THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take you should seek your own personal financial advice from your stockbroker, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your Ordinary Shares please forward this document and the accompanying Form of Proxy at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. If you have sold or otherwise transferred only some of your Ordinary Shares you should retain this document and consult with the stockbroker, bank or other agent through whom the sale or transfer was effected.

The Existing Ordinary Shares are admitted to trading on AIM. Subject to the Resolutions being passed at the General Meeting, application will be made to London Stock Exchange for the New Shares to be admitted to trading on AIM. It is expected that Admission to AIM will become effective and dealings in the New Shares will commence at 8:00 a.m. on 8 December 2015.

IXICO plc

(Incorporated and registered in England and Wales with registered number 3131723)

PROPOSED PLACING OF 8,852,459 ORDINARY SHARES AT 30.5 PENCE PER SHARE

PROPOSED BROKER OPTION OF UP TO 327,868 ORDINARY SHARES AT 30.5 PENCE PER SHARE

PROPOSED ACQUISITION OF OPTIMAL MEDICINE LIMITED

WAIVER OF RULE 9 OF THE CITY CODE

PROPOSED SHARE RESTRUCTURING

NOTICE OF GENERAL MEETING

Peel Hunt LLP
Nominated Adviser and Broker

Peel Hunt, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority and is a member of the London Stock Exchange, is acting exclusively for the Company in connection with the Placing and the Broker Option and will not be offering advice and will not otherwise be responsible for providing customer protections to recipients of this Document or any other person in respect of the Placing and the Broker Option or any acquisition of shares in the Company. No representation or warranty, express or implied, is made by Peel Hunt as to any of the contents of this Document for which the Directors and the Company are responsible (without limiting the statutory rights of any person to whom this Circular is issued). Peel Hunt has not authorised the contents of, or any part of, this Document, and no liability whatsoever is accepted by Peel Hunt for the accuracy of information or opinions contained in this Circular or for the omission of any material information. Peel Hunt accordingly disclaims all and any liability, whether arising in tort, contract or otherwise, which it might otherwise be found to have in respect of this document.

This document does not constitute or form part of any offer or instruction to purchase, subscribe for or sell any shares or other securities in the Company nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract therefor.

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 15 to 27 of this document and in which the Directors recommend that Shareholders vote in favour of the Resolutions (save the Whitewash Resolution) and the Independent Directors recommend that you vote in favour of the Whitewash Resolution. Whether or not you intend to attend the General Meeting, you are encouraged to complete and return the enclosed Form of Proxy in accordance with the instructions printed on the form.

This document should be read in conjunction with the Notice of General Meeting and enclosed Form of Proxy. Notice of a General Meeting to be held at the offices of FTI Consulting, 200 Aldersgate Street,

London, EC1A 4HD at 9:30 am on 7 December 2015 is set out on pages 63 to 66 of this document. To be valid, the Form of Proxy for use at the General Meeting which accompanies this document should be returned, together with the power of attorney or other authority (if any) under which the Form of Proxy is signed or a certified copy of such power or authority, to Equiniti Limited at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA by hand or by post so as to be received not less than 48 hours before the time fixed for the holding of the meeting or any adjournment thereof (as the case may be), being 9:30 am on 3 December 2015. Completion and return of the Form of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting should they wish to do so.

Application will be made for the New Shares to be admitted to trading on AIM. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

The issue of the New Shares is conditional, *inter alia*, on Admission taking place on or before 8 December 2015 (or such later date as the Company and Peel Hunt may agree). The New Shares will, on Admission, rank in full for all dividends or other distributions thereafter declared, made or paid on the Ordinary Share capital of the Company and will rank *pari passu* in all other respects with the Existing Ordinary Shares.

This document does not constitute a prospectus. Copies of this document will be available for collection, free of charge, for a period of one month from the date of this document, at the Company's registered office during normal business hours (Saturdays, Sundays and public holidays excepted) and at the Company's website, www.ixico.com.

The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document and/or the accompanying Form of Proxy comes should inform themselves about and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities law of any such jurisdiction. In particular, this document should not be distributed, forwarded to or transmitted in or into the United States, Canada, Japan, the Republic of South Africa, New Zealand or Australia.

None of the New Shares to be admitted, as described in this document, have been registered under the securities laws of any other territory other than those pertaining to the United Kingdom.

This Circular may not be published, distributed or transmitted by any means or media, directly or indirectly, in whole or in part, in or into the United States. This Circular does not constitute an offer to sell, or a solicitation of an offer to buy, the Placing Shares and the Broker Option Shares or any securities in the United States, any other Restricted Jurisdiction, or in any jurisdiction in which such offer or solicitation is unlawful. The Placing Shares and the Broker Option Shares are being offered or sold only outside of the United States pursuant to Regulation S of the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered, sold, resold, transferred or delivered, directly or indirectly, within the United States or any jurisdiction of the United States or for the benefit or account of US Persons (as defined in Regulation S of the Securities Act) except pursuant to an available exemption from, or in a transaction not subject to, the registration requirements under the Securities Act and in compliance with the securities laws of any Restricted Jurisdiction or any relevant state or other jurisdiction of the United States. The Placing Shares and the Broker Option Shares mentioned herein have not been, and will not be, registered under the Securities Act, or registered or qualified under the applicable securities laws of any state or other jurisdiction of the United States or qualified for distribution under any applicable securities laws in any other Restricted Jurisdiction. The Placing Shares and the Broker Option Shares will not be offered to the public in the United States and will be offered and sold only outside the United States to non-US Persons in "offshore transactions" in accordance with and in reliance on the exemption from registration provided by Regulation S of the Securities Act.

None of the Placing Shares nor the Broker Option Shares, the Form of Proxy or this Circular nor any other document connected with the Placing and the Broker Option have been or will be approved or disapproved by the United States Securities and Exchange Commission or by the securities commissions of any state or other jurisdiction of the United States or any other regulatory authority, nor have any of the foregoing authorities or any securities commission passed upon or endorsed the merits of the offering of the Placing Shares and the Broker Option Shares, the Form of Proxy or the accuracy or adequacy of this Document or any other document connected with the

Placing and the Broker Option. Any representation to the contrary is a criminal offence. In addition, offers, sales or transfers of the Placing Shares or the Broker Option Shares in or into the United States for a period of time following completion of the Placing and the Broker Option by a person (whether or not participating in the Placing) may violate the registration requirements of the Securities Act.

Cautionary note regarding forward-looking statements: this Circular contains statements about IXICO that are or may be ''forward-looking statements''. All statements, other than statements of historical facts, included in this Circular may be forward-looking statements. Without limitation, any statements preceded or followed by, or that include, the words ''targets'', ''plans'', ''believes'', ''expects'', ''aims'', ''intends'', ''will'', ''may'', ''should'', ''anticipates'', ''estimates'', ''projects'', ''would'', ''could'', ''continue'' or words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements include statements relating to the following: management's strategic vision, aims and objectives; the conduct of clinical trials; the filing dates for product licence application; the Company's ability to find partners for the development and commercialisation of its products; the effect of competition; trends in results of operations; margins; the overall pharmaceutical market; and exchange rates. These forward-looking statements are not guarantees of future performance and have not been reviewed by the auditors of IXICO. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of any such person, or industry results, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. Investors should not place undue reliance on such forward-looking statements and, save as is required by law or regulation (including to meet the requirements of the AIM Rules, the Disclosure and Transparency Rules and/or the Prospectus Rules), IXICO does not undertake any obligation to update publicly or revise any forward-looking statements (including to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based). All subsequent oral or written forward-looking statements attributed to IXICO or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements contained in this Circular are based on information available to the Directors of IXICO at the date of this Document, unless some other time is specified in relation to them, and the posting or receipt of this Document shall not give rise to any implication that there has been no change in the facts set forth herein since such date.

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KEY STATISTICS

Placing Price	30.5p
Consideration Share Price	49p
Number of Existing Ordinary Shares	15,215,664
Number of Placing Shares to be issued pursuant to the Placing	8,852,459
Maximum number of Broker Option Shares to be issued pursuant to the Broker Option*	327,868
Number of Completion Consideration Shares to be issued pursuant to the Acquisition	2,357,463
Total number of new Ordinary Shares to be issued pursuant to the Placing, the Broker Option and the Acquisition***	12,241,551
Enlarged Issued Ordinary Share Capital at Admission**	26,753,454
Number of Placing Shares as a percentage of the Enlarged Issued Ordinary Share Capital	33.1%
Number of Completion Consideration Shares as a percentage of the Enlarged Issued Ordinary Share Capital	8.8%
Number of Broker Option Shares as a percentage of the Enlarged Issued Ordinary Share Capital**	1.2%
Gross Proceeds of the Placing	£2.7 million
Estimated Net Proceeds of the Placing	£2.45 million
Maximum number of Deferred Consideration Shares expected to be issued by no later than 4 January 2017	590,093
Fully Diluted Share Capital***	27,457,215

* assuming full exercise of the Broker Option

** assuming full exercise of the Broker Option and issue of the Completion Consideration Shares

*** assuming full exercise of the Broker Option and issue of all of the Deferred Consideration Shares and all of the Optimal Medicine Option Shares but excluding the Share Option Pool

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of the Proposals and posting of Circular and Form of Proxy	18 November 2015
Latest time and date for receipt of Forms of Proxy for the General Meeting	9.30 a.m. on 3 December 2015
General Meeting	9.30 a.m. on 7 December 2015
Record Date for the Share Restructuring	6.00 p.m. on 7 December 2015
Admission of and commencement of dealings in the New Shares on AIM	8 December 2015
Expected completion date of the Acquisition	8 December 2015
Expected date for CREST accounts to be credited with New Shares to be issued in uncertificated form	8 December 2015
Expected date for dispatch of definitive share certificates in respect of New Shares to be issued in certificated form	22 December 2015
Expected date of issue of Deferred Consideration Shares	4 January 2017

Each of the times and dates in the above timetable is subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders by announcement on a Regulatory Information Service. References to time in this document are to London time.

If you have any questions relating to the completion and return of your Forms of Proxy, please contact Equiniti Limited on 0371 384 2050 or +44 121 415 0259 (if calling from outside the UK). Lines are open from between 8.30 a.m. to 5.30 p.m. (UK time) Monday to Friday (excluding English and Welsh public holidays). Calls to the helpline from outside the UK will be charged at the applicable international rate. Please note that calls may be recorded and randomly monitored for security and training purposes. Please note that Equiniti Limited cannot provide advice on the merits of the Proposals nor give financial, tax, investment or legal advice.

DIRECTORS, SECRETARY AND ADVISERS

Directors	Maina Bhaman, Non-Executive Director John Bradshaw, Non-Executive Director Derek Hill, Chief Executive Officer Susan Lowther, Chief Financial Officer Andrew Richards CBE, Non-Executive Chairman Timothy Sharpington, Non-Executive Director Charles Spicer, VP Corporate Development
Proposed Director	David Brister, Non-Executive Director and Deputy Chairman
Registered Office	c/o 4th Floor, Griffin Court 15 Long Lane London EC1A 9PN
Company Secretary	Jane Whitrow
Nominated Adviser and Broker	Peel Hunt LLP Moor House 120 London Wall London EC2Y 5ET
Auditors	Grant Thornton UK LLP 101 Cambridge Science Park Milton Road Cambridge CB4 0FY
Solicitors to the Company	Bristows LLP 100 Victoria Embankment London EC4Y 0DH
Solicitors to the Nominated Adviser and Broker	Covington and Burling LLP 265 Strand London WC2R 1BH
Registrar	Equiniti Registrars Limited Aspect House Spencer Road Lancing West Sussex BN99 6DA

"**Acquisition**"	the proposed acquisition of the entire issued share capital of Optimal Medicine to be effected pursuant to the Acquisition Agreement
"**Acquisition Agreement**"	the agreement dated 18 November 2015 between the Optimal Medicine Vendors and the Company under which the Company has conditionally agreed to acquire the entire issued and to be issued share capital of Optimal Medicine. Details of which are set out in Part 3 of this Circular
"**Act**"	the Companies Act 2006 (as amended)
"**Admission**"	the admission of the New Shares to trading on AIM becoming effective in accordance with the AIM Rules
"**AIM**"	AIM, a market operated by the London Stock Exchange
"**AIM Rules**"	the rules and guidance notes for AIM companies and their nominated advisers issued by the London Stock Exchange from time to time relating to AIM traded securities and the operation of AIM
"**Articles**"	the articles of association of the Company adopted on 30 March 2010
"**Broker Option**"	the option granted by the Company to Peel Hunt to procure the subscription of the Broker Option Shares, pursuant to the terms of the Placing Agreement
"**Broker Option Shares**"	the up to 327,868 Ordinary Shares to be subscribed for by existing and other investors at the Placing Price, pursuant to the Broker Option and the terms of the Placing Agreement
"**Circular**" or "**this Document**"	this circular issued by the Company dated 18 November 2015, of which the Notice of General Meeting forms part
"**City Code**"	the City Code on Takeovers and Mergers
"**Company**" or "**IXICO**"	IXICO plc, a company incorporated in England and Wales with registered number 03131723 and having its registered office at c/o 4th Floor, 15 Long Lane, London EC1A 9PN
"**Completion Consideration Shares**"	the 2,357,463 Ordinary Shares to be issued to the Optimal Medicine Vendors at the Consideration Share Price upon Admission, pursuant to and subject to the terms of the Acquisition Agreement
"**Concert Party**"	together, IAML, the Invesco Funds, IP2IPO, IPG, NETF, Theragenetics, Mark Warne and Imperial Innovations
"**Consideration Shares**"	the Completion Consideration Shares, the Deferred Consideration Shares and the Optimal Medicine Option Shares
"**Consideration Share Price**"	the price of 49 pence per Ordinary Share at which the Consideration Shares are to be issued to the Optimal Medicine Vendors
"**CREST**"	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear which facilitates the transfer of title to shares in uncertificated form
"**CREST Regulations**"	the Uncertificated Securities Regulations 2001 (SI 2001/3755) including any variation thereof
"**Deferred Consideration Shares**"	the up to 590,093 new Ordinary Shares expected to be issued no later than 4 January 2017 pursuant to the terms of the Acquisition Agreement

"**Deferred Release Date**"	the business day following 31 December 2016 or such later date as may be permitted under the Acquisition Agreement
"**Deferred Shares**"	the deferred shares of 49 pence each in the share capital of the Company, following the implementation of the Share Restructuring and the passing of the Resolutions at the General Meeting, the rights of which are set out in this document
"**Derek Hill and his Associates**"	together, Professor Derek Hill, Adrian Hill, Andrew McLeish and Kate McLeish
"**Directors**" or "**Board**"	the directors of the Company whose names are set out on page 7 of this document
"**Enlarged Group**"	the Group following completion of the Acquisition
"**Enlarged Issued Ordinary Share Capital**"	the 26,753,454 Ordinary Shares in issue immediately following Admission, comprising the current issued share capital as at the date of this Document and the New Shares, assuming full take up under the Broker Option
"**Euroclear**"	Euroclear UK & Ireland Limited
"**Existing Ordinary Shares**"	the 15,215,664 ordinary shares of 50 pence each in issue at the date of this document
"**FCA**"	means the Financial Conduct Authority
"**Form of Proxy**"	the form of proxy for use in connection with the General Meeting which accompanies this document
"**Founders**" or "**Founder Concert Party**"	together, Derek Hill and Associates, Joseph Hajnal and Associates, Professor David Hawkes, Professor Daniel Rueckert and Thomas Hartkens
"**Fully Diluted Share Capital**"	the 27,457,215 Ordinary Shares in issue following admission of the Deferred Consideration Shares and assuming the issue of all Optimal Medicine Option Shares, comprising the Enlarged Issued Ordinary Share Capital, the Deferred Consideration Shares and the Optimal Medicine Option Shares but excluding the Share Option Pool
"**Fundraising**"	the Placing and Broker Option
"**General Meeting**"	the general meeting of the Company to be held at 9.30 a.m. on 7 December 2015 at the offices of FTI Consulting, 200 Aldersgate Street, London, EC1A 4HD or any adjournment thereof, notice of which is set out in Part 7 of this document
"**the Group**" or "**IXICO Group**"	the Company and its subsidiaries
"**IAML**"	Invesco Asset Management Limited, a company incorporated in England and Wales with registered number 00949417 and having its registered office at Perpetual Park, Perpetual Park Drive, Henley on Thames, Oxfordshire RG9 1HH, a wholly owned subsidiary of Invesco Limited, acting as agent for and on behalf of its discretionary managed clients
"**Imperial Innovations**"	Imperial Innovations Group plc, a company incorporated in England and Wales with registered number 05796766 and having its registered office at 52 Princes Gate, Exhibition Road, London SW7 2PG and its subsidiaries
"**Independent Directors**"	all of the Directors excluding Maina Bhaman
"**Independent Shareholders**"	those Shareholders who are independent of the Concert Party
"**Invesco Funds**"	the discretionary managed clients of IAML who own 3,536,370 Ordinary Shares, as at the date of this Document

"**IP2IPO**"	IP2IPO Limited, a company incorporated in England and Wales with registered number 04072979 and having its registered office at 24 Cornhill, London EC3V 3ND, a wholly owned subsidiary of IPG
"**IPG**"	IP Group plc, a company incorporated in England and Wales with registered number 04204490 and having its registered office at 24 Cornhill, London EC3V 3ND
"**IPG Optimal Medicine Shareholders**"	together, IP2IPO, NETF, Mark Warne and Theragenetics
"**IP Group**"	together, IPG, IP2IPO, NETF and their subsidiary undertakings
"**IXICO Technologies**"	IXICO Technologies Limited, a company incorporated in England and Wales with registered number 05313505 and having its registered office at 4th Floor, Griffin Court, 15 Long Lane, London, EC1A 9PN
"**Joseph Hajnal and his Associates**"	together, Professor Joseph Hajnal, Paula Hajnal-Konyi, Saki Hajnal, Elizabeth Corob, and Charterhouse Square Finance Company Ltd
"**London Stock Exchange**"	London Stock Exchange plc
"**NETF**"	The North East Technology Fund L.P., a limited partnership incorporated in England and Wales with registered number LP013737 and having its registered office at 24 Cornhill, London, EC3V 3ND, acting by its general partner North East Technology (GP) Limited, a company registered in England and Wales with registered number 06628835, being a fund managed by Top Technology Ventures Limited, a company registered in England and Wales with registered number 01977742 and having its registered office at 24 Cornhill, London, EC3V 3ND (a subsidiary of IPG)
"**New Articles of Association**"	the new articles of association proposed to be adopted following approval of the Shareholders in the General Meeting pursuant to Resolution 6 set out in the Notice of General Meeting
"**New Shares**"	the Placing Shares, the Broker Option Shares and the Completion Consideration Shares
"**Notice of General Meeting**"	the notice convening the General Meeting which is set out in Part 7 of this document
"**Official List**"	the official list maintained by the U.K. Listing Authority
"**Ordinary Shares**"	redenominated ordinary shares of 1 pence each in the capital of the Company immediately following the implementation of the Share Restructuring
"**Optimal Medicine**"	Optimal Medicine Limited, incorporated in England and Wales with registered number 07004137 and having its registered office at Campus North Sunco House, 5 Carliol Square, Newcastle Upon Tyne, Tyne and Wear NE1 6UF
"**Optimal Medicine Group**"	together, Optimal Medicine, Optimal Medicine SARL and Optimal Medicine Inc
"**Optimal Medicine Optionholders**"	together Dr Janet Christine Munro, Dr David John Brister, Kenneth Tubman, Lisa Weldon and Brad Allen
"**Optimal Medicine Options**"	the options over 3,008 ordinary shares in the share capital of Optimal Medicine held by the Optimal Medicine Optionholders before deductions in lieu of tax
"**Optimal Medicine Option Shares**"	the up to 113,668 Ordinary Shares to be issued pursuant to acquisitions by IXICO in accordance with the Put and Call Option Letters following the exercise of the Optimal Medicine Options
"**Optimal Medicine Vendors**"	together, the IPG Optimal Medicine Shareholders and the other Optimal Medicine Shareholders

"**Other Optimal Medicine Shareholders**"	together, Dr Janet Christine Munro, Dr Robert Nicholas McBurney and Mr David John Brister
"**Panel**" or "**Takeover Panel**"	the Panel on Takeovers and Mergers
"**Peel Hunt**"	Peel Hunt LLP, the Company's Nominated Adviser and Broker
"**Placees**"	subscribers for the Placing Shares and the Broker Option Shares pursuant to the Placing Agreement and the terms and conditions of the Placing and the Broker Option
"**Placing Agreement**"	the conditional agreement dated 18 November 2015 made between (1) the Company and (2) Peel Hunt relating to the Placing and the Broker Option, details of which are set out in paragraph 2 of Part 2 of this document
"**Placing Price**"	30.5 pence per Ordinary Share
"**Placing**"	the conditional placing of the Placing Shares at the Placing Price pursuant to the Placing Agreement
"**Placing Shares**"	the 8,852,459 Ordinary Shares to be issued pursuant to the Placing subject to the passing of Resolutions
"**Proposals**"	the Company's proposal to enter into the Placing, the Broker Option, the Share Restructuring, and the Acquisition
"**Prospectus Rules**"	the Prospectus Rules made in accordance with EU Prospectus Directive 2003/7l/EC
"**Put and Call Option Letters**"	the put and call option letters between each of the Optimal Medicine Optionholders, IXICO Technologies and IXICO pursuant to which IXICO Technologies may acquire up to 3,008 ordinary shares in the share capital of Optimal Medicine following the exercise of the Optimal Medicine Options in consideration for the issue of Optimal Medicine Option Shares
"**R&D**"	research and development
"**Resolutions**"	the resolutions to be proposed at the General Meeting, details of which are set out in the Notice of General Meeting
"**Restricted Jurisdiction**"	the United States, Australia, Canada, Japan, New Zealand and the Republic of South Africa
"**Reverse Takeover**"	the completion of the acquisition of IXICO Technologies by the Company on 14 October 2013 and the subsequent admission of the Group's then enlarged share capital to AIM
"**Rule 9 Offer**"	a general offer for the shares of the Company in accordance with Rule 9 of the City Code
"**Rule 9 Waiver**"	the waiver agreed by the Panel and to be approved by the Independent Shareholders of the obligation that would otherwise fall upon the Concert Party pursuant to Rule 9 of the City Code to make a Rule 9 Offer as a result of the Proposals being implemented
"**Securities Act**"	the US Securities Act of 1933, as amended
"**Shareholders**"	the persons who are registered as holders of Ordinary Shares
"**Share Option Pool**"	the share option pool of the Company described further in paragraph 17 of Part 1
"**Share Restructuring**"	the sub-division and redenomination of each Existing Ordinary Share into 1 Ordinary Share and 49 Deferred Shares in accordance with the terms of, and subject to the passing of, the Resolutions
"**Technikos**"	Technikos LLP, a limited liability partnership registered in England and Wales with number OC319725
"**Theragenetics**"	Theragenetics Limited, a company incorporated in England and Wales with registered number 05740995 and having its registered office at Unit 651G, Street 5 Thorp Arch Estate, Wetherby, West

	Yorkshire LS23 7FZ, a wholly owned subsidiary of Avacta Group plc (a company in which IP2IPO holds over 20% of the share capital)
"**United States**" or "**US**"	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
"**Whitewash Resolution**"	an ordinary resolution to approve the Rule 9 Waiver, which must be passed on a poll at a general meeting by the Independent Shareholders
"**2013 Admission Document**"	means the admission document in respect of the Company published on 20 September 2013

All references to "pounds", "pounds sterling", "sterling", "£", "pence" and "p" are to the lawful currency of the UK.

GLOSSARY OF SCIENTIFIC TERMS

ADHD	attention deficit hyperactivity disorder, a group of behavioural symptoms that include inattentiveness, hyperactivity and impulsiveness
Alzheimer's disease or AD	a condition resulting from specific degenerative changes in the brain and associated with build-up of abnormal protein deposits (amyloid and tau) in the brain. Symptoms can include loss of memory, confusion, disorientation, impaired concentration, restlessness and anxiety. AD is the most common cause of dementia in the elderly
amyloid	a protein which forms deposits in the brain, which is associated with the development of AD, and which is the target of many experimental treatments for AD
behavioural health	the scientific study of the emotions, behaviours and biology relating to a person's mental well-being, their ability to function in everyday life and their concept of self
biomarker	a measurable substance in an organism whose presence is indicative of some phenomenon such as disease, infection, or environmental exposure
CNS	central nervous system
CRO	contract research organisation
data analytics	the science of examining raw data for the purpose of drawing conclusions about that information
dementia	a chronic or persistent disorder of the mental processes caused by brain disease or injury and marked by loss of cognitive ability and difficulty in activities of daily living. Alzheimers disease is the most common cause of dementia in older people, and vascular disease the second most common cause in this group
Digital Healthcare	the application of advanced information and communication technologies to help address healthcare challenges
Digital Healthcare Companion Product	a Digital Healthcare product that is linked to a treatment (drug or non-drug) and aims to improve the benefit to the patient of that treatment e.g. by improving adherence, improving patient engagement and/or changing patient behaviour
EMA	European Medicines Agency (formerly EMEA), an EU agency, located in London, that is responsible for the scientific evaluation of medicines developed by pharmaceutical companies for use in the EU, and which also has responsibility for biomarker qualification
Experimental treatment	a drug that has not yet been approved by a regulator for marketing, but is being tested on patients in a clinical trial of phase 0 – III
FDA	the US Food and Drug Administration responsible for overseeing the approval process for a new drug or device to be marketed
Huntington's disease	an inherited adult-onset disease of the central nervous system characterised by dementia and bizarre involuntary movements which is progressive and for which there is currently no known cure
MRI	magnetic resonance imaging, a scanning technique involving the use of magnetic fields rather than X-rays, that can provide detailed three dimensional images of the anatomy, pathology and function of the body including the brain
Neurodegenerative disease	an umbrella term for a range of conditions that primarily affect the neurons in the human brain including Parkinson's, AD and Huntington's disease. These diseases are incurable and

	debilitating conditions that result in progressive degeneration and/or death of nerve cells
Parkinson's disease	an abnormal condition of the nervous system caused by degeneration of a particular area of the brain that results in rigidity of the muscles, slow body movement and tremor
Phase 0	investigational drugs are given to a small number of subjects to gather preliminary data on pharmacodynamics (what the drug does to the body) and pharmacokinetics (what the body does to drugs)
Phase I	testing an investigational drug in human subjects that test a compound for safety, tolerance and pharmacokinetics
Phase II	pilot clinical studies to assess safety and provide early evidence of target engagement or efficacy in selected populations of patients with the disease or condition to be treated, diagnosed or prevented
Phase III	a large trial of an experimental treatment, at dose and for the indication to be marketed, in order to provide the data to support a submission to regulators for approval of the drug to be marketed
PML	progressive multifocal leukoencephalopathy which is a rare and usually fatal viral disease characterised by progressive damage (-pathy) or inflammation of the white matter (leuko-) of the brain (-encephalo-) at multiple locations (multifocal)
Real world data	data that are collected outside the controlled constraints of conventional randomised clinical trials to evaluate what is happening in normal clinical practice
Stratification	making measurements from patients to identify which are most likely to benefit from a particular treatment
Target	a drug target is a key molecule that is specific to a disease condition or pathology, and which a drug is designed to act upon

PART 1

LETTER FROM THE CHAIRMAN

IXICO plc

(Registered in England and Wales with company number 3131723)

Directors:
Andrew Richards CBE, Non-Executive Chairman
Derek Hill, Chief Executive Officer
Susan Lowther, Chief Financial Officer
Charles Spicer, VP Corporate Development
Timothy Sharpington, Non-Executive Director
John Bradshaw, Non-Executive Director
Maina Bhaman, Non-Executive Director

Registered Office:
c/o 4th Floor, Griffin Court
15 Long Lane
London
England
EC1A 9PN

18 November 2015

Dear Shareholder

Proposed Acquisition, Placing, Broker Option, Rule 9 Waiver, Share Restructuring
and
Notice of General Meeting

1. Introduction

On 18 November 2015, IXICO entered into an Acquisition Agreement to conditionally acquire the entire issued share capital of Optimal Medicine in consideration for the issue of £1.5 million in Completion Consideration Shares and Deferred Consideration Shares at a price of 49 pence per share (a 53.1 per cent. premium to the closing mid-market price of 32 pence on 17 November 2015, being the last dealing day prior to announcement of the Proposals). Optimal Medicine shall be a wholly owned subsidiary of IXICO's wholly owned subsidiary, IXICO Technologies. IXICO has also entered into the Put and Call Option Letters to acquire the shares issued by Optimal Medicine following any future exercise of the Optimal Medicine Options in consideration for the issue of the Optimal Medicine Option Shares at a price of 49 pence per share. Optimal Medicine specialises in Digital Healthcare products for clinical decision support in brain disorders and has a newly recruited US-based sales team and early post-launch revenues in the US.

The Company is also proposing to raise approximately £2.7 million, before expenses, by way of a conditional placing of 8,852,459 Placing Shares at the Placing Price with investors. The net proceeds of the Placing will be used for growth capital for the Enlarged Group post Admission.

The Placing is conditional upon, *inter alia*:

- the passing of the Resolutions at the General Meeting;
- the Acquisition Agreement becoming unconditional save as to admission of the Completion Consideration Shares;
- the Placing Agreement entered into between the Company and Peel Hunt becoming unconditional in all relevant respects and not having been terminated in accordance with its terms prior to Admission; and
- Admission becoming effective by no later than 8.00 a.m. on 8 December 2015 or such other date (being not later than 8.00 a.m. on 21 December 2015) as the Company and Peel Hunt may agree.

The Company has also granted to Peel Hunt the Broker Option to raise up to a further £100,000 through the issue of up to 327,868 Broker Option Shares at the Placing Price in order to allow existing and other investors to participate in the Fundraising.

The Broker Option may be exercised by Peel Hunt between 8.00 a.m. on 18 November 2015 and 7.00 p.m. on 4 December 2015 and, if exercised, shall require the Company to issue up to a further 327,868 Broker Option Shares in addition to the Placing Shares. The exercise of the Broker Option shall be at the discretion of Peel Hunt (with the agreement of the Company) and Peel Hunt is under no obligation to exercise the Broker Option.

The New Shares (assuming all of the Broker Option Shares are issued), will, when issued, represent approximately 43.1 per cent. of the Company's Enlarged Issued Ordinary Share Capital, and approximately 42.0 per cent. of the Company's Fully Diluted Share Capital.

The Invesco Funds, Imperial Innovations and IP2IPO all intend to participate in the Placing. The Invesco Funds intend to increase their shareholding from 23.2 per cent. of the Enlarged Issued Ordinary Share Capital to 23.5 per cent. assuming no take-up under the Broker Option. Imperial Innovations and IP2IPO intend to increase their shareholdings in the Enlarged Issued Ordinary Share Capital from 11.4 per cent. and 0.1 per cent. respectively to 13.7 per cent. and 20.3 per cent. respectively assuming no take-up under the Broker Option.

Under the City Code a company and its associated companies are presumed to be acting in concert. For this purpose, ownership or control of 20 per cent. or more of the equity share capital of a company is regarded as the test of associated company status.

Since funds managed by IAML on a discretionary basis are interested in 41.81 per cent. of Imperial Innovations' equity share capital and 25.37 per cent. of IPG's share capital, Imperial Innovations and IPG are, by operation of the presumption contained in the City Code, presumed to be acting in concert with IAML and the Invesco Funds. Due to the relationship between IPG, IP2IPO, NETF, Theragenetics and Mark Warne, these persons are also deemed to be members of the Concert Party. The Concert Party therefore comprises IAML, Imperial Innovations, IPG and IP2IPO, NETF, Theragenetics and Mark Warne.

Each of IAML, Imperial Innovations and IPG pursues its own independent investment objectives and makes its own investment and divestment decisions in a manner which it considers best suits its own (and its shareholders'), or, in the case of IAML, its managed clients', interests and objectives. Consequently, each of IAML, Imperial Innovations and IPG reserves the right to seek to rebut the presumption if it deems it appropriate to do so.

Further information on the Concert Party can be found in Part 4 of this document.

Following completion of the proposed Placing and Acquisition, and assuming no take-up under the Broker Option at Admission, the Concert Party would own, in aggregate, 15,905,912 Ordinary Shares, or 60.2 per cent. of the Enlarged Issued Ordinary Share Capital and, following the issue of the Deferred Consideration Shares and the Optimal Medicine Option Shares, the Concert Party's interest in the capital of the Company would be 16,419,846 Ordinary Shares or 60.5 per cent. of the Company's Fully Diluted Share Capital. In the absence of a waiver from the provisions of Rule 9 of the City Code being granted by the Panel, the Concert Party would be obliged to make a general offer for the Company. The Panel has agreed, subject to Resolution 2 being passed on a poll of Independent Shareholders, to waive this obligation.

Further details on the Fundraising and the Acquisition can be found in Part 2 and Part 3 respectively of this document.

The purpose of this document is to explain the background to and reasons for the Fundraising and the Acquisition, to explain why the Board considers the Fundraising and the Acquisition to be in the best interests of the Company and its Shareholders and why the Directors unanimously recommend that you vote in favour of the Resolutions (with the exception of the Whitewash Resolution) to be proposed at the General Meeting, as they and their immediate families and connected persons (within the meaning of section 252 of the Act) intend to do in respect of their aggregate holdings of 2,334,857 Ordinary Shares representing approximately 15.3 per cent. of the Existing Ordinary Shares of the Company, notice of which is set out at the end of this document. The Independent Directors unanimously recommend that you vote in favour of the Whitewash Resolution at the General Meeting, as they and their immediate families and connected persons (within the meaning of section 252 of the Act) intend to do in respect of their aggregate holdings of 620,114 Ordinary Shares representing approximately 4.1 per cent. of the Existing Ordinary Shares of the Company, notice of which is set out at the end of this document.

2. Background to and reasons for the Placing and Acquisition

IXICO's mission is to be a leader in digital healthcare for Brain Health delivering products and high added value data solutions to key stakeholders in pharmaceutical companies, healthcare providers (clinicians and hospitals) and payers.

IXICO develops and provides innovative technologies to improve research, diagnosis and management of serious diseases of the brain, with an initial focus on dementia, a disease with an estimated 36 million sufferers worldwide at an estimated $600 billion cost to society.

IXICO has established commercial success with the pharmaceutical industry in its clinical trial services business, which was structurally profitable prior to the investment of growth capital raised at the time of the Company's admission to trading on AIM in 2013. Since admission in 2013, IXICO has (i) strengthened its management capacity (ii) entered into a commercial and operational alliance with US-based VirtualScopics, Inc. (NASDAQ: VSCP) (iii) secured significant grant funding to support product development and build collaborations and (iv) further developed its new products, Assessa® and MyBrainBook®.

The Group has been contracted by nine of the leading global pharmaceutical companies since being founded in 2004 and has averaged 12.5% revenue CAGR from 2011 to 2014. IXICO has historically generated its revenues from its clinical trial services business, which is underpinned by the TrialTracker™ proprietary and regulatory compliant image data and query management products. Revenues are generated through the sale of data management, project management, site management, and image analysis related services. The Directors believe that IXICO's capabilities in clinical trial services have recently been enhanced by entering into a commercial and operational alliance with VirtualScopics, Inc. This agreement enables the Group, through that alliance, to provide the clinical trials industry with global operational capabilities and a comprehensive range of therapeutic area and modality expertise. The first award of a joint project to this alliance by a leading pharmaceutical company was announced in December 2014 to provide image analysis services for a Phase II oncology clinical trial. In June 2015, the Company announced the alliance had been awarded two further contracts with leading pharmaceutical companies, one in metastatic solid tumours and one in a rare neurodegenerative disease.

While IXICO's focus has historically been on Alzheimer's disease and other dementias, the Company has more recently been developing its expertise in other neurodegenerative indication areas including Huntington's disease, where the Company has been awarded three contracts since May 2014.

The CNS clinical trial imaging market is a modest market in which IXICO has been described as a major player. IXICO is now leveraging its reputation and pharma relationships in the CNS clinical trial imaging market by moving into the brain health market, which is a major societal challenge with 6.3 per cent. of the US healthcare budget spent on brain health and a $600 billion global cost of dementia. Approximately 25 per cent. of adults in the US have a mental health disorder in a given year. Digital therapies could drive savings of over $300 billion of US healthcare costs with the CNS drug market worth approximately $80 billion and a potential digital therapies market size of $32 billion. Growth in the relevant digital healthcare market segments is expected to have a CAGR of 36 per cent. to 46 per cent. from 2013 to 2020.

The Directors believe that Digital Healthcare is increasingly central to both healthcare providers' aspirations to improve patient outcomes and the pharmaceutical industry's clearly articulated need to 'sell outcomes not pills'. In addition, the Directors believe that the successful aggregation of data to optimise patient outcomes and cost effectiveness offers a potentially valuable business opportunity for the Group. The Directors therefore have concluded that there are opportunities for IXICO to sell its digital technology outside of its core clinical trial services business. Early progress has been demonstrated through the multi-year software licence and support agreement for IXICO's TrialTracker™ product with VirtualScopics, Inc. as announced on 16 December 2014 and the award of a new project in the area of Multiple Sclerosis, potentially using IXICO technology to support an approved drug in the clinic.

Assessa® is IXICO's CE marked class 2a medical device for use on patients with a possible neurological or psychiatric disorder. It can combine imaging, demographic, cognitive and functional information to provide clinical decision support and assist in stratification, differential diagnosis and predict likely disease progression of dementia. Assessa® supports clinical decisions by collating a patient's clinical data, including imaging and cognitive assessment, analysing and

quality checking the data before comparing that data to reference data and generating a patient report. Assessa® has regulatory approval to be sold as a clinical decision support tool in the EU and Canada. Further R&D investment since admission of the Company to trading on AIM in 2013 has resulted in a product that is now being piloted within the NHS. Commercialisation is being explored with both healthcare service providers and pharmaceutical companies. Commercialisation with healthcare service providers is initially focused on the UK with the intention to target other European markets and Canada. The Group's current intention is to initiate commercialisation in the US market following demonstration of initial clinical and commercial progress in these markets, and to seek any required US regulatory approvals.

IXICO is in the early-stage launch of MyBrainBook®, an on-line digital hub that aims to address the care needs of elderly people with cognitive impairment, including those with dementia, by improving the co-ordination of care. MyBrainBook® stores parameters concerning each patient including a personal profile containing likes and dislikes, interests and hobbies, contacts, diary, photographs and music. This is supplemented by clinical, social care and care planning information including personal support and urgent care plans, other clinical information and outcome measurement tools. MyBrainBook® uses a facilitated care model, in which a trained individual (such as a healthcare professional providing post-diagnostic support to a patient) helps set up the relevant information. This can be supplemented by others caring for the patient, including family members, and for early stage disease, the patient themselves.

IXICO has been able to leverage brain health sector credibility and has identified early opportunities to deploy its Digital Healthcare platforms. This includes MyBrainBook® on a pilot basis with NHS healthcare providers, social care commissioners and third sector organisations such as charities commissioned by the NHS to provide post-diagnosis support. The Directors believe this should drive clinical acceptance by proving and improving the products in the clinical setting. The Directors anticipate that MyBrainBook® will generate initial revenue through sales to organisations currently providing care and support to patients with cognitive problems and that other market segments can be accessed through commercial partnerships.

IXICO has experience providing pharmaceutical companies with TrialTracker™ and associated services for electronic data capture and analysis in clinical trials. This has resulted in the Group being familiar with the pharmaceutical industry's requirement for an evidence based approach to drug development, and the wider regulatory environment in which a pharmaceutical company operates. The Directors believe this experience provides the Group with strong foundations for commercial success as its technology is being translated into products to support clinical practice, a market that they believe offers significant growth opportunity. Specifically, this experience has provided IXICO with opportunities to work with pharmaceutical companies configuring and adapting Assessa® to support pharmaceutical products in the clinic. Such products used to support pharmaceutical companies' business can be referred to as 'Digital Healthcare Companion Products' which the Directors believe offer long term revenue opportunities for IXICO.

On 9 October 2015, IXICO announced that it has been awarded a strategic collaboration with a leading pharmaceutical company to develop and pilot an adapted version of Assessa® for the clinical management of multiple sclerosis. Under the terms of the multi-stage collaboration, IXICO will develop an adapted version of Assessa®, its CE marked digital healthcare platform, to assist in the monitoring and management of a side effect known as PML of a blockbuster drug in people receiving approved pharmaceutical treatments for multiple sclerosis ('MS') in certain territories in the EU and Canada. The project started in October 2015 and it is anticipated that the digital platform will be deployed in a clinical setting in 2016. The directors expect this collaboration to make a material contribution to IXICO revenues in the next 12-18 months.

The Company has a pipeline of other opportunities using a similar framework with other companies and indications.

The Directors have identified a pipeline of other comparable opportunities for Assessa® (or Assessa® combined with MyBrainBook®) with pharmaceutical companies. These would make use of existing functionality of IXICO products, configured and adapted to work alongside specific drugs under development.

IXICO is currently in collaboration with several leading global pharmaceutical companies on a variety of different projects and initiatives.

IXICO's stated strategy since admission to trading on AIM has been to continue to build a Digital Healthcare company focussed on brain health with ambitions to enhance organic growth through further potential mergers and acquisitions with complementary businesses where appropriate. This strategy seeks to:

- build on existing revenues from the Group's core business and grow new revenue lines both organically and through acquisition where appropriate;
- leverage the Group's relationships with leading pharmaceutical companies and its focus on brain health;
- expand into complementary Digital Healthcare technologies and data; and
- build strong commercial teams in key markets.

The Directors believe this strategy will enable IXICO to build on early revenue from its partnerships with pharmaceutical companies to develop further Digital Healthcare companion products that work alongside specific pharmaceuticals to impact patient outcomes.

The Directors wish to pursue a growth strategy which includes a progressive M&A strategy, providing increased momentum in the business and generation of positive newsflow, pursuing a path towards profitability and positive cash flow. The Acquisition is the first step in this strategy. IXICO intends to continue to evaluate M&A opportunities in the future, and the Board continues to track and evaluate opportunities that include revenue generating products and complementary digital technology.

3. Acquisition of Optimal Medicine

Optimal Medicine is a private UK company, founded in 2009, and has been backed by IP2IPO and NETF with invested capital of approximately £3 million. The Optimal Medicine Group has eight employees, including five in the US (three of those being within a US-based commercial team), as well as technology experts and a founder CEO with clinical experience, Dr. Janet Munro.

The Optimal Medicine Group develops Digital Healthcare products for clinical decision support. Its first product is mehealth™ for ADHD, a decision support technology for physicians diagnosing and treating patients with possible ADHD. This was in-licensed from Cincinnati Children's Hospital in 2013 and has had early sales in the US to community physicians.

The value proposition of the technology is that it improves ADHD care, saves doctors' time and assists in their continuing professional development. The diagnosis and treatment of childhood ADHD involves the physician assessing the patient, taking account of the child's symptoms and behaviour at home and at school. mehealth™ for ADHD provides computer and mobile device interfaces to allow the parents and teachers to complete validated questionnaires electronically and for the information to be automatically analysed and reported, to support the physician's assessment and treatment, via an integrated platform. The Optimal Medicine CTO, Kenneth Tubman, has experience of integrating software and data with other US healthcare systems. In the past year, the Optimal Medicine Group has invested in an e-marketing campaign targeting community physicians and has recently appointed two experienced sales executives in the US. In addition to mehealth™, the Optimal Medicine Group has a behavioural health product in very early commercialisation.

The Directors believe IXICO offers complementary expertise to the Optimal Medicine business with its established commercial infrastructure, experienced pharmaceutical business development team, credibility in neuroscience within the clinical and pharmaceutical communities as well as specific knowledge of the pharmaceutical industry's evolving interest in Digital Healthcare. The Directors believe this expertise could accelerate revenue growth from Optimal Medicine products. The Optimal Medicine Group provides IXICO with initial US commercial infrastructure and expertise with a newly appointed US business development team that has experience of the high priority US market. In particular, the Directors believe the US primary care market is a key opportunity for MyBrainBook®. Optimal Medicine's products, initial revenues and patient data are expected to provide additional potential revenue streams in the field of brain health. The Directors also believe IXICO will benefit from Optimal Medicine's expertise in software integration with US healthcare systems and it is intended that the Enlarged Group will have the expertise to develop an enhanced ADHD product for pharmaceutical and healthcare companies using IXICO's current data analytics capabilities.

The Optimal Medicine Group's current CEO, Dr Janet Munro, and CTO, Kenneth Tubman, will join the IXICO management team following completion of the Acquisition and will strengthen the leadership of the Enlarged Group's clinical science and software development teams. In addition, Mr David Brister will join the Board of IXICO as a Non-Executive Director and Deputy Chairman. Mr Brister has over twenty years' experience in a variety of private equity, venture capital and operational roles.

Revenues for the Optimal Medicine Group for the year to August 2014 were £35,000, with losses of £728,000 (unaudited). The cash balance of Optimal Medicine on 30 June 2015 was £0.491 million.

Post completion of the Acquisition, the Directors believe IXICO will be a more international business with a clear positioning as a UK leader in Digital Healthcare and initial steps into the key US digital healthcare market with early customers and a broader product offering with potential high growth markets. As such, the Directors believe that the Enlarged Group will have an opportunity to be a consolidator and market leader in Digital Healthcare and the Enlarged Group will have stronger foundations from which to drive M&A and organic growth.

As part of the integration of Optimal Medicine into the Enlarged Group, there will be a review of the Optimal Medicine Group product portfolio with regard to further commercialisation of the Optimal Medicine Group products with both healthcare service providers and the pharmaceutical industry.

The Directors believe that the Enlarged Group will have a stronger commercial team following completion of the Acquisition, with a portfolio of brain health products that can be more effectively sold into the healthcare service provider and pharmaceutical industry markets. The Directors further believe that this will accelerate revenue growth and provide a path to profitability and cash generation.

IXICO's presence in high growth markets will provide an opportunity for a two pronged growth strategy combining organic growth from the existing product portfolio with accelerated growth through undertaking strategic acquisitions.

4. Current Trading and Prospects

The Company announced its interim results for the period ending 31 March 2015 on 18 May 2015. Please refer to the Company's announcement, as notified through the Regulatory Information Service and made available on the Company's website at www.ixico.com.

Revenue in the six months ended 31 March 2015 increased by 36% to £1.6 million (1H 2014 £1.2 million), and included preliminary revenues from the Group's Digital Healthcare products. Growth in revenue also benefited from expansion in clinical trials business, particularly in Huntington's Disease.

Highlights of the Interim Results:

- Extension of two clinical trials in Huntington's Disease, valued at approximately £2.5 million over three years
- VirtualScopics, Inc. alliance delivering commercial value
  - Won first joint project for top 15 pharmaceutical company
  - Licence of TrialTracker™ proprietary image data and query management platform
- Partner in the European Prevention of Alzheimer's dementia Initiative (EPAD)
- Strengthened capabilities, technology and IP on healthcare data analytics
- Financial performance underpinned by strong revenue growth of 36% to £1.6 million
  - Total income (revenue plus other income) up 40% to £2.0 million
  - Loss reduced by 58% to £0.6 million despite increased investment in R&D
- Loss per share 4.1p (2014 loss per share 10.5p)
- Cash of £1.95 million at 31 March 2015 with second half cash inflows to include committed grant funding

5. Post-Period Highlights and Current Trading

Since the end of the financial period to 31 March 2015, the Company has seen the following developments:

- Third contract award in Huntington's Disease within 12 months
- Launch of the Project Cygnus digital platform to support patients with the diseases that cause dementia
- IXICO is the lead partner working alongside The Northern Health Science Alliance Network, several NHS Trusts in the North of England and MRC Technology
- UK Government funded project to support accurate differential diagnosis of CNS diseases
- The Group has benefitted from grant income totalling £1.1 million in the past 18 months and has an additional £2.3 million of potential income from awarded grants to be recognised in the next 3 to 5 years. The Group had cash of £2.158 million as at 30 June 2015
- Awarded significant long term contract with leading pharma company in August 2015 generating approximately $1 million of revenue per annum for at least seven years
- Signed a strategic collaboration with a leading pharmaceutical company to develop and pilot an adapted version of Assessa® for the clinical management of multiple sclerosis, which is expected to make a material contribution to revenue during the next 12 – 18 months

On 19 October 2015, IXICO announced a pre-close trading update ahead of its preliminary results for the year ended 30 September 2015.

Revenues for the year were at £3.1 million and other income at £1.0 million, in line with market expectations, giving combined total income of £4.1 million for the year. This compares to £4.3 million of total income (£3.4 million of revenue and £0.9 million of other income) for the 16 month period to 30 September 2014. Revenues in the year were achieved in the clinical trials business, including new contracts in Huntington's Disease, together with initial revenues from the Company's proprietary digital healthcare platform.

Operating expenses have been tightly controlled which has contributed towards a net cash figure at 30 September 2015 of £1.92 million which is ahead of market expectations and reflects a modest reduction from the net cash figure of £1.95 million at 31 March 2015.

Current trading continues to perform in line with the Company's expectations.

6. No significant change

There has been no significant change in the financial or trading position of the Company since 31 March 2015, being the end of the period covered by the Company's latest half yearly report, incorporated by reference in Part 6 of this Document.

7. Board Composition

The Board is pleased to announce the appointment, conditional on Admission, of Mr David John Brister, 53, as a Non-Executive Director and Deputy Chairman of the Company. Mr Brister is currently chair of Optimal Medicine, Crysalin Limited and HealthiQ Limited and a Non-Executive Director of Green Biologics Limited. He was formerly a venture capitalist with MVM and 3i plc. Mr Brister has over twenty years' experience in a variety of private equity, venture capital and operational roles.

In the past five years, Mr Brister has also been a director of Enzyme Partners Limited, Hare Hatch Holdings Limited, Mabey Holdings Limited, Mabey and Johnson Limited, Optimal Brain Medicine Limited, Ulive Limited, Ulive Enterprises Limited, Veryan Holdings Limited and Veryan Medical Limited.

The services of Mr David Brister as Non-Executive Director are provided under the terms of an appointment letter from the Company to him dated 18 November 2015 which provides for a base fee of £30,000 per annum, such appointment being effective on Admission and terminable on 3 months' notice.

There are no other disclosures required in relation to Rule 17 or paragraph (g) of Schedule 2 of the AIM Rules for Companies.

Ms Maina Bhaman, Non-Executive Director has decided to step down from the Board at Admission, following five years of service. The Board would like to thank Maina Bhaman for her contribution to the Company.

8. The Placing and Broker Option and the Placing Agreement

Details of the Placing, the Broker Option and the Placing Agreement are set out in Part 2 of this document.

9. The Acquisition, Consideration Shares, the Optimal Medicine Option Shares and the Acquisition Agreement

Details of the Acquisition, Consideration Shares, the Optimal Medicine Option Shares and the Acquisition Agreement are set out in Part 3 of this document.

10. The New Shares

The New Shares, being the New Ordinary Shares to be issued pursuant to the Placing, the Broker Option (if exercised), and the Completion Consideration Shares to be issued pursuant to the Acquisition, will, when issued, be credited as fully paid and will rank *pari passu* in all respects with the Ordinary Shares of the Company, including the right to receive all dividends and other distributions declared, made or paid after Admission.

Consideration Shares issued to the Optimal Medicine Vendors except for NETF will be subject to a lock-up period of 12 months. Any trading in respect of the Consideration Shares during the 12 month period following the end of the 12 month lock-up period shall be through IXICO's brokers. NETF will be subject to a lock-up period of six months. Any trading in respect of the Consideration Shares by NETF during the 18 month period following the end of the six month lock-up period shall be through IXICO's brokers.

Application will be made for all of the New Shares to be admitted to trading on AIM. On the assumption that, *inter alia*, the Resolutions are approved by Shareholders, it is expected that Admission will become effective and that dealings will commence at 8 a.m. on 8 December 2015. It is expected that the New Shares will be delivered into CREST on 8 December 2015 or, as applicable, that share certificates for any of the New Shares will be dispatched by no later than 22 December 2015.

11. Use of Proceeds

It is the intention of the Directors that the net proceeds of the Placing will be used to support and fund the Enlarged Group in the following approximate proportions:

- 40% for general working capital to support the operations and to facilitate and where appropriate co-investment in pharmaceutical Digital Healthcare Companion Product deals;
- 30% to recruit and support US and European business development employees; and
- 30% to develop further US Healthcare IT infrastructure, delivery and deployment.

Any funds raised through the Broker Option will be applied towards general working capital purposes.

12. Details of the Share Restructuring

The Company is proposing to undertake a restructuring of share capital of the Company which has become necessary as a result of the share value as traded on AIM falling below the nominal value of the Existing Ordinary Shares. Under the Act, a company is not permitted to issue new shares at a subscription price less than the nominal value of the shares in question and accordingly it is not practical for the Company to raise additional capital through the issue of new equity shares when the minimum subscription price would have to be 50 pence per Ordinary Share and the current price as at 17 November 2015 (being the latest practicable date prior to publication of this document) was 32 pence per Existing Ordinary Share.

It is therefore proposed to sub-divide and re-designate each Existing Ordinary Share into one Ordinary Share of 1 pence and one Deferred Share of 49 pence. The Ordinary Shares will retain all the rights currently attaching to the Existing Ordinary Shares in respect of dividends, voting and any return on capital. Other than the change in nominal value therefore, the Ordinary Shares will be identical to the Existing Ordinary Shares. No new certificates will be issued in

respect of the Ordinary Shares arising as a result of the Share Restructuring and the existing share certificates in respect of Existing Ordinary Shares will be valid and will continue to be accepted as evidence of title for the Ordinary Shares.

The Deferred Shares carry minimal rights thereby rendering them effectively valueless. The rights attaching to the Deferred Shares can be summarised as follows:

(i) the holders thereof do not have any right to participate in the profits or income or reserves of the Company;

(ii) on a return of capital on a winding up the holders thereof will only be entitled to an amount equal to the nominal value of the Deferred Shares but only after the holders of Ordinary Shares have received £10,000,000 in respect of each Ordinary Share;

(iii) the holders thereof have no right to receive notice of or attend or vote at any general meeting of the Company; and

(iv) the Company may acquire the Deferred Shares for a nominal consideration at any time.

No application will be made to the London Stock Exchange for the Deferred Shares to be admitted to trading on AIM or any other stock exchange. No share certificates will be issued for any Deferred Shares. Pursuant to Resolution 4, the Company is seeking Shareholder approval to buy back the Deferred Shares for a nominal consideration pursuant to a purchase contract, following which it is expected that the Deferred Shares will be cancelled.

Assuming that all the Resolutions are passed, the nominal value of each new Ordinary Share will be 1 pence. The number of ordinary shares before and subsequent to the Share Restructuring will remain at 15,215,664 and, therefore, the Share Restructuring will not have a direct impact on the share price of the Company.

The Share Restructuring is conditional upon Shareholder approval at the General Meeting, at which Shareholders will be asked to consider and, if thought fit, approve the Share Restructuring. As the Share Restructuring will change the nominal value of the Existing Ordinary Shares, the adoption of the New Articles of Association will need to be approved by a special resolution at the General Meeting. Details of the General Meeting are set out below and the notice is set out at the end of this document.

13. The City Code on Takeovers and Mergers

The proposed issue of the New Shares gives rise to certain considerations under the City Code. Brief details of the Panel, the City Code and the protections they afford are described below.

The City Code is issued and administered by the Panel. The City Code applies to all takeover and merger transactions, however effected, where the offeree company is, *inter alia*, a listed or unlisted public company resident in the United Kingdom (and to certain categories of private limited companies). The Company is a listed public company and its Shareholders are entitled to the protections afforded by the City Code.

Under Rule 9 of the City Code, where any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares already held by him and an interest in shares held or acquired by persons acting in concert with him) carry 30 per cent. or more of the voting rights of a company which is subject to the City Code, that person is normally required to make a general offer to all the holders of any class of equity share capital or other class of transferable securities carrying voting rights in that company to acquire the balance of their interests in the company.

Rule 9 of the City Code also provides that, among other things, where any person who, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. but not more than 50 per cent. of the voting rights of a company which is subject to the City Code, and such person, or any person acting in concert with him, acquires an additional interest in shares which increases the percentage of shares carrying voting rights in which he is interested, then such person is normally required to make a general offer to all the holders of any class of equity share capital or other class of transferable securities carrying voting rights of that company to acquire the balance of their interests in the company.

An offer under Rule 9 must be in cash (or with a cash alternative) and at the highest price paid within the preceding 12 months for any shares in the company by the person required to make the offer or any person acting in concert with him.

Rule 9 of the City Code further provides, among other things, that where any person who, together with persons acting in concert with him is interested in shares carrying over 50 per cent. of the voting rights of a company, acquires an interest in shares which carry additional voting rights, then they will not generally be required to make a general offer to the other shareholders to acquire the balance of their shares.

In summary, IAML, the Invesco Funds, IP2IPO, IPG, NETF, Theragenetics, Mark Warne and Imperial Innovations are treated as a concert party under the City Code. A table setting out each member of the Concert Party's individual interests as at the date of this document, immediately following Admission and following the issue of the Deferred Consideration Shares and the Optimal Medicine Option Shares is set out in paragraph 2.1 of Part 4 and reasons for them being treated as a concert party are included in Part 4.

Following approval of the Placing and Acquisition, and assuming that the Placing and Acquisition complete, and there is no take up of the Broker Option, and assuming no other person has exercised any option or any other right to subscribe for shares in the Company following the date of this document, immediately following Admission, the Concert Party will, due to the acquisitions of Ordinary Shares described in this document, be interested in 15,905,912 Ordinary Shares carrying approximately 60.2 per cent. of the voting rights of the Company. Without a waiver of the obligations under Rule 9 of the City Code, this would oblige the Concert Party to make a Rule 9 Offer.

Shareholders should note that:

On Admission, the Concert Party will hold Ordinary Shares carrying more than 50% of the voting rights of the Company and (for so long as they continue to be treated as acting in concert) the Concert Party (and any person acting in concert with them) will be able to acquire further Ordinary Shares without incurring an obligation to make a general offer to Shareholders under Rule 9 of the City Code. However, any individual members of the Concert Party will not be able to increase their percentage interest in the voting rights of the Company to 30 per cent. or more or increase his or its interest between 30 and 50 per cent. of the voting rights of the Company without Panel consent. If they did so they would incur an obligation to make a Rule 9 Offer.

Following Admission any individual Concert Party member interested in less than 30 per cent. of the Company's voting rights will be free to acquire interests in shares in the Company without being required to make a Rule 9 Offer providing his or its holding remains less than 30 per cent of the voting rights of the Company.

Shareholders should also note that as the Concert Party will hold Ordinary Shares carrying more than 50 per cent. of voting rights, the Concert Party might, collectively, have significant influence if they vote together on the passing of any proposed resolutions at future general meetings of the Company.

14. Dispensation from General Offer

Under Note 1 of the Notes on the Dispensations from Rule 9 of the City Code, the Takeover Panel will normally waive the requirement for a general offer to be made in accordance with Rule 9 of the City Code if, *inter alia*, the shareholders of the company who are independent of the person who would otherwise be required to make an offer and any person acting in concert with him pass an ordinary resolution on a poll at a general meeting approving such a waiver.

The Panel has agreed to such waiver, subject to the Whitewash Resolution being passed.

Accordingly, by voting in favour of the Resolutions to be proposed at the General Meeting, the Placing, Broker Option, the Acquisition and the issue of the Completion Consideration Shares and the Deferred Consideration Shares can be effected without the requirement for the Concert Party to make a general offer for the Company.

The Concert Party and other non-independent parties (see paragraph 19.4 of Part 1) will not vote on the Whitewash Resolution. The Concert Party or any member of the Concert Party will not be restricted from making an offer for the Ordinary Shares which it will not own post-Admission.

15. Related Party Transaction

The proposed participation of IAML and Imperial Innovations in the Placing will constitute a related party transaction under the AIM Rules by reason of IAML holding 23.2 per cent. of the issued share capital of the Company and Imperial Innovations holding 11.3 per cent. of the Company. The Independent Directors consider, having consulted with Peel Hunt, Nominated Adviser to the Company, that the terms of the transaction are fair and reasonable insofar as its Shareholders are concerned. In providing advice to the Independent Directors, Peel Hunt has taken into account the commercial assessments of the Independent Directors.

16. Founder Concert Party

The Panel has previously ruled that certain other persons within the IXICO share register are deemed to be acting in concert, as defined in the City Code.

Full details of the current interests of the Founder Concert Party are given in paragraph 4 of Part 6 of this document.

17. Share Option Pool

The Directors propose in respect of the Company's employee incentivisation arrangements that the aggregate dilution limit applicable to options granted under the Company's schemes is increased from 10 per cent. to 12.5 per cent. of the Fully Diluted Share Capital. Accordingly, the Directors will seek the relevant authority in Resolution 1 as described further in paragraph 19.2 below. Whilst the Directors have no firm plans or intentions as to how the increased option pool will be awarded they do believe it would be appropriate for a proportion of the Share Option Pool to be granted to executive Directors and other key employees with an exercise price equal to the Placing Price so that interests are aligned with Shareholders who participate in the Fundraising.

18. Risk Factors

Shareholders and investors should consider fully the risk factors associated with the Acquisition and the Fundraising, the business of the Enlarged Group, the stock market and share trading. Your attention is drawn to the section entitled "Risk Factors" set out in Part 5 of this document.

19. Further Information

19.1. Share issuance authorities

The Directors currently have existing authorities under Section 551, Section 570 and Section 573 of the Act which were obtained at the Company's Annual General Meeting held on 6 March 2015. However, these would be insufficient to enable the Company to allot and issue the full amount of the New Shares and the Deferred Consideration Shares. Accordingly, in order for the Company to allot and issue the New Shares and the Deferred Consideration Shares, the Company needs to obtain approval from its Shareholders to grant the Board additional authority to issue Ordinary Shares in connection with the Proposals and to disapply statutory pre-emption rights which would otherwise apply to the issue of the Placing Shares and the Broker Option Shares. The Company is therefore seeking Shareholders' consent to increase the Directors' general authority to allot securities and disapply pre-emption rights pursuant to Section 551 of the Act and Sections 570, 571 and 573 of the Act respectively. A summary of these and the other Resolutions is set out in paragraph 19.2 below.

19.2. General Meeting

A notice convening the General Meeting of the Company to be held at the offices of FTI Consulting, 200 Aldersgate Street, London, EC1A 4HD at 9.30 a.m. on 7 December 2015 is set out at the end of this document.

The Resolutions to be proposed at the General Meeting are as follows:

- Resolution 1 is an ordinary resolution to authorise the directors to allot Ordinary Shares pursuant to the Acquisition and the Fundraising and to provide the Directors with a general authority to allot further Ordinary Shares following completion of the Fundraising up to an aggregate amount of one third of the Fully Diluted Share Capital (and also in respect of the Share Option Pool referred to in paragraph 17 above);

- Resolution 2 is an ordinary resolution for Independent Shareholders to approve, on a poll, the grant of a waiver by the Panel on Takeovers and Mergers of any requirement under Rule 9 of the City Code for the Concert Party to make a general offer to shareholders of the Company;
- Resolution 3 is an ordinary resolution to approve the Share Restructuring;
- Resolution 4 is an ordinary resolution to approve the off-market purchase by the Company of 15,215,664 Deferred Shares following Admission at an aggregate price of £1 as set out in the Purchase Contract (within the meaning of Section 693 of the Act);
- Resolution 5 is a special resolution to disapply statutory pre-emption rights that would otherwise apply to the issue of the Ordinary Shares being conditionally issued in the Fundraising and Acquisition and up to 44.2 per cent. of the Fully Diluted Share Capital; and
- Resolution 6 is a special resolution to adopt the New Articles of Association required to reflect the Share Restructuring, which results in a change to the nominal value of the Existing Ordinary Shares and the creation of the Deferred Shares.

All the Resolutions other than Resolutions 5 and 6 will require a simple majority of those voting in person or on a poll in favour of the Resolutions. Resolutions 5 and 6 will require approval by not less than 75 per cent. of the votes cast by shareholders voting in person or on a poll. As described above, only Independent Shareholders will vote on Resolution 2. Resolutions 1 and 4 are conditional upon the passing of Resolution 2 and 3 so that if Resolutions 2 and 3 are not passed, the Placing, the Broker Option and the Acquisition will not proceed and the Company will not be provided with certain authorities to issue Ordinary Shares or buy-back Ordinary Shares over the next 12 months.

The attention of Shareholders is also drawn to the voting intentions of the Directors and the Independent Directors as set out in paragraph 19.5 below.

In accordance with Section 571(5) of the Act, the Directors believe that the proposed disapplication of pre-emption rights as detailed in Resolution 5 will be necessary in order to carry out the allotment and issue of the Placing Shares and, if applicable, the Broker Option Shares.

19.3. Action to be Taken

A Form of Proxy for use at the General Meeting accompanies this document. Whether or not you intend to be present at the meeting you are requested to complete and return the Form of Proxy in accordance with the instructions printed thereon and return it to the Company's registrars, Equiniti Limited at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, as soon as possible, but in any event so as to be received by no later than 9.30 a.m. on 3 December 2015. The completion and return of a Form of Proxy will not preclude Shareholders from attending the General Meeting and voting in person should they so wish.

19.4. Recommendation

The Independent Directors, who have been so advised by Peel Hunt, believe that the proposed Fundraising, Acquisition, Share Restructuring and Whitewash Resolution are fair and reasonable and in the best interests of the Shareholders and the Company as a whole. Accordingly, the Independent Directors recommend that Shareholders vote in favour of the Resolutions, as they have irrevocably undertaken to do in respect of their own shareholdings, amounting in aggregate to 620,114 Ordinary Shares (representing 4.1 per cent.) of the Existing Ordinary Shares). Maina Bhaman is not considered independent as she is an employee of Imperial Innovations, a member of the Concert Party, and has therefore taken no part in the recommendation.

19.5. Irrevocable Undertakings

The Company has received irrevocable undertakings from IAML, Imperial Innovations and IP Group and their respective associates to vote in favour of all Resolutions, excluding Resolution 2, on which IAML, Imperial Innovations and IP Group will not vote, since it relates to the approval of the Rule 9 Waiver in respect of their own shareholdings, in respect of 5,266,781 Ordinary Shares in aggregate, representing 34.6 per cent. of the Existing Ordinary Shares.

In total, the Company has therefore received irrevocable undertakings to vote in favour of Resolutions 1, 3, 4, 5 and 6 in respect of 5,886,895 Ordinary Shares, representing 38.7 per cent. of the Existing Ordinary Shares and in favour of Resolution 2 in respect of 620,114 Ordinary Shares, representing 4.1 per cent. of the Existing Ordinary Shares held by Independent Shareholders.

Yours sincerely

Andrew Richards CBE
Non-executive Chairman

PART 2

DETAILS OF THE PLACING AND BROKER OPTION

1. The Placing and the Broker Option

The Company is proposing to raise approximately £2.7 million, before expenses, by way of a conditional placing of 8,852,459 Placing Shares at the Placing Price with investors. The Placing Price represents a discount of 4.7 per cent. to the closing mid-market price of 32 pence on 17 November 2015, being the last dealing day prior to announcement of the Proposals. The Placing is conditional upon, *inter alia*, (i) the passing of the Resolutions; and (ii) Admission. In connection with the Placing and the Broker Option, the Company has entered into the Placing Agreement pursuant to which Peel Hunt has agreed, in accordance with its terms, to use reasonable endeavours to place the Placing Shares with certain new and existing investors. The Placing is not and the Broker Option will not be underwritten.

Pursuant to the terms of the Placing Agreement Peel Hunt has conditionally placed the Placing Shares at the Placing Price with the Placees. Assuming the issue of all of the Placing Shares, the Placing Shares will represent approximately 58.2 per cent. of the Existing Ordinary Shares and will, when issued, represent approximately 33.1 per cent. of the Enlarged Issued Share Capital, assuming no take up of the Broker Option.

In addition to the Placing and pursuant to the Placing Agreement, the Company has granted the Broker Option to Peel Hunt in order to allow existing and other investors to participate in the Fundraising. The Broker Option is exercisable by Peel Hunt on more than one occasion at any time between 8.00 a.m. on 18 November and 7.00 p.m. on 4 December 2015. Any Broker Option Shares issued pursuant to the exercise of the Broker Option will be issued at the Placing Price on the same terms and conditions as the Placing Shares. The Broker Option may be exercised by Peel Hunt at its discretion, with the agreement of the Company, and there is no obligation on Peel Hunt to exercise the Broker Option or to seek to procure subscribers for the Broker Option Shares. The Broker Option is conditional upon, *inter alia*, completion of the Placing and Admission. The maximum number of Broker Option Shares that may be issued pursuant to the exercise of the Broker Option is 327,868 Broker Option Shares and the maximum number of New Shares that may be issued pursuant to the Fundraising as a whole is 9,180,327 New Shares.

The Placing Shares and Broker Option Shares are not being made available to the public and none of the Placing Shares nor the Broker Option Shares are being offered or sold in any jurisdiction where it would be unlawful to do so.

2. The Placing Agreement

The Placing Agreement has been entered into between the Company and Peel Hunt. Pursuant to the Placing Agreement, Peel Hunt has agreed to use its reasonable endeavours to arrange for Placees to subscribe at the Placing Price for the Placing Shares and the Company has granted the Broker Option to Peel Hunt in order to allow existing and other investors to participate in the Fundraising.

This agreement is conditional upon Admission having taken place and certain other conditions having been fulfilled or waived on or before 8 December 2015 or such later date as Peel Hunt and the Company agree, but in any event not later than 21 December 2015.

The Placing Agreement contains certain warranties from the Company in favour of Peel Hunt in relation to, *inter alia*, the accuracy of the information contained in the Circular and certain other matters relating to the Company, its business, the Acquisition, the Placing and the Broker Option. In addition, the Company has agreed to indemnify Peel Hunt in relation to certain liabilities that Peel Hunt may incur in respect of the Placing and the Broker Option.

Subject to Admission, the Company will pay to Peel Hunt a combined corporate finance and commission fee for its services. The agreement provides for the Company to pay all expenses incidental to the Placing and the application for Admission, including the fees and costs of other professional advisers, and all costs relating to the Placing, including printing, advertising and distribution charges, the fees of the Registrars and the fees payable to the London Stock Exchange and the Panel.

Peel Hunt may terminate the Placing Agreement in specified circumstances prior to Admission, principally in the event of a material breach of the Placing Agreement or of any of the warranties contained in it or where any event or omission relating to the Group is, or will in the opinion of Peel Hunt, be materially prejudicial to the successful outcome of the Placing and the Broker Option.

Peel Hunt is entitled to terminate the Placing Agreement if, amongst other things: (a) prior to Admission, there is a material adverse change in the financial or trading position, business or prospects of the Group (in the opinion of Peel Hunt acting in good faith); (b) prior to Admission, Peel Hunt becomes aware that there has been a material breach of any of the warranties given by the Company in the Placing Agreement; (c) prior to Admission, the Company has failed to comply with certain of its obligations under the Placing Agreement; or (d) prior to Admission, certain force majeure events occur which would make it inadvisable or impractical to proceed with the Placing or the Broker Option (in the opinion of Peel Hunt acting in good faith).

Subject to the terms of the Placing Agreement, Peel Hunt has agreed to pay the net proceeds it receives from the Placing and the Broker Option to the Company within three working days of Admission.

3. Restricted Jurisdictions

The Placing Shares and the Broker Option Shares have not been and will not be registered under the relevant laws of any of the Restricted Jurisdictions or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly in or into any of the Restricted Jurisdictions or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdictions except pursuant to an applicable exemption.

4. United Kingdom Taxation

The comments below are intended as a general guide only to the position under current UK taxation legislation and HMRC practice as at the date of this Document, both of which are subject to change at any time. They are intended to apply only to Shareholders who are resident and, in the case of individuals, resident and domiciled, in the UK for UK tax purposes who hold Ordinary Shares as investments and who are the beneficial owners of Ordinary Shares and who have not acquired their Ordinary Shares by virtue of any employment. They do not constitute tax advice and are only a general guide. They do not apply to certain classes of Shareholders, for example but not limited to, dealers in securities, insurance companies and collective investment schemes. Shareholders who are in any doubt as to their tax position or who are resident in or subject to tax in a jurisdiction other than the United Kingdom should obtain the advice of an independent professional adviser.

5. Capital Gains

Shares acquired pursuant to the Placing and the Broker Option

The issue of the Placing Shares and the Broker Option Shares under the Placing and the Broker Option will not constitute a reorganisation of share capital for the purposes of the UK taxation of chargeable gains. Accordingly, any Placing Shares and Broker Option Shares acquired pursuant to the Placing and the Broker Option are likely to be treated as acquired as part of a separate acquisition of shares.

Disposal of the Placing Shares and the Broker Option Shares

The disposal by a Shareholder of Placing Shares and Broker Option Shares issued to him under the Placing and the Broker Option may, depending on the Qualifying Shareholder's circumstances, render him liable to UK tax on chargeable gains. The amount of capital gains tax, if any, payable by a Shareholder (on any disposal of Ordinary Shares) who is an individual will depend on his or her own personal tax position. No tax will be payable on any gain realised if the amount of the net chargeable gains realised by a Shareholder, when aggregated with other net gains realised by that Shareholder in the year of assessment (and after taking account of allowable losses), does not exceed the annual exemption (£11,100 for 2015/2016). Subject to any available exemption or relief, any gains in excess of this amount will broadly be taxed at a rate of 18 per cent. for a taxpayer paying tax at the basic rate and 28 per cent. for a

taxpayer paying tax at a rate above the basic rate of income tax. Where the gains of a basic rate taxpayer subject to capital gains tax exceed the unused part of his or her basic rate band, that excess is subject to tax at the 28 per cent. rate.

Individuals who are temporarily non UK resident may, in certain circumstances, be subject to tax in respect of gains realised whilst they are not resident in the UK.

Subject to the availability of any exemptions, reliefs and/or available losses, a disposal of Placing Shares and Broker Option Shares by a corporate Shareholder subject to UK corporation tax will generally be subject to UK corporation tax on any chargeable gain arising.

6. Stamp Duty and Stamp Duty Reserve Tax

No liability to stamp duty or stamp duty reserve tax should arise on the allotment of the Placing Shares and the Broker Option Shares under the Placing and the Broker Option. Additionally by virtue of the exemption introduced from 28 April 2014, that applies to shares traded on AIM (and not listed on a stock exchange), any transfer or agreement to transfer Ordinary Shares should not be subject to stamp duty or stamp duty reserve tax.

7. Dividends

Under current UK tax law, the Company will not be required to withhold tax at source from dividend payments it may make.

Individuals

An individual Shareholder who is resident in the UK for tax purposes and who receives a dividend from the Company will be entitled to a tax credit which may be set off against his total income tax liability on the dividend. An individual Shareholder's liability to income tax is calculated on the aggregate of the dividend and the tax credit (the gross dividend) which will be regarded as the top slice of the individual's income. The tax credit will be equal to 10 per cent. of the gross dividend, i.e. the tax credit will be one ninth of the amount of the dividend.

Generally, a UK resident individual Shareholder who is not liable to income tax in respect of the gross dividend will not be entitled to any payment from HMRC in respect of any part of the tax credit. A UK resident Shareholder who is liable to income tax at the basic rate will be subject to income tax on the dividend at the rate of 10 per cent. of the gross dividend so that the tax credit will satisfy in full such Shareholder's liability to income tax on the dividend. A UK resident individual Shareholder liable to income tax at the higher rate will be subject to income tax on the gross dividend at 32.5 per cent. but will be able to set the tax credit off against part of this liability. The effect of that set off of the tax credit is that such a Shareholder will have to account for additional tax equal to 22.5 per cent. of the gross dividend (which is also equal to one quarter of the net cash dividend received).

A UK resident individual Shareholder liable to income tax at the additional rate will be subject to income tax on the gross dividend at the rate of 37.5 per cent., but will be able to set the tax credit off against part of this liability. The effect of that set off of the tax credit is that such a Shareholder will have to account for additional tax equal to 27.5 per cent. of the gross dividend (which is equivalent to approximately 30.6 per cent. of the net cash dividend received).

Companies

United Kingdom resident corporate Shareholders will generally not be subject to tax on dividends paid by the Company. Those Shareholders will not be able to claim repayment of tax credits attaching to dividends.

Non-resident

Shareholders resident outside the UK will not generally be entitled to any payment from HMRC in respect of the tax credit attaching to any dividend paid by the Company.

An entitlement to the payment of all or part of the tax credit may be available if there is any appropriate provision granting the entitlement under any applicable double tax treaty between the UK and the jurisdiction in which the Shareholder is resident. In most cases, however, the amount of tax credit that can be paid to non-resident Shareholders in respect of any dividend payment will be nil as a result of the terms of the relevant treaty. A Shareholder resident outside the UK may also be subject to foreign taxation on dividend income under the law of

the relevant foreign jurisdiction. A Shareholder who is not resident in the UK for tax purposes should consult his own tax adviser regarding his tax liabilities on dividends received from the Company.

Tax Exempt Shareholders

United Kingdom resident taxpayers who are not liable to UK tax on dividends, including pension funds and charities, will not be entitled to claim repayment of the tax credit attaching to dividends paid by the Company.

THE ABOVE DESCRIPTION OF TAXATION IS GENERAL IN CHARACTER. IF YOU ARE IN ANY DOUBT AS TO YOUR TAX POSITION OR YOU ARE SUBJECT TO TAX IN A JURISDICTION OTHER THAN THE UNITED KINGDOM, YOU SHOULD CONSULT AN APPROPRIATE INDEPENDENT PROFESSIONAL ADVISER WITHOUT DELAY.

PART 3

DETAILS OF THE ACQUISITION AGREEMENT

1. Consideration Shares

The Company has entered into the Acquisition Agreement to conditionally acquire the entire issued share capital of Optimal Medicine. Consideration Shares worth approximately £1.5 million at the Consideration Share Price are being issued to the Optimal Medicine Vendors in accordance with the Acquisition Agreement. The issue of the Completion Consideration Shares is conditional, *inter alia*, upon completion of the Placing and Admission. It is expected that the Deferred Consideration Shares will be issued on the Deferred Release Date. Details of the Acquisition Agreement are given in paragraph 2 below.

2. Summary of the Acquisition Agreement

A summary of the principal terms of the Acquisition Agreement is set out below.

2.1. Conditions to Completion

Completion of the Acquisition is conditional on the satisfaction of the following conditions (the "**Conditions**"):

- The dispatch of this Document to the Company's shareholders.
- The passing by the requisite majorities of Resolutions 1 to 6 set out in the Notice of General Meeting.
- Each of the Optimal Medicine Vendors procuring that, from the date of the Acquisition Agreement, the Company will conduct its business in the ordinary course, and will not do (or agree to do) anything outside the ordinary course without the consent of IXICO in accordance with the terms of the Acquisition Agreement.
- The Acquisition Agreement not being terminated before completion in accordance with its terms.
- Admission of the Completion Consideration Shares in accordance with the AIM Rules being approved by the London Stock Exchange subject only to completion of the transaction contemplated by the Acquisition Agreement and allotment of the Completion Consideration Shares.
- The conditions to the Placing Agreement having been satisfied and the Placing Agreement not having been terminated in accordance with its terms.
- Termination of the existing subscription and shareholders' agreement dated 30 June 2014 in respect of Optimal Medicine and a waiver of all claims for any antecedent breach under such agreement by the parties to it.
- Termination of all existing options in Optimal Medicine and the grant of the Optimal Medicine Options (and the delivery of copies to IXICO and the execution of the Put and Call Option Letters).
- The buy-back and cancellation of the existing deferred shares in the share capital of Optimal Medicine.

All or any of the Conditions (other than the passing of the Resolutions at the General Meeting, Admission of the Consideration Shares or in relation to the Placing Agreement) may be waived in whole or in part by IXICO Technologies and IXICO, acting jointly.

2.2. Completion

Once all of the Conditions to completion, save for Admission, have been satisfied, completion of the Acquisition shall take place in escrow on the Business Day immediately prior to the proposed date of Admission. All relevant documents shall be signed and actions taken on such day, but shall be held in escrow. Provided that Admission occurs on or before 21 December 2015 all such documents will be automatically released and completion of the Acquisition shall occur automatically on Admission.

If Admission does not occur on or before 21 December 2015 then such documents will not be released and will be returned to the parties who provided them and the Acquisition Agreement shall terminate in accordance with its terms.

2.3. Consideration

Pursuant to the Acquisition Agreement, the Optimal Medicine Vendors agree to sell and IXICO Technologies agrees to purchase the entire issued and to be issued share capital of Optimal Medicine for £1,500,000 to be satisfied by: (i) the allotment and issue of the Completion Consideration Shares; and (ii) the allotment and issue of the Deferred Consideration Shares on the Deferred Release Date (once the period for warranty claims has expired and provided that no such claims have been made) which shall both rank *pari passu* in all respects with the Ordinary Shares of the Company after completion of the Acquisition Agreement.

2.4. Deferred Consideration Shares

On the Deferred Release Date, the Optimal Medicine Vendors (other than Theragenetics) will become entitled to the Deferred Consideration Shares as provided in the Acquisition Agreement.

The Deferred Consideration Shares will rank *pari passu* with the Existing Ordinary Shares in all respects, including the right to receive an amount equal to the amount paid on each Existing Ordinary Share after completion of the Acquisition Agreement in respect of any dividend or other distribution at the same time as payment is made for such dividend or other distribution to the shareholders of IXICO generally (save that they shall have no right to receive a payment in respect of any dividend or other distribution of IXICO declared made, or paid by reference to a record date before the completion of the Acquisition Agreement). Such amounts will be held in escrow by IXICO until the Deferred Release Date.

IXICO shall use its reasonable endeavours to procure that: (i) any payment to be made to the Optimal Medicine Vendors (other than Theragenetics) in respect of the Deferred Consideration Shares; and (ii) the Optimal Medicine Vendors are permitted to participate in any rights issue for Ordinary Shares for cash as if the Deferred Consideration Shares had been issued (subject to the dis-application of pre-emption rights).

In the event of a subdivision, consolidation or reclassification of the Ordinary Shares, or a reduction of capital, or any other reduction in the number of Ordinary Shares in issue from time to time, the number and issue price of the Deferred Consideration Shares to be issued pursuant to the Acquisition Agreement shall be adjusted equitably by the Board of IXICO (acting reasonably).

2.5. Claims under the Acquisition Agreement

The Optimal Medicine Vendors have each given certain warranties under the Acquisition Agreement to IXICO and IXICO Technologies. The Company will benefit from: (i) warranties in relation to the business and operations of Optimal Medicine; and (ii) a tax covenant.

The liability of the Optimal Medicine Vendors under the Acquisition Agreement is subject to limitations, including, *inter alia*: the liability shall not arise unless an individual claim exceeds £5,000 and the amount of all claims exceeds £30,000; the liability of the Optimal Medicine Vendors shall not exceed £300,000; and the time limit for bringing claims is the Deferred Release Date, provided that legal proceedings in respect of such a claim shall be validly served within six months.

A disclosure letter shall be delivered by the Optimal Medicine Vendors and will include disclosures against a number of the warranties given to the Company.

In the event of a claim arising under the Acquisition Agreement, IXICO (acting for itself and IXICO Technologies) will have the following protections:

- If a claim is settled prior to the Deferred Release Date, IXICO shall have the right to deduct from amounts held in escrow by the Company and/or cancel the Optimal Medicine Vendors' (other than Theragenetics) right to such number of Deferred Consideration Shares as are necessary to satisfy the claim in full; and

- If a claim is outstanding at the Deferred Release Date, IXICO shall be entitled to extend the Deferred Release Date in respect of an amount of Deferred Consideration Shares equal to the board of IXICO' reasonable estimate of the value of the claim (supported by a written opinion of counsel).

Any cancellation of the right to receive Deferred Consideration Shares shall reduce the number of such shares to be issued to each Optimal Medicine Vendor (other than Theragenetics) *pro rata*.

2.6. Restrictive Covenants

From completion to 31 December 2016, each of David John Brister, Robert Nicholas McBurney, Dr. Janet Christine Munro and Kenneth Tubman (the "**Managers**") agree, *inter alia*, not to: (i) compete with business of Optimal Medicine in any geographic area in which the business is carried on; (ii) seek the custom of existing customers of Optimal Medicine; or (iii) entice any person who is employed or engaged indirectly by Optimal Medicine in a senior capacity or at a management grade. At any time after completion, each of Managers agrees not to: (i) infringe the intellectual property rights of Optimal Medicine; (ii) present himself as connected to Optimal Medicine; or (iii) do anything that may be harmful to the reputation of Optimal Medicine.

3. Proposed grant of options

It is proposed by Optimal Medicine (and supported by all the Optimal Medicine Vendors) that the Optimal Medicine Optionholders are issued new options in Optimal Medicine prior to completion of the Acquisition in recognition of their contribution to the business of Optimal Medicine prior to the transaction. The total value of the Optimal Medicine Options will be approximately 3.7 per cent. of the Acquisition consideration. The Optimal Medicine Options will be exit-only options and therefore be exercisable on completion of the Acquisition. To avoid an immediate tax charge, however, IXICO has agreed that the Optimal Medicine Optionholders can have 12 months (save for David Brister who shall have 18 months) following completion in which to exercise (after which the Optimal Medicine Options will lapse). The Put and Call Option Letters will be entered into with each option holder (on substantially similar terms to those applying to existing IXICO unapproved options) to acquire the shares issued in Optimal Medicine in consideration for Ordinary Shares at a fixed exchange ratio. It is proposed that the Optimal Medicine Optionholders are given a carve-out from the "hard" lock in set out in the Acquisition Agreement to sell sufficient shares as necessary in order to cover any tax charge at the time of eventual exercise. The total valuation of Optimal Medicine of £1.5 million includes the issue of the Ordinary Shares to acquire these option shares in Optimal Medicine.

PART 4

INFORMATION ON THE CONCERT PARTY GROUP MEMBERS AND ADDITIONAL DISCLOSURES REQUIRED UNDER THE CITY CODE

The Invesco Funds, Imperial Innovations and IP2IPO all intend to participate in the Placing. The Invesco Funds intend to increase their shareholding from 23.24 per cent. of the Enlarged Issued Ordinary Share Capital to 23.48 per cent. assuming no take-up under the Broker Option. Imperial Innovations and IP2IPO intend to increase their shareholdings from 11.27 per cent. and 0.10 per cent. of the Enlarged Issued Ordinary Share Capital respectively to 13.70 per cent. and 20.26 per cent. respectively.

Under the City Code a company and its associated companies are presumed to be acting in concert. For this purpose, ownership or control of 20 per cent. or more of the equity share capital of a company is regarded as the test of associated company status.

Since funds managed by IAML on a discretionary basis are interested in 41.81 per cent. of Imperial Innovations' equity share capital and 25.37 per cent. of IPG's share capital, Imperial Innovations and IPG are, by operation of the presumption contained in the City Code, presumed to be acting in concert with IAML. Due to the relationship between IPG, IP2IPO, NETF, Theragenetics and Mark Warne, these persons are also deemed to be members of the Concert Party. The Concert Party therefore comprises IAML, the Invesco Funds, Imperial Innovations, IPG and IP2IPO, NETF, Theragenetics and Mark Warne.

Each of IAML, Imperial Innovations and IPG pursues its own independent investment objectives and makes its own investment and divestment decisions in a manner which it considers best suits its own (and its shareholders'), or, in the case of IAML, its managed clients', interests and objectives. Consequently, each of IAML, Imperial Innovations and IPG reserves the right to seek to rebut the presumption if it deems it appropriate to do so.

Further information on the Concert Party can be found in the remainder of this Part 4.

Until the presumption is rebutted however, since the Concert Party is interested in 34.6 per cent. of the existing issued share capital of the Company, any acquisition of further interests in shares by the Concert Party which increases its aggregate percentage holding would, subject to the provisions of, and dispensations available under the City Code, normally trigger a mandatory offer under Rule 9 of the City Code.

Rule 9 of the City Code further provides among other things, that where any person who, together with persons acting in concert with him holds shares carrying over 50 per cent. of the voting rights of a company, acquires an interest in shares which carry additional voting rights, then they will not generally be required to make a general offer to the other shareholders to acquire the balance of their shares.

Under Note 1 of the Notes on the Dispensations from Rule 9 of the City Code, the Takeover Panel will normally waive the requirement for a general offer to be made in accordance with Rule 9 of the City Code if, *inter alia*, the shareholders of the Company who are independent of the person who would otherwise be required to make an offer and any person acting in concert with him pass an ordinary resolution on a poll at a general meeting approving such a waiver.

The Panel has agreed to such waiver, subject to the Whitewash Resolution being passed. A table setting out each member of the Concert Party's individual interests as at the date of this document, immediately following Admission and following the issue of the Deferred Consideration Shares and the Optimal Medicine Option Shares is set out in paragraph 2.1 of Part 4.

Following approval of the Placing and Acquisition, and assuming that the Placing and Acquisition complete, and there is no take up of the Broker Option, and assuming no other person has exercised any option or any other right to subscribe for shares in the Company following the date of this document, immediately following Admission, the Concert Party will, due to the acquisitions of Ordinary Shares described in this document, be interested in 15,905,912 Ordinary Shares carrying approximately 60.2 per cent. of the voting rights of the Company. Without a waiver of the obligations under Rule 9 of the City Code, this would oblige the Concert Party to make a Rule 9 Offer.

On Admission, the Concert Party will hold Ordinary Shares carrying more than 50 per cent. of the voting rights of the Company and (for so long as they continue to be treated as acting in concert) the Concert Party (and any person acting in concert with them) will be able to acquire further Ordinary

Shares without incurring an obligation to make a general offer to Shareholders under Rule 9 of the City Code. However, any individual members of the Concert Party will not be able to increase their percentage interest in the voting rights of the Company to 30 per cent. or more or increase their interest between 30 and 50 per cent. of the voting rights of the Company without Panel consent. If they did so they would incur an obligation to make a Rule 9 Offer.

Following Admission any individual Concert Party member interested in less than 30 per cent. of the Company's voting rights will be free to acquire interests in shares in the Company without being required to make a Rule 9 Offer providing its holding remains less than 30 per cent. of the voting rights of the Company.

Shareholders should also note that as the Concert Party will hold Ordinary Shares carrying more than 50 per cent. of voting rights, the Concert Party might, collectively, have significant influence if they vote together on the passing of any proposed resolutions at future general meetings of the Company. In addition, the Concert Party holding post Admission will reduce the free float of the Company.

On Admission, assuming each of IAML, Imperial Innovations and IP2IPO subscribe for Placing Shares in the Placing as set out in this Part 4, the Concert Party's combined shareholding will be 60.2 per cent. of the Enlarged Issued Ordinary Share Capital (assuming no exercise of the Broker Option) and issuance of the Deferred Consideration Shares.

1.1 Information on IAML and the Invesco Funds

The information set out in this Part 4 which relates to IAML and the Invesco Funds has been accurately reproduced from information provided by IAML. As far as the Company is able to ascertain from this information, no facts have been omitted which would render the information which relates to IAML inaccurate or misleading.

IAML is a wholly-owned subsidiary of Invesco Ltd. In making investments, IAML is at all times acting as agent for and on behalf of discretionary managed clients, including the Invesco Funds. IAML is an asset management company which is authorised and regulated by the FCA. Its clients include investment companies with variable capital, investment trusts, unit trusts as well as institutional clients. It manages its clients' assets pursuant to investment management agreements with individual clients. As at 31 December 2014, IAML had £19.968 billion in assets under management (this figure includes the assets under management for the investment companies with variable capital).

Invesco Ltd is incorporated in Bermuda and is the parent company of a global investment management group. Invesco Ltd is listed on the New York Stock Exchange (NYSE: IVZ) with a market capitalisation of US$13.6 billion and, as at 30 September 2015, had, preliminary assets under management of US$755.8 billion. Through various operating subsidiaries, Invesco Ltd provides investment products for retail, institutional and high net worth clients. Invesco Ltd operates in North America, Europe and Asia-Pacific and has clients in more than 100 countries.

The Invesco Funds currently hold, through their nominees (Invesco GTR UK Growth Fund, Invesco Perpetual GTR UK Growth, Invesco Perpetual UK Growth, Invesco Perpetual High Income, Invesco Perpetual Income, Invesco Perpetual Children's Fund, Invesco Perpetual UK Equity Pension Fund, Invesco UK Equity Fund), 3,536,370 Ordinary Shares, representing 23.24 per cent. of the of the Company's issued shares. Management authority for the Invesco Funds (including the ability to exercise full voting rights) has been delegated to IAML by Invesco Fund Managers Limited, which is the authorised corporate director of the Invesco Funds. Invesco Fund Managers Limited is a wholly owned subsidiary of Invesco Ltd.

The sole effect on IAML of its proposed participation in the Placing will be to reduce its cash available for investment by approximately £0.8 million, being the value at the Placing Price of the proposed further investment in the Company by IAML.

1.2 The directors of IAML

The directors of IAML are as follows:

Mark Armour, Chief Executive Officer and Director
Paul Joubert, Director
Martin McLoughlin, Director
Nicholas Mustoe, Director
Graeme Proudfoot, Director
Sybille Hofmann, Director

1.3 Incorporation and registered office

IAML is a private company limited by shares incorporated in England and Wales (registered number 00949417) whose registered office is at Perpetual Park, Perpetual Park Drive, Henley-on-Thames, Oxfordshire RG9 1HH.

1.4 Share capital

The issued share capital of Invesco Ltd comprises 490,400,000 ordinary shares of $0.20 dollars each as at 31 March 2015.

1.5 Material Contracts

There are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by IAML or the Invesco Funds within the two years immediately preceding the date of this document.

1.6 Outlook

Invesco Ltd has been given ratings outlooks as set out below, by the following ratings agencies: (a) Moody's: A3 Stable; (b) Standard & Poor's: A- Stable; and (c) Fitch: A- Stable.

1.7 Financial information on Invesco

This information is being provided as part of the required disclosures under the City Code and is not information required under the AIM Rules.

The information listed below relating to Invesco Ltd is hereby incorporated by reference into this document.

Information	*Source of Information*	*Website where the Information is published*	*Page numbers*
Annual report and accounts for the financial year ended 30 December 2013	Annual report and accounts for the financial year ended 30 December 2013	http://ir.invesco.com/files/doc_financials/annual/AnnualReport2013.PDF	81-145
Annual report and accounts for the financial year ended 30 December 2014	Annual report and accounts for the financial year ended 30 December 2014	http://ir.invesco.com/files/doc_financials/annual/10k_2014.pdf	82-145
Second quarter 2015 results	Quarter 2 2015 earnings presentation	http://ir.invesco.com/files/doc_financials/earnings_releases/2015/Q2/IVZ-Press-Release-2Q-2015-Final.pdf	1 – 32

Invesco Ltd will provide within two business days, without charge, to each person to whom a copy of this document has been delivered, upon their written or verbal request, a copy of this document and any documents incorporated by reference in this document. Hard or electronic copies of any documents incorporated by reference in this document will not be provided unless such a request is made. Requests for hard or electronic copies of such documents shall be directed to Matthew Brazier at Perpetual Park Drive, Henley on Thames, Oxfordshire, RG9 1HH or by telephoning 0800 085 8677.

1.8 Information on Imperial Innovations

The information set out in this Part 4 of this document which relates to Imperial Innovations has been accurately reproduced from information provided by Imperial Innovations. As far as the Company is able to ascertain from this information, no facts have been omitted which would render the information which relates to Imperial Innovations inaccurate or misleading.

1.9 Background Information

Imperial Innovations creates, builds and invests in pioneering technology companies and licensing opportunities developed from outstanding scientific research focusing on the 'Golden Triangle', the geographical region broadly bounded by London, Cambridge and Oxford.

This area has an unrivalled cluster of outstanding academic research and technology businesses, and is home to four of the world's top 10 universities, as well as leading research institutions, the cream of the UK's science and technology businesses and many of its leading investors.

Imperial Innovations supports scientists and entrepreneurs in the commercialisation of their ideas, through the licensing of intellectual property, by leading the formation of new companies, by recruiting high-calibre management teams and by providing investment and encouraging co-investment.

Imperial Innovations provides continuity of funding from start-up to scale-up, with initial investments at the seed and Series A stages. Imperial Innovations remains an active investor over the life of its portfolio companies, with the majority of Imperial Innovations investment going into businesses in which it is already a shareholder. This significantly reduces the risk of scaling up investment for the portfolio companies. As Imperial Innovations invests from its own balance sheet it is not constrained by the 5-7 year investment horizons of closed-end funds, nor is it under pressure to sell early in order to demonstrate a return to limited partners.

Imperial Innovations has a technology pipeline agreement with Imperial College London that extends until 2020, under the terms of which it has exclusive commercialisation rights and continues to act as Imperial College's technology transfer office. Imperial Innovations also acts as the technology transfer office for select NHS Trusts linked to Imperial College London, including Imperial College Healthcare NHS Trust and London North West Healthcare NHS Trust. It runs an incubator in London that is the initial home for many of its technology spin-outs.

Following a fundraising in January 2011, Imperial Innovations broadened its addressable market beyond Imperial College by making investments in opportunities arising from intellectual property developed at, or associated with, the University of Cambridge, the University of Oxford and University College London.

Since 2011, around one third of all of the Group's new companies have come from Imperial College, one third from the Cambridge cluster with the final third derived from University of Oxford, UCL and management teams and research organisations around London.

In June 2014, Imperial Innovations completed a £150.0 million fundraising. Following this transaction, the Group expanded its operation to include sourcing of opportunities not only from its existing University partners, but also from the extensive network of entrepreneurs, management teams and co-investors that Imperial Innovations has established within the 'Golden Triangle' over the last 10 years.

Since becoming a public company in 2006, Imperial Innovations has raised more than £346.0 million of equity from investors, which has enabled it to invest in some of the most exciting spin-outs to come out of UK research. In addition, Imperial Innovations has a £50.0 million undrawn loan facility from the European Investment Bank (EIB).

Between Imperial Innovations' admission to AIM (August 2006) and 31 July 2015, Imperial Innovations has invested a total of £236.8 million and the total raised by the Group's portfolio companies is £1.3 billion, with £479.9 million being raised this year.

The sole effect on Imperial Innovations of its proposed participation in the Placing will be to reduce its cash available for investment by approximately £0.6 million, being the value at the Placing Price of the proposed further investment in the Company by Imperial Innovations.

1.10 The directors of Imperial Innovations

The directors of Imperial Innovations are as follows:

Executive Directors

Russ Cummings, Chief Executive Officer
Nigel Pitchford, Chief Investment Officer
Tony Hickson, Managing Director Technology Transfer

Non-Executive Directors

Martin Knight, Chairman
David Begg, Non-Executive Director
Linda Wilding, Non-Executive Director
Peter Chambré, Non-Executive Director
Robert Easton, Non-Executive Director

1.11 Incorporation and registered office

Imperial Innovations Businesses LLP is a limited liability partnership incorporated in England and Wales (registered number OC333709) whose registered office is at 52 Princes Gate, Exhibition Road, London SW7 2PG. Imperial Innovations Limited is a private company limited by shares incorporated in England and Wales (registered number 02060639) whose registered office is at 52 Princes Gate, Exhibition Road, London SW7 2PG. Imperial Innovations Group plc is a public company limited by shares incorporated in England and Wales (registered number 05796766) whose registered office is at 52 Princes Gate, Exhibition Road, London SW7 PG.

1.12 Share capital

The issued share capital of Imperial Innovations comprises 137,674,712 ordinary shares of $3^{1}/_{33}$ pence each.

1.13 Material contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Imperial Innovations group within the two years immediately preceding the date of this document:

Facility agreement

Imperial Innovations entered into a loan facility with the European Investment Bank to support Imperial Innovation's investments in the UK biotech and life science sector on 13 July 2015. The £50 million committed loan facility is available for draw down over a period of two years and is repayable over a maximum of nine years following the date of the first draw down. This is the second facility that Imperial Innovations has secured from the EIB and follows a £30m loan agreed in July 2013.

Placing agreement

On 23 June 2014 Imperial Innovations entered into a placing agreement with J.P. Morgan Cazenove plc and Cenkos Securities plc in respect of the placing of 37,500,000 ordinary shares of Imperial Innovations at 400 pence per share. Imperial Innovations announced that all 37,500,000 ordinary shares had been placed on 23 June 2014.

1.14 Relationship with the Board of the Company

Maina Bhaman, a Non-Executive Director of the Company, is an employee of Imperial Innovations. Save as aforesaid, there are no other relationships (personal, financial or commercial), arrangements and understandings between (i) Imperial Innovations and (ii) any member of the Board.

1.15 Financial information on Imperial Innovations

This information is being provided as part of the required disclosures under the City Code and is not information required under the AIM Rules.

The information listed below relating to Imperial Innovations is hereby incorporated by reference into this document.

Information	*Source of Information*	*Website where the Information is published*	*Page numbers*
Consolidated accounts for the year ended 31 July 2014	the annual report and accounts for Imperial Innovations Group plc for the year ended 31 July 2014	http://www.imperialinnovations.co.uk/investor-relations/documents/	94-146
Consolidated accounts for the year ended 31 July 2015	The annual report and accounts for Imperial Innovations Group plc for the year ended 31 July 2015	http://imperialinnovations.co.uk/investor-relations/documents/annualreport2015/	101-146

Imperial Innovations will provide within two business days, without charge, to each person to whom a copy of this document has been delivered, upon their written or verbal request, a copy of this document and any documents incorporated by reference in this document. Hard or electronic copies of any documents incorporated by reference in this document will not be provided unless such a request is made. Requests for hard or electronic copies of any such document should be directed to: Jon Davies at 52 Princes Gate, Exhibition Road, London, SW7 2PG or by telephoning +44 (0) 203 053 8850.

1.16 Information on IP Group

The information set out in this Part 4 of this document which relates to IP Group has been accurately reproduced from information provided by IP Group. As far as the Company is able to ascertain from this information, no facts have been omitted which would render the information which relates to IP Group inaccurate or misleading.

1.17 Background Information

(a) IPG was established in 2000 to commercialise scientific innovation developed in the UK's leading research institutions. IPG was quoted on AIM in October 2003 and subsequently moved to the Official List in June 2006. In March 2014, IPG completed the acquisition of Fusion IP plc. This resulted in a stronger combined team, a larger and more diversified portfolio and greater exposure to new spin-out companies from Fusion IP plc's historical university relationships.

(b) IPG's business model is to form, or assist in the formation of, spin-out companies based on that innovation, to take a significant minority equity stake in these spin-out companies and then to grow the value of that equity over time by taking an active role in the development of such spin-out companies. IPG's strategy has been to build significant minority equity stakes across a diversified portfolio of companies designed to achieve strong equity returns over the medium to long term.

(c) An important aspect of IPG's strategy is its ability to access a wide range of leading scientific research. This has been achieved primarily through long-term partnerships with a number of leading research universities in the UK. IPG entered into its first long term partnership with the University of Oxford's Chemistry Department in 2000. Since then, IPG has entered into further partnerships and now has direct arrangements covering fifteen of the UK's leading universities.

(d) In addition to these direct contractual arrangements, IPG holds a stake in, and has a commercialisation alliance with, Technikos, a venture capital fund specialising in early-stage medical technology with a long-term commercialisation agreement with the University of Oxford's Institute of Biomedical Engineering. IPG also has a strategic holding in Cambridge Innovation Capital plc, which supports the growth of innovative businesses located in the ''Cambridge Cluster'' and is supported by the University of Cambridge's commercialisation office, Cambridge Enterprise. IPG and Cambridge Innovation Capital plc have also entered into a memorandum of understanding to share information on investment and co-investment opportunities. IPG also has a strategic shareholding in

Oxford Sciences Innovation plc, a newly formed company that will, for a minimum of 15 years, be the contractually preferred partner of the University of Oxford (and its wholly owned subsidiary Isis Innovation Limited) to provide capital to, and develop, spin-out companies based on research from the University of Oxford's Mathematical, Physical and Life Sciences Division.

(e) IPG also has informal arrangements with other universities in the UK and it leverages the capabilities of its in-house sourcing team to identify and pursue compelling standalone opportunities arising from such universities.

(f) IPG has access to intellectual property emanating from research carried out in the United States through its intellectual property commercialisation agreements with each of the following:

(i) Columbia Technology Ventures, the technology transfer office of Columbia University;

(ii) the University of Pennsylvania and the University of Pennsylvania's Center for Technology Transfer's UPstart company formation programme ("**UPstart**"); and

(iii) Princeton University.

Each agreement has an initial pilot phase of eighteen months and focuses on early stage, proof of principle opportunities based on intellectual property developed at each university. In addition, in November 2014, IPG launched a commercialisation initiative with FedIMPACT to identify and develop early stage technologies from a select group of US Department of Energy National Laboratories including Pacific Northwest National Laboratory and The National Renewable Energy Laboratory.

(g) In addition, IPG has a FCA regulated venture capital fund management subsidiary, Top Technology Ventures Limited, which specialises in providing equity funding for early stage technology based growth companies and currently manages three funds; the £31 million IP Venture Fund; the £25 million NETF; and the £30 million IP Venture Fund II.

(h) In March 2015, IPG raised approximately £128 million (gross of expenses) by way of a placing and open offer. One of the use of proceeds stated by IPG was to enable IPG to increase its stakes through subsequent financing rounds in its post-seed portfolio companies which the IPG board consider to be the most promising, of which IXICO and Optimal Medicine are two. Further, in May 2015, IPG raised approximately £55.1 million (gross of expenses) by way of a further placing. The sole effect on IPG of its proposed participation in the Placing will be to reduce its cash available for investment by approximately £1.2 million, being the value at the Placing Price of the proposed further investment in the Company by IP2IPO.

(i) IP2IPO is the wholly owned operating subsidiary of IPG and holds the majority of IPG's shareholdings in its portfolio companies.

(j) NETF is a £25m venture capital fund dedicated to investing in technology businesses with outstanding potential which are based in, or are willing to relocate to, the North East of England. NETF invests in companies from seed through to growth stages of development and may include opportunities from leading research universities in the North East of England region and is backed by the European Investment Bank and European Regional Development Funds. Top Technology Ventures Limited, IPG's FCA regulated venture capital fund management subsidiary, has managed NETF since January 2010 and IP2IPO and NETF have a number of co-investee companies.

(k) Theragenetics is a wholly owned subsidiary of Avacta Group plc ("**Avacta**"), an AIM listed portfolio company of IPG and in which IPG beneficially owns approximately 25.2 per cent. of the issued share capital. IPG's CEO, Alan Aubrey, is also a non-executive director on the Board of Avacta. Avacta is dedicated to providing life scientists with high quality, powerful, unique tools to enable them to work faster and smarter in accelerating our understanding of biology and disease, and to help them apply these advances to diagnosis and treatment of humans and animals.

(l) Mark Warne is Head of Healthcare at IPG. He has been with IP Group since 2008 developing and commercialising healthcare technology innovations primarily from research intensive universities and sits on IPG's healthcare and biotech investment committees. Mark currently represents IPG on the Boards of a number of its life science portfolio companies including Optimal Medicine.

1.18 The directors of IP Group

The directors of IPG, are as follows:

Executive Directors:

Alan John Aubrey – Chief Executive Officer

Michael Charles Nettleton Townend – Chief Investment Officer

Gregory Simon Smith – Chief Financial Officer

David Graham Baynes – Chief Operating Officer

Non-Executive Directors:

Michael Humphrey – Non-Executive Chairman

Jonathan Brooks – Non-Executive Director

Prof. Lynn Faith Gladden – Non-Executive Director

Douglas Brian Liversidge – Senior Independent Director

Dr. Elaine Sullivan – Non-Executive Director

1.19 Incorporation and registered office

IPG is incorporated and registered in England and Wales (registered number 04204490). Its registered and principal office is at 24 Cornhill, London, EC3V 3ND.

1.20 Share capital

The issued share capital of IPG comprises 564,648,168 ordinary shares of 2 pence each.

1.21 Material contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of IP Group within the two years immediately preceding the date of this document:

Variation Agreement between Queen Mary and Westfield College, University of London ("QMUL") and (2) IP2IPO

Pursuant to a variation agreement dated 23 January 2014 (the "**Variation Agreement**"), the parties agreed certain variations, clarifications and supplemental terms to the original commercialisation framework agreement amongst themselves, dated 20 July 2006 which, in the event of a direct conflict, prevail over the terms of the original framework agreement.

The principal provisions of the Variation Agreement are as follows:

(a) IPG's obligation of providing a full time employee, "**FTE**" (full-time equivalent) to QMUL is removed and replaced with an IP2IPO representative;

(b) a revised and constructive way in which the IP2IPO Representative (and members of IP2IPO's client sourcing team) will work with Queen Mary Innovation Limited on the ground to identify commercialisation opportunities is suggested;

(c) the parties agreed that IP2IPO's right to a share of licensing fees shall be removed save where (a) there is the conversion of an IP2IPO incubated company into an out-licensing opportunity, (b) IP2IPO establish a company as a licensing vehicle for platform technology, and/or (c) IP2IPO has otherwise had significant input in respect of the relevant out-licensing opportunity (which would include both finding the potential licensee and undertaking negotiation of the commercial head of terms with such party);

(d) IP2IPO's initial founder equity right shall be removed and replaced with a warrant over an equivalent amount of shares in the relevant spin-out company exercisable at seed investment stage; and

(e) more regular reviews of the agreement between the parties are set down.

Side Agreement to the University of Bath Commercialisation of IP Framework Agreement

Pursuant to a side agreement dated 6 February 2015 between the University of Bath, IP2IPO and IPG, the parties agreed to vary the terms of their original commercialisation framework agreement dated 7 September 2006 to enable IP Venture Fund II to co-invest alongside IP2IPO in respect of up to 30 per cent. of the total seed capital requirement of the relevant spin-out company on terms no less favourable than those applicable to IP2IPO's investment, where such investments are made at the same time.

Variation Agreement regarding proof of principle fund agreement relating to the University of Manchester

(f) Pursuant to a variation agreement dated 23 January 2014 (the "**Variation Agreement**") amongst the University of Manchester ("**UOM**"), The University of Manchester I3 Limited ("**UMI3**") and IP2IPO, the parties agreed certain variations, clarifications and supplemental terms to the original Manchester IP commercialisation agreement amongst themselves dated 25 February 2013 which, in the event of a direct conflict, prevail over the terms of the original agreement with effect from the date of the Variation Agreement.

(g) The principal provisions of the Variation Agreement are as follows:

(i) the scope of the original Proof of Principle (POP) fund agreement is widened to include graphene and other 2-D materials so that IP2IPO shall provide funding in the following technology areas: (1) clean/environmental technology, (2) all non-therapeutic life, medical and human sciences technologies and information technology, (3) electronics and communications, (4) advanced materials including, without limitation, graphene and other two dimensional and/or nanoscale materials; and any other areas agreed by the parties in writing;

(ii) the parties agree that graphene projects may be sourced by UMI3 both from within UOM and beyond and that each such graphene project shall be offered to IP2IPO for investment in accordance with the provisions of the original proof of principle agreement; and

(iii) given this increase in the scope of the original POP fund agreement, IP2IPO increases its aggregate funding commitment under the original POP funding agreement from £5 million to up to £7.5 million.

Collaboration Agreement relating to the IP Commercialisation Partnership with Colombia University

Pursuant to a collaboration agreement dated 24 October 2013 and made between (1) IP Group, Inc., (2) IP2IPO Americas Limited (together "**IPG Americas**") and (3) The Trustees of Columbia University in the City of New York, on behalf of Columbia Technology Ventures ("Columbia University"), the parties agreed certain arrangements with regard to an IP commercialisation partnership in connection with the commercialisation of early-stage, proof of principle opportunities based on intellectual property developed at Columbia University and geared towards the formation of spin-out companies. Broadly summarised, these arrangements entitle IPG, at its sole discretion and determination, to fund POP opportunities up to an aggregate level of US$500,000 over a period of 18 months from the date of the agreement (the "**Pilot Term**").

During the Pilot Term, IPG Americas shall support and work in co-operation with the University in its identification of potential commercialisation opportunities in or relating to technologies developed within the University.

Collaboration Agreement relating to the IP Commercialisation Partnership with the University of Pennsylvania

Pursuant to a collaboration agreement dated 11 November 2013 and made between (1) IP Group, Inc., (2) IP2IPO Americas Limited (together "**IPG Americas**") and (3) The Trustees of the University of Pennsylvania ("Penn"), the parties agreed certain arrangements with regard to an IP commercialisation partnership in connection with early-stage, proof of principle opportunities for IPG to invest in technologies and companies based on Penn IP through Upstart (the UPstart company formation program of Penn's Centre for Technology Transfer).

Broadly summarised, these arrangements entitle IPG, at its sole discretion and determination, to fund POP opportunities up to an aggregate level of US $500,000 over a period of 18 months from the date of the agreement (the "**Penn Pilot Term**").

During the Penn Pilot Term, IPG Americas shall support and work in co-operation with Penn in its identification of potential commercialisation opportunities in or relating to technologies designated by Upstart.

Collaboration Agreement relating to the IP Commercialisation Agreement with Princeton University

Pursuant to a collaboration agreement dated 28 March 2014 and made between (1) IP Group, Inc., (2) IP2IPO Americas Limited (together "**IPG Americas**") and (3) The Trustees of Princeton University, the parties agreed certain arrangements with regard to an IP commercialisation partnership in connection with the commercialisation of early-stage, proof of principle opportunities based on intellectual property developed at Princeton University and geared towards the formation of spin-out companies. Broadly summarised, these arrangements entitle IPG, at its sole discretion and determination, to fund POP opportunities up to an aggregate level of US $500,000 over a period of 18 months from the date of the agreement (the "**Princeton Pilot Term**").

During the Princeton Pilot Term, IPG Americas shall support and work in co-operation with the University in its identification of potential commercialisation opportunities in or relating to technologies developed within the University.

Summary of the FedIMPACT, LLC Operating Agreement

Pursuant to an operating agreement dated 3 October 2014 between (1) TNT Management, LLC ("**TNT**") and (2) IP2IPO FI Limited and IP Group, Inc. (together "**IPG Group**"), the parties agreed to establish a limited liability company in the State of Delaware under the name FedIMPACT, LLC ("**FedIMPACT**" or the "**LLC**") to carry on the business of identifying, funding, developing and commercialising promising technologies sourced from an initial group of US Department of Energy National Laboratories including Pacific Northwest National Laboratory and National Renewable Energy Laboratory (together the "**DOE Laboratories**") pursuant to a pilot engagement with such laboratories (the "**DOE Pilot**").

The principal provisions of the operating agreement are as follows:

(h) IPG Group contributed US$75,000 to the capital of the LLC and agreed to contribute, prior to the first day of each fiscal quarter, additional capital contributions to the LLC in the amount equal to the LLC's operating budget contained in such operating plan;

(i) the board of managers consists of three members, one of whom IPG Group shall have the right to appoint and two of whom TNT shall have the right to appoint;

(j) the board of managers shall not have the right to take certain actions without the prior written approval of both IPG Group and TNT including:

  (i) any amendment or change to the formation documents;

  (ii) approving the operating plan and expenditures over and above the budget included in the operating plan;

  (iii) changing the composition of the board of managers;

  (iv) adding or removing any laboratory from the DOE Pilot or changing the scope of the DOE Pilot;

  (v) investing any POC Funding or Seed Funding (as defined below);

  (vi) entering into any technology licensing agreements with any of the DOE Laboratories; or

  (vii) entering into any management or consultancy agreements, except as otherwise stated in the operating agreement;

(k) the LLC will be responsible for delivering the objectives of the DOE Pilot and will be the primary interface during the DOE Pilot with the DOE Laboratories;

(l) in coordination with the IPG Group, the LLC will select technologies sourced from the DOE Laboratories as being suitable for investment, either through proof of concept funding with additional technical development to be performed at the DOE Laboratory ("POC Funding") or through more mature seed investments made directly into independent spin-out companies ("**Seed Funding**");

(m) for POC Funding, the LLC will in addition to the POC Funding provide program management services under a sponsored research agreement with the relevant DOE Laboratory and enter into an option to licence the proof of concept technology ("**Technology Option**");

(n) for Seed Funding resulting out of a POC Funding ("**Type A Seed Technologies**"), it is anticipated that, subject to agreement by the relevant DOE Laboratory, 55 per cent. of the equity in each new company ("**NewCo**") formed to develop the Type A Seed Technology will be issued to the LLC in exchange for contribution by the LLC to the NewCo of the Technology Option rights, technology and know-how; it is further anticipated that, subject to agreement by the relevant DOE Laboratory, the NewCo will enter into a license agreement with the relevant DOE Laboratory to obtain the exclusive rights to the Type A Seed Technology in exchange for a combination of 45% NewCo equity issued to the relevant DOE Laboratory and royalties payable to the DOE Laboratory;

(o) for seed technologies not requiring any prior POC Funding ("**Type B Seed Technologies**"), it is anticipated that, subject to agreement by the relevant DOE Laboratory, 33 per cent. of the equity in each NewCo formed to develop the Type B Seed Technology will be issued to the LLC; it is further anticipated that, subject to agreement by the relevant DOE Laboratory, the NewCo will enter into a license agreement with the relevant DOE Laboratory to obtain the exclusive rights to the Type B Seed Technology in exchange for a combination of 67 per cent. NewCo equity issued to the relevant DOE Laboratory and royalties payable to the DOE Laboratory;

(p) concurrent with the Seed Funding and in consideration of the capital contributions made by IPG to the LLC under the operating agreement, the LLC will make a distribution of the NewCo equity held by the LLC to TNT (80 per cent) and IPG Group (20 per cent.); and

(q) the operating agreement shall terminate at any time upon the mutual written agreement of IPG and TNT.

Placing agreement in respect of 2014 firm placing and placing and open offer and offer for subscription

Pursuant to the terms and conditions contained in the 2014 placing agreement, IPG appointed Numis Securities Limited ("**Numis**") as: (i) sponsor in connection with admission; (ii) its agent for the purpose of publishing the open offer and the offer for subscription; (iii) its agent for implementing the placing, in relation to which Numis had agreed to use its reasonable endeavours to procure non-firm placees for the placing shares; and (iv) its agent for implementing the firm placing, in relation to which Numis had agreed to use its reasonable endeavours to procure firm placees for all of the firm placed shares at the issue price and, to the extent that Numis failed to procure such firm placees, Numis would have subscribed as principal for any firm placed shares not taken up at the issue price as underwriter of the firm placing. Numis had not agreed to underwrite the placing, the open offer or the offer for subscription.

In consideration of Numis' services under the placing agreement, IPG agreed to pay to Numis a commission of 2 per cent. of the total aggregate gross proceeds of the capital raising and all properly incurred costs or expenses of, or in connection with, the placing, open offer, capital raising and the placing agreement.

The obligations of Numis under the placing agreement were subject to certain conditions being satisfied. IPG gave customary warranties and indemnities to Numis.

Placing agreement in respect of 10 March 2015 firm placing and placing and open offer and offer for subscription

Pursuant to the terms and conditions contained in the 10 March 2015 placing agreement, IPG had appointed Numis as: (i) sponsor in connection with admission; (ii) its agent for the purpose of publishing the open offer; (iii) its agent for implementing the placing, in relation to which

Numis had agreed to use its reasonable endeavours to procure non-firm placees for the placing shares; and (iv) its agent for implementing the firm placing, in relation to which Numis had agreed to use its reasonable endeavours to procure firm placees for all of the firm placed shares at the issue price and, to the extent that Numis failed to procure such firm placees, Numis would have subscribed as principal for any firm placed shares not taken up at the issue price as underwriter of the firm placing. Numis had not agreed to underwrite the placing, the open offer or the offer for subscription.

In consideration of Numis' services under the placing agreement, IPG agreed to pay to Numis a commission of 2 per cent. of the total aggregate gross proceeds of the capital raising and all properly incurred costs or expenses of, or in connection with, the placing, open offer, capital raising and the placing agreement.

The obligations of Numis under the placing agreement were subject to certain conditions being satisfied. IPG gave customary warranties and indemnities to Numis.

Placing agreement in respect of 14 May 2015 firm placing and placing and open offer and offer for subscription

Pursuant to the terms and conditions contained in the 14 May 2015 placing agreement, IPG had appointed Numis as: (i) sponsor in connection with admission and (ii) its agent for the purpose of procuring placees at the placing price for the placing shares following completion of the accelerated bookbuilding process. Numis had not agreed to underwrite the placing. In consideration of Numis' services under the placing agreement, IPG agreed to pay to Numis a commission of 2 per cent. of the total aggregate gross proceeds of the placing and all properly incurred costs or expenses of, or in connection with, the placing. The obligations of Numis under the placing agreement were subject to certain conditions being satisfied. IPG gave customary warranties and indemnities to Numis.

Facility Agreement

IPG entered into a £30 million, 8-year debt facility with the European Investment Bank on 9 July 2015. The facility will be disbursed in two tranches of not less than £10million each. The facility is unsecured and is repayable over a period of 8 years. The facility provides IPG with an additional source of long-term capital to support its future growth and development.

1.22 Financial information on IP Group plc

This information is being provided as part of the required disclosures under the City Code and is not information required under the AIM Rules.

The information listed below relating to IPG is hereby incorporated by reference into this document.

Information	*Source of Information*	*Website where the Information is published*	*Page numbers*
Audited, consolidated accounts for the year ending 31 December 2014	IP Group Annual Report 2014	http://www.ipgroupplc .com/investor-relations/ reports-and-presentations/	87-120
Unaudited, consolidated accounts for the six months ending 30 June 2015	IP Group Half-yearly Report 2015	http://www.ipgroupplc./ com/investor-relations/ reports-and-presentations/	14-30

IPG will provide within two business days, without charge, to each person to whom a copy of this document has been delivered, upon their written or verbal request, a copy of this document and any documents incorporated by reference in this document. Hard or electronic copies of any documents incorporated by reference in this document will not be provided unless such a request is made. Requests for hard or electronic copies of any such document should be directed to: the Company Secretary at 24 Cornhill, London, EC3V 3ND or by telephoning +44 (0)845 074 2929.

2. Disclosure of interests and dealings in shares

2.1 Members of the Concert Party

The members of the Concert Party are currently interested in 34.6 per cent. of the Existing Ordinary Shares. Details of their current interests and what their maximum interest would be immediately following Admission are as follows:

Concert Party Member	*Ordinary Shares*	*% Existing Issued Share Capital*	*Ordinary Shares at Admission**	*% Enlarged Issued Share Capital**	*Ordinary Shares following issue of the Deferred Considera-tion Shares*	*% Fully Diluted Share Capital*
The Invesco Funds	3,536,370	23.5	6,205,222	23.5	6,205,222	22.9
IP2IPO	15,668	0.1	5,353,687	20.3	5,704,585	21.0
NETF	—	—	647,819	2.5	809,774	3.0
Theragenetics	—	—	75,200	0.3	75,200	0.3
Mark Warne	—	—	4,323	0.0	5,404	0.0
Imperial Innovations	1,714,743	11.4	3,619,661	13.7	3,619,661	13.3
Total			15,905,912	60.2	16,919,846	60.5

* assuming no take up under the Broker Option and no options, warrants and subscription rights outstanding, held by non Concert Party members, are exercised

Following approval of the Placing and Acquisition, and assuming that the Placing and Acquisition complete, and there is no take up of the Broker Option, and assuming no other person has exercised any option or any other right to subscribe for shares in the Company following the date of this document, immediately following Admission, the Concert Party will hold interests in shares carrying approximately 60.2 per cent. of the voting rights of the Company which, without the Rule 9 Waiver, would oblige the Concert Party to make a Rule 9 Offer.

2.2 Market dealings in relevant securities. No dealings have taken place during the disclosure period in relevant securities of the Company.

2.3 Save as disclosed in Part 4 of this document:

(a) no member of the Concert Party had any interest in or right to subscribe for, nor had any short position in relation to, any relevant securities of the Company, nor had it dealt in any such relevant securities during the disclosure period;

(b) none of the directors of any member of the Concert Party (including any members of such director's respective immediate families, related trusts or connected persons) had an interest in or a right to subscribe for, or had any short position in relation to any relevant securities of the Company, nor had any such person dealt in such securities during the disclosure period;

(c) no person acting in concert with any member of the Concert Party had an interest in or a right to subscribe for, or had any short position in relation to, any relevant securities of the Company, nor had any such person dealt in any such securities during the disclosure period; and

(d) neither Concert Party member nor any person acting in concert with any member of the Concert Party had borrowed or lent any relevant securities of the Company, save for any borrowed shares which have either been on-lent or sold.

3. Market Quotations

The following table shows the closing middle market quotations of Existing Ordinary Shares, as derived from the Daily Official List of the London Stock Exchange on the first business day of each of the six months immediately before the date of this document and on 16 November 2015 (being the latest practicable date prior to the posting of this document):

Date	*Price per Ordinary Share*
1 June	28.0
1 July	23.5
3 August	34.0
1 September	31.0
1 October	31.5
2 November	33.5
17 November	32.0

4. Irrevocable undertaking

Certain members of the Concert Party have entered into an irrevocable undertaking with the Company dated 17 November, pursuant to which the relevant individual or entity has agreed, *inter alia*, to vote in favour of all the Resolutions, excluding Resolution 2, on which each member of the Concert Party has undertaken not to vote since it relates to the approval of the Rule 9 Waiver in respect of their own shareholdings, amounting in aggregate to 5,266,781 Ordinary Shares (representing approximately 34.6 per cent. of the Existing Ordinary Shares).

5. The Concert Party's intentions regarding the Company's business

The Concert Party has informed the Board that it currently intends to allow the Company to continue with its proposed strategy, as detailed in Part 1 of this document.

The Concert Party does not have any intentions regarding the Company's business that would affect:

- the future business of the Company;
- the continued employment of the employees and management of the Company or its subsidiaries, including any material change in conditions of employment;
- its strategic plans for the Company, or their likely repercussions on employment or the locations of the Company's places of business;
- employer contributions into the Company's pension scheme(s), the accrual of benefits for existing members, or the admission of new members;
- the redeployment of the fixed assets of the Company; or
- maintenance of the existing trading facilities of the Company's relevant securities

6. Additional disclosures required by the City Code

At the close of business on the disclosure date, save as disclosed in Part 4 of this document:

(a) none of the Directors (including any members of such Directors' respective immediate families, related trusts or connected persons) had any interest in or a right to subscribe for, or had any short position in relation to, any relevant securities of the Company;

(b) no person acting in concert with the Company had any interest in, or right to subscribe for, or had any short position in relation to any relevant securities of the Company;

(c) neither the Company nor any of the Directors (including any members of such Directors' respective immediate families, related trusts or connected persons) had any interest in or right to subscribe for, or had any short position in relation to any relevant securities of any member of the Concert Party except for Maina Bhaman who holds 137,170 options in Imperial Innovations, nor has any such person dealt in any such securities during the disclosure period;

(d) the Company has not redeemed or purchased any of its relevant securities during the disclosure period;

(e) no person who has an arrangement with the Company or with any person acting in concert with the Company had any interest in or right to subscribe for, or had any short position in relation to, any relevant securities of the Company; and

(f) neither the Company nor any person acting in concert with the Company had borrowed or lent any relevant securities of the Company, save for any borrowed shares which have either been on-lent or sold.

7. Other arrangements, agreements or understandings

Save as described in this document, no member of the Concert Party has entered into agreements, arrangements or understandings (including any compensation arrangement) with any of the Company's Directors, recent Directors, Shareholders, recent Shareholders or any other person interested or recently interested in Existing Ordinary Shares which are connected with or dependent upon the outcome of the Placing and the Broker Option. No member of the Concert Party has entered into any agreement, arrangement or understanding to transfer any interest acquired in the Company as a result of the Placing.

PART 5

RISK FACTORS

A. CONDITIONS OF THE PLACING, THE BROKER OPTION AND THE ACQUISITION

The Placing and the Broker Option are subject to certain conditions including the need for Shareholder approval in connection with the Resolutions, the nonfulfillment of which would mean that the Placing, the Broker Option and the Acquisition could not be implemented and that the Company would have to bear the abortive costs of making the Proposals.

B. RISKS RELATING TO THE BUSINESS OF THE GROUP AND THE MARKETS IN WHICH IT OPERATES

1. Planned growth may not be achieved

The Enlarged Group's operating results could fluctuate as a result of a number of factors, many of which are beyond its control. These factors include, amongst others:

(a) the growth rate of the markets (i.e. pharmaceutical companies and other organisations undertaking clinical studies, pharmaceutical companies seeking to partner with Digital Healthcare companies, and health care providers purchasing products to support diagnosis and patient management) into which the Enlarged Group sells its products;

(b) general economic conditions that impact the market purchasing power of health care providers and the pharmaceutical industry;

(c) unanticipated delays or problems in the introduction of its products. If the Enlarged Group does not realise sufficient levels of profitability, it may require additional financing or need to materially adapt its future growth strategy; and/or

(d) specific local regulatory regimes may delay and/or otherwise negatively impact the Enlarged Group's ability to execute its growth strategy.

2. Market acceptance of current and new products

Whilst the Directors believe that a viable market for the Enlarged Group's products supporting Digital Healthcare Companion Products and Digital Healthcare products to support patient management exists there can be no assurance that its technology will prove to be an attractive addition or alternative to traditional tools and competing technologies currently in use. The development of a market for the Enlarged Group's products is affected by many factors, some of which are beyond the Enlarged Group's control, including:

(a) the emergence of newer, more competitive technologies and products;

(b) the cost of the Enlarged Group's products themselves;

(c) regulatory requirements;

(d) customer perceptions of the accuracy and reliability of its products;

(e) customer perceptions of the risk of purchasing products from or partnering with the Enlarged Group, which is a relatively small supplier in this market;

(f) customer reluctance to buy a new product; and

(f) customer reliance on competitors' proprietary systems.

If a market fails to develop or develops more slowly than anticipated, the Enlarged Group's revenue will likely be negatively impacted and it may be unable to recover the losses it will have incurred in the development and marketing of the new products, which it intends to develop or is developing.

The only meHealth product that has revenue is MeHealth for ADHD. Revenue is early and from a small number of primary care physicians who pay on a month by month basis. There is no guarantee that this revenue will be maintained as customers may cancel their contract if they find the product does not meet their requirements or a competing product becomes available.

The other MeHealth products are under development and have not been sold or generated any revenue. There is no guarantee that these products will be sold or generate revenue.

3. Market competition

The Enlarged Group's competitors and potential competitors within: (i) the core business of supporting clinical studies; (ii) digital healthcare technologies to support decision support for brain health; and (iii) Digital Healthcare Companion Products:

(a) other imaging CRO companies specialising in quantitative analysis and other companies, which may be larger, have a stronger track record, and have substantially greater resources than those of the Enlarged Group; and

(b) other companies developing technologies for clinical decision support in brain health which may have substantially greater resources than those of the Enlarged Group. Competitors and potential competitors may develop technologies and products (and those technologies and products may be patented) that are less costly and/or more effective than the technology or products of the Enlarged Group or which may make those of the Enlarged Group obsolete or uncompetitive.

4. Dependence on the pharmaceutical industry

Most of the Group's current revenue results from expenditure by pharmaceutical businesses on running clinical trials. If customers or potential customers in this sector were to:

(a) reduce such expenditure, in particular by reducing the number of clinical trials especially in the area of neurodegenerative disease, which has the been the main source of revenue for the Group in the most recent three financial years;

(b) seek to retain such activities in-house rather than outsourcing them;

(c) exclude the Enlarged Group from bidding for business by removing it from the list of approved suppliers;

(d) consolidate through the vertical integration of their businesses and choose not to engage the Enlarged Group; and/or

(e) decide that larger competitors are much lower risk and therefore only considers the Enlarged Group able to deliver on small contracts,

the Enlarged Group's business could be negatively impacted. If any one such customer were to delay or terminate a significant clinical trial or terminate a master services agreement, it might have a significant adverse effect on the Enlarged Group's financial performance and future prospects. Any such negative impact on the current business would likely negatively impact the Enlarged Group's ability to execute its growth strategy.

5. Acceptance of digital healthcare technologies

It may take a long time for acceptance of the Enlarged Group's technologies that support clinical decision support by physicians, patients, hospitals, national health systems and insurance companies to occur. The Enlarged Group's products currently marketed and under development, are targeted at decision support for diagnosis and management of brain diseases (including dementia and ADHD) and for real world data collection, for which a number of products already exist and where other companies also have new products in development. In particular, while there are initial users of Assessa®, MyBrainBook® and meHealth for ADHD, the acceptability of these technologies to large numbers of physicians and patients remains to be established. In the event of any such delay in acceptance, the Enlarged Group's revenue will likely be negatively impacted and it may be unable to recover the losses it will have incurred in the development of the new products, which it intends to develop or is developing.

6. Technological change and technological obsolescence

The Enlarged Group's technologies and products including TrialTracker™, Assessa®, MyBrainBook®, and meHealth ADHD could be adversely impacted by the discovery of new technology and the Enlarged Group may be unable to predict or adapt to new techniques or discoveries. There can be no assurance that the Enlarged Group's products will not be rendered obsolete. In the event of any such obsolescence, the Enlarged Group's revenue will likely be negatively impacted and it may be unable to recover the losses it will have incurred in the development of the new products, which it intends to develop or is developing. In addition there is no guarantee the Enlarged Group will be able to adapt existing technology for future clinical applications and may not be able to gain traction, which would limit market potential.

7. Reliance on reference data and data analytics

Some of the Enlarged Group's products to support clinical decision support (including Assessa®) make use of measurements obtained from multiple sources of information about the patient, combined with reference data from suitable normal and diseased populations, to provide an interpretation that can support a healthcare professional making a diagnosis. The Group has access to certain reference data for this purpose and is negotiating access to further sources of data. There is no guarantee that the Enlarged Group will succeed in these negotiations or that the data, or measurements from this reference data, will be the exclusive property of the Enlarged Group. If new image acquisition technologies are introduced into the market, displacing current approaches, then the reference data of the Enlarged Group may become obsolete. Changes in the scientific understanding of the causes of dementia, or of the diagnostic criteria, may also require that the Enlarged Group invest in obtaining additional reference data. Any need for additional data could impact the timing and quantum of revenues and profitability.

While IXICO has expertise in data analytics that has successfully been applied to data from AD patients in the past, the Company does not yet know whether the application of this data analytics technology in other disease areas (including ADHD) would be similarly successful, and therefore does not yet know whether it will be possible to develop an improved version of Optimal Medicine's current technology (including meHealth for ADHD) as a result of applying IXICO data analytics to Optimal Medicine patient data.

8. Reliance on reimbursement

The commercial success of the Enlarged Group's products is likely to depend, in part, on the extent to which reimbursement for them and their use will be available, within a reasonable timeframe, from government and health administration authorities, private health insurers, managed care programmes and other third-party payers in the countries where its products are marketed. Programmes such as competitive bidding pilot projects or other volume aggregation price reduction programmes could have an adverse impact on the Enlarged Group's access to market for certain products if it is unable to successfully compete in these programmes.

9. Retention of key personnel

Retention of key employees by the Enlarged Group remains critical to its success. The loss of key employees would be likely to weaken the Enlarged Group's scientific, technical and management capabilities, resulting in delays in the development of its products and impacting negatively on its business. Although the Group has entered into employment arrangements with each of its key personnel with the aim of securing their services, the retention of such services cannot be guaranteed.

Scientific companies such as the Group are highly dependent on employees who have an in-depth and long-term understanding of technologies, products, programmes, collaborative relationships and strategic goals. The loss of these key employees and the Enlarged Group's inability to recruit new employees to replace them could have a negative impact on the business and prospects of the Enlarged Group.

Competition for experienced scientific and technical personnel may be intense and there may be a limited number of persons with appropriate knowledge of, and experience within, such industries. The process to identify such personnel, the training required and the investment in order that they can make a valuable contribution may be significant and lengthy.

10. Recruitment of Business Development and Marketing personnel

The Group's strategy includes expanding its business development and marketing teams in Europe and USA. Competition for employees who can combine scientific and technical knowledge with commercial expertise in order to sell the Enlarged Group's services and products may be intense. There may be a limited number of persons with the required knowledge and experience. The process to identify, recruit and train such personnel may be lengthy which in turn may directly impact the Enlarged Group's ability to grow its commercial base and revenues.

11. History of trading losses

Both IXICO and Optimal Medicine have a history of trading losses. There can be no assurance that the Enlarged Group will achieve significant revenues or profitability.

12. Dependence on information technology systems

The Group is dependent on information technology systems to support product delivery and a wide variety of key business processes as well as internal and external communications. Although the Group believes that the information technology systems it currently uses are reliable and meet the requirements of its operations, it cannot be certain that these systems will not require upgrades or repair, even in the near future, or that they will not be subject to technical or other failure, including damage caused by viruses or hackers. Significant disruption of these systems can, despite all safety measures, cause a loss of data and/or disruption of business processes such as product delivery, sales or accounting. Further, while the Group does have disaster recovery plans and business continuity plans in place for both their in-house IT systems and those hosted by approved suppliers, in the event of, among other things, natural disasters such as flooding, such natural disasters could still cause mechanical failure in, or physical destruction of, the Enlarged Group's information technology systems. Any disruptions in the Enlarged Group's information technology systems could have a material adverse effect on the Enlarged Group's business, financial condition and results of operations as well as the Enlarged Group's prospects.

13. The Group may not be able to secure adequate insurance at an acceptable cost

The Group's business exposes it to potential product liability, professional indemnity and other risks which are inherent in the sale of products and services to the pharmaceutical industry and to healthcare providers for use on patients. No assurance can be given that product liability, or any future necessary insurance cover will be available to the Enlarged Group at an acceptable cost, if at all, or that, if there is any claim, the level of the insurance the Enlarged Group carries now or in the future will be adequate or that a product liability, professional indemnity or other claim would not materially and adversely affect the Enlarged Group's business. In addition, it may be necessary for the Enlarged Group to secure certain levels of insurance as a condition to the conduct of clinical trials. In the event of any claim, the Enlarged Group's insurance coverage may not be adequate.

14. Success may depend on its collaborators and third party organisations

The Enlarged Group's success may be dependent on its collaborators and third party organisations. The Enlarged Group's collaborators may have substantial responsibility for some of the development and commercialisation of the Enlarged Group's products. Certain of the Enlarged Group's collaborators also have significant discretion over the resources they devote to these efforts. The Enlarged Group's success, therefore, will depend on the ability and efforts of these outside parties in performing their responsibilities.

15. Protection of intellectual property which is significant to the Enlarged Group's competitive position

The Enlarged Group's success depends in part on its ability to obtain and maintain protection for its inventions and proprietary information, so that it can stop others from making, using or selling its inventions or proprietary rights. The Group owns a portfolio of patents and patent applications and is the authorised licensee of other patents.

There is a significant delay between the time of filing a patent application and the time its contents are made public, and others may have filed patent applications for subject matter covered by the Group's pending patent applications without the Group being aware of these applications. The Group's patent applications may not have priority over patent applications of others and their pending patent applications may not result in issued patents. Even if the Enlarged Group and its collaborators obtain patents, they may not be valid or enforceable against others. Moreover, even if the Enlarged Group receives patent protection for some or all of its products, those patents may not give the Enlarged Group an advantage over competitors with similar products.

The technologies of the Group are based on software, including algorithms for data manipulation and analysis. Patents related to software-based systems are considered to be less of a barrier to competitors than patents related to hardware devices or molecules.

Copyright in the software incorporated into the Group's products is a further form of intellectual property protection for the Group's products, but can be hard to enforce if a competitor obtains access to the source code.

To develop and maintain its competitive position, the Group also relies on unpatented trade secrets and improvements, unpatented know-how and continuing technological innovation, which it protects with security measures it considers to be reasonable, including confidentiality agreements with collaborators, consultants and employees. The Enlarged Group may not have adequate remedies if these agreements are breached and the Enlarged Group's competitors may independently develop any of this proprietary information.

If the Enlarged Group fails to obtain adequate protection for its intellectual property, the Enlarged Group's competitors may be able to take advantage of the Enlarged Group's research and development efforts. The Enlarged Group's success will depend, in large part, on its ability to obtain and maintain patent or other proprietary protection for, in general, its technologies and, in particular, its products and processes. The Enlarged Group may not be able to obtain patent protection for its technologies and products. Legal standards relating to patents covering software and algorithms, and the scope of claims made under these patents are still developing. There is no consistent policy regarding the breadth of claims allowed in such patents across jurisdictions. The Enlarged Group's patent position is therefore never certain and involves complex legal and factual issues and applications.

16. Disputes relating to intellectual property

The Enlarged Group may have to initiate litigation to enforce its patent and licence rights. If the Enlarged Group's competitors file patent applications that claim technology also claimed by the Enlarged Group, the Enlarged Group may have to participate in interference or opposition proceedings to determine the priority of invention. An adverse outcome could subject the Enlarged Group to significant liabilities and require the Enlarged Group either to cease selling the related products or services to pay licence fees.

17. The Enlarged Group may accidentally infringe the intellectual property of others

Third parties may allege that the Enlarged Group is employing their proprietary technology or products without authorisation, which could result in a judgment and award of damages against the Enlarged Group. Further, parties making claims against the Enlarged Group may be able to obtain injunctive or other equitable relief, which could prevent the Enlarged Group from further developing and commercialising future products without obtaining relevant licences.

18. Reliance on licences granted to it by third parties

The products being developed by the Enlarged Group may rely on licences granted to the Enlarged Group which will need to be readily capable of enforcement through normal legal process. The contractual rights in favour of the Enlarged Group contained in the licences may not be fully recognised by the courts of law or authorities of all countries or may be difficult, time consuming or expensive to enforce. These licences will need to be granted for a sufficiently long time and not be terminated. There is no guarantee that the Enlarged Group will be able, in the future, to maintain its licences on such terms or at all and even if maintained there is no guarantee that they will survive challenge, legal or otherwise.

19. Impact of regulatory environment

Given the regulatory environment in which the Enlarged Group operates, any change in that environment could negatively impact the Enlarged Group's growth strategy, revenues, profitability and consequently cash available for investment and new product development. Specifically any change in the regulatory requirement for the development of pharmaceuticals could negatively impact the existing business. Any change in the regulatory environment for medical devices could negatively impact the cost, feasibility and timing of new product launches in some or all jurisdictions as well as any claims made about those products.

20. Potential requirement for additional finance

The expenditure required to fund the Enlarged Group's growth strategy may be more than expected. Revenues and grant income in respect of existing and new products may be less than expected with a consequently negative impact on profitability and cash available for investment and new product development and potentially result in the Enlarged Group requiring additional funding in the longer term (being not less than 12 months from the date of this document).

C. GENERAL RISKS

1. Economic cycles

Any significant downturn in economic markets would be likely to impact adversely on funding for centres that use the Enlarged Group's products for research purposes and centres that use the Enlarged Group's products in a clinical setting, which in turn result in reduced demand for the products and could thereby materially and adversely affect the Enlarged Group's business and financial position.

2. Credit and payment terms

Growth strategies may expose the Enlarged Group to greater credit risk related to distributors, agents and channel partners. The Enlarged Group's growth may require the adoption of less restrictive credit and payment terms particularly in markets where extended acceptance and payment terms are more typical. Some geographic regions in which the Enlarged Group's strategy anticipates growth may pose different or enhanced credit risks than those historically experienced by the Enlarged Group.

The credit terms required by large pharmaceutical companies and the time to pay sales invoices may continue to be between 90 and 100 days. In turn the payment terms required by the Enlarged Group's suppliers, many of which are sole traders may continue to be 30 days. The difference in credit terms offered by customers and the credit terms paid to suppliers may have an impact on the Enlarged Group's working capital requirements.

3. Litigation or other proceedings

The Enlarged Group could incur substantial costs in litigation or other proceedings relating to patent rights, even if it is resolved in the Enlarged Group's favour. Some of the Enlarged Group's competitors may be able to sustain the costs of complex litigation more effectively for longer periods of time than the Enlarged Group can because of their substantially greater resources. In addition, uncertainties relating to any patent, pending patent or other intellectual property litigation could have a material adverse effect on the Enlarged Group's ability to bring a product to market, enter into collaborations in respect of the disputed or other product, or to raise additional funds.

4. Additional funding may be required in the longer term

The Enlarged Group may require additional funding in the longer term (being not less than 12 months from the date of this document).

The Enlarged Group's financing requirements depend on numerous factors including the rate of market acceptance of its technologies and its ability to attract customers. The Enlarged Group may be unable to obtain adequate funding on acceptable terms, if at all. Although not presently anticipated by the Directors, the Enlarged Group may, in the future, need to raise further equity funds to finance working capital requirements through future stages of development. Any additional share issue may have a dilutive effect on Shareholders, particularly if they are unable or choose not to subscribe. Further, there can be no guarantee or assurance that any additional equity funding will be forthcoming when required nor as to the terms and price on which such funds would be available.

5. Dividends

IXICO has not paid dividends in the past and the Directors do not expect that dividends will be paid by the Enlarged Group in the foreseeable future. The declaration and payment by the Enlarged Group of any dividends in the future and the amount of any future dividends will depend upon the results of operations, financial condition, cash requirements, future prospects, profits available for distribution and other factors considered by the Directors to be relevant at the time. Before the Enlarged Group can pay dividends, it will need to have profits available for distribution determined in accordance with the Act.

6. Foreign currency risk

The Group records its transactions and prepares its financial statements in sterling. The majority of the costs incurred by the Group are in sterling, whereas some customer contracts are in foreign currencies. To the extent that income and expenditure in foreign currencies are not

matched, fluctuations in exchange rates between sterling and these foreign currencies, may result in realised or unrealised foreign exchange losses. Where there is certainty of the amount and timing of income in foreign currencies, the Enlarged Group may purchase financial instruments to minimise any foreign exchange gains or losses. Where the timing and/or the amount to be received is uncertain, risk management is more difficult and financial instruments to minimise foreign exchange gains or losses may be uneconomic. To the extent that financial instruments are not utilised, any fluctuations in foreign exchange movements may have a material adverse impact on the results from operating activities.

Therefore movements in the exchange rates used by the Enlarged Group to translate foreign currencies, in particular the US dollar and the Euro, into pounds sterling may have a significant impact on the Enlarged Group's reported results of operations, financial position and cash flow.

7. Utilisation of tax losses

IXICO has accumulated total tax losses of of £53.9m at 30 September 2014 (£2.7m in IXICO Technologies and £51.2m in IXITech which was formerly Phytopharm Limited).

Optimal Medicine has accumulated total tax losses of £1.1million at 31 August 2014.

These accumulated tax losses are being carried forward with the possibility that they may be offset against future profits by the Enlarged Group, if any, and thereby reduce the future tax liabilities of the Enlarged Group. However, a change in the taxation regime in the UK or in the Enlarged Group's activity may result in some or all of the accumulated tax losses not being available to reduce any future tax liability.

PART 6

ADDITIONAL INFORMATION

1. Responsibility

1.1. The Directors whose names appear on page 7 of this document, accept responsibility for the information contained in this document, other than that relating to IP Group, Imperial Innovations, IAML (including Invesco Ltd) and the Invesco Funds and persons connected with them, for which each party accepts responsibility as set out below except for the recommendation relating to Resolution 5 set out in the Chairman's letter, for which the Independent Directors accept responsibility.

To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

1.2 For the purposes of Rule 19.2 of the City Code only, the directors of Imperial Innovations (whose names are set out in paragraph 1.10 of Part 4 of this document) (the "**Imperial Innovations Directors**") accept responsibility for the information contained in this document relating to Imperial Innovations. To the best of the knowledge and belief of the Imperial Innovations Directors, having taken all reasonable care to ensure that such is the case, the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

For the purposes of Rule 19.2 of the City Code only, the directors of IAML (whose names are set out in paragraph 1.2 of Part 4 of this document) (the "**IAML Directors**") accept responsibility for the information contained in this document relating to IAML, including Invesco Ltd. and the Invesco Funds. To the best of the knowledge and belief of the IAML Directors, having taken all reasonable care to ensure that such is the case, the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

For the purposes of Rule 19.2 of the City Code only, the directors of IPG (whose names are set out in paragraph 1.18 of Part 4 of this document) (the "**IP Group Directors**") accept responsibility for the information contained in this document relating to IP Group. To the best of the knowledge and belief of the IP Group Directors, having taken all reasonable care to ensure that such is the case, the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

Neither IAML, nor Imperial Innovations, nor IPG, nor their respective directors, accept responsibility for any information contained in this document in respect to the other member of the Concert Party or the Company or the Directors.

2. Movements in Shareholdings

2.1. The table below sets out the following information in relation to the Company's share capital:

Notifiable Shareholders and Placees	*Shares (**S**)*[1]	*% of Existing Ordinary Shares*	*Completion Consideration Shares (**C**)*[2]	*Placing Shares (**P**)*[3]	*Resulting Shareholding (**S+C+P**)*[4]	*Resulting % of EIOSC*[5]	*Resulting % of FDSC*[6]
IAML	3,536,370	23.2	—	2,668,852	6,205,222	23.5	22.9
Imperial Innovations	1,714,743	11.3	—	1,904,918	3,619,661	13.7	13.3
Hardsteel Limited	847,148	5.6	—	—	847,148	3.2	3.1
Mr Marcus Sarner	626,159	4.1	—	—	626,159	2.4	2.3
Mr Spencer Owen Crooks	600,000	3.9	—	—	600,000	2.3	2.2
Professor Joseph Hajnal	550,621	3.6	—	—	550,621	2.1	2.0
IP2IPO Limited	15,668	0.1	1,403,593	3,934,426	5,353,687	20.3	21.0
NETF	—	—	647,819	—	647,819	2.5	3.0
Theragenetics Limited	—	—	75,200	—	75,200	0.3	0.3
Mr Mark Warne	—	—	4,323	—	4,323	0.0	0.0
Dr Janet Christine Munro	—	—	91,698	—	91,698	0.3	0.5
Dr Robert Nicholas McBurney	—	—	98,553	—	98,553	0.4	0.5
Mr David John Brister	—	—	36,277	—	36,277	0.1	0.2
Professor Derek Hill	477,169	3.1	—	—	477,169	1.8	1.8
Mr Charles Spicer	62,078	0.4	—	—	62,078	0.2	0.2
Mr John Bradshaw	35,517	0.2	—	—	35,517	0.1	0.1
Mr Andy Richards	30,200	0.2	—	—	30,200	0.1	0.1
Peel Hunt	16,802	0.1	—	344,263	361,065	1.3	1.3
Mr Tim Sharpington	15,150	0.1	—	—	15,150	0.1	0.1
Ms Susan Lowther	—	—	—	—	—	—	—
Ms Maina Bhaman	—	—	—	—	—	—	—

(1) Notifiable registered shareholdings (being interests on the register above 3 per cent. of the Existing Ordinary Share capital shareholdings) of Shareholders with resulting notifiable interests on Admission and the interests of the Directors, in each case as at the disclosure date of 9 November 2015;

(2) Details of the Completion Consideration Shares being issued to and received by the Optimal Medicine Vendors in connection with the Acquisition, including certain members of the Concert Party;

(3) Subscriptions by Placees including certain members of the Concert Party;

(4) The resulting aggregate shareholdings following the Placing and the Acquisition;

(5) The resulting percentage shareholdings as a percentage of the Enlarged Issued Ordinary Share Capital (following Admission) assuming no take up under the Broker Option; and

(6) The resulting percentage shareholdings as a percentage of the Fully Diluted Share Capital following the issue of the Deferred Consideration Shares and Optimal Medicine Option Shares assuming no take up under the Broker Option.

The table should be read in conjunction with the explanatory notes below it, which provide additional relevant information and to which your attention is drawn.

2.2 As set out in the table above Peel Hunt is subscribing for 344,263 Placing Shares under the terms of the Placing and currently holds 16,802 Existing Ordinary Shares. Peel Hunt is retained by IXICO as its Nominated Adviser and Broker and is also advising the Company in connection with the matters set out in this Document and is therefore connected to the Company.

3. Irrevocable Undertakings and letters of intent

The table below outlines the number of Existing Ordinary Shares in respect of which the Company has gained irrevocable undertakings or letters or intent to vote in favour of all the Resolutions.

Shareholder	*Number of Existing Ordinary Shares*	*% of Existing Share Capital*
Professor Derek Hill	477,169	3.1
Mr Charles Spicer	62,078	0.4
Mr John Bradshaw	35,517	0.2
Mr Andy Richards	30,200	0.2
Mr Tim Sharpington	15,150	0.1

The table below outlines the number of Existing Ordinary Shares in respect of which the Company has gained irrevocable undertakings or letters or intent to vote in favour of all the Resolutions excluding Resolution 2.

Shareholder	*Number of Existing Ordinary Shares*	*% of Existing Share Capital*
IAML	3,536,370	23.2
Imperial Innovations	1,714,743	11.3
IP2IPO Limited	15,668	0.1

4. The Founder Concert Party

Under the City Code, the Founders are presumed to be acting in concert. The Founders comprise Derek Hill and his Associates, Joseph Hajnal and his Associates, Professor David Hawkes, Professor Daniel Rueckert and Thomas Hartkens.

The Founders pursue their own independent investment objectives in a manner which they consider best suit their own interests and objectives. Consequently, each of the Founders reserves the right to seek to rebut the presumption if they deem it appropriate to do so.

Until the presumption is rebutted, however, the Founders will, following completion of the Fundraising, together own 6.5 per cent. of the Enlarged Issued Ordinary Share Capital assuming no take up under the Broker Option, and following the issue of the Deferred Consideration Shares and the Optimal Medicine Option Shares, together own 6.3 per cent. of the Fully Diluted Share Capital assuming no take up under the Broker Option.

5. Options

Up to 186,473 Ordinary Shares are available for issue on exercise of outstanding share options granted to Derek Hill and Andy Richards under the IXICO Technologies unapproved share option share scheme. The option holders retain their options over shares in IXICO Technologies for a period of 30 months (comprising an initial two year period extended by way of deed of variation dated 12 October 2015 to 6 months) from the date of the Reverse Takeover following a variation of the original option terms, further details of which are included under material contracts in 7 below. Pursuant to a letter dated on or about the date of the Phytopharm Acquisition Agreement, the Company agreed to issue Ordinary Shares in exchange for shares in IXICO arising from the exercise of such options at the acquisition price of the Reverse Takeover.

Name	*Date of Grant*	*Number of existing IXICO shares under option*	*Exercise price (pence)*	*Number of Ordinary Shares to be issued for each IXICO share following exercise*	*Expiry date*
Professor Derek Hill	21.04.2005	1,900	1	15.67	15 April 2016
Dr. Andy Richards	30.09.2011	3,330	300	15.67	15 April 2016
	28.03.2013	6,670	600	15.67	15 April 2016

As detailed in paragraph 3 of Part 3 of this document, the Optimal Medicine Optionholders are to be issued Optimal Medicine Options in connection with the Acquisition in respect of which IXICO shall be entitled to acquire the shares issued pursuant to the exercise of such Optimal Medicine Options in exchange for the Optimal Medicine Option Shares in accordance with the terms of the Put and Call Option Letters.

As detailed in paragraph 17 of Part 1 of this document, the Directors propose to increase the aggregate dilution limit under the Company's option shares from 10 per cent. to 12.5 per cent. of the Fully Diluted Share Capital. Whilst the Directors have no firm plans or intentions as to how the increased option pool will be awarded they do believe it will be appropriate for a proportion of the Share Option Pool to be granted to executive Directors and other key employees with an exercise price equal to the Placing Price so that interests are aligned with Shareholders who participate in the Fundraising.

6. Directors' Service Contracts

6.1 Mr Charles Spicer entered into a Service Agreement with the Company dated 20 September 2013 for an indefinite period subject to termination upon 6 months' notice in writing by either party. Mr Charles Spicer currently works part-time (two and a half days a week) and receives the *pro rata* equivalent of an annual salary of £150,000.

6.2 Mr Derek Hill entered into a Service Agreement with the Company dated 20 September 2013 for an indefinite period subject to termination upon 12 months' notice in writing by either party. Mr Derek Hill currently receives an annual salary of £172,000.

6.3 Ms Susan Lowther entered into a Service Agreement with the Company dated 13 August 2014 for an indefinite period subject to termination upon 6 months' notice in writing by either party. Ms Susan Lowther currently receives an annual salary of £168,000.

6.4 The services of Mr Andy Richards as Non-Executive Chairman are provided under the terms of an appointment letter from the Company to him dated 20 September 2013 which provides for a fee of £42,000 per annum, such appointment being terminable on 3 months' notice.

6.5 The services of Mr John Bradshaw as Non-Executive Director and Chairman of the Audit Committee are provided under the terms of an appointment letter from the Company to him dated 20 September 2013 which provides for a fee of £18,000 per annum plus £4,500 for each committee for which Mr John Bradshaw serves as Chairman, such appointment being terminable on 3 months' notice.

6.6 The services of Ms Maina Bhaman as Non-Executive Director are provided under the terms of an appointment letter from the Company to her dated 20 September 2013 which provides for no remuneration fee, such appointment being terminable on 3 months' notice.

6.7 The services of Mr Tim Sharpington as Non-Executive Director, Senior Independent Director and Chairman of the remuneration committee are provided under the terms of an appointment letter from the Company to him dated 20 September 2013 which provides for a fee of £18,000 per annum £4,500 for each committee for which Mr Tim Sharpington serves as Chairman, such appointment being terminable on 3 months' notice.

6.8 The services of Mr David Brister as Non-Executive Director are provided under the terms of an appointment letter from the Company to him dated 18 November 2015 which provides for a base fee of £30,000 per annum, such appointment being effective on Admission and terminable on 3 months' notice.

6.9 Save as disclosed in this document, there are no Directors' service contracts or contracts in the nature of services with the Company or any member of the Group other than those which expire or are terminable without payment of compensation on no more than 12 months' notice.

7. Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Group within the two years immediately preceding the date of this document:

7.1 Introduction Agreement

Under the introduction agreement ("**Introduction Agreement**") dated 20 September 2013, Peel Hunt agreed to act as Nominated Adviser and Broker to the Company in connection with the Reverse Takeover. The Introduction Agreement contains representations, warranties and indemnities given by the Company and warranties given by the Directors as to the accuracy of the information contained in the 2013 Admission Document and other matters relating to the Company, IXICO Technologies and their respective businesses.

7.2 Phytopharm Acquisition Agreement

The share purchase agreement ("**Phytopharm Acquisition Agreement**") dated 20 September 2013 between the Company and IXICO Technologies relating to the acquisition by the Company of the entire issued share capital of IXICO Technologies to be satisfied by the proposed issue of 8,479,753 New Ordinary Shares. The Phytopharm Acquisition Agreement also contains certain warranties from the Directors on the business of IXICO Technologies.

7.3 Deed of Variation

The deed of variation dated 20 September 2013 between IXICO Technologies and all the unapproved option holders pursuant to which the period in which such holders can exercise their options following the Reverse Takeover was extended from six months to two years from the date of the Reverse Takeover. At the same time, the Company issued a letter to each such option holder committing to exchange all the shares in IXICO Technologies arising from the exercise of such option(s) for Ordinary Shares at the acquisition price of the Reverse Takeover and the holders granted the Company the right to acquire the shares in IXICO Technologies on the same terms.

7.4 IXICO Technologies and VirtualScopics, Inc., a leading provider of clinical trial imaging solutions, executed an Alliance Framework Agreement on 26 June 2014. The purpose of the Alliance Framework Agreement is to enhance both companies' abilities to deliver world-class services to pharmaceutical, biotech and academic customers and collaborators around the globe.

7.5 The Placing Agreement

Please refer to paragraph 2 of Part 2 of this document for further details of the Placing Agreement.

7.6 Optimal Medicine Acquisition Agreement

Please refer to paragraph 2 of Part 3 of this document for further details of the Acquisition Agreement.

8. Consents

Peel Hunt, IPG, Imperial Innovations and IAML have each given and each not withdrawn its consent to the issue of this document and the references to its respective name in the form and context in which they appear.

9. Documents on Display

Copies of the following documents will be available for inspection at the offices of the Company's solicitors, Bristows LLP, 100 Victoria Embankment, London, EC4Y 0DH during normal business hours on any weekday (excluding Saturdays, Sundays and public holidays) and on the Company's website www.ixico.com/investors/companydocuments up to and including 7 December 2015:

- a copy of this Document (which incorporates the ''whitewash circular'' as required by Appendix 1 of the Takeover Code);
- the current Memorandum and Articles;
- the New Articles of Association;
- the articles of association of IPG;
- the articles of association of Imperial Innovations;
- the articles of association of IAML;
- the quarterly report of Invesco Ltd for the second quarter 2015;
- the annual report and accounts of IAML for the two financial periods ended 30 December 2013 and 30 December 2014;
- the consolidated accounts of Imperial Innovations for the year ended 31 July 2014;
- the consolidated accounts of Imperial Innovations for the year ended 31 July 2015;
- the audited consolidated accounts for the Company for the two financial years ended 30 September 2013 and 30 September 2014;
- the audited consolidated accounts of IPG for year ended 31 December 2014;
- the interim report and unaudited consolidated accounts for the Company for the financial period ended 31 March 2015;
- the half yearly report of IPG for the 6 months ended 30 June 2015;
- the consent letters referred to in paragraph 8 of Part 6 of this document;
- the Directors' service contracts referred to in paragraph 6 of Part 6 of this document;
- the material contracts referred to in paragraph 1.5, 1.13 and 1.21 of Part 4 of this document;
- the irrevocable commitments referred to in paragraph 19.5 of Part 1 of this document; and
- the purchase contract referred to in paragraph 2 of Part 1 of this document.

Dated 18 November 2015

INFORMATION REQUIRED PURSUANT TO THE RULES OF THE CITY CODE WHICH IS INCORPORATED BY REFERENCE INTO THIS DOCUMENT

Information	*Source of Information*	*Website where the Information is published*	*Page numbers*
The Company's unaudited consolidated accounts for the six ending 31 March 2015	Half Yearly Report to 31 March 2015	http://ixico.com/investors/companydocuments	1 – 14
The Company's audited consolidated accounts for the year ended 30 September 2014	Annual report and accounts for the financial year ended 30 September 2014	http://ixico.com/investors/companydocuments	14 – 41
The Company's audited consolidated accounts for the financial year ended 30 September 2013	Annual report and accounts for the financial year ended 30 September 2013	http://ixico.com/investors/companydocuments	12 – 34
IAML's accounts for the financial year ended 30 December 2013	Annual report and accounts for IAML for the financial year ended 30 December 2013	http://ir.invesco.com/files/doc_financials/annual/AnnualReport2013.PDF	81 – 145
IAML's accounts for the financial year ended 30 December 2014	Annual report and accounts for IAML for the financial year ended 30 December 2014	http://ir.invesco.com/files/doc_financials/annual/10k_2014.pdf	82 – 145
IAML's second quarter 2015 results	IAML's quarter 2 2015 earnings presentation	http://ir.invesco.com/files/doc_financials/earnings_releases/2015/Q2/IVZ-Press-Release-2Q-2015-Final.pdf	1 – 32
Imperial Innovations' consolidated accounts for the year ended 31 July 2014	The annual report and accounts for Imperial Innovations for the year ended 31 July 2014	http://www.imperialinnovations.co.uk/investorrelations/documents/	94 – 146
Imperial Innovations' consolidated accounts for the year ended 31 July 2015	The annual report and accounts for Imperial Innovations for the year ended 31 July 2015	http://www.imperialinnovations.co.uk/investorrelations/documents/annualreport2015/	101 – 146
IPG's audited, consolidated accounts for the year ending 31 December 2014	IPG's Annual Report 2014	http://www.ipgroupplc.com/investorrelations/reports-and-presentations/	87 – 120
IPG's unaudited consolidated accounts for the six months ending 30 June 2015	IPG's Half-yearly Report 2015	http://www.ipgroupplc./com/investorrelations/reports-and-presentations/	14 – 30

The Company will provide within two business days, without charge, to each person to whom a copy of this document has been delivered, upon their written or verbal request, a copy of this document and any documents incorporated by reference in this document. Hard copies of any documents incorporated by reference in this document will not be provided unless such a request is made. Requests for hard copies of any such document should be directed to the Company Secretary at:

IXICO plc
c/o 4th Floor, Griffin Court
15 Long Lane
London
EC1A 9PN
Tel: +44 (0)20 3763 7499

PART 7

IXICO PLC

(REGISTERED IN ENGLAND AND WALES NO.03131723)

NOTICE OF A GENERAL MEETING

NOTICE IS HEREBY GIVEN that a general meeting of IXICO plc (the "**Company**") will be held at the offices of FTI Consulting, 200 Aldersgate Street, London, EC1A 4HD at 9:30 a.m./p.m. on 7 December 2015 for the purposes of considering, and if thought fit, passing the following resolutions, of which resolutions 1, 2, 3 and 4 will be proposed as ordinary resolutions and resolutions 5 and 6 will be proposed as special resolutions. Resolution 2 will be taken on a poll of holders of Ordinary Shares (excluding members of the Concert Party, each of which has undertaken not to vote on this resolution) as required by the City Code. All expressions defined in the Circular to shareholders dated 18 November 2015 of which this notice forms part ("**Circular**") shall have the same meaning in this notice as if set out in full in this notice:

Ordinary Resolutions

1. That, subject to and conditional on the passing of resolutions 2 and 3, in addition to any previous authorities, the Directors (or a duly constituted committee appointed of the Directors) be and are generally and unconditionally authorised for the purpose of Section 551 of the Companies Act 2006 (the "**Act**") to exercise all the powers of the Company to allot:

   1.1 new ordinary shares of 1 pence each in the capital of the Company (the "**New Ordinary Shares**") up to an aggregate nominal amount of £88,524.59 in connection with the placing of up to 8,852,459 New Ordinary Shares (the "**Placing**");

   1.2 New Ordinary Shares up to an aggregate nominal amount of £3,278.68 in connection with the broker option of up to 327,868 New Ordinary Shares each in the capital of the Company (the "**Broker Option**");

   1.3 New Ordinary Shares up to an aggregate nominal amount of £23,574.63 in connection with the acquisition of Optimal Medicine (the "**Acquisition**");

   1.4 subject to the Placing becoming unconditional in all respects, to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into such shares in the Company ("**Rights**") up to:

      1.4.1 an aggregate nominal amount of £89,178.18 (being approximately one third of the enlarged issued ordinary share capital of the Company following completion of the Placing and the Acquisition and, if exercised the Broker Option); and

      1.4.2 an aggregate nominal amount of £34,321.52 in respect of the Company's share option pool

   provided that the authority conferred by this resolution 1 shall expire on the conclusion of the next Annual General Meeting of the Company to be held in 2016, save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted after such expiry, and the Directors may allot shares and grant Rights in pursuance of such an offer or agreement notwithstanding that the authority provided by this resolution has expired and the authority granted by this resolution is in substitution for all previous authorities granted to the directors to allot shares and grant Rights which (to the extent that they remain in force and unexercised) are revoked but without prejudice to any allotment or grant of Rights made or entered into prior to the date of this resolution 1.

2. That the grant of the waiver by the Panel on Takeovers and Mergers on the terms described in the Circular, of any requirement under Rule 9 of the City Code on Takeovers and Mergers for any member of the Concert Party to make a general offer to shareholders of the Company as a result of the issue of the New Ordinary Shares, as defined in the Circular, be and is hereby approved.

3. That the share capital of the Company be reorganised by sub-dividing each existing Ordinary share into one New Ordinary Share and one Deferred Share.

4. That, subject to and conditional on the passing of Resolution 3, the Company be and is hereby generally and unconditionally authorised in accordance with its articles of association, to make off-market purchases within the meaning of Section 693 of the Act of all of the issued Deferred Shares pursuant to the terms of a draft contract produced to the meeting and initialled by the Chairman for the purposes of identification proposed to be made between the Company and Derek Hill for the purchase by the Company of the 15,215,664 issued Deferred Shares for a total consideration of £1 (the "**Purchase Contract**") be approved and the terms of such Purchase Contract be and are hereby approved as the Company be authorised to enter into the Purchase Contract.

Special Resolution

5. That, subject to and conditional on the passing of Resolutions 1, 2 and 3 above, the Directors be and are hereby empowered pursuant to Sections 570, 571 and 573 of the Act to allot equity securities of the Company (as defined in Section 560 of the Act) for cash in respect of the Placing Acquisition and the Broker Option and otherwise pursuant to the authority conferred by resolution 1 above as if Section 561(1) of the Act did not apply to any such allotment provided that such power shall be limited to the allotment of equity securities:

   (i) pursuant to the Placing, Acquisition and the Broker Option;

   (ii) in connection with or pursuant to an offer of such securities by way of a pre-emptive offer (as defined below); and

   (iii) (otherwise than pursuant to sub-paragraphs (i) and (ii) above) up to an aggregate nominal amount of £9,060,880.95 (being 33 per cent. of the enlarged issued ordinary share capital of the Company following completion of the Placing and Acquisition and, if exercised, the Broker Option),

   and shall expire on the conclusion of the next Annual General Meeting of the Company to be held in 2016 (save that the Company may before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of the offer or agreement as if the power conferred by this resolution 5 had not expired). The authority conferred by this resolution 5 is in substitution for all previous authorities granted to the Directors under Sections 570, 571 and 573 of the Act which to the extent that they remain in force and unexercised are revoked but without prejudice to any allotment or grant of Rights made or entered into prior to the date of this resolution 5. For the purpose of this resolution 5:

   (i) "**rights issue**" means an offer or invitation to (i) holders of ordinary shares of 50 pence each in the capital of the Company ("**Ordinary Shares**") in proportion (as nearly as may be practicable) to the respective numbers of Ordinary Shares held by them on the record date for such allotment; and (ii) persons who are holders of other classes of equity securities if this is required by the rights of such securities (if any) or, if the directors of the Company consider necessary, as permitted by the rights of those securities, to subscribe for further securities by means of the issue of a renounceable letter (or other negotiable instrument) which may be traded for a period before payment for the securities is due, but subject in both cases to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements, treasury shares, record dates or legal, regulatory or practical difficulties which may arise under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory or any other matter whatever; and

   (ii) "**pre-emptive**" offer means a rights issue, open offer or other pre-emptive issue or offer to (i) holders of Ordinary Shares in proportion (as nearly as may be practicable) to the respective numbers of Ordinary Shares held by them on the record date(s) for such allotment; and (ii) persons who are holders of other classes of equity securities if this is required by the rights of such securities (if any) or, if the directors of the Company consider necessary, as permitted by the rights of those securities, but subject in both cases to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements, treasury shares, record dates or legal, regulatory or practical difficulties which may arise under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory or any other matter whatsoever.

6. That, subject to the passing of resolution 3 above the draft articles of association available for inspection at the Company's Registered Office and produced to the meeting be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.

BY ORDER OF THE BOARD **18 November 2015**

Jane Whitrow
Company Secretary

Registered Office:
c/o 4th Floor, Griffin Court
15 Long Lane
London
England
EC1A 9PN

Notes to the Notice of General Meeting

1 A member who is entitled to attend and vote at the general meeting is entitled to appoint another person, or two or more persons in respect of different shares held by him or her, to attend the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member, as his or her proxy to exercise all or any of his rights to attend and to speak and vote at the general meeting. A proxy need not be a member of the Company.

2 To be valid any proxy form must be delivered (together with any power of attorney or other authority under which it is signed, or a certified copy of such item) to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA by 9.30 a.m. on 3 December 2015 or, in the case of an adjournment, by 48 hours before the time appointed for the adjournment of the general meeting, together with, if appropriate, the power of attorney or other authority (if any) under which it is signed or a duly certified copy of the power or authority. Completing and returning a proxy form will not prevent a member from attending in person and voting at the meeting should he or she so wish.

3 Shareholders who prefer to register the appointment of their proxy electronically via the internet can do so through Equiniti's website at www.sharevote.co.uk where full instructions on the procedure are given. The Voting ID, Task ID and Shareholder Reference Number printed on the Form of Proxy will be required in order to use this electronic proxy appointment system. Alternatively ordinary shareholders who have already registered with Equiniti's online portfolio service, Shareview, can appoint their proxy electronically by logging on to their portfolio at www.shareview.co.uk and entering your portfolio identification

particulars and click on the link to vote. For an electronic proxy appointment to be valid, your appointment must be received by Equiniti Limited no later than 9.30 a.m. on 3 December 2015.

4 Any person to whom this notice is sent who is a person nominated by a member of the Company to enjoy information rights under Section 146 of the Companies Act 2006 (a "**nominated person**") may have a right under an agreement between him or her and such member to be appointed, or to have someone else appointed, as a proxy for the General Meeting. If he or she has no such right or does not wish to exercise it, he or she may have a right under such an agreement to give instructions to the member concerned as to the exercise of voting rights. The statement in notes 1, 2 and 3 above of the rights of a member in relation to the appointment of proxies does not apply to a nominated person. Such rights can only be exercised by the member concerned.

5 Pursuant to Regulation 41 of the Uncertified Securities Regulations 2001, the Company specifies that in order to have the right to attend and vote at the General Meeting (and also for the purpose of calculating how many votes a person entitled to attend and vote may cast), a person must be entered on the register of holders of the Company no later than 6:00 p.m. two days before the general meeting or, in the case of an adjournment, by 6:00 p.m. two days prior to the general meeting. Changes to entries on the register after this time shall be disregarded in determining the rights of any person to attend or vote at the general meeting.

6 As at 17 November 2015 (the latest practicable date prior to the printing of this document) (i) the Company's issued share capital consists of 15,215,664 Ordinary Shares, all carrying one vote each, and (ii) the total voting rights in the Company are 15,215,664.

7 Shareholders should note that it is possible that, pursuant to requests made by shareholders of the Company under Section 527 of the Companies Act 2006, the Company may be required to publish on a website a statement setting out any matter relating to the audit of the Company's accounts (including the auditors' report and the conduct of the audit) that are to be laid before the General Meeting in accordance with Section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 if the Companies Act 2006. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business that may be dealt with at the general meeting includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on a website.

8 At the general meeting the Company must cause to be answered any questions that a member attending the general meeting asks relating to the business being dealt with at the general meeting in accordance with Section 319A of the Companies Act 2006. However, no such answer need be given where: (i) answering the question would interfere unduly with the preparation for the general meeting or involve the disclosure of confidential information; (ii) the answer has already been given on a website in the form of an answer to a question; or (iii) it is undesirable in the interests of the Company or the good order of the general meeting that the question is answered. Information relating to the general meeting which the Company is required by the Companies Act 2006 to publish on its website in advance of the general meeting may be viewed at www.ixico.com. A member may not use an electronic address provided by the Company in this document or with any proxy appointment form or in any website for communicating with the Company for any purpose in relation to the general meeting other than as expressly stated in it.

9 In accordance with Section 311A of the Companies Act 2006, the contents of this notice of General Meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the General Meeting and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website www.ixico.com. Members' matters of business received by the Company after the date of this notice will be available on the Company's website www.ixico.com.

10 CREST members who wish to appoint one or more proxies through the CREST system may do so by using the procedures described in "the CREST voting service" section of the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed one or more voting service providers, should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or a proxy instruction made using the CREST voting service to be valid, the appropriate CREST message (a "**CREST proxy appointment instruction**") must be properly authenticated in accordance with the specifications of CREST's operator, Euroclear UK & Ireland Limited ("**Euroclear**"), and must contain all the relevant information required by the CREST Manual. To be valid the message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must be transmitted so as to be received by Equiniti Limited (ID RA19), as the Company's "issuer's agent", by 9.30 a.m. on 3 December 2015 (as such a message cannot be transmitted on weekends or on other days when the CREST system is closed). After this time any change of instruction to a proxy appointed through the CREST system should be communicated to the appointee through other means. The time of the message's receipt will be taken to be when (as determined by the timestamp applied by the CREST Applications Host) the issuer's agent is first able to retrieve it by enquiry through the CREST system in the prescribed manner. Euroclear does not make available special procedures in the CREST system for transmitting any particular message. Normal system timings and limitations apply in relation to the input of CREST proxy appointment instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or a CREST sponsored member or has appointed any voting service provider, to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as is necessary to ensure that a message is transmitted by means of the CREST system by any particular time. CREST members and, where applicable, their CREST sponsors or voting service providers should take into account the provisions of the CREST Manual concerning timings as well as its section on "Practical limitations of the system". In certain circumstances the Company may, in accordance with Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 or the CREST Manual, treat a CREST proxy appointment instruction as invalid. The CREST Manual can be reviewed at www.euroclear.com.

11 Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

12 A copy of the Purchase Contract will be made available for inspection at the Company's Registered Office from the date of this notice until 7 December 2015 and at the offices of Bristows LLP, 100 Victoria Embankment, London EC4Y 0DH from 18 November 2015 until 7 December 2015.