), which includes a description of the nature of the Company's business and the Company's most recent balance sheet and profit and

loss account and that the Placee is able to obtain or access such Exchange Information without undue difficulty and is able to obtain access to such information or comparable information concerning any other publicly traded company without undue difficulty;

- e) the Placee acknowledges that neither of the Bookrunners, nor any person affiliated with the Bookrunners, nor any person acting on their behalf is making any recommendations to it or advising it regarding the suitability or merits of any transaction it may enter into in connection with the Firm Placing and/or the Placing, and that participation in the Firm Placing and/or the Placing is on the basis that it is not and will not be a client of the Bookrunners for the purposes of the Firm Placing and/or the Placing (as applicable) and the Placee acknowledges that neither the Bookrunners, nor any person affiliated with the Bookrunners, nor any person acting on its behalf has any duties or responsibilities to the Placee for providing the protections afforded to its clients or for providing advice in relation to the Firm Placing and/or the Placing or in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement or for the exercise or performance of any of the Bookrunners' rights and obligations thereunder, including any right to waive or vary any condition or exercise any termination right contained therein;
- f) the Placee has not relied on the Bookrunners or any person affiliated with the Bookrunner in connection with any investigation of the accuracy of any information contained in this announcement or their investment decision and the Placee has relied on its own investigation with respect to the Firm Placed Shares and/or the Placed Shares and the Company in connection with its investment decision;
- g) in agreeing to purchase Firm Placed Shares under the Firm Placing and/or Placed Shares under the Placing (as applicable), the Placee is relying on this announcement including this appendix and/or any prospectus and/or any supplementary prospectus issued by the Company in connection with the Capital Raising (as the case may be) or any regulatory announcement that may be issued by the Company and not on any other information or representation concerning the Group, the Firm Placing, the Placing, the Firm Placed Shares or the Placed Shares;
- h) save in the event of fraud on its part (and to the extent permitted by the rules of the FCA), neither the Bookrunners nor any of their directors or employees shall be liable to a Placee for any matter arising out of the role of the Bookrunners as the Company's advisers and brokers or otherwise, and that where any such liability nevertheless arises as a matter of law each Placee will immediately waive any claim against the Bookrunners and any of their directors and employees which a Placee may have in respect thereof;
- i) the Placee has complied with all such laws and such Placee will not infringe any applicable law as a result of such Placee's agreement to purchase Firm Placed Shares under the Firm Placing and/or Placed Shares under the Placing (as applicable) and/or acceptance thereof or any actions arising from such Placee's rights and obligations under the their agreement to purchase Firm Placed Shares under the Firm Placing and/or Placed Shares under the Placing (as applicable) and/or acceptance thereof or under the Articles;
- j) the Placee has accepted that its application is irrevocable and if for any reason it becomes necessary to adjust the expected timetable as set out in this announcement including this appendix, the Company will make an appropriate announcement to a Regulatory Information Service giving details of the revised dates. In particular, the

Company shall, in agreement with Numis and Peel Hunt, be entitled to extend the last time and/or date for applications under the Firm Placing and/or the Placing, and any such extension will not affect applications already made, which will continue to be irrevocable;

- k) to the fullest extent permitted by law, the Placee acknowledges and agrees to the disclaimers contained in this announcement including this appendix and acknowledges and agrees to comply with the selling restrictions set out in this announcement including this appendix;
- l) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of necessary consents) in order: (i) to enable the Placee to exercise its rights and perform and comply with its obligations to acquire the Firm Placed Shares under the Firm Placing and/or Placed Shares under the Placing; and (ii) to ensure that those obligations are legally binding and enforceable, have been taken, fulfilled and done. The Placee's exercise of its rights and/or performance under, or compliance with its obligations under the Firm Placing and/or Placing, does not and will not violate: (a) its constitutive documents; or (b) any agreement to which the Placee is a party or which is binding on the Placee or its assets;
- m) the Firm Placed Shares and/or Placed Shares may not be offered or sold in the United States absent (i) registration under the US Securities Act or (ii) an available exemption from the registration requirements under the US Securities Act. The Firm Placed Shares and the Placed Shares have not been, and will not be, registered under the US Securities Act and will not be offered to the public in the United States;
- n) the Placee is, and at the time the Firm Placed Shares and/or Placed Shares are acquired will be, either:
 - (i) located outside of the United States and eligible to participate in an "offshore transaction" as defined in and in accordance with Regulation S; or
 - (ii) located within the United States and
 - (A) is a QIB that is acquiring the Firm Placed Shares and/or Placed Shares in a transaction that is exempt from the registration requirements under the US Securities Act for its own account (or for the account of a QIB as to which it has sole investment discretion);
 - (B) is not (unless otherwise agreed by the Company) an ERISA Entity; and
 - (C) has duly executed an investor letter in a form provided to it and delivered the same to Peel Hunt and/or Numis or their respective affiliates;
- o) if it is acquiring the Firm Placed Shares and/or Placed Shares for the account of one or more other persons, it has full power and authority to make the representations, warranties, agreements and acknowledgements herein on behalf of each such account;
- p) the Company, and any registrar or other agent of the Company, will not be required to accept the registration of transfer of any Firm Placed Shares and/or Placed Shares

acquired by the Placee, except upon presentation of evidence satisfactory to the Company that the foregoing restrictions on transfer set out in this announcement, including this appendix, have been complied with;

- q) the Placee is not a resident of the Excluded Territories and acknowledges that the Firm Placed Shares and the Placed Shares have not been and will not be registered nor will a prospectus be prepared in respect of the Firm Placed Shares and/or the Placed Shares under the securities legislation of the Excluded Territories and, subject to certain exceptions, may not be offered or sold, directly or indirectly, in or into those jurisdictions;
- r) in the case of a person who confirms to the Bookrunners on behalf of a Placee an agreement to purchase Firm Placed Shares under the Firm Placing and/or Placed Shares under the Placing and/or who authorises the Bookrunners to notify such Placee's name to the Registrars, that person represents and warrants that he has authority to do so on behalf of the Placee;
- s) the Placee has complied with its obligations in connection with money laundering and terrorist financing under the Criminal Justice Act 1993, the Proceeds of Crime Act 2002, the Terrorism Act 2000, the Anti-Terrorism Crime and Security Act 2001, and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (the "Regulations") and undertakes to provide satisfactory evidence of its identity within such reasonable time (in each case to be determined in the absolute discretion of the Bookrunners) to ensure compliance with the Regulations and that if it is making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations;
- t) the Placee is not, and is not applying as nominee or agent for, a person to whom the issue would give rise to a liability under any of sections 67, 70, 93 and 96 of the Finance Act 1986 (depository receipts and clearance services) and that the Firm Placed Shares and/or the Placed Shares (as applicable) are not being acquired in connection with arrangements to issue depository receipts or to issue or transfer Firm Placed Shares and/or Placed Shares (as applicable) into a clearing system;
- u) if the Placee is a resident in the European Economic Area, it is a "qualified investor" within the meaning of the law in the relevant Member State implementing Article 2(1)(e)(i), (ii) or (iii) of the Prospectus Directive (Directive 2003/71/EC) ("Prospectus Directive");
- v) the Placee has not offered or sold and will not offer or sell any Firm Placed Shares and/or Placed Shares (as applicable) to persons in the UK prior to Admission except to "qualified investors" as defined in Article 2(1)(e) of the Prospectus Directive;
- w) the Placee is (a) a person falling within Article 19(5) of the FPO or (b) a person falling within Article 49(2)(a) to (d) of the FPO and undertakes that it will acquire, hold, manage or dispose of any Firm Placed Shares or Placed Shares (as applicable) that are allocated to it for the purposes of its business or (c) a person to whom this announcement may otherwise be lawfully communicated;
- x) if the Placee is in the EEA, the person is a "Professional Client/Eligible Counterparty" within the meaning of Annex II/Article 24 (2) of MiFID and is not participating in the Firm Placing and/or Placing on behalf of persons in the EEA other than professional clients or persons in the UK and other Member States (where

equivalent legislation exists) for whom the Placee has authority to make decisions on a wholly discretionary basis;

- y) in the case of any Firm Placed Shares and/or Placed Shares acquired by the Placee as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive: (A) the Firm Placed Shares and/or Placed Shares acquired by the Placee in the Firm Placing and/or Placing have not been acquired on behalf of, nor have they been acquired with a view to their placing or resale to, persons in any relevant member state other than qualified Placees, as that term is defined in the Prospectus Directive, or in other circumstances falling within Article 3(2) of the Prospectus Directive and the prior consent of Numis and/or Peel Hunt has been given to the placing or resale; or (B) where Firm Placed Shares and/or Placed Shares have been acquired by the Placee on behalf of persons in any relevant Member State other than qualified Placees, the Firm Placing of those Firm Placed Shares and/or Placing of those Placed Shares to it is not treated under the Prospectus Directive as having been made to such persons;
- z) the Placee has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21(1) of FSMA) relating to the Firm Placed Shares and or the Placed Shares (as applicable) in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person;
- aa) the exercise by the Bookrunners of any rights or discretions under the Placing Agreement shall be within their absolute discretion and the Bookrunners need not have any reference to any Placee and shall have no liability to any Placee whatsoever in connection with any decision to exercise or not to exercise any such right and each Placee agrees that it shall have no rights against the Bookrunners or their directors or employees under the Placing Agreement;
- bb) the Placee acknowledges that any money held in an account with the Bookrunners on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the rules and regulations of the FCA. The Placee further acknowledges that the money will not be subject to the protections conferred by the client money rules; as a consequence, this money will not be segregated from the Bookrunners' money in accordance with the client money rules and will be used by the Bookrunners in the course of their own business; and the Placee will rank only as a general creditor of the Bookrunners;
- cc) the Placee is liable for any capital duty, stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest fines or penalties relating thereto) payable outside the UK by it or any other person on the acquisition by it of any Firm Placed Shares and/or Placed Shares or the agreement by it to acquire any Firm Placed Shares and/or Placed Shares;
- dd) the Placee irrevocably appoints any director of the Company, Numis or Peel Hunt as its agent for the purposes of executing and delivering to the Company and/or the Registrar any documents on its behalf necessary to enable it to be registered as the holder of any of the Firm Placed Shares and/or Placed Shares agreed to be taken up by it under the Firm Placing and/or Placing and otherwise to do all acts, matters and

things as may be necessary for, or incidental to, its acquisition of any Firm Placed Shares and/or Placed Shares in the event of its failure so to do;

- ee) Numis and/or Peel Hunt may, in accordance with applicable legal and regulatory provisions, engage in transactions in relation to the Firm Placed Shares and/or Placed Shares and/or related instruments for their own account for the purpose of hedging their underwriting exposure or otherwise and, except as required by applicable law or regulation, Numis and/or Peel Hunt will not make any public disclosure in relation to such transactions;
- ff) Peel Hunt and/or Numis and each of their respective affiliates, each acting as a Placee for its or their own account(s), may bid or subscribe for and/or purchase Firm Placed Shares and/or Placed Shares and, in that capacity, may retain, purchase, place to sell or otherwise deal for its or their own account(s) in the Firm Placed Shares and/or Placed Shares, any other securities of the Company or other related investments in connection with the Firm Placing and/or Placing or otherwise. Accordingly, references in this announcement including in this appendix to the Firm Placed Shares and/or Placed Shares being issued, subscribed, acquired or otherwise dealt with should be read as including any issue, subscription, acquisition or dealing by Peel Hunt, Numis and/or any of their respective affiliates, acting as a Placee for its or their own account(s). Neither Numis, Peel Hunt nor the Company intend to disclose the extent of any such investment or transaction otherwise than in accordance with any legal or regulatory obligation to do so; and
- gg) if the Placee has received any inside information (as defined in MAR) about the Company in advance of the Firm Placing and/or the Placing, it has not: (a) dealt in the securities of the Company; (b) encouraged or required another person to deal in the securities of the Company; or (c) disclosed such information to any person, prior to the information being made publicly available.

The Placee acknowledges and understands that the Company and the Bookrunners will rely upon the truth and accuracy of the foregoing representations, warranties, agreements, acknowledgements and undertakings.

The Placee indemnifies on an after-tax basis and agrees to hold harmless the Bookrunners and each person affiliated with the Bookrunners and any person acting on their behalf in respect of any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings set out in this appendix and further agrees that the provisions of this appendix shall survive after completion of the Firm Placing and the Placing.

6 SCALE BACK OF THE PLACED SHARES

The number of Placed Shares to be issued under the Placing may be scaled back at the discretion of the Directors (in consultation with the Bookrunners) in favour of:

- a) the Excess Application Facility of the Open Offer; and/or
- b) the Offer for Subscription.

7 MISCELLANEOUS

The rights and remedies of the Bookrunners, the Registrars and the Company under this appendix and the terms and conditions contained herein are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.

On application, each Placee may be asked to disclose, in writing or orally to the Bookrunners:

- a) if he is an individual, his nationality; or
- b) if he is a discretionary fund manager, the jurisdiction in which the funds are managed or owned.

All documents will be sent at the Placee's risk. They may be sent by post to such Placee at an address notified to the Bookrunners.

The provisions of these terms and conditions of the Firm Placing and/or the Placing may be waived, varied or modified as regards specific Placees or on a general basis by the Bookrunners.

The contract to subscribe for Firm Placed Shares and/ or Placed Shares (as applicable) and the appointments and authorities mentioned herein will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of the Bookrunners, the Company and the Registrars, each Placee irrevocably submits to the exclusive jurisdiction of the English courts in respect of these matters. This does not prevent an action being taken against a Placee in any other jurisdiction.

In the case of a joint agreement to subscribe for Firm Placed Shares and/or Placed Shares (as applicable), references to a "Placee" in these terms and conditions are to each of such Placees and such joint Placees' liability is joint and several.

In addition to the provisions of paragraph 6 of this appendix, the Bookrunners and the Company each expressly reserve the right to modify the Firm Placing and/or the Placing (including, without limitation, its timetable and settlement) at any time before allocations of Firm Placed Shares under the Firm Placing and/or of Placed Shares under the Placing are determined.

This announcement is not for publication or distribution, directly or indirectly, in or into the United States of America. This announcement is not an offer of securities for sale into the United States. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States, except pursuant to an applicable exemption from registration. No public offering of securities is being made in the United States.