

27 October 2016

Ten Alps plc
("Ten Alps" or the "Company")

Proposed Placing of up to 107,711,471 New Ordinary Shares at a price of 0.75p per New Ordinary Share to raise approximately £800,000

The Company today announces its intention to raise up to £807,837 by way of a placing of 107,711,471 New Ordinary Shares at 0.75 pence per share (before expenses) with certain institutional and other investors. The Placing is not being underwritten.

The Placing Shares are being offered by way of an accelerated bookbuild ("Bookbuild"), which will be launched immediately following this announcement. Nplus1 Singer Advisory LLP ("N+1 Singer") will be acting as sole bookrunner in connection with the Bookbuild. Further details and terms of the Placing are described below.

The Company has also secured a long term loan of £432,962, to be provided by the Debt Holders. Furthermore, the Company proposes to issue 66,666,667 New Ordinary Shares to the Reef Sellers in line with the terms of the deferred consideration due under the Reef share purchase agreement, which was entered into in June 2015, 10,666,667 Settlement Shares to former CEO, Mark Wood and 3,333,334 New Ordinary Shares in respect of certain adviser fees.

In order to provide a capital structure which is in line with the current strategy of the business, the Company is also proposing a Debt Variation through the amendment of the repayment dates of all existing short and long term debt provided by the Debt Holders; the repayments will become a single repayment (of both principal and interest) due to be repaid on 31 December 2020. Furthermore, the Company is proposing to undertake a Share Reorganisation, in order to enable the conversion rights attaching to the Preference Shares to operate without a breach of Company law.

The Company is also proposing to change its name to Zinc Media Group plc, as announced in February 2016, and adopt new articles of association, amending the nominal value of both ordinary shares and introducing the rights of the new class of D Deferred Shares.

The above detailed proposals are all subject to shareholder approval at the General Meeting. A circular, which will set out further details of the proposals and convene the General Meeting, is expected to be posted to shareholders later today.

Expected timetable

Announcement of completion of the Placing and Bookbuild	27 October 2016
Posting of the Circular and Form of Proxy	27 October 2016
Latest time and date for receipt of Forms of Proxy for the General Meeting	10 a.m. on 11 November 2016
Time and date of the General Meeting	10 a.m. on 15 November 2016
Record Date for the Share Reorganisation	6 p.m. on 15 November 2016
Admission and commencement of dealings in the New Ordinary Shares	8.00 a.m. on 16 November 2016

Terms used but not defined in this announcement shall have the meanings given to such terms in the Circular. This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014 ("MAR"). In addition, market soundings (as defined in MAR) were taken in respect of the Placing with the result that certain persons became aware of inside information (as defined in MAR), as permitted by MAR. This inside information is set out in this Announcement.

Therefore, those persons that received inside information in a market sounding are no longer in possession of such inside information relating to the Company and its securities.

Enquiries

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Background to and reasons for the Placing

In June 2015 the Company announced the acquisition of Reef Television Limited, the award-winning producer of predominantly daytime television content for multiple broadcasters. Under the terms of the acquisition agreement the total consideration was approximately £5 million, satisfied through an initial payment of £2 million and approximately £3 million in deferred consideration, loan notes and earn-out consideration. The loan note consideration and the deferred consideration are to be settled in cash and/or New Ordinary Shares, at the Company's discretion, subject to a maximum of £1.5 million being able to be settled in shares.

The loan note and deferred consideration are payable in three tranches of £1 million, payable each year for three years subject to the achievement by Reef of gross profitability targets; the first tranche becoming due in October 2016. The Company is currently preparing the Reef financial accounts for the year ended 30 June 2016, and expects that the full deferred consideration and loan note payment of £1 million will be due to the Reef vendors for the first tranche.

The Company intends to satisfy the £1 million payment through two payments: £0.5 million by way of cash payment and £0.5 million through the issue of 66,666,667 New Ordinary Shares (the "**Reef Shares**"). The issue of the Reef Shares will take place at the same time as the Placing. The Placing proceeds are expected to be used to fund the cash consideration due to Reef with the balance being used for general working capital purposes.

Current trading and prospects

The Company expects to announce its audited preliminary results for the year ended 30 June 2016 by the end of November 2016.

The last twelve months have been a difficult and transitional period for the Group, with the publishing division generating substantial losses. Action has been taken to rationalise the Group structure, by withdrawing from the majority of the Group's publishing businesses. This included the sale of certain assets of Grove House Publishing Limited and the voluntary liquidation of Ten Alps Media Limited. The Group's remaining publishing business, Ten Alps Communications Limited, based in Macclesfield, concentrates primarily on one contract in the home and build sector for LABC (Local Authority Building Control, a not-for-profit membership organisation that represents all local authority building control teams in England and Wales), remains unaffected. The communications division, strengthened through the acquisition of Straker Films Limited in April 2016, remains a profitable and important part of the Group, complementing the Company's television production business with a digital and communications skillset and a specialism in short-form film production.

The strategy of the Group is now to focus predominantly on its core strength of television production. Based on current budgets, over 80 per cent. of the Group's revenue is expected to be derived from television production in the current financial year. The Directors believe that there is opportunity for the Group to expand its position as one of the UK's leading independent television production businesses. The Company is known and recognised for being a leader in the production of factual

television content, spanning heavily formatted daytime TV series to single high production value documentaries, supplying its content to broadcasters both in the UK and internationally.

The Directors believe that there is an opportunity to take advantage of the Group's market position to grow organically, through focussing on the Group's relationship with international broadcasters who are able to commission higher value series and through the recruitment of executive talent to push new ideas and expand the Group's traditional content boundaries into new factual genres and formats. The Directors also believe that there is opportunity to grow through carefully selected acquisitions. The independent television production market is consolidating as there is a drive towards scale, in what is a cyclical industry which is dependent upon a relatively small number of customers and broadcasters.

The pipeline for the current financial year in television is encouraging. Programmes that have been commissioned and are either already in production or waiting to start production stand at approximately 40 per cent. of the budgeted revenue for the year for the Group's television business.

A further update on current trading will be given when the preliminary results are published in the coming weeks.

Share Reorganisation

The Company is proposing a Share Reorganisation whereby each Existing Ordinary Share is subdivided into one New Ordinary Share and one D Deferred Share so as to enable the conversion rights attaching to the Preference Shares to operate without a breach of Company law.

The Share Reorganisation will also involve the creation of a class of D Deferred Share so as to enable the subdivision of the New Ordinary Shares and the conversion of the New Preference Shares to operate without a breach of company law. The D Deferred Shares will have very limited rights and the Company proposes to cancel them in due course.

The Share Reorganisation Record Date is 15 November 2016. The ISIN of the New Ordinary Shares will remain GB00BX7RGN99 following the Share Reorganisation. Further details as to the Share Reorganisation, including the transferability of the New Ordinary Shares, will be set out in the Circular.

Information on the Placing

The Company proposes to raise up to £807,837 (before expenses, assuming the Placing is fully subscribed) through the issue of the Placing Shares at the Placing Price, which represents a discount of 6.25 per cent. per Existing Ordinary Share to the closing middle market price of 0.8 pence per Existing Ordinary Share on 26 October 2016, being the latest Dealing Day prior to the release of this announcement. Assuming the Placing is fully subscribed, the New Ordinary Shares will represent 17.82 per cent. of the Company's Enlarged Share Capital immediately following Admission.

Pursuant to the terms of the Engagement Letter, N+1 Singer has conditionally agreed to use its reasonable endeavours, as agent for the Company, to place the Placing Shares with certain institutional and other investors. The Placing is not being underwritten. The Engagement Letter is conditional upon, *inter alia*, the Resolutions being duly passed at the General Meeting and Admission becoming effective on or before 8.00 a.m. on 16 November 2016 (or such later time and/or date as the Company and N+1 Singer may agree, but in any event by no later than 8.00 a.m. on 30 November 2016). N+1 Singer will receive a corporate finance fee, an equity raising fee comprising of the Fee Shares and commissions in respect of certain investors in the Placing.

The Engagement Letter contains warranties from the Company in favour of N+1 Singer in relation to, *inter alia*, the accuracy of the information to be contained in the Circular and other matters relating to the Group and its business. In addition, the Company has agreed to indemnify N+1 Singer in relation to certain liabilities it may incur in respect of the Placing. N+1 Singer has the right to terminate the Engagement Letter in certain circumstances prior to Admission, in particular, in the event of a material breach of the warranties given to N+1 Singer in the Engagement Letter, the failure of the Company to comply in any material respect with its obligations under the Engagement Letter, the occurrence of a *force majeure*

event or a material adverse change affecting the condition, or the earnings or business affairs or prospects of the Group as a whole, whether or not arising in the usual course of business.

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective on 16 November 2016.

The New Ordinary Shares will, when issued, rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive dividends and other distributions declared following Admission.

Use of proceeds

The Directors intend that the net proceeds of the Placing received by the Company (being approximately £748,842, assuming the Placing is fully subscribed) will be used by the Group primarily for the following purposes:

- £0.5 million to satisfy the payment due to the Reef vendors as per the terms of the share purchase agreement; and
- the balance for general working capital purposes.

Debt Variation and New Loan

The Company currently has approximately £2 million of long term loans outstanding held by the Debt Holders who are also substantial Shareholders. The interest rate on these loans is 4 per cent. plus monthly LIBOR, with a repayment date of 31 December 2017.

The Company also currently has approximately £0.75 million of short term loans outstanding, held by Herald by way of an unsecured loan note, with an interest rate of 8 per cent. and a repayment date of 10 December 2016.

The Company has negotiated a debt variation with the Debt Holders to amend the repayment dates of both the short and long term loans to a bullet repayment on 31 December 2020. All other terms shall remain the same, including the interest rates applied to the loans.

The Company has secured a further long term loan of £430,776 to be provided by the Debt Holders. The New Loan will attract an interest rate of 4 per cent above monthly LIBOR and will be due on 31 December 2020. The New Loan will be unsecured.

Preference Shares

The Company currently has £2.909 million of Preference Shares in issue, held by Herald and John David Sebastian Booth and are entitled to a cumulative preferential dividend of 4.5 per cent. per annum. The Preference Shares can currently be converted at 2.5 pence per Ordinary Share at the holder's option.

The Company has also agreed not to issue any further New Ordinary Shares (other than on exercise of options) without also offering the Debt Holders' the option to convert the Preference Shares pro-rata to their existing equity holding.

The Settlement Shares

Following the resignation of the former CEO, Mark Wood, on 30 June 2016, and pursuant to the terms of Mark Wood's service agreement the Company has agreed a full and final settlement with Mark Wood. The Company will pay Mark Wood an amount of £80,000 to be satisfied through the issue of New Ordinary Shares at the Placing Price.

Amendment to articles of association

The Company is proposing to substitute and to exclude the existing articles of association with the proposed new articles of association ("**New Articles**"). The New Articles reflect the changes to the

share capital pursuant to the Share Reorganisation and will include the rights of the new class of D Deferred Shares.

Cancellation of Share Options

The Company has not adopted formal rules in respect of its share option arrangements, instead the Company has granted Share Options to employees and directors under free-standing option agreements. As at the date of this announcement, the Company has Share Options in issue over, in aggregate, 17,755,000 Ordinary Shares with varying vesting schedules and exercise prices of between 2.5 and 2.875 pence per share, including the following Share Options held by Directors:

	Exercise Price:	Exercisable until:	Number of Share Options:
Peter Bertram	2.875p	October 2018	500,000
	2.5p	May 2022	2,250,000
Luke Johnson	2.875p	October 2018	1,000,000
Jonathan Goodwin	2.875p	October 2018	1,000,000

The Company recognises the importance of adopting a remuneration strategy which incentivises Directors and employees and it continues its strategy of structuring and refocusing. As the exercise price of the Share Options is higher than the current mid-market share price of the Company, the Directors have, following consultation with its major Shareholders and the option holders, approved the cancellation of all Share Options currently in issue and intend to reissue them following the publication of its annual results for the year to 30 June 2016, expected to be published by the end of November 2016.

As at today's date, David Galan, the Company's CFO, has not yet been issued with any Share Options however the Board intends to do so once the Company is out of a close period in respect of its 2016 results, in recognition of his significant contribution to the Company since his appointment in January 2016.

Reef Shares

As detailed above, the first tranche of deferred consideration is due to Reef, pursuant to the terms of the Reef share purchase agreement entered into in June 2015. Half of the deferred consideration due is to be settled in cash, funded by the Placing proceeds, with half to be settled by the issue of the Reef Shares at the Placing Price, at the Company's option. Following Admission, the Reef Shares will represent 11.03 per cent. of the Enlarged Share Capital.

Change of Name

In February 2016, the Company announced that it was changing its brand name to Zinc Media with effect from 1 March 2016, to reflect the newly refocused business following the recent process of restructuring. While rebranding of the Group's trading business has been completed, the opportunity has not yet arisen to put the change of the holding company name to a Shareholder vote. Accordingly, it is now proposed that the name of the Company be changed to Zinc Media Group plc, subject to Shareholder approval.

If the special resolution to approve the change of name of the Company is passed at the General Meeting, it is anticipated that the New Ordinary Shares will trade under the new name of Zinc Media Group plc with effect from 8.00 a.m. on 16 November 2016, at which time the Company's ticker will also change to 'ZIN.L'. The ISIN of the New Ordinary Shares, GB00BX7RGN99, will remain the same.

The General Meeting

Set out at the end of the Circular will be a notice convening the General Meeting to be held at 10 a.m. on 15 November 2016 at 13th Floor, Portland House, Bressenden Place, London SW1E 5BH, at which the following Resolutions will be proposed (assuming the Placing is fully subscribed):

Ordinary resolution

- 1) to authorise the Directors, for the purposes of section 551 of the Act, to issue and allot the Placing Shares, Reef Shares, Settlement Shares and Fee Shares and to grant a general authority for the Directors to issue and allot shares in the Company up to a maximum aggregate nominal amount of £1,230.66, (being the Placing Shares, Reef Shares, Settlement Shares and Fee Shares plus approximately 50% of the Enlarged Share Capital). The authority will expire at the date of the annual general meeting or, if earlier, 15 months from the date the resolution is passed;
- 2) to subdivide every Existing Ordinary Share into one New Ordinary Share and one D Deferred Share;

Special resolutions

- 3) to disapply statutory pre-emption rights up to an aggregate nominal amount of £614.56 (representing the Placing Shares, Reef Shares, Settlement Shares and Fee Shares plus 10% of the Company's Enlarged Share Capital), a rights or other pre-emptive issue and an issue in connection with terms of warrants, share option schemes or long term incentive schemes. The authority will expire at the date of the annual general meeting or, if earlier, 15 months from the date the resolution is passed;
- 4) to authorise the Company to make market purchases of its own shares up to a maximum of 60,777,548 New Ordinary Shares for a minimum price of 0.00025 pence;
- 5) to change the name of the Company to "Zinc Media Group plc";
- 6) to approve the adoption of the new articles of association for the Company in substitution for the current articles of association of the Company which will reflect the changes to the share capital pursuant to the Share Reorganisation and will include the rights of the new class of D Deferred Shares. The New Articles are available for review at the Company's website at www.zincmedia.com.

Save as otherwise disclosed in the Circular, the Directors have no present intention of issuing further New Ordinary Shares save pursuant to the Proposals.

Related Party Transactions

Given that Herald and its associated parties are substantial Shareholders in the Company, provision of the New Loan and the Debt Variation are related party transactions pursuant to Rule 13 of the AIM Rules for Companies. The Directors consider, having consulted with its nominated adviser N+1 Singer, that the terms of the New Loan and the Debt Variation are fair and reasonable insofar as the Company's Shareholders are concerned.

Given that Mark Wood is a former director of the Company, the proposed issue of the Settlement Shares constitutes a related party transaction pursuant to Rule 13 of the AIM Rules for Companies. The Directors consider, having consulted with its nominated adviser N+1 Singer, that the terms of the Settlement Shares are fair and reasonable insofar as the Company's shareholders are concerned.

APPENDIX - TERMS AND CONDITIONS OF THE PLACING

IMPORTANT INFORMATION FOR INVITED PLACEEES ONLY REGARDING THE PLACING

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

DISTRIBUTION WOULD BE UNLAWFUL. THIS ANNOUNCEMENT HAS NOT BEEN APPROVED BY THE LONDON STOCK EXCHANGE, NOR IS IT INTENDED THAT IT WILL BE SO APPROVED.

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT IS FOR INFORMATION PURPOSES ONLY AND IS DIRECTED ONLY AT: (A) PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA ("EEA") WHO ARE QUALIFIED INVESTORS AS DEFINED IN SECTION 86(7) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000, AS AMENDED ("QUALIFIED INVESTORS"), BEING PERSONS FALLING WITHIN THE MEANING OF ARTICLE 2(1)(e) OF DIRECTIVE 2003/71/EC AS AMENDED, INCLUDING BY THE 2010 PROSPECTUS DIRECTIVE AMENDING DIRECTIVE (DIRECTIVE 2010/73/EC) AND TO THE EXTENT IMPLEMENTED IN THE RELEVANT MEMBER STATE (THE "PROSPECTUS DIRECTIVE"); AND (B) IN THE UNITED KINGDOM, QUALIFIED INVESTORS WHO ARE PERSONS WHO (I) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(5) (INVESTMENT PROFESSIONALS) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "ORDER"); (II) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) (HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC.) OF THE ORDER; OR (III) ARE PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS").

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

THIS ANNOUNCEMENT AND THE INFORMATION REFERRED TO HEREIN IS NOT AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL UNDER THE SECURITIES LAW OF ANY JURISDICTION. THIS ANNOUNCEMENT AND THE INFORMATION REFERRED TO HEREIN IS NOT AN OFFER OF SECURITIES FOR SALE INTO THE UNITED STATES. THE PLACING SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD OR TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. SUBJECT TO CERTAIN EXCEPTIONS AND AT THE SOLE DISCRETION OF THE COMPANY, THE PLACING SHARES ARE BEING OFFERED AND SOLD ONLY OUTSIDE THE UNITED STATES IN "OFFSHORE TRANSACTIONS" WITHIN THE MEANING OF, AND IN ACCORDANCE WITH, REGULATION S UNDER THE SECURITIES ACT AND OTHERWISE IN ACCORDANCE WITH APPLICABLE LAWS. NO PUBLIC OFFERING OF THE PLACING SHARES IS BEING MADE IN THE UNITED STATES, THE UNITED KINGDOM OR ELSEWHERE. NO MONEY, SECURITIES OR OTHER CONSIDERATION FROM ANY PERSON INSIDE THE UNITED STATES IS BEING SOLICITED AND, IF SENT IN RESPONSE TO THE INFORMATION CONTAINED IN THIS ANNOUNCEMENT, WILL NOT BE ACCEPTED.

EACH PLACEE SHOULD CONSULT WITH ITS ADVISERS AS TO LEGAL, TAX, BUSINESS AND RELATED ASPECTS OF AN INVESTMENT IN PLACING SHARES. THE PRICE OF SHARES IN THE COMPANY AND THE INCOME FROM THEM (IF ANY) MAY GO DOWN AS WELL AS UP AND INVESTORS MAY NOT GET BACK THE FULL AMOUNT INVESTED ON A DISPOSAL OF SHARES. THE DISTRIBUTION OF THIS ANNOUNCEMENT, ANY PART OF IT OR ANY INFORMATION CONTAINED IN IT MAY BE RESTRICTED BY LAW IN CERTAIN JURISDICTIONS, AND ANY PERSON INTO WHOSE POSSESSION THIS ANNOUNCEMENT, ANY PART OF IT OR

ANY INFORMATION CONTAINED IN IT COMES SHOULD INFORM THEMSELVES ABOUT, AND OBSERVE, SUCH RESTRICTIONS.

No action has been taken by the Company, N+1 Singer Advisory LLP ("**N+1 Singer**") or any of their respective affiliates, agents, directors, officers or employees that would permit an offer of the Placing Shares or possession or distribution of this Announcement or any other offering or publicity material relating to such Placing Shares in any jurisdiction where action for that purpose is required.

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

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

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

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

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

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

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

- 1 it is a Relevant Person and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;
- 2 in the case of a Relevant Person (as defined above) in a member state of the EEA which has implemented the Prospectus Directive (each, a "**Relevant Member State**") who acquires any Placing Shares pursuant to the Placing:
 - 2.1 it is a Qualified Investor within the meaning of Article 2(1)(e) of the Prospectus Directive;

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

The Company and N+1 Singer will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

No prospectus

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

Each Placee, by participating in the Placing, agrees that the content of this Announcement is exclusively the responsibility of the Company and confirms that it has neither received nor relied on any information (other than the Publicly Available Information), representation, warranty or statement made by or on behalf of N+1 Singer, the Company or any other person and none of N+1 Singer, the Company or any other person acting on such person's behalf nor any of their respective affiliates has or shall have any liability for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation. Each Placee should not consider any information in this Announcement to be legal, tax or business advice. Each Placee should consult its own solicitor, tax adviser and financial adviser for independent legal, tax and financial advice regarding an investment in the Placing Shares.

Details of the Engagement Letter and the Placing Shares

N+1 Singer entered into an engagement letter on 26 October 2016 (the "**Engagement Letter**") with the Company under which, on the terms and subject to the conditions set out in the Engagement Letter, N+1 Singer, as agent for and on behalf of the Company, has agreed to use its reasonable endeavours to procure Placees for the Placing Shares at the Placing Price.

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

Application for admission to trading

The expected timetable for settlement will be as follows:

Trade Date:	14 November 2016
Settlement Date:	16 November 2016
CREST counterparty:	ATMAY
ISIN Code:	GB00BX7RGN99
SEDOL Code (GB):	BX7RGN9
Trade System of Origin:	Blank
Stamp Status:	W
Stamp Consideration:	Nil
Settlement Currency:	GBP
Deadline for input instruction into CREST:	3 p.m. on 15 November 2016

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

Subject to, amongst other things, the resolutions being passed by the requisite majorities at the General Meeting, it is expected that Admission will take place no later than 16 November 2016 and that dealings in the Placing Shares on AIM will commence at the same time.

Principal terms of the Placing

- 1 N+1 Singer is acting as nominated adviser, financial adviser and broker to the Placing, as agent for and on behalf of the Company. N+1 Singer is authorised and regulated in the United Kingdom by the Financial Conduct Authority ("**FCA**") and is acting exclusively for the Company and no one else in connection with the matters referred to in this Announcement and will not be responsible to anyone other than the Company for providing the protections afforded to the customers of N+1 Singer or for providing advice in relation to the matters described in this Announcement.
- 2 N+1 Singer are receiving a corporate finance fee, an equity raising fee and certain commission on the Placing.
- 3 Participation in the Placing will only be available to persons who may lawfully be, and are, invited by N+1 Singer to participate. N+1 Singer and any of its respective affiliates are entitled to participate in the Placing as principal.
- 4 The price per Placing Share (the "**Placing Price**") is fixed at 0.75 pence per new ordinary share and is payable to N+1 Singer by all Placees.
- 5 Each Placee's allocation is determined by N+1 Singer in its discretion following consultation with the Company and has been or will be confirmed orally by N+1 Singer and a form of confirmation will be dispatched as soon as possible thereafter. That oral confirmation will give rise to an irrevocable, legally binding commitment by that person (who at that point becomes a Placee), in favour of N+1 Singer and the Company, under which it agrees to acquire the number of Placing Shares allocated to the Placee at the Placing Price and otherwise on the terms and subject to the conditions set out in this Appendix and in accordance with the Company's articles of association.

- 6 Each Placee's allocation and commitment will be evidenced by a form of confirmation issued to such Placee by N+1 Singer. The terms of this Appendix will be deemed incorporated in that form of confirmation.
- 7 Each Placee will have an immediate, separate, irrevocable and binding obligation, owed to N+1 Singer (as agent for the Company), to pay to it (or as it may direct) in cleared funds an amount equal to the product of the Placing Price and the number of Placing Shares such Placee has agreed to acquire and the Company has agreed to allot and issue to that Placee.
- 8 Irrespective of the time at which a Placee's allocation(s) pursuant to the Placing is/are confirmed, settlement for all Placing Shares to be acquired pursuant to the Placing will be required to be made at the same time, on the basis explained below under "**Registration and Settlement**".
- 9 All obligations of N+1 Singer under the Placing will be subject to fulfilment of the conditions referred to below under "**Conditions of the Placing**" and to the Placing not being terminated on the basis referred to below under "**Termination of the Placing**".
- 10 By participating in the Placing, each Placee will agree that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee.
- 11 To the fullest extent permissible by law and applicable FCA rules, none of (a) N+1 Singer, (b) any of N+1 Singer's affiliates, agents, directors, officers, consultants, (c) to the extent not contained within (a) or (b), any person connected with N+1 Singer as defined in the Financial Services and Markets Act 2000 ("**FSMA**") ((b) and (c) being together "**affiliates**" and individually an "**affiliate**" of N+1 Singer), (d) any person acting on N+1 Singer's behalf, shall have any liability (including to the extent permissible by law, any fiduciary duties) to Placees or to any other person whether acting on behalf of a Placee or otherwise. In particular, neither N+1 Singer nor any of its respective affiliates shall have any liability (including, to the extent permissible by law, any fiduciary duties) in respect of their conduct of the Placing or of such alternative method of effecting the Placing as N+1 Singer and the Company may agree.

Registration and Settlement

If Placees are allocated any Placing Shares in the Placing they will be sent a form of confirmation or electronic confirmation by N+1 Singer, as soon as it is able which will confirm the number of Placing Shares allocated to them, the Placing Price and the aggregate amount owed by them to N+1 Singer. Each Placee will be deemed to agree that it will do all things necessary to ensure that delivery and payment is completed as directed by N+1 Singer in accordance with either the standing CREST or certificated settlement instructions which they have in place with N+1 Singer.

Settlement of transactions in the Placing Shares (ISIN: GB00BX7RGN99) following Admission will take place within the CREST system, subject to certain exceptions. Settlement through CREST is expected to take place on 16 November 2016 unless otherwise notified by N+1 Singer and Admission is expected to occur no later than 8.00 a.m. on 16 November 2016 unless otherwise notified by N+1 Singer. Admission and Settlement may occur at an earlier date, which if achievable, will be set out in the Circular. Settlement will be on a delivery versus payment basis. However, in the event of any difficulties or delays in the admission of the Placing Shares to CREST or the use of CREST in relation to the Placing, the Company and N+1 Singer may agree that the Placing Shares should be issued in certificated form. N+1 Singer reserves the right to require settlement for the Placing Shares, and to deliver the Placing Shares to Placees, by such other means as they deem necessary if delivery or settlement to Placees is not practicable within the CREST system or would not be consistent with regulatory requirements in a Placee's jurisdiction.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above, in respect of either CREST or certificated deliveries, at the rate of 2 percentage points above prevailing LIBOR as determined by N+1 Singer.

Each Placee is deemed to agree that if it does not comply with these obligations, N+1 Singer may sell any or all of their Placing Shares on their behalf and retain from the proceeds, for N+1 Singer's own account and benefit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable for any shortfall below the amount owed by it and for any stamp duty or stamp duty reserve tax (together with any interest or penalties) which may arise upon the sale of their Placing Shares on their behalf.

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

Conditions of the Placing

The Placing is conditional upon the Engagement Letter becoming unconditional and not having been terminated in accordance with its terms.

The obligations of N+1 Singer under the Engagement Letter are, and the Placing is, conditional upon, inter alia:

- (a) the passing of the Placing Resolutions at the General Meeting;
- (b) none of the warranties or undertakings on the part of the Company contained in the Engagement Letter being or having become untrue, inaccurate or misleading at any time before Admission, and no fact or circumstance having arisen which would constitute a breach of any of the Warranties or undertakings given in the Engagement Letter;
- (c) the performance by the Company of its obligations under the Engagement Letter to the extent that they fail to be performed prior to Admission;
- (d) Admission occurring by not later than 8.00 a.m. on 16 November 2016 (or such later date as the Company and the N+1 Singer may agree in writing, in any event being not later 30 November 2016),

(all conditions to the obligations of N+1 Singer included in the Engagement Letter being together, the "**conditions**").

If any of the conditions set out in the Engagement Letter are not fulfilled or, where permitted, waived in accordance with the Engagement Letter within the stated time periods (or such later time and/or date as the Company and N+1 Singer may agree, provided that the time for satisfaction of the condition set out in (e) above shall not be extended beyond 8.00 a.m. on 30 November 2016), or the Engagement Letter is terminated in accordance with its terms, 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.

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

Certain conditions may be waived in whole or in part by N+1 Singer, in its absolute discretion by notice in writing to the Company and N+1 Singer may also agree in writing with the Company to extend the time for satisfaction of any condition. Any such extension or waiver will not affect Placees' commitments as set out in this Announcement.

N+1 Singer may terminate the Engagement Letter in certain circumstances, details of which are set out below.

Neither N+1 Singer, the Company nor any of their respective affiliates, agents, directors, officers, employees shall have any liability to any Placee (or to any other person whether acting on behalf of a

Placee or otherwise) in respect of any decision any of them may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition to the Placing nor for any decision any of them may make as to the satisfaction of any condition or in respect of the Placing generally and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of N+1 Singer.

Termination of the Placing

N+1 Singer may terminate the Engagement Letter, in accordance with its terms, at any time prior to Admission if, inter alia:

- 1 it comes to the attention of N+1 Singer that any of the warranties were not true or accurate, or were misleading when given or deemed given; or
- 2 it comes to the attention of N+1 Singer that the Company has failed to comply with its obligations under the Engagement Letter, FSMA, the AIM Rules or other applicable Law; or
- 3 it comes to the attention of N+1 Singer that any statement contained in the Circular has become or been discovered to be untrue, inaccurate or misleading; or
- 4 there has occurred a force majeure event, or any material adverse change has occurred in the financial position or prospects or business of the Company and its subsidiary undertakings (taken as whole) which, in the opinion of N+1 Singer, will or is likely to be prejudicial to the Placing or Admission or to the subscription for Placing Shares by Placees.

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

By participating in the Placing, each Placee agrees with the Company and N+1 Singer that the exercise by the Company or N+1 Singer of any right of termination or any other right or other discretion under the Engagement Letter shall be within the absolute discretion of the Company or N+1 Singer and that neither of the Company nor N+1 Singer need make any reference to such Placee and that neither N+1 Singer, the Company, nor any of their respective affiliates, agents, directors, officers or employees shall have any liability to such Placee (or to any other person whether acting on behalf of a Placee or otherwise) whatsoever in connection with any such exercise.

By participating in the Placing, each Placee agrees that its rights and obligations terminate only in the circumstances described above and under the "**Conditions of the Placing**" section above and will not be capable of rescission or termination by it after the issue by N+1 Singer of a form of confirmation confirming each Placee's allocation and commitment in the Placing.

Representations, warranties and further terms

By participating in the Placing, each Placee (and any person acting on such Placee's behalf) represents, warrants, acknowledges and agrees (for itself and for any such prospective Placee) that (save where N+1 Singer expressly agree in writing to the contrary):

- 1 it has read and understood this Announcement and the Circular in its entirety and that its acquisition of the Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, indemnities, acknowledgements, agreements and undertakings and other information contained herein and that it has not relied on, and will not rely on, any information given or any representations, warranties or statements made at any time by any person in connection with Admission, the Placing, the Company, the Placing Shares or otherwise, other than the information contained in this Announcement and the Publicly Available Information and undertakes not to redistribute or duplicate this Announcement and the Circular;
- 2 it has not received a prospectus in connection with the Placing and acknowledges that no prospectus or other offering document: (a) is required under the Prospectus Directive; and (b) has been or will be prepared in connection with the Placing;

- 3 the Ordinary Shares are admitted to trading on AIM, and that the Company is therefore required to publish certain business and financial information in accordance with the AIM Rules, 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 it is able to obtain or access such 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;
- 4 it has made its own assessment of the Placing Shares and has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing and neither N+1 Singer, the Company nor any of their respective affiliates, agents, directors, officers or employees or any person acting on behalf of any of them has provided, and will not provide, it with any material regarding the Placing Shares or the Company or any other person other than the information in this Announcement, or the Publicly Available Information; nor has it requested neither of N+1 Singer, the Company, any of their respective affiliates, agents, directors, officers or employees or any person acting on behalf of any of them to provide it with any such information;
- 5 neither N+1 Singer, any person acting on behalf of them or any of their respective affiliates, agents, directors, officers or employees has or shall have any liability for any Publicly Available Information, or any representation relating to the Company, provided that nothing in this paragraph excludes the liability of any person for fraudulent misrepresentation made by that person;
- 6 the only information on which it is entitled to rely on and on which it has relied in committing to subscribe for the Placing Shares is contained in the Publicly Available Information, such information being all that it deems necessary to make an investment decision in respect of the Placing Shares and it has made its own assessment of the Company, the Placing Shares and the terms of the Placing based on Publicly Available Information; (b) neither N+1 Singer, the Company nor any of their respective affiliates, agents, directors, officers or employees has made any representation or warranty to it, express or implied, with respect to the Company, the Placing or the Placing Shares or the accuracy, completeness or adequacy of the Publicly Available Information; (c) it has conducted its own investigation of the Company, the Placing and the Placing Shares, satisfied itself that the information is still current and relied on that investigation for the purposes of its decision to participate in the Placing; and (d) has not relied on any investigation that N+1 Singer or any person acting on their behalf may have conducted with respect to the Company, the Placing or the Placing Shares;
- 7 the content of this Announcement and the Publicly Available Information has been prepared by and is exclusively the responsibility of the Company and that neither N+1 Singer nor any persons acting on behalf of it is responsible for or has or shall have any liability for any information, representation, warranty or statement relating to the Company contained in this Announcement or the Publicly Available Information nor will they be liable for any Placee's decision to participate in the Placing based on any information, representation, warranty or statement contained in this Announcement, the Publicly Available Information or otherwise. Nothing in this Appendix shall exclude any liability of any person for fraudulent misrepresentation;
- 8 the Placing Shares have not been registered or otherwise qualified, and will not be registered or otherwise qualified, for offer and sale nor will a prospectus be cleared or approved in respect of any of the Placing Shares under the securities laws of the United States, or any state or other jurisdiction of the United States, Australia, Canada, Republic of South Africa or Japan and, subject to certain exceptions, may not be offered, sold, taken up, renounced or delivered or transferred, directly or indirectly, within the United States, Australia, Canada, South Africa or Japan or in any country or jurisdiction where any such action for that purpose is required;
- 9 it and/or each person on whose behalf it is participating:

- 9.1 is entitled to acquire Placing Shares pursuant to the Placing under the laws and regulations of all relevant jurisdictions;
 - 9.2 has fully observed such laws and regulations;
 - 9.3 has capacity and authority and is entitled to enter into and perform its obligations as an acquirer of Placing Shares and will honour such obligations; and
 - 9.4 has obtained all necessary consents and authorities (including, without limitation, in the case of a person acting on behalf of a Placee, all necessary consents and authorities to agree to the terms set out or referred to in this Appendix) under those laws or otherwise and complied with all necessary formalities to enable it to enter into the transactions contemplated hereby and to perform its obligations in relation thereto and, in particular, if it is a pension fund or investment company it is aware of and acknowledges it is required to comply with all applicable laws and regulations with respect to its subscription for Placing Shares;
- 10 it is not, and any person who it is acting on behalf of is not, and at the time the Placing Shares are subscribed will not be, a resident of, or with an address in, or subject to the laws of, Australia, Canada, Japan, or the Republic of South Africa, and it acknowledges and agrees that the Placing Shares have not been and will not be registered or otherwise qualified under the securities legislation of Australia, Canada, Japan or the Republic of South Africa and may not be offered, sold, or acquired, directly or indirectly, within those jurisdictions;
 - 11 it is not in the United States and is not acting for the account or benefit of a person in the United States;
 - 12 the Placing Shares have not been, and will not be, registered under the Securities Act and may not be offered, sold or resold in or into or from the United States except pursuant to an effective registration under the Securities Act, or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with applicable state securities laws; and no representation is being made as to the availability of any exemption under the Securities Act for the reoffer, resale, pledge or transfer of the Placing Shares;
 - 13 it and the beneficial owner of the Placing Shares is, and at the time the Placing Shares are acquired will be, outside the United States and acquiring the Placing Shares in an "offshore transaction" as defined in, and in accordance with, Regulation S under the Securities Act;
 - 14 it (and any account for which it is purchasing) is not acquiring the Placing Shares with a view to any offer, sale or distribution thereof within the meaning of the Securities Act;
 - 15 it will not distribute, forward, transfer or otherwise transmit this Announcement or any part of it, or any other presentational or other materials concerning the Placing in or into or from the United States (including electronic copies thereof) to any person, and it has not distributed, forwarded, transferred or otherwise transmitted any such materials to any person;
 - 16 neither N+1 Singer, its respective affiliates, agents, directors, officers or employees nor any person acting on behalf of any of them is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing and that participation in the Placing is on the basis that it is not and will not be a client of N+1 Singer and N+1 Singer has no duties or responsibilities to it for providing the protections afforded to its clients or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Engagement Letter nor for the exercise or performance of any of its rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;
 - 17 it has the funds available to pay for the Placing Shares for which it has agreed to subscribe and acknowledges and agrees that it will make payment to N+1 Singer for the Placing Shares allocated to it in accordance with the terms and conditions of this Announcement on

the due times and dates set out in this Announcement, failing which the relevant Placing Shares may be placed with others on such terms as N+1 Singer may, in its absolute discretion determine without liability to the Placee and it will remain liable for any shortfall below the net proceeds of such sale and the placing proceeds of such Placing Shares and may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties due pursuant to the terms set out or referred to in this Announcement) which may arise upon the sale of such Placee's Placing Shares on its behalf;

- 18 no action has been or will be taken by any of the Company, N+1 Singer or any person acting on their behalf that would, or is intended to, permit a public offer of the Placing Shares in the United States or in any country or jurisdiction where any such action for that purpose is required;
- 19 the person who it specifies for registration as holder of the Placing Shares will be: (a) the Placee; or (b) a nominee of the Placee, as the case may be. Neither N+1 Singer nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. Each Placee and any person acting on behalf of such Placee agrees to acquire Placing Shares pursuant to the Placing and agrees to pay the Company and N+1 Singer in respect of the same (including any interest or penalties) on the basis that the Placing Shares will be allotted to a CREST stock account of N+1 Singer or transferred to a CREST stock account of N+1 Singer who will hold them as nominee on behalf of the Placee until settlement in accordance with its standing settlement instructions with it;
- 20 it is acting as principal only in respect of the Placing or, if it is acting for any other person, (a) it is duly authorised to do so and has full power to make the acknowledgments, representations and agreements herein on behalf of each such person and (b) it is and will remain liable to the Company and N+1 Singer for the performance of all its obligations as a Placee in respect of the Placing (regardless of the fact that it is acting for another person);
- 21 the allocation, allotment, issue and delivery to it, or the person specified by it for registration as holder, of Placing Shares will not give rise to a stamp duty or stamp duty reserve tax liability under (or at a rate determined under) any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and that it is not participating in the Placing as nominee or agent for any person or persons to whom the allocation, allotment, issue or delivery of Placing Shares would give rise to such a liability;
- 22 it and any person acting on its behalf (if within the United Kingdom) falls within Article 19(5) and/or 49(2) of the Order and undertakes that it will acquire, hold, manage and (if applicable) dispose of any Placing Shares that are allocated to it for the purposes of its business only;
- 23 it is a person of a kind described in: (a) Article 19(5) (Investment Professionals) and/or 49(2) (High net worth companies etc.) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, and/or an authorised person as defined in section 31 of FSMA; and (b) section 86(7) of FSMA ("**Qualified Investor**"), being a person falling within Article 2.1(e) the Prospectus Directive. For such purposes, it undertakes that it will acquire, hold, manage and (if applicable) dispose of any Placing Shares that are allocated to it for the purposes of its business only;
- 24 it has only communicated or caused to be communicated and it will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) relating to Placing Shares in circumstances in which section 21(1) of the FSMA does not require approval of the communication by an authorised person and it acknowledges;
- 25 it has complied and it will comply with all applicable laws with respect to anything done by it or on its behalf in relation to the Placing Shares (including all relevant provisions of the FSMA in respect of anything done in, from or otherwise involving the United Kingdom);

- 26 if it is a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive (including any relevant implementing measure in any member state), the Placing Shares acquired by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in a member state of the EEA which has implemented the Prospectus Directive other than Qualified Investors, or in circumstances in which the express prior written consent of N+1 Singer has been given to the offer or resale;
- 27 it has neither received nor relied on any confidential price sensitive information about the Company in accepting this invitation to participate in the Placing;
- 28 neither N+1 Singer nor any of its respective affiliates, agents, directors, officers or employees or any person acting on behalf of any of them has or shall have any liability for any information, representation or statement contained in this Announcement or for any information previously published by or on behalf of the Company or any other written or oral information made available to or publicly available or filed information or any representation, warranty or undertaking relating to the Company, and will not be liable for its decision to participate in the Placing based on any information, representation, warranty or statement contained in this Announcement or elsewhere, provided that nothing in this paragraph shall exclude any liability of any person for fraud;
- 29 neither N+1 Singer, the Company, nor any of their respective affiliates, agents, directors, officers or employees or any person acting on behalf of N+1 Singer, the Company or their respective affiliates, agents, directors, officers or employees is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing nor providing advice in relation to the Placing nor in respect of any representations, warranties, acknowledgements, agreements, undertakings, or indemnities contained in the Engagement Letter nor the exercise or performance of N+1 Singer's rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;
- 30 acknowledges and accepts that N+1 Singer may, in accordance with applicable legal and regulatory provisions, engage in transactions in relation to the Placing 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, N+1 Singer will not make any public disclosure in relation to such transactions;
- 31 N+1 Singer and each of its affiliates, each acting as an investor for its or their own account(s), may bid or subscribe for and/or purchase Placing Shares and, in that capacity, may retain, purchase, offer to sell or otherwise deal for its or their own account(s) in the Placing Shares, any other securities of the Company or other related investments in connection with the Placing or otherwise. Accordingly, references in this Announcement to the Placing Shares being offered, subscribed, acquired or otherwise dealt with should be read as including any offer to, or subscription, acquisition or dealing by N+1 Singer and/or any of its respective affiliates, acting as an investor for its or their own account(s). Neither N+1 Singer 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;
- 32 it has not offered or sold and will not offer or sell any Placing Shares to persons in the EEA prior to the expiry of a period of six months from Admission except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purpose of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in any member state of the EEA within the meaning of the Prospectus Directive;
- 33 it has complied with its obligations in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2000, the Terrorism Act 2006 and the Money Laundering Regulations 2007 (together, the "**Regulations**") and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations;

- 34 it is aware of the obligations regarding insider dealing in the Criminal Justice Act 1993, FSMA, the EU Market Abuse Regulation No. 596 of 2014 and the Proceeds of Crime Act 2002 and confirms that it has and will continue to comply with those obligations;
- 35 in order to ensure compliance with the Money Laundering Regulations 2007, N+1 Singer (for itself and as agent on behalf of the Company) or the Company's registrars may, in their absolute discretion, require verification of its identity. Pending the provision to N+1 Singer's or the Company's registrars, as applicable, of evidence of identity, definitive certificates in respect of the Placing Shares may be retained at N+1 Singer's absolute discretion or, where appropriate, delivery of the Placing Shares to it in uncertificated form may be delayed at N+1 Singer's or the Company's registrars', as the case may be, absolute discretion. If within a reasonable time after a request for verification of identity N+1 Singer's (for itself and as agent on behalf of the Company) or the Company's registrars have not received evidence satisfactory to them, N+1 Singer and/or the Company may, at its absolute discretion, terminate its commitment in respect of the Placing, in which event the monies payable on acceptance of allotment will, if already paid, be returned without interest to the account of the drawee's bank from which they were originally debited;
- 36 acknowledges that its commitment to acquire Placing Shares on the terms set out in this Announcement and in the form of confirmation will continue notwithstanding any amendment that may in future be made to the terms and conditions of the Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company's or N+1 Singer's conduct of the Placing;
- 37 it has knowledge and experience in financial, business and international investment matters as is required to evaluate the merits and risks of subscribing for the Placing Shares. It further acknowledges that it is experienced in investing in securities of this nature and is aware that it may be required to bear, and is able to bear, the economic risk of, and is able to sustain, a complete loss in connection with the Placing. It has relied upon its own examination and due diligence of the Company and its affiliates taken as a whole, and the terms of the Placing, including the merits and risks involved;
- 38 it irrevocably appoints any duly authorised officer of N+1 Singer as its agent for the purpose of executing and delivering to the Company and/or its registrars any documents on its behalf necessary to enable it to be registered as the holder of any of the Placing Shares for which it agrees to subscribe or purchase upon the terms of this Announcement;
- 39 the Company, N+1 Singer and others (including each of their respective affiliates, agents, directors, officers or employees) will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements, which are given to N+1 Singer, on their own behalf and on behalf of the Company and are irrevocable;
- 40 if it is acquiring the Placing Shares as a fiduciary or agent for one or more investor accounts, it has full power and authority to make, and does make, the foregoing representations, warranties, acknowledgements, agreements and undertakings on behalf of each such accounts;
- 41 time is of the essence as regards its obligations under this Appendix;
- 42 any document that is to be sent to it in connection with the Placing will be sent at its risk and may be sent to it at any address provided by it to N+1 Singer;
- 43 the Placing Shares will be issued subject to the terms and conditions of this Appendix; and
- 44 these terms and conditions in this Appendix and all documents into which this Appendix is incorporated by reference or otherwise validly forms a part and/or any agreements entered into pursuant to these terms and conditions and all agreements to acquire shares pursuant to the Placing will be governed by and construed in accordance with English law and it submits to the exclusive jurisdiction of the English courts in relation to any claim, dispute or matter arising out of any such contract, except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest

chargeable thereon) may be taken by the Company or N+1 Singer in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange.

By participating in the Placing, each Placee (and any person acting on such Placee's behalf) agrees to indemnify and hold the Company, N+1 Singer and each of their respective affiliates, agents, directors, officers and employees harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings given by the Placee (and any person acting on such Placee's behalf) in this Appendix or incurred by N+1 Singer, the Company or each of their respective affiliates, agents, directors, officers or employees arising from the performance of the Placee's obligations as set out in this Announcement, and further agrees that the provisions of this Appendix shall survive after the completion of the Placing.

The agreement to allot and issue Placing Shares to Placees (or the persons for whom Placees are contracting as agent) free of stamp duty and stamp duty reserve tax in the United Kingdom relates only to their allotment and issue to Placees, or such persons as they nominate as their agents, direct by the Company. Such agreement assumes that the Placing Shares are not being acquired in connection with arrangements to issue depositary receipts or to transfer the Placing Shares into a clearance service. If there are any such arrangements, or the settlement related to any other dealings in the Placing Shares, stamp duty or stamp duty reserve tax may be payable. In that event, the Placee agrees that it shall be responsible for such stamp duty or stamp duty reserve tax and neither the Company nor N+1 Singer shall be responsible for such stamp duty or stamp duty reserve tax. If this is the case, each Placee should seek its own advice and they should notify N+1 Singer accordingly. In addition, Placees should note that they will be liable for any capital duty, stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the United Kingdom by them or any other person on the acquisition by them of any Placing Shares or the agreement by them to acquire any Placing Shares and each Placee, or the Placee's nominee, in respect of whom (or in respect of the person for whom it is participating in the Placing as an agent or nominee) the allocation, allotment, issue or delivery of Placing Shares has given rise to such non-United Kingdom stamp, registration, documentary, transfer or similar taxes or duties undertakes to pay such taxes and duties, including any interest and penalties (if applicable), forthwith and to indemnify on an after-tax basis and to hold harmless the Company and N+1 Singer in the event that either the Company and/or N+1 Singer has incurred any such liability to such taxes or duties.

The representations, warranties, acknowledgements and undertakings contained in this Appendix are given to N+1 Singer for itself and on behalf of the Company and are irrevocable and shall not be capable of termination in any circumstances.

Each Placee and any person acting on behalf of the Placee acknowledges that N+1 Singer does not owe any fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings, acknowledgements, agreements or indemnities in the Engagement Letter.

Each Placee and any person acting on behalf of the Placee acknowledges and agrees that N+1 Singer may (at its absolute discretion) satisfy their obligations to procure Placees by itself agreeing to become a Placee in respect of some or all of the Placing Shares or by nominating any connected or associated person to do so.

When a Placee or any person acting on behalf of the Placee is dealing with N+1 Singer, any money held in an account with N+1 Singer on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the relevant rules and regulations of the FCA made under FSMA. Each Placee acknowledges that the money will not be subject to the protections conferred by the client money rules: as a consequence this money will not be segregated from N+1 Singer's money (as applicable) in accordance with the client money rules and will be held by it under a banking relationship and not as trustee.

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

All times and dates in this Announcement may be subject to amendment.

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

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

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

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

DEFINITIONS

In this Appendix to the Announcement and, as the context shall admit, in the Announcement:

"Admission" means the admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules for Companies;

"AIM" means the market of that name operated by the London Stock Exchange;

"AIM Rules" means the Aim Rules for Companies published by the London Stock Exchange from time to time;

"Announcement" means this announcement (including the appendix to this announcement);

"Circular" means the circular to be issued by the Company to the holders of Ordinary Shares containing, inter alia, further details of the Proposals and the Notice of General Meeting;

"Company" means Ten Alps plc, a company incorporated and registered in Scotland with company number SC075133;

"CREST" means the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in those regulations);

"CREST Regulations" means the Uncertificated Securities Regulations 2001 (SI 2001/3755) as amended from time to time;

"Directors" or "Board" the directors of the Company or any duly authorised committee thereof;

"Engagement Letter" means the conditional engagement letter dated 26 October 2016 made between N+1 Singer and the Company in relation to the Placing;

"Enlarged Share Capital" means the issued ordinary share capital of the Company as enlarged by the Placing Shares, the Reef Shares and the Settlement Shares as fully described in the Circular;

"Euroclear" means Euroclear UK & Ireland Limited, the operator of CREST;

"Existing Ordinary Shares" means the 419,397,339 Ordinary Shares in issue at the date of this Announcement, all of which are admitted to trading on AIM and being the entire issued ordinary share capital of the Company;

"FCA" means the UK Financial Conduct Authority;

"Fee Shares" means 3,333,334 New Ordinary Shares to be issued in settlement of fees pursuant to the Proposals;

"Form of Proxy" means the form of proxy for use in connection with the General Meeting which accompanies the Circular;

"FSMA" means the Financial Services and Markets Act 2000 (as amended);

"General Meeting" means the general meeting of the Company to be held at 13th Floor, Portland House, Bressenden Place, London SW1E 5BH at 10 a.m. on 15 November 2016, notice of which will be set out at the end of the Circular;

"Group" means the Company and its subsidiaries as at the date of this Announcement;

"London Stock Exchange" means the London Stock Exchange plc;

"New Ordinary Shares" means new ordinary shares of 0.00025 pence each in the capital of the Company;

"Nominated Adviser" or "N+1 Singer" means Nplus1 Singer Advisory LLP, the Company's nominated adviser and broker;

"Notice of General Meeting" means the notice convening the General Meeting which is set out at the end of the Circular;

"Ordinary Shares" means the ordinary shares of 0.1 pence each in the capital of the Company;

"Placing" means the conditional placing of the Placing Shares by N+1 Singer, as agent on behalf of the Company, pursuant to the Engagement Letter, further details of which are set out in this Announcement;

"Placing Price" means 0.75 pence per Placing Share;

"Placing Resolutions" means those of the Resolutions that relate to the Placing;

"Placing Shares" means 107,711,471 New Ordinary Shares to be issued pursuant to the Placing;

"Proposals" means the Placing together with other related matters as more fully described in this Announcement and the Circular;

"Prospectus Rules" means the prospectus rules made by the FCA pursuant to section 73A of the FSMA;

"Reef" means Reef Television Limited, a wholly-owned subsidiary of the Company;

"Reef Sellers" means Richard Farmbrough, Lucy Farmbrough, Paul Hanrahan and Ben Weston;

"Reef Shares" means the 66,666,667 New Ordinary Shares to be issued to the Reef Sellers as further described in the Circular;

"Resolutions" means the resolutions set out in the Notice of General Meeting;

"Shareholders" means holders of Ordinary Shares;

"Share Options" means options over Ordinary Shares in the capital on the Company;

"Share Reorganisation" means the proposed reorganisation of the Company's share capital whereby each Existing Ordinary Share is subdivided into one New Ordinary Shares and one D Deferred Share pursuant to Resolution 2 as set out in the Notice of General Meeting;

"Share Reorganisation Record Date" means 6 p.m. on 15 November 2016;

"UK" means the United Kingdom of Great Britain and Northern Ireland;

"uncertificated" or "in uncertificated form" means an Ordinary Share recorded on a company's share register 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; and

"VWAP" means volume weighted average price.