

**THIS DOCUMENT, THE APPLICATION FORM AND THE ENCLOSED FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. It contains the resolutions to be voted on at a General Meeting of the Company to be held on 30 October 2020. If you are in any doubt about the contents of this document, or the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser who is authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are resident in the United Kingdom (or, if you are a person outside the UK, from another appropriately qualified independent financial adviser in your jurisdiction).**

If you have sold or otherwise transferred all of your Existing Ordinary Shares prior to the date of this document, please immediately send this document, together with the accompanying Application Form and Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold or transferred only part of your registered holding of Existing Ordinary Shares in the Company, you should retain this document and the accompanying documents and immediately consult with the stockbroker, bank or other agent through whom the sale or transfer was effected. The distribution of this document and/or any accompanying documents into a jurisdiction other than the United Kingdom may be restricted by law or regulation and therefore such documents should not be distributed, forwarded to or transmitted in or into the United States of America, Canada, Australia, Japan, New Zealand or the Republic of South Africa or into any other jurisdiction where to do so would breach any applicable law or regulation.

The total consideration under the Open Offer to Qualifying Shareholders will be less than €8 million (or an equivalent amount) in aggregate and it is therefore an exempt offer to the public for the purposes of section 86(1)(e) of FSMA and the Placing Shares will only be available to qualified investors for the purposes of the Prospectus Regulation or otherwise in circumstances not resulting in an offer of transferable securities to the public under section 102B of FSMA. Neither the Placing nor the Open Offer constitutes an offer to the public requiring an approved prospectus under section 85(1) of FSMA and accordingly this document does not constitute a prospectus for the purposes of the Prospectus Rules made by the Financial Conduct Authority of the United Kingdom ("FCA") pursuant to sections 73A(1) and (4) of FSMA and has not been pre-approved by the FCA pursuant to sections 85 and 87 of FSMA, the London Stock Exchange, any securities commission or any other authority or regulatory body. In addition, this document does not constitute an admission document drawn up in accordance with the AIM Rules for Companies. This document has not been approved for issue by any person for the purposes of section 21 of FSMA.

The Company and the Directors, whose names are set out on page 4, accept responsibility, both collectively and individually, for the information contained in this document. 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.

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in all of the New Ordinary Shares will commence at 8.00 a.m. on 2 November 2020.

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## **SkinBioTherapeutics plc**

*(Incorporated and registered in England and Wales with registered no. 09632164)*

**Placing of 25,000,000 New Ordinary Shares to raise £4.0 million**

**Open Offer of up to 3,123,988 New Ordinary Shares to raise up to £0.5 million**

### **Notice of General Meeting**

#### ***Nominated Adviser and Broker***

**Cenkos Securities plc  
6.7.8 Tokenhouse Yard  
London  
EC2R 7AS**

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You should read the whole of this document. Your attention is drawn to the letter from the Chairman which is set out on pages 11 to 20 (inclusive) of this document and, in particular, to paragraph 12 which contains the unanimous recommendation from the Directors that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting. In addition, your attention is drawn to Part II of this document entitled "Risk Factors", which contains certain general and specific risks and uncertainties for the Group that should be considered by Shareholders when considering whether or not to make an investment in the Company.

The Notice of General Meeting, to be held at 6.7.8 Tokenhouse Yard, London, EC2R 7AS at 11.00 a.m. on 30 October 2020, is set out at the end of this document. In light of the COVID-19 pandemic Shareholders are urged to exercise their votes by submitting their Form of Proxy and appointing the Chairman of the General Meeting as their proxy. Shareholders and their proxies will not be allowed to attend the meeting in person, as to do so would be inconsistent with current government guidelines relating to COVID-19 (as published as at the date of this document), in particular the advice for people to avoid public gatherings, all non-essential travel and social contact. Any Shareholder seeking to attend the General Meeting in person will be refused entry. The accompanying Form of Proxy for use in connection with the General Meeting should be completed by Shareholders and returned as soon as possible and, in any event, so as to reach the Company's registrars, Share Registrars Limited at The Courtyard, 17 West Street, Farnham GU9 7DR, by not later than 11.00 a.m. on 28 October 2020 (or in the case of an adjournment of the General Meeting, not later than 48 hours (excluding any part of a day that is not a working day) before the time fixed for the holding of the adjourned meeting). If you hold Existing Ordinary Shares in CREST, you may appoint a proxy by completing and transmitting a CREST proxy instruction to the Company's registrars, Share Registrars Limited at The Courtyard, 17 West Street, Farnham GU9 7DR so that it is received by not later than 11.00 a.m. on 28 October 2020. For further details on the measures being taken in regard to the General Meeting on account of the COVID-19 pandemic please note the comments in paragraph 11 in Part I of this document.

Cenkos Securities plc, which is authorised and regulated by the FCA in the United Kingdom, is acting as nominated adviser and broker to the Company for the purposes of the AIM Rules for Companies in connection with the Placing and Open Offer and, as such, its responsibilities are owed solely to the London Stock Exchange and are not owed to the Company and the Directors or to any other person or entity. Cenkos Securities plc will not be responsible to any person other than the Company for providing the protections afforded to clients of Cenkos Securities plc or for providing advice to any other person in connection with the Fundraising or any acquisition of Ordinary Shares. Cenkos Securities plc is not making any representation or warranty, express or implied, as to the contents of this document. Cenkos Securities plc has not authorised the contents of, or any part of, this document, and no liability whatsoever is accepted by Cenkos Securities plc for the accuracy of any information or opinions contained in this document or for the omission of any material information.

This document does not constitute or form part of any offer or invitation to buy, subscribe for, or sell Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, the New Ordinary Shares have not been, and will not be, registered under the United States Securities Act of 1933 as amended (the "Securities Act") or qualified for sale under the laws of any state of the United States or under the applicable laws of any of Canada, Australia, Japan, New Zealand or the Republic of South Africa, and, subject to certain exceptions, may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) or to any national, resident or citizen of Canada, Australia, Japan, New Zealand or the Republic of South Africa. The distribution or transmission of this document in jurisdictions other than the UK may be restricted by law and, therefore, persons into whose possession this document comes should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, this document may not be distributed, directly or indirectly, in or into the United States, Canada, Australia, Japan, New Zealand or the Republic of South Africa. Overseas Shareholders and any person (including, without limitation, nominees and trustees), who have a contractual or other legal obligation to forward this document to a jurisdiction outside the UK should seek appropriate advice before taking any action.

No person has been authorised to give any information or make any representation in relation to the Placing and Open Offer and, if given or made, such information or representation must not be relied upon as having been so authorised by the Company, the Directors or Cenkos Securities plc.

While normally copies of this document would be available free of charge to the public at the offices of the Company and Cenkos Securities plc for a period of one month from the date of this document, in order to comply with current government guidelines relating to COVID-19 these will only be available on the Company's website: [www.skinbiotherapeutics.com](http://www.skinbiotherapeutics.com).

#### **FORWARD-LOOKING STATEMENTS**

This document includes "forward-looking statements" which includes all statements other than statements of historical fact, including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "would", "could" or similar expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance or achievements of the Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. These forward-looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules for Companies.

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## DIRECTORS AND ADVISERS

<b>Directors</b>	Martin Hunt ( <i>Non-Executive Chairman</i> ) Stuart John Ashman ( <i>Chief Executive Officer</i> ) Douglas Quinn ( <i>Chief Financial Officer</i> ) Dr Catherine Prescott ( <i>Non-Executive Director</i> )
<b>Company Secretary</b>	Douglas Quinn
<b>Nominated Adviser and Broker</b>	Cenkos Securities plc 6.7.8 Tokenhouse Yard London EC2R 7AS
<b>Legal advisers to the Company</b>	Penningtons Manches Cooper LLP 125 Wood Street London EC2V 7AW
<b>Legal advisers to the Nominated Adviser and Broker</b>	Gowling WLG (UK) LLP 4 More London Riverside London SE1 2AU
<b>Registrar &amp; Receiving Agent</b>	Share Registrars Limited The Courtyard 17 West Street Farnham GU9 7DR United Kingdom

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record Date for entitlements under the Open Offer	6.00 p.m. on 12 October 2020
<b>Announcement of the Fundraising</b>	7.00 a.m. on 14 October 2020
Publication and posting of this document, the Form of Proxy and Application Form	14 October 2020
Ex-entitlement Date for the Open Offer	7.00 a.m. on 14 October 2020
Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to stock accounts of Qualifying CREST Shareholders in CREST	As soon as practical after 8.00 a.m. on 15 October 2020
Latest recommended time and date for requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST	3.00 p.m. on 22 October 2020
Latest time and date for depositing Open Offer Entitlements and Excess CREST Open Offer Entitlements into CREST	3.00 p.m. on 23 October 2020
Latest time and date for splitting Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 26 October 2020
Latest time and date for receipt of completed Forms of Proxy and receipt of electronic proxy appointments via the CREST system	11.00 a.m. on 28 October 2020
Latest time and date for receipt of the completed Application Form and appropriate payment in respect of Open Offer Shares or settlement of relevant CREST instruction	11.00 a.m. on 28 October 2020
<b>General Meeting</b>	11.00 a.m. on 30 October 2020
Announcement of result of General Meeting and Placing and Open Offer	30 October 2020
<b>Admission and commencement of dealings in the New Ordinary Shares on AIM</b>	8.00 a.m. on 2 November 2020
CREST members' accounts credited in respect of New Ordinary Shares in uncertificated form	2 November 2020
Despatch of definitive share certificates for New Ordinary Shares in certificated form	Within 10 days of Admission

**If any of the details contained in the timetable above should change, the revised times and dates will be notified to Shareholders by means of an announcement through a Regulatory Information Service.**

**Certain of the events in the above timetable are conditional upon, *inter alia*, the approval of the Resolutions to be proposed at the General Meeting.**

**All references to time and dates in this document are to time and dates in London.**

## KEY STATISTICS

Number of Existing Ordinary Shares	128,083,494
Number of Placing Shares	25,000,000
Maximum number of Open Offer Shares	3,123,988
Issue Price	16 pence
Percentage of the Enlarged Share Capital represented by the New Ordinary Shares*	18.0 per cent.
Gross proceeds of the Placing	£4.0 million
Maximum gross proceeds of the Open Offer	Approximately £0.5 million
Estimated net proceeds of the Fundraising	Up to £4.2 million
Enlarged Share Capital immediately following the Fundraising*	156,207,482

\*Assuming full take up under the Open Offer

## DEFINITIONS

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

<b>“Act”</b>	the Companies Act 2006 (as amended);
<b>“Admission”</b>	admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules for Companies;
<b>“AIM”</b>	the market of that name operated by the London Stock Exchange;
<b>“AIM Rules for Companies”</b>	the AIM Rules for Companies, as published and amended from time to time by the London Stock Exchange;
<b>“Application Form”</b>	the application form enclosed with this document on which Qualifying Non-CREST Shareholders may apply for Open Offer Shares under the Open Offer;
<b>“Board” or “Directors”</b>	the directors of the Company as at the date of this document, whose names are set out on page 4 of this document;
<b>“Business Day”</b>	any day (excluding Saturdays and Sundays) on which banks are open in London for normal banking business and the London Stock Exchange is open for trading;
<b>“Cenkos Securities”</b>	Cenkos Securities plc, a public limited company incorporated in England and Wales under registered number 05210733 and having its registered office at 6.7.8 Tokenhouse Yard, London, EC2R 7AS, the Company’s nominated adviser and broker for the purposes of the Fundraising;
<b>“certificated” or “in certificated form”</b>	where an Ordinary Share is not in uncertificated form (i.e. not in CREST);
<b>“Chairman”</b>	the chairman of the Board;
<b>“Company” or “SkinBio”</b>	SkinBioTherapeutics plc, a company registered in England and Wales with registered number 09632164;
<b>“CREST”</b>	the relevant system for the paperless settlement of trades and the holding of uncertificated securities operated by Euroclear UK & Ireland Limited in accordance with the CREST Regulations;
<b>“CREST Manual”</b>	the CREST Manual referred to in agreements entered into by Euroclear and available at <a href="http://www.euroclear.com">www.euroclear.com</a> ;
<b>“CREST member”</b>	a person who has been admitted to CREST as a system-member (as defined in the CREST Regulations);
<b>“CREST member account ID”</b>	the identification code or number attached to a member account in CREST;
<b>“CREST participant”</b>	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations);
<b>“CREST participant ID”</b>	shall have the meaning given in the CREST Manual;
<b>“CREST payment”</b>	shall have the meaning given in the CREST Manual;

<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755) including any enactment or subordinate legislation which amends or supersedes those regulations and any applicable rules made under those regulations or any such enactment or subordinate legislation for the time being in force;
<b>“CREST sponsor”</b>	a CREST participant admitted to CREST as a CREST sponsor;
<b>“CREST sponsored member”</b>	a CREST member admitted to CREST as a CREST sponsored member;
<b>“EIS”</b>	The Enterprise Investment Scheme under the provisions of Part 5 of the ITA and sections 150 sections 150 A,B and C and Schedule 5B of the Taxation of Chargeable Gains Act 1992 (as amended);
<b>“Enlarged Share Capital”</b>	the entire issued share capital of the Company on Admission following completion of the Fundraising assuming full take up under the Open Offer;
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited;
<b>“Excess Application Facility”</b>	the arrangement pursuant to which Qualifying Shareholders may apply for additional Open Offer Shares in excess of their Open Offer Entitlement in accordance with the terms and conditions of the Open Offer;
<b>“Excess CREST Open Offer Entitlement”</b>	in respect of each Qualifying CREST Shareholder, their entitlement (in addition to their Open Offer Entitlement) to apply for Open Offer Shares pursuant to the Excess Application Facility, which is conditional on them taking up their Open Offer Entitlement in full;
<b>“Excess Shares”</b>	Ordinary Shares applied for by Qualifying Shareholders under the Excess Application Facility;
<b>“Ex-entitlement Date”</b>	the date on which the Existing Ordinary Shares are marked “ex” for entitlement under the Open Offer, being 14 October 2020;
<b>“Existing Ordinary Shares”</b>	the 128,083,494 Ordinary Shares in issue at the date of this document;
<b>“FCA”</b>	the Financial Conduct Authority of the United Kingdom;
<b>“Form of Proxy”</b>	the form of proxy for use by Shareholders in relation to the General Meeting, enclosed with this document;
<b>“FSMA”</b>	the Financial Services and Markets Act 2000 (as amended);
<b>“Fundraising”</b>	the Placing and the Open Offer;
<b>“General Meeting” or “GM”</b>	the General Meeting of the Company convened for 11.00 a.m. on 30 October 2020 or any adjournment thereof, notice of which is set out at the end of this document;
<b>“Group”</b>	the Company and its subsidiaries (as defined in the Act);
<b>“Issue Price”</b>	£0.16 per New Ordinary Share;
<b>“ITA”</b>	UK Income Tax Act 2007;
<b>“London Stock Exchange”</b>	London Stock Exchange plc;

<b>“Money Laundering Regulations”</b>	the money laundering and terrorist financing provisions of the Criminal Justice Act 1993, the Terrorism Act 2000, the Proceeds of Crime Act 2002, the Terrorism Act 2006 and the Money Laundering Regulations 2007, the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017;
<b>“New Ordinary Shares”</b>	the Placing Shares and/or the Open Offer Shares (as the context permits);
<b>“Notice of General Meeting”</b>	the notice convening the General Meeting as set out at the end of this document;
<b>“Open Offer Shares”</b>	up to 3,123,988 new Ordinary Shares being made available to Qualifying Shareholders pursuant to the Open Offer;
<b>“Open Offer”</b>	the conditional invitation made to Qualifying Shareholders to apply to subscribe for Open Offer Shares at the Issue Price on the terms and subject to the conditions set out in Part III of this document and, where relevant, in the Application Form;
<b>“Open Offer Entitlement”</b>	the pro rata entitlement of a Qualifying Shareholder, pursuant to the Open Offer, to subscribe for 1 Open Offer Share for every 41 Existing Ordinary Shares registered in their name as at the Record Date;
<b>“Official List”</b>	the Official List of the FCA;
<b>“Ordinary Shares”</b>	the ordinary shares of 1 penny each in the capital of the Company in issue from time to time;
<b>“Overseas Shareholder”</b>	a Shareholder with a registered address outside the United Kingdom;
<b>“Placees”</b>	subscribers for the Placing Shares;
<b>“Placing Agreement”</b>	the conditional placing agreement entered into between the Company and Cenkos Securities in respect of the Placing, dated 14 October, as described in this document;
<b>“Placing”</b>	the proposed placing by Cenkos Securities (as agent for the Company) of the Placing Shares with certain institutional investors and existing Shareholders, otherwise than on a pre-emptive basis, at the Issue Price on the terms of the Placing Agreement;
<b>“Placing Shares”</b>	25,000,000 new Ordinary Shares the subject of the Placing;
<b>“Proposals”</b>	the Placing and the Open Offer and other matters contained in this document;
<b>“Prospectus Regulation”</b>	EU Prospectus Regulation 2107/1129;
<b>“Prospectus Rules”</b>	the rules made by the FCA under Part VI of FSMA in relation to offers of transferable securities to the public and admission of transferable securities to trading on a regulated market;
<b>“Qualifying CREST Shareholders”</b>	Qualifying Shareholders holding Existing Ordinary Shares in a CREST account;
<b>“Qualifying Holding”</b>	means a qualifying holding for the purposes of Chapter 4 of Part 6 of ITA;

<b>“Qualifying Non-CREST Shareholders”</b>	Qualifying Shareholders holding Existing Ordinary Shares in certificated form;
<b>“Qualifying Shareholders”</b>	holders of Existing Ordinary Shares on the register of members of the Company at the Record Date (but excluding any Overseas Shareholder who has a registered address in the United States of America or any other Restricted Jurisdiction);
<b>“Receiving Agents” or “Registrar”</b>	Share Registrars Limited, the Company’s registrar and receiving agent;
<b>“Record Date”</b>	6.00 p.m. on 12 October 2020 being the latest time by which transfers of Existing Ordinary Shares must be received for registration by the Company in order to allow transferees to be recognised as Qualifying Shareholders;
<b>“Regulatory Information Service”</b>	has the meaning given to it in the AIM Rules;
<b>“Resolutions”</b>	the resolutions to be proposed at the General Meeting, the full text of which are set out in the Notice of General Meeting;
<b>“Restricted Jurisdiction”</b>	United States of America, Canada, Australia, Japan, New Zealand and the Republic of South Africa and any other jurisdiction where the extension or availability of the Fundraising would breach any applicable law;
<b>“Securities Act”</b>	US Securities Act of 1933 (as amended);
<b>“Shareholders”</b>	the holders of Existing Ordinary Shares, and the term <b>“Shareholder”</b> shall be construed accordingly;
<b>“stock account”</b>	an account within a member account in CREST to which a holding of a particular share or other security in CREST is credited;
<b>“uncertificated” or “uncertificated form”</b>	means recorded on the relevant register or other record of the share or other security concerned as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
<b>“United Kingdom” or “UK”</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>“USE”</b>	Unmatched Stock Event instructions;
<b>“VCT”</b>	a company which is, or which is seeking to become, approved as a venture capital trust under the provisions of Part 6 of the ITA; and
<b>“£” or “Pounds”</b>	UK pounds sterling, being the lawful currency of the United Kingdom.

## PART I

### LETTER FROM THE CHAIRMAN

## SKINBIOTHERAPEUTICS PLC

(Incorporated and registered in England and Wales with registered number 09632164)

*Directors:*

Martin Hunt (*Non-Executive Chairman*)  
Stuart John Ashman (*Chief Executive*)  
Douglas Quinn (*Chief Financial Officer*)  
Dr Catherine Prescott (*Non-Executive Director*)

*Registered Office:*

15 Silk House  
Park Green  
Macclesfield  
England  
SK11 7QJ

*To all Shareholders and, for information only, holders of options over Ordinary Shares*

Dear Shareholder

14 October 2020

**Placing of 25,000,000 New Ordinary Shares to raise £4.0 million**  
**Open Offer of up to 3,123,988 New Ordinary Shares to raise up to £0.5 million**  
**Notice of General Meeting**

### 1. INTRODUCTION

The Company has today announced that it has conditionally raised approximately £4.0 million (before expenses), pursuant to a Placing and is undertaking an Open Offer to raise up to an additional £0.5 million. The Open Offer provides Qualifying Shareholders with an opportunity to participate in the proposed issue of New Ordinary Shares on the same terms as the Placees.

The issue price of 16 pence per New Ordinary Share represents an approximate 11.1 per cent. discount to the closing middle market price of 18 pence per Existing Ordinary Share on 13 October 2020, the last Business Day before the announcement of the Proposals.

The Fundraising is conditional, *inter alia*, on the passing of the Resolutions by the Shareholders at the General Meeting, which has been convened for 11.00 a.m. on 30 October 2020. If the Resolutions are passed, the New Ordinary Shares are expected to be allotted immediately after the General Meeting, conditional on Admission, which is expected to occur at 8.00 a.m. on 2 November 2020. Should Shareholder approval not be obtained at the General Meeting, neither the Placing nor the Open Offer will proceed. Neither the Placing nor the Open Offer has been underwritten.

**The purpose of this document is to explain the background to the Fundraising, to set out the reasons why the Board believes that the Proposals are in the best interests of the Company and its Shareholders and to seek Shareholder approval of the Resolutions at the forthcoming General Meeting, which will be held at 6.7.8 Tokenhouse Yard, London, EC2R 7AS at 11.00 a.m. on 30 October 2020.**

### 2. BACKGROUND TO AND REASONS FOR THE FUNDRAISING

#### **Background**

Based in the UK, the Company seeks to harness the human microbiome to promote health. The Company was initially founded on scientific discoveries made at the University of Manchester related to the activities of lysates (extracts) derived from probiotic bacteria when applied to the skin.

The Company is targeting five specific skin healthcare sectors; cosmetics skincare, food supplements for the treatment of skin conditions, medical skin care, infection control in both the home and the hospital

environment and pharmaceuticals for the prescribed treatment of skin conditions. In each of these areas the Company plans to exemplify its technology in human studies. The most advanced programme is the application of the SkinBiotix® platform in managing sensitive skin and providing anti ageing benefits in the cosmetics industry. The business strategy is to partner and license its programmes at proof of concept stage.

### **Reasons for the Fundraising**

In November 2019 the Company identified five channels in which to develop its focus, encompassing both existing and new technology;

- **SkinBiotix®** – the Company’s core technology that is designed to promote skin health by harnessing the beneficial properties of probiotic bacteria
- **AxisBiotix™** – addressing the emerging area of science that is focused on the gut-skin axis and its role in various diseases
- **MediBiotix™** – this channel is targeting the use of the SkinBiotix® technology for medical device applications including the treatment of eczema and woundcare
- **CleanBiotix™** – targeting the use of the SkinBiotix® technology to address certain categories of health care acquired infections
- **PharmaBiotix™** – an extension to the medical device and AxisBiotix™ applications through a pathway of medicinal prescription registrations.

SkinBiotix® is the Company’s proprietary technology and is designed to promote skin health by harnessing the beneficial properties of probiotic bacteria and the active components derived from them. In November 2019 the Company signed a commercial agreement with Croda International Plc (“**Croda**”), and its speciality bioactive ingredient manufacturer, Sederma for the development and commercialisation of a new active skincare cosmetic ingredient, incorporating the SkinBiotix® technology. In July 2020 Sederma updated the Company that it had successfully replicated the lysate manufacturing process and outcomes as developed by the Company and was now working to validate the scale up of the manufacturing process at different volume levels. Sederma also confirmed that despite COVID-19 there had been no delays against the project timeline.

Opportunities exist for the Company to explore the use of the SkinBiotix® technology in other areas, for example, oral and hair indications through engagement with third party research. Whilst work has been initiated in these areas it requires a greater commitment of resource to make material progress. Under the terms of the agreement with Croda, the Company retains the right to launch an ‘own label’ cosmetic and this is an opportunity the Company will explore further.

In February 2020, the Company signed a development agreement with Winclove Probiotics B.V. (“**Winclove**”) for a probiotic food supplement to help manage the symptoms associated with the skin condition, psoriasis. A proprietary blend of ‘good’ bacterial strains had already been identified by SkinBioTherapeutics, and the Company has since reported that, several months ahead of schedule, Winclove has been able to successfully combine and formulate the blend as a probiotic food supplement, to be known as AxisBiotix™Ps. The Company is now working with Winclove to finalise a selected formulation and address matters such as taste and packaging.

As a pre-requisite to commercialisation, AxisBiotix™Ps will undergo a human study with patients suffering from mild to moderate psoriasis. The Company has confirmed with the necessary regulatory bodies that the study will be conducted as a food supplement study. Such studies have much reduced requirements in terms of endpoints and the time required compared to a therapeutic trial.

The study was targeted to start before the end of 2020 and estimated to take approximately 12-18 months to complete. In light of COVID-19 and the constraints regarding non-COVID human studies the Company has established a protocol for, and is proceeding with, a ‘self managed’ trial that will not require participants to attend physician consultations.

Participants suffering from mild to moderate psoriasis will be invited to participate in a human study in which they will be provided with samples of AxisBiotix™Ps to self-administer over an eight week period and track the impact of the food supplement on their skin condition. Participants will submit their findings on a periodic

basis through a bespoke mobile device app, thus avoiding the need for clinical attendance. This will accelerate the timing of readout compared to the previously envisaged conventional study. As a result, if the findings are positive, this will allow for a significantly earlier commercial launch than originally planned. The Company anticipates commencing the trial in early 2021.

The Company has a long standing research agreement with the University of Manchester and considers this an important component of continuing to develop a pipeline of opportunities related to the microbiome. This approach has worked well during the early stages of the Company's growth where it has operated virtually. As the breadth of opportunities for its existing and future technologies continues to expand the Company intends to establish its own facilities to support the progression of technology from research to development. Additionally the Company will seek to extend the resource capability at the University of Manchester focussed on the development of the core science.

The Directors believe the Fundraising will put the Company in a strong position to progress each of the identified channels and in doing so build a broader, microbiome based and science led business.

### **3. USE OF PROCEEDS**

The Company has conditionally raised gross proceeds of at least £4.0 million by way of the Placing, and any funds raised in the Open Offer will be in addition to this amount. The primary purpose behind the Fundraising is to fund the expansion of the Company's technology pipeline into areas such as haircare, UV protection and acne, accelerate commercial opportunities for own label product lines and support the transition of the Company from a virtual operation to one with an in-house scientific capability and related infrastructure.

### **4. DETAILS OF THE FUNDRAISING**

The Company has conditionally raised a total of up to approximately £4.5 million (before expenses), comprising: i) a Placing to raise £4.0 million (before expenses) through a placing of 25,000,000 New Ordinary Shares at 16 pence per share with institutional and other investors; and ii) an Open Offer to raise up to an additional approximate £0.5 million (before expenses) through an Open Offer of up to 3,123,988 New Ordinary Shares at 16 pence per share with Qualifying Shareholders.

The Fundraising has not been underwritten and is conditional, *inter alia*, upon:

- (a) the passing of resolutions 1 and 3 of the Resolutions;
- (b) the Placing Agreement becoming unconditional in all respects (other than Admission) and not having been terminated in accordance with its terms; and
- (c) Admission occurring by not later than 8.00 a.m. on 2 November 2020 (or such later time and/or date as the Company and Cenkos Securities may agree, not being later than 8.00 a.m. on 30 November 2020).

Accordingly, if any of the conditions are not satisfied or waived (where capable of waiver), the Fundraising will not proceed, the New Ordinary Shares will not be issued and all monies received by Cenkos Securities, the Receiving Agents or the Company (as the case may be) will be returned to the applicants (at the applicants' risk and without interest) as soon as possible thereafter.

The Directors believe that the New Ordinary Shares to be issued pursuant to the Placing and Open Offer will meet the requirements of section 173 ITA for the purposes of the EIS and the Company is a Qualifying Holding and the New Ordinary Shares are eligible shares for the purposes of investment by VCTs. Further details as regards EIS and VCT reliefs are set out in paragraph 6 below.

#### **Details of the Placing**

Under the terms of the Placing Agreement, Cenkos Securities has agreed to use its reasonable endeavours to procure subscribers for the Placing Shares at the Issue Price. The Placing Agreement contains certain warranties and indemnities from the Company in favour of Cenkos Securities and Cenkos Securities may terminate the Placing Agreement in certain customary circumstances.

### **Details of the Open Offer**

In recognition of their continued support to the Company, the Board believes that the Open Offer provides the Company's longstanding and supportive Shareholders with an opportunity to participate in the Fundraising.

The Company is providing all Qualifying Shareholders with the opportunity to subscribe, at the Issue Price, for an aggregate of 3,123,988 Open Offer Shares, raising gross proceeds of up to approximately £0.5 million.

Qualifying Shareholders may apply for Open Offer Shares under the Open Offer at the Issue Price on the following basis:

#### **1 Open Offer Share for every 41 Existing Ordinary Shares**

and so in proportion for any number of Existing Ordinary Shares held on the Record Date.

Entitlements of Qualifying Shareholders will be rounded down to the nearest whole number of Ordinary Shares. Fractional entitlements which would otherwise arise will not be issued to the Qualifying Shareholders but will be made available under the Excess Application Facility. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement. Not all Shareholders will be Qualifying Shareholders. Shareholders who are located in, or are citizens of, or have a registered office in certain overseas jurisdictions will not qualify to participate in the Open Offer. The attention of Overseas Shareholders is drawn to paragraph 5 below.

Valid applications by Qualifying Shareholders will be satisfied in full up to their Open Offer Entitlements. Qualifying Shareholders can apply for less or more than their Open Offer Entitlements but the Company cannot guarantee that any application for Excess Shares under the Excess Application Facility will be satisfied as this will depend in part on the extent to which other Qualifying Shareholders apply for less than or more than their own Open Offer Entitlements. The Company may satisfy valid applications for Excess Shares in whole or in part but reserves the right at its sole discretion not to satisfy, or to scale back, applications made in excess of Open Offer Entitlements.

Application has been made for the Open Offer Entitlements and Excess CREST Open Offer Entitlements for Qualifying CREST Shareholders to be admitted to CREST. It is expected that the Open Offer Entitlements and the Excess CREST Open Offer Entitlements will be admitted to CREST on 15 October 2020. Applications through the CREST system may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim.

The Open Offer Shares must be paid in full on application. The latest time and date for receipt of completed Application Forms or CREST applications and payment in respect of the Open Offer is 11.00 a.m. on 28 October 2020.

**Qualifying Shareholders should note that the Open Offer is not a rights issue and therefore the Open Offer Shares which are not applied for by Qualifying Shareholders will not be sold in the market for the benefit of the Qualifying Shareholders who do not apply under the Open Offer. The Application Form is not a document of title and cannot be traded or otherwise transferred.**

Further details of the Open Offer and the terms and conditions on which it is being made, including the procedure for application and payment, are contained in Part III of this document and on the accompanying Application Form.

### **Rights of the New Ordinary Shares and application for Admission**

The New Ordinary Shares will, when issued, be credited as fully paid up and will be issued subject to the Company's articles of association and rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid on or in respect of the Ordinary Shares after the date of issue of the New Ordinary Shares, and will on issue be free of all claims, liens, charges, encumbrances and equities.

Application will be made to the London Stock Exchange for the Admission of the New Ordinary Shares to trading on AIM. It is expected that Admission of the New Ordinary Shares will occur on or around 8.00 a.m.

(London time) on 2 November 2020 (or such later time and/or date as Cenkos Securities may agree with the Company, being not later than 8.00 a.m. on 30 November 2020).

## **5. OVERSEAS SHAREHOLDERS**

The attention of Qualifying Shareholders who have registered addresses outside the United Kingdom, or who are citizens or residents of countries other than the United Kingdom, or who are holding Existing Ordinary Shares for the benefit of such persons, (including, without limitation, custodians, nominees, trustees and agents) or who have a contractual or other legal obligation to forward this document or the Application Form to such persons, is drawn to the information which appears in paragraph 6 of Part III of this document.

In particular, Qualifying Shareholders who have registered addresses in or who are resident in, or who are citizens of, countries other than the UK (including without limitation the United States of America), should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their entitlements under the Open Offer.

## **6. EIS AND VCT**

On issue, the New Ordinary Shares will not be treated as either “listed” or “quoted” securities for the purposes of section 184 of ITA for the purposes of the EIS or section 257 of ITA for the purposes of the VCT regime. Provided that the Company remains one which does not have any of its shares quoted on a recognised stock exchange (which for these purposes does not include AIM), the New Ordinary Shares should continue to be treated as unquoted securities.

**The following information is based upon the laws and practice currently in force in the UK and may not apply to persons who do not hold their Ordinary Shares as investments.**

The Board believes that the New Ordinary Shares to be issued pursuant to the Fundraising will be ‘eligible shares’ and will be capable of being a Qualifying Holding for the purposes of investment by VCTs. The Board believes that the New Ordinary Shares will also satisfy the conditions of section 173 of ITA for the purposes of the EIS.

Potential shareholders or Shareholders of the Company who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK are strongly advised to consult their own independent financial adviser immediately.

These details are intended only as a general guide to the current tax position under UK taxation law and are not intended to be exhaustive. Investors who are in any doubt as to their tax position or who are subject to a tax jurisdiction, other than the UK, are strongly advised to consult their professional advisers. Companies can raise up to £5 million under the combined VCT, EIS, SEIS, social investment tax relief or any other State aid risk capital investment in any 12-month period.

### ***EIS***

Provided that the investor and the Company comply with the EIS legislation (Part 5 of the ITA and Sections 150A-C and Schedule 5B of the Taxation of Chargeable Gains Act 1992), which includes a requirement that the New Ordinary Shares are held by investors for not less than three years, UK taxpayers with a sufficient tax liability in the year of claim should qualify for EIS relief on their investment in newly issued shares in the Company.

The Directors believe, subject to a form EIS1 being submitted and accepted by HMRC, that the Company is to be treated as carrying on a qualifying trade for EIS purposes. The Directors intend to manage the Company so as to maintain (as far as they are able and subject always to their statutory duties to act in the best interest of the shareholders of the Company as a whole) the status of the Company as a qualifying company although no guarantee can be given in this regard.

Shareholders who wish to apply for EIS relief should contact Douglas Quinn, the Company Secretary, at the registered office of the Company.

There are four EIS tax reliefs being:

(i) *Income tax relief*

Individuals can obtain income tax relief on the amount subscribed for ordinary shares (to a maximum of £1,000,000 in a tax year in one or more qualifying companies), which are retained for a period of at least three years, provided the individuals are not connected to the issuing company. A tax reduction equal to 30 per cent. of the eligible amount subscribed is given, subject to an investor having a sufficient tax liability in the year of claim. The tax reduction is given against the individual's income tax liability for the tax year in which the ordinary shares are issued although in certain circumstances it is possible to carry back the relief to the preceding tax year under section 158(4) ITA. The relief must be claimed and will be limited to an individual's actual income tax liability in that tax year before EIS relief and cannot exceed that tax liability. EIS income tax relief is not available for individuals who together with their 'associates', very broadly, own more than 30 per cent. of the ordinary share capital of the Company or who are otherwise 'connected' to the Company. EIS income tax relief is not available to any shareholder who, at the date of an EIS share issue, already holds shares in the Company upon which they have claimed EIS income tax relief, other than any shares issued by the Company on incorporation.

(ii) *Capital Gains Tax ("CGT") exemption*

Any capital gains realised on the disposal, after a period of at least three years, of ordinary shares on which EIS income tax relief has been given and not withdrawn are not subject to capital gains tax. This exemption is not available for individuals who together with their 'associates', very broadly, own more than 30 per cent. of the ordinary share capital of the Company or are otherwise connected with the Company.

(iii) *Loss relief*

Subject to certain conditions, tax relief is available for a qualifying shareholder who realises a loss on a disposal of ordinary shares on which EIS income tax relief (see (i) above) has been given and not withdrawn.

The amount of the loss (after taking account of the income tax relief initially obtained) can be set against a capital gain in the tax year of loss or following tax years or in certain circumstances offset against taxable income in the tax year in which the disposal occurs or the preceding tax year.

(iv) *CGT deferral*

To the extent that a UK resident (which includes individuals and certain trustees) subscribes for qualifying ordinary shares a claim can be made to defer all or part of a chargeable gain arising on the disposal of any asset. Although there is a limit of £1,000,000 (or £2,000,000 in the case where any amount above £1,000,000 is invested in "knowledge-intensive companies") for investments to qualify for income tax relief and a proportionate reduction in the exemption from CGT for subscriptions exceeding this limit (see (i) and (ii) above), there is no limit on the amount of gains that can be deferred in this way. The subscription must have been made within one year before or three years after the date of the disposal which gave rise to the gain or the date when a previously deferred gain crystallises. The gain is deferred until there is a "chargeable event", such as the disposal of ordinary shares.

If the investing ordinary shareholder does not retain the ordinary shares or the EIS rules are otherwise breached, the CGT deferral originally granted will be withdrawn and tax will be charged on the basis of a taxable event occurring at the date the rules cease to be met.

Although the Company currently expects to satisfy the relevant conditions for EIS investment, neither the Directors nor the Company gives any warranty or undertaking that relief will be available in respect of any investment in New Ordinary Shares pursuant to this document, nor do they warrant or undertake that the Company will conduct its activities in a way that qualifies for or preserves its status.

**VCT**

The status of the New Ordinary Shares as a Qualifying Holding for VCTs will be conditional, *inter alia*, upon the Company continuing to satisfy the relevant requirements. Although the Company currently expects to satisfy the relevant conditions for VCT investment, neither the Directors nor the Company gives any warranty

or undertaking that relief will be available in respect of any investment in the New Ordinary Shares pursuant to this document, nor do they warrant or undertake that the Company will conduct its activities in a way that qualifies for or preserves its status.

**As the rules governing EIS and VCT reliefs are complex and interrelated with other legislation, if Shareholders and potential shareholders are in any doubt as to their tax position, require more detailed information than the general outline above, or are subject to tax in a jurisdiction other than the United Kingdom, they should consult their professional adviser.**

## 7. RISK FACTORS AND ADDITIONAL INFORMATION

The attention of Shareholders is drawn to the risk factors set out in Part II and the information contained in Parts III and IV of this document, which provide additional information on the Open Offer.

## 8. RELATED PARTIES' PARTICIPATION IN THE FUNDRAISING

### **Substantial Shareholders' participation in the Fundraising**

The following substantial Shareholders (being a Shareholder holding 10 per cent. or more of the Company's Ordinary Shares as at 13 October 2020, the latest practicable date prior to publication of this document) are participating in the Placing as described below:

<i>Name</i>	<i>Number of Existing Ordinary Shares</i>	<i>Percentage of Existing Ordinary Shares</i>	<i>Number of Placing Shares subscribed for</i>	<i>Amount subscribed for in the Placing</i>	<i>Number of Ordinary Shares held following the Placing and Open Offer</i>	<i>Percentage of Enlarged Share Capital*</i>
Seneca Partners Limited	18,140,398	14.2%	3,110,000	£497,600	21,250,398	13.9%

\* On the assumption that the maximum number of Placing Shares are issued pursuant to the Placing but not including any Open Offer Shares that may be subscribed for pursuant to the Open Offer.

The participation by the Shareholder referred to above in the Placing is classified as a related party transaction for the purposes of the AIM Rules by virtue of such Shareholder being a 'substantial shareholder' (as defined in the AIM Rules for Companies) in the Company. The Directors, having consulted with Cenkos Securities, consider that the terms of the transaction are fair and reasonable insofar as the Company's Shareholders are concerned.

### **Directors' participation in the Placing**

As part of the Fundraising, certain Directors intend to subscribe (either personally or through a nominee) for an aggregate of 187,500 Placing Shares at the Issue Price. Details of the Placing Shares for which the Directors intend to subscribe (either personally or through a nominee) are displayed below:

<i>Name**</i>	<i>Number of Existing Ordinary Shares</i>	<i>Number of Placing Shares intended to be subscribed for</i>	<i>Value of Placing Shares intended to be subscribed for</i>	<i>Resulting shareholding following proposed subscription</i>	<i>Percentage of Enlarged Share Capital following proposed subscription*</i>
Stuart John Ashman	Nil	125,000	£20,000	125,000	0.1%
Catherine Prescott	56,112	62,500	£10,000	118,612	0.1%

\* On the assumption that the maximum number of Placing Shares are issued pursuant to the Placing but not including any Open Offer Shares that may be subscribed for pursuant to the Open Offer.

\*\* The number of Ordinary Shares presented in this table as being held or subscribed for by Directors refers to the number of Ordinary Shares held or subscribed for by them either personally or through a nominee.

The participation by the Directors referred to above in the Placing is classified as a 'related party transaction' for the purposes of the AIM Rules. The Directors who are not participating in the Placing having consulted with Cenkos Securities, consider that the terms of the transaction are fair and reasonable insofar as the Company's Shareholders are concerned.

## **9. OPTIBIOTIX LOCK-IN AND ORDERLY MARKET AGREEMENT**

As at 13 October 2020, the Company's major shareholder, Optibiotix Health Plc ("**Optibiotix**"), holds 38,138,569 Ordinary Shares representing 29.8 per cent. of the Company's issued share capital. Optibiotix, Cenkos and the Company have entered into a lock-in and orderly market agreement pursuant to which Optibiotix has undertaken to the Company and to Cenkos that: (i) it will not until the first anniversary of the Fundraising dispose of the Ordinary Shares that it holds during such period; and (ii) it will only dispose of such Ordinary Shares during the 12 month period following such first anniversary through Cenkos (or its replacement) so as to ensure an orderly market in the Shares.

## **10. GENERAL MEETING**

The General Meeting is being called to seek Shareholders' approval to grant new authorities to enable the Directors, *inter alia*, to allot the New Ordinary Shares.

A notice convening a General Meeting of the Company, to be held at 6.7.8 Tokenhouse Yard, London, EC2R 7AS at 11.00 a.m. on 30 October 2020, is set out at the end of this document. Further details regarding the General Meeting and arrangements made in light of the COVID-19 pandemic are set out in paragraph 11 of this Part I. At the General Meeting, the following resolutions will be proposed:

Ordinary resolutions to:

1. authorise the directors to allot equity securities up to an aggregate nominal amount of £281,240 in respect of the Fundraising; and
2. authorise the directors to allot equity securities up to an aggregate nominal amount of £520,692 (being equal to approximately one-third of the Enlarged Share Capital), and a further £520,692 in the event of a rights issue (being equal to approximately a further one-third of the Enlarged Share Capital).

Special resolutions to:

1. disapply statutory pre-emption rights in respect of allotments of equity securities up to an aggregate nominal amount of £281,240 in respect of the Fundraising; and
2. disapply statutory pre-emption rights in respect of allotments of equity securities: (i) made on a pre-emptive basis; and (ii) relating to the grant of options to subscribe for Ordinary Shares (and the allotment of such shares pursuant to the exercise of options granted), under the terms of any share option scheme adopted or operated by the Company; and (iii) otherwise up to an aggregate nominal amount of £156,208 (being equal to approximately ten per cent. of the Enlarged Share Capital).

## **11. ACTION TO BE TAKEN BY SHAREHOLDERS**

### ***General meeting***

Qualifying Non-CREST Shareholders should check that they have received the following with this document:

- a Form of Proxy for use in relation to the General Meeting; and
- a reply-paid envelope for use in connection with the return of the Form of Proxy (in the UK only).

**You are strongly encouraged to complete, sign and return your Form of Proxy in accordance with the instructions printed thereon so as to be received, by post or, during normal business hours only, by hand to Share Registrars Limited, The Courtyard, 17 West Street, Farnham GU9 7DR, as soon as possible but in any event so as to arrive by not later than 11.00 a.m. on 28 October 2020 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any part of a day that is not a Business Day)).**

If you hold Existing Ordinary Shares in CREST, no Form of Proxy will be sent to you. Instead, you may appoint a proxy by completing and transmitting a CREST proxy instruction to the Company's registrars, Share Registrars Limited (under Participant ID 7RA36) so that it is received by not later than 11.00 a.m. on 28 October 2020.

**In light of the COVID-19 pandemic Shareholders are urged to exercise their votes by submitting their Form of Proxy and appointing the Chairman of the General Meeting as their proxy. Shareholders and their proxies will not be allowed to attend the meeting in person, as to do so would be inconsistent with current government guidelines relating to COVID-19 (as published as at the date of this circular), in particular the advice for people to avoid public gatherings, all non-essential travel and social contact. Any Shareholder seeking to attend the General Meeting in person will be refused entry. The Company is actively following developments and will issue further information through a Regulatory Information Service and/or on its website ([www.skinbiotherapeutics.com](http://www.skinbiotherapeutics.com)) if it becomes necessary or appropriate to make any alternative arrangements for the General Meeting. The General Meeting will be purely functional in format to comply with the relevant legal requirements.**

Appointing a proxy in accordance with the instructions set out above will enable your vote to be counted at the General Meeting.

### **Open Offer**

The latest time for application under the Open Offer to be received is 11.00 a.m. on 28 October 2020. The procedure for application and payment depends on whether, at the time at which application and payment is made, you have an Application Form in respect of your Open Offer Entitlements or have Open Offer Entitlements credited to your stock account in CREST in respect of such entitlement. The procedures for application and payment are set out in Part III of this document.

If you are a Qualifying Non-CREST Shareholder you will have received an Application Form which gives details of your entitlement under the Open Offer (as shown by the number of Open Offer Entitlements allocated to you). If you wish to apply for Open Offer Shares under the Open Offer (whether in respect of your Open Offer Entitlement or both your Open Offer Entitlement and any Excess Shares), you should complete the accompanying Application Form in accordance with the procedure for application set out in Part III of this document. Shareholders are advised to return the Application Form using the enclosed reply-paid envelope, which can also be used for return of completed Forms of Proxy.

If you are a Qualifying CREST Shareholder and do not hold any Existing Ordinary Shares in certificated form, no Application Form is enclosed with this document and you will receive a credit to your appropriate stock account in CREST in respect of the Open Offer Entitlements representing your entitlement under the Open Offer except (subject to certain conditions) if you are an Overseas Shareholder who has a registered address in, or is a resident in or a citizen of a Restricted Jurisdiction. Applications by Qualifying CREST Shareholders for Excess Shares in excess of their Open Offer Entitlements should be made in accordance with the procedures set out in Part III of this document, unless you are an Overseas Shareholder in which event, applications should be made in accordance with the procedures set out in paragraph 6 of Part III of this document. Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Open Offer.

If you are in any doubt as to what action you should take, you should immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent professional adviser duly authorised under the FSMA if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

## **12. DIRECTORS' RECOMMENDATION**

The Directors consider the Proposals to be in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend unanimously that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting, as they intend to do in respect of their own shareholdings, which total 967,223 Existing Ordinary Shares (representing approximately 0.8 per cent. of the Existing Ordinary Share capital).

### **13. DOCUMENTS AVAILABLE**

While normally copies of this document would be available to the public, free of charge, at the Company's registered office and at the offices of Cenkos Securities for one month from the date of this document, in order to comply with current government guidelines relating to COVID-19, it will only be available on the Company's website, [www.skinbiotherapeutics.com](http://www.skinbiotherapeutics.com).

Yours sincerely

**Martin Hunt**  
*Chairman*

## PART II

### RISK FACTORS

**An investment in the Company is subject to a number of risks and uncertainties. Accordingly, in evaluating whether to make an investment in the Company potential investors should consider carefully all of the information set out in this document and the risks attaching to an investment in the Company, including (but not limited to) the risk factors described below, before making any investment decision with respect to the Company's Ordinary Shares. The risk factors described below do not purport to be an exhaustive list and do not necessarily comprise all of the risks to which the Company is exposed or all those associated with an investment in the Company. In particular, the Company's performance is likely to be affected by changes in market and/or economic conditions and in legal, accounting, regulatory and tax requirements. The risk factors described below are not intended to be presented in any assumed order of priority. Additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, may also have an adverse effect upon the Company. If any of the following risks were to materialise, the Group's business, financial condition, results, prospects and/or future operations may be materially adversely affected. In such case, the value of the Ordinary Shares may decline and investors may lose all or part of their investment.**

#### **GENERAL RISKS**

An investment in the Company is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss that may result from the investment. A prospective investor should consider with care whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them. The investment opportunity offered in this document may not be suitable for all recipients of this document. Investors are therefore strongly recommended to consult an investment adviser authorised under FSMA, or such other similar body in their jurisdiction, who specialises in advising on investments of this nature before making their decision to invest.

Investment in the Company should not be regarded as short-term in nature and complementary to investments in a range of other financial assets and should only constitute part of a diversified investment portfolio. There can be no guarantee that any appreciation in the value of the Company's Ordinary Shares will occur or that the commercial objectives of the Company will be achieved. Investors may not get back the full amount initially invested.

The prices of Ordinary Shares and the income (if any) derived from them can go down as well as up. Past performance is not necessarily a guide to the future.

#### **RISKS RELATING TO THE FUNDRAISING**

##### ***Dilution of ownership of Ordinary Shares***

For those Shareholders who do not participate in the Fundraising, their proportionate ownership and voting interest in the Company will be reduced as a consequence of the Fundraising. In particular, to the extent that Shareholders do not take up the offer of Open Offer Shares under the Open Offer, their proportionate ownership and voting interest in the Company will be further reduced and the percentage that their shareholdings represent of the ordinary share capital of the Company will, following Admission, be reduced accordingly. Subject to certain exceptions, Shareholders in the United States and other Restricted Jurisdictions will not be able to participate in the Open Offer. Shareholders should note that their holdings and voting interest in the Company will be reduced, whether or not they elect to participate in the Open Offer, as a result of the Placing.

##### ***If the Fundraising does not proceed***

Implementation of the Fundraising is conditional, among other things, on Shareholders passing resolutions 1 and 3 of the Resolutions. The Fundraising is neither guaranteed nor underwritten. If Shareholders do not pass those resolutions and the Fundraising does not proceed, the net proceeds of the Fundraising will be not be received by the Company and it may not be able to further pursue its corporate strategy. The Group

would in such circumstances, need to seek alternative equity and/or debt financing on whatever terms are available to it, which may result in greater dilution of the Existing Ordinary Shares and/or in the Company and the Group incurring significant indebtedness. Such equity or debt financing may not be made available on terms that are as favourable to the holders of the Existing Ordinary Shares as those envisaged in the Fundraising, or at all. The Group's business plan and growth prospects may be materially adversely affected as a result of an inability to finance business operations, service debt or obtain alternative financing due to the relevant Resolutions not being passed and the Fundraising not proceeding on the terms described in this document.

### ***EIS/VCT Status***

The Company has obtained advance assurance from HMRC that it should be a qualifying company for EIS purposes and advice that the New Ordinary Shares to be issued pursuant to the Fundraising shall be 'eligible shares'. The Directors believe a subscription for New Ordinary Shares will be capable of being a Qualifying Holding for the purposes of investment by VCTs. However, investors should be aware that, whilst EIS advance assurance has been obtained from HMRC and advice has been obtained from professional advisers, the Directors cannot guarantee that the New Ordinary Shares or the Company will satisfy, and will continue to satisfy, the requirements for tax relief under the EIS and VCT regime. The continuing status of the New Ordinary Shares as qualifying for EIS purposes will be conditional on the qualifying conditions being satisfied throughout the relevant period of ownership. Neither the Company nor the Directors give any warranty, representation or undertaking that any investment in the Company by way of New Ordinary Shares will be or will continue to be a qualifying investment for EIS or VCT purposes. EIS eligibility is also dependent on a Shareholder's own position and not just that of the Group. Accordingly, investors should take their own professional advice in this regard.

## **RISKS RELATING TO THE GROUP**

### ***Reliance on key individuals***

Given the small size of the Company, its future success is substantially dependent on a relatively small number of people and the Directors, therefore, view the continued service of certain of its Directors, senior management and other key personnel as important. Whilst the Directors are taking steps to ensure that knowledge, skills and expertise are shared so as to avoid the Company being unduly dependent on individuals, they acknowledge that such measures may prove not to be effective if there were adverse circumstances beyond the Company's control affecting one or more key personnel. In order to be able to develop, support and maintain its business, the Company must also recruit and retain suitably qualified personnel. There is no assurance that it will always be able to do so on a timely basis.

### ***Implementation of strategy***

There can be no certainty that the Company will be able to implement successfully the strategy set out in this document. No representation is or can be made as to the future of the Group and there can be no assurance that the Group will achieve its objectives.

### ***Future Funding Requirements***

As the Company is at an early stage of development, the Company may need to raise additional funding to reach commercialisation beyond that being raised by the Placing. There is no certainty that this will be possible at all or on acceptable terms. Additionally, further fundraisings may dilute the existing shareholders' ownership and voting interest in the Company.

### ***Regulatory approval and risk***

Certain of the Group's products may be subject to stringent regulatory requirements and require regulatory approval before being used clinically or therapeutically. Regulatory authorities in different territories can have differing requirements (and can impose additional requirements) and the approval of a product in one territory does not give any assurance that a product will be approved in another territory. The regulatory approval process, including the timelines for seeking approval, can be affected by a number of factors which are outside the control of the Group.

There can be no assurance that the Group's products will successfully obtain the requisite regulatory approvals in the relevant territories and the costs and timelines associated with seeking such approvals

could be significantly greater than that currently envisaged by the Group. In addition, there can be no guarantee that the regulations or policies applied by the regulatory authorities will not change and any such change may require the Group to undertake additional work, which may not be successful in complying with revised standards.

While the Company has agreed regulatory requirements for a human study for AxisBiotix™ Ps to demonstrate its technology in the proposed applications, regulatory authorities may require study redesigns or amendments that may have financial implications that could adversely impact upon the business.

### ***Product development and commercialisation***

The commercialisation of the Company's intellectual property and the potential applications of its technologies requires pre-clinical development, product formulation, process development and human consumer/clinical studies that exemplify product claims. Product development is an ongoing activity in the Group. The Group will require to continue to undertake research and development activities in connection with its products. There is a risk that the business's technologies do not perform as expected and fail to perform in the applications identified by the Company and there can be no assurance that such products will continue to be successfully developed by the Group to the requisite specification and standard.

In addition, the Group's SkinBiotix® and AxisBiotix™ Ps products will be new products on the market. There can be no assurance that the uptake of the products by cosmetic manufacturers or psoriasis patients respectively, will meet the Group's current expectations or that the Group will otherwise be able to successfully commercialise the SkinBiotix® and AxisBiotix™ Ps products in any of the Group's target territories. Any such failure could have a material adverse affect on the Group's financial condition, results of operations and prospects.

### ***Research Agreement with the University of Manchester***

The Company currently has an agreement in place with the University for the research and development of technologies which expires in January 2021. The research agreement provides that all new foreground IPR created during the research project will belong to the Company. It should be noted that if the Company becomes insolvent at any point and the University cancels the research agreement as a result, then the foreground IPR will revert to being owned by the University.

### ***History of operating losses***

The Group has experienced operating losses in each year since its inception. The Directors expect that the Group will continue to incur significant operating losses as the costs associated with its research, development and other activities are expected to exceed the revenues generated from sales of its products. The ability of the business to generate revenue depends on the successful completion of commercial development of its technologies. There can be no assurance that the Group will achieve profitability in the near to mid-term or at all. Failure to achieve profitability could impair the Group's ability to sustain operations or obtain any required additional funds and could result in investors losing all or a part of their investment in the Ordinary Shares. In addition, the Company has not declared any dividend payments in the past and the Directors do not anticipate that dividends will be declared in the foreseeable future. Indeed, there is no assurance that the Company will ever be in a position to declare dividend payments.

### ***Litigation***

Legal proceedings may arise from time to time in the course of the Group's business. While the Group currently has no outstanding litigation, there can be no guarantee that the current or future actions of the Group will not result in litigation and the sector in which the Group operates, as with all industries, may be subject to legal claims, both with and without merit, from time to time. The Directors cannot guarantee that litigation may not be brought against the Group in the future from time to time or that it may not be subject to any other form of litigation. Any defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material adverse effect on the Group's financial position, results of operations or prospects.

### ***Dependence on intellectual property***

The Company is focused on maintaining and expanding its intellectual property portfolio. The portfolio includes patent applications, trademarks and know-how.

The Group owns certain intellectual property (including, in particular, a field-specific licence of a number of patent families relating to composition and use of probiotic bacteria and lysate products). Any dispute over intellectual property rights, such as taking infringement action to enforce patents, risks the Group's intellectual property as disputes could result in defences (and court findings) of patent invalidity with the Group losing patent protection and the Group may in addition be required to pay substantial damages and costs.

If any of the Group's products or processes are claimed under existing patents or are otherwise claimed to be protected by third party proprietary rights, the Group may be subject to infringement actions. If the Group is required to defend itself against charges of patent infringement or to protect its own proprietary rights against third parties, substantial costs and significant management time and effort could be incurred regardless of whether or not the Group is successful. An adverse outcome could subject the Group to significant liabilities to third parties and force it to curtail or cease the development and sale of its products.

If any of the foregoing risks actually occur that could have a material adverse effect on the Group's business, financial condition, results, prospects and/or future operations.

### ***Potential product liability and insurance***

The Group's business exposes it to potential product liability and professional indemnity risks and possible adverse publicity which are inherent in the research, development, marketing and sale of medical products. There can be no assurance that the necessary insurance cover will be available to the Group at an acceptable cost or at all, or that, in the event of any claim, the level of insurance carried by the Group now or in the future will be adequate or that a product liability or other claim would not materially and adversely affect the Group's business. If the Group cannot adequately protect itself against potential liability claims, it may find it difficult or impossible to commercialise its products.

### ***Securing Commercialisation/Distribution Partners***

The business model of the Company is reliant upon securing commercialisation/distribution partners in order to commercialise products incorporating its technology platform and generate revenue. Currently there are agreements in place with Sederma (Croda) in relation to Skinbiotix® as a cosmetic ingredient and Winclove Probiotics BV in relation to Axisbiotix™. Partners will be required to commercialise the Group's technology in relation to Medibiotix™, Cleanbiotix™ and Pharmabiotix™. Securing attractive commercial terms can be a lengthy process. Failure to enter into, or delays in entering into such agreements will have an adverse impact upon the Group's business, financial condition and results from operations.

### ***Reliance on Commercialisation/Distribution Partners***

Currently there are agreements in place with Sederma (Croda) in relation to Skinbiotix® as a cosmetic ingredient and Winclove Probiotics BV in relation to Axisbiotix™. Reliance on third parties requires the sharing of proprietary information, intellectual property and trade secrets. Entering into confidentiality agreements, research agreements, consulting agreements or other similar arrangements which limit the rights of the third parties to use or disclose the information is standard practice. However these agreements can be difficult to enforce and the business's proprietary information may become publicly available without its knowledge or consent, which could have an adverse impact upon the Group's business, financial condition and results from operations. There is no guarantee that these partners will be able to develop, manufacture and commercialise the products in the manner envisaged. Any such failure would have a material impact on the expected revenues and financial position of the Group.

### ***Reliance on Manufacturing/Research Organisations***

The Company will outsource aspects of its development activities. This includes working with research institutes and specialist formulation and testing houses. These specialised activities are provided through fee for service agreements and each provider is subject to market pressures that could impact the delivery of these activities. Outsourced activities also require intensive management and the timelines for securing development slots are subject to external factors beyond the control of the Company.

Delays that arise in respect of outsourced clinical research could have an adverse impact upon the Group's business, financial condition and results from operations.

### **COVID-19**

The outbreak of COVID-19 in early 2020 has negatively impacted economic conditions globally and is having an adverse and disruptive effect on the UK economy (triggering a technical recession after the second quarter of 2020). In particular, the outbreak has led to constraints being placed on the Company's non-COVID related human study. The Company intends to run a self-administered human study but restrictions imposed in response to COVID-19 could impact both the commencement of the study and ongoing development work with Sederma (Croda) for the cosmetic application and consequently could delay the Company's timeline for commercialisation. In addition further temporary closure of the lab facilities at the University of Manchester would delay the existing research programmes.

### **United Kingdom exit from the European Union**

Following the United Kingdom's exit from the EU on 31 January 2020 ("Brexit") and entrance into the transition period, the likelihood of a no deal Brexit has increased, which could have significant negative impact on the Group. The extent of the impact will depend in part on the nature of the arrangements if any that are put in place between the UK and the EU at the end of the transition period and, the extent to which the UK continues to apply laws that are based on EU legislation from 1 January 2021. In addition, the macroeconomic effect of Brexit on the Group's business is unknown. As such, it is not possible to state the impact that Brexit would have on the Group. It could also potentially make it more difficult for the Group to operate its business in the EU as a result of any increase in tariffs and/or more burdensome regulations being imposed on UK companies (such as changes in applicable legislation affecting the regulatory pathway of the Group's products, both in Europe and in the UK). This could restrict the Group's future prospects and adversely impact its financial condition.

Notwithstanding the above, two of the Company's key development partners are based in Europe; Sederma, the speciality cosmetic division of Croda, and Winclove. Winclove will provide the food supplement for the human study and whilst the Company expects to be in receipt of the product before the end of the calendar year, there can be no certainty of this. The Company may incur delays and additional costs depending on the outcome of the Brexit negotiations and the transition of regulatory approvals.

## **RISKS RELATING TO THE MARKETS IN WHICH THE COMPANY OPERATES**

### ***Economic, Political, Judicial, Administrative, Taxation or Other Regulatory Factors***

The Company may be adversely affected by changes in economic, political, judicial, administrative, taxation or other regulatory factors in the areas in which the Group will operate.

### ***Assumptions Made in Respect of Potential Market Opportunity***

The potential market opportunity for the Group's technologies is difficult to estimate despite the significant unmet needs that have been identified by the Directors. Estimates of the potential market opportunity for each product candidate are based on several key assumptions, such as industry knowledge and publications, third-party research reports and other surveys. Although the Directors believe these internal assumptions to be reasonable, they may prove to be inaccurate. Should the market opportunity be less favourable than assumed, this will result in reduced opportunities for the Group and could have an adverse effect on the Group's business, financial condition and/or operating or financial results.

### ***Competitive Risk***

The Directors believe the skin microbiome to be an innovative area of development and scientific focus. As such this area is subject to significant and rapid technological and consumer change. It is an area of interest to academic institutions, government agencies and private and public companies. There is competition from existing skin care companies and new entrants and maintaining a first mover IP and technology advantage over the competition will require a sustained development focus.

Should the Company not be able to maintain or enhance the competitive value of its technologies or develop and introduce new products successfully, or if new products fail to generate sufficient revenues to offset

research and development costs, the Company's business, financial condition and operating results could be adversely affected.

The need for safe and supportive skin health and well-being products is acknowledged by consumers and healthcare providers around the globe. Large multinationals have divisions dedicated to the sector and many have established brands or approved products on the market. These brand owners, have greater financial and human resources which can be deployed to maintain the brand position. Many also have dedicated R&D units and could therefore choose to develop technologies that compete with the Company's technologies. Such competitors may compete directly with the Group for customers or for acquisitions and other business opportunities. Competitors may be able to develop products that are more attractive to customers than those offered by the Group.

If any of the foregoing risks occurred, that could have a material adverse effect on the Group's financial condition, results of operations and prospects.

### ***Regulatory Environment – General***

The Group operates in a regulated environment that varies dependent upon the jurisdiction. These regulations are subject to change at short notice and differ according to any proposed product claims, intended use or marketing route. While the Group will take every effort to ensure that it and its partners comply with all applicable regulations, there can be no guarantee of this. Failure to comply with applicable regulations could result in the Group being unable to successfully commercialise its technology or any products that incorporates it and/or result in legal action being taken against the Group which could have a material adverse effect.

### ***Regulatory Environment – Marketing***

The Company will seek to enter the market through third parties. Neither the Company nor any of its partners will be permitted to market or promote any of its technology applications or any product candidates or opportunities that incorporate any of its technology before it/or its partners receive the relevant approvals. Some technology applications and products that seek to incorporate these attributes may never receive the marketing authorisations that are appropriate and required for such products. Even products that receive market authorisation can have this subsequently withdrawn.

If any of the foregoing risks occurred, that could have a material adverse effect on the Group's financial condition, results of operations and prospects.

## **RISKS RELATING TO THE ORDINARY SHARES**

### ***Trading market for the Ordinary Shares***

The share price of publicly traded companies, including those quoted on AIM, can be highly volatile and shareholdings illiquid. The Issue Price may not be indicative of the market price for the New Ordinary Shares following Admission. The market price of the Ordinary Shares will be influenced by a large number of factors, which could include, but not be limited to, the performance of both the Group's and its competitors' businesses, variations in the operating results of the Group, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, large purchases or sales of Ordinary Shares, legislative changes and general economic, political and regulatory conditions. Prospective investors should be aware that the value of an investment in the Company may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Group. Investors may therefore realise less than, or lose all of, their investment. The volume of shares traded on AIM can be limited and this may restrict the ability of Shareholders to dispose of Ordinary Shares at any particular time. It may be more difficult for investors to realise their investment in the Group than in a company whose shares are quoted on the Official List. The AIM Rules for Companies are less demanding than those of the Official List. It is emphasised that no application is being made for the admission of the Company's securities to the Official List.

### ***Volatility of Share Price***

The trading price of the Ordinary Shares may be subject to wide fluctuations in response to a number of events and factors, announcements of innovations or new services by the Company or its competitors,

variations in operating results, changes in financial estimates and recommendations by securities analysts, the share price performance of other companies that investors may deem comparable to the Company, news reports relating to trends in the Company's markets, large purchases or sales of Ordinary Shares, liquidity (or absence of liquidity) in the Ordinary Shares, currency fluctuations, legislative or regulatory changes and market conditions in the industry, the industries of customers and the economy as a whole. These fluctuations may adversely affect the trading price of the Ordinary Shares, regardless of the Company's performance. In addition, if the stock market in general experiences loss of investor confidence, the trading price of the Ordinary Shares could decline for reasons unrelated to the Company's business, financial condition or operating results. The trading price of the Ordinary Shares might also decline in reaction to events that affect other companies in the industry, even if such events do not directly affect the Company. Each of these factors, among others, could harm the value of the Ordinary Shares.

### ***Suitability***

Prospective investors should inform themselves as to: (a) the legal requirements of their own countries for the purchase, holding, transfer or other disposal of the Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the Ordinary Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of the Ordinary Shares. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment in it. Statements made in this document are based on the law and practice currently in force in the UK and are subject to change. This document should be read in its entirety.

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

This document contains forward-looking statements that involve risks and uncertainties. The Company's results could differ materially from those anticipated in the forward-looking statements as a result of many factors, including the risks faced by the Company, which are described above and elsewhere in the document. Additional risks and uncertainties not currently known to the Board may also have an adverse effect on the Company's business. The specific and general risk factors detailed above do not include those risks associated with the Company which are unknown to the Directors. Although the Directors will seek to minimise the impact of the Risk Factors, investment in the Company should only be made by investors able to sustain a total loss of their investment.

## PART III

### TERMS AND CONDITIONS OF THE OPEN OFFER

#### 1. Introduction

As explained in Part I of this document, the Company is proposing to issue 25,000,000 New Ordinary Shares pursuant to the Placing to raise £4.0 million, before expenses, and up to a further 3,123,988 New Ordinary Shares pursuant to the Open Offer to raise approximately up to a further £0.5 million.

Qualifying Shareholders are being offered the opportunity under the Open Offer to acquire Open Offer Shares at 16 pence per Ordinary Share, being the same price per share as in the Placing. The Placing Shares are not subject to clawback and do not form part of the Open Offer.

The Issue Price of 16 pence represents a discount of approximately 11.1 per cent. to the price of 18 pence per Existing Ordinary Share, being the closing mid-market share price on 13 October 2020, the Business Day prior to the announcement of the Proposals. This document and, where relevant, the Application Form contain the formal terms and conditions of the Open Offer.

#### 2. The Open Offer

Subject to the terms and conditions set out below and in the Application Form, the Company invites Qualifying Shareholders to apply for Open Offer Shares at the Issue Price, payable in full in cash on application, free of all expenses, on the basis of:

##### **1 Open Offer Share for every 41 Existing Ordinary Shares**

held by them and registered in their names at close of business on 12 October 2020, the Record Date, and so in proportion for any other number of Existing Ordinary Shares then held.

A Qualifying Shareholder who holds Existing Ordinary Shares in certificated and uncertificated form will be treated as having separate holdings for the purpose of calculating entitlements under the Open Offer.

Fractions of Open Offer Shares will not be allocated to Qualifying Shareholders and entitlements to apply for Open Offer Shares will be rounded down to the nearest whole number of Open Offer Shares.

Qualifying Shareholders may apply for any whole number of Open Offer Shares up to their Open Offer Entitlement, which, in the case of Qualifying Non-CREST Shareholders, is equal to the number of Open Offer Shares as shown in Box B on their Application Form or, in the case of Qualifying CREST Shareholders, is equal to the number of Open Offer Shares credited to their stock account in CREST.

Qualifying Shareholders are also invited to apply for additional Open Offer Shares under the Excess Application Facility, up to the total number of Open Offer Shares available under the Open Offer. Any Open Offer Shares not issued to a Qualifying Shareholder pursuant to their Open Offer Entitlement will be apportioned between those Qualifying Shareholders who have applied for Excess Shares at the sole discretion of the Board, provided that no Qualifying Shareholder shall be required to subscribe for more Open Offer Shares than he or she has specified on the Application Form or through CREST.

**The Open Offer is not a rights issue. Qualifying CREST Shareholders should note that although the Open Offer Entitlements (in respect of Qualifying CREST Shareholders) may be admitted to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. Qualifying Non-CREST Shareholders should note that the Application Form is not a negotiable document and cannot be traded. Qualifying Shareholders should be aware that in the Open Offer, unlike in a rights issue, any Open Offer Shares not applied for will not be sold in the market or placed for the benefit of Qualifying Shareholders who do not apply under the Open Offer.**

The Existing Ordinary Shares are admitted to AIM. Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. It is expected that Admission will become

effective on 2 November 2020 and that dealings in the Open Offer Shares will commence at 8.00 a.m. on that date.

The Existing Ordinary Shares are already enabled for settlement in CREST. No further application for admission to CREST is required for the Open Offer Shares; all such shares, when issued and fully paid, may be held and transferred by means of CREST as Ordinary Shares.

Application has been made for the Open Offer Entitlements of Qualifying CREST Shareholders to be enabled for settlement in CREST. The conditions to such admission having already been met, the Open Offer Entitlements are expected to be admitted to CREST with effect from 8.00 a.m. on 15 October 2020.

The Open Offer Shares will be issued fully paid and will be identical to, and rank *pari passu* in all respects with, the Existing Ordinary Shares and will rank for all dividends or other distributions declared, made or paid after the date of issue of the Open Offer Shares. No temporary documents of title will be issued. Further details of the rights attaching to the Existing Ordinary Shares are set out in the Articles of Association which are available on the Company's website ([www.skinbiotherapeutics.com](http://www.skinbiotherapeutics.com)).

### **3. Conditions of the Open Offer**

The Open Offer is conditional upon the Placing Agreement becoming unconditional in all respects (in so far as it relates to the Open Offer). The Placing Agreement is conditional, amongst other things, on:

- (i) the passing of resolutions 1 and 3 of the Resolutions at the General Meeting;
- (ii) completion of the Placing;
- (iii) the Placing Agreement not being terminated prior to Admission and becoming and being declared otherwise unconditional in all respects (save for Admission); and
- (iv) Admission becoming effective on or before 8.00 a.m. on 2 November 2020 (or such later date and/or time as the Company and Cenkos Securities may agree, being no later than 30 November 2020).

If these and the other conditions to the Open Offer are not satisfied or waived (where capable of waiver), the Open Offer will lapse and will not proceed and any applications made by Qualifying Shareholders will be rejected. In these circumstances, application monies received by the Receiving Agent in respect of Open Offer Shares will be returned (at the applicant's sole risk), without payment of interest, as soon as reasonably practicable thereafter. A summary of the material terms of the Placing Agreement is set out in paragraph 4 of Part I of this document. Lapsing of the Open Offer cannot occur after dealings in the Open Offer Shares have begun.

### **4. Procedure for application and payment**

If you are in any doubt as to the action you should take, or the contents of this document, you should immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant, fund manager or other independent adviser duly authorised under the FSMA who specialises in advising on the acquisition of shares and other securities.

The action to be taken in relation to the Open Offer depends on whether you receive an Application Form in respect of your Open Offer Entitlement under the Open Offer or have your Open Offer Entitlement credited to your stock account in CREST.

If you receive an Application Form please refer to paragraph 4.1 of this Part III.

If you hold your Existing Ordinary Shares in CREST and have received a credit of Open Offer Entitlements to your CREST stock account, please refer to paragraph 4.2 of this Part III. If a Qualifying CREST Shareholder is a CREST sponsored member they should refer to their CREST sponsor if they wish to apply for all or some of their entitlement under the Open Offer, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

If for any reason it becomes necessary to adjust the expected timetable as set out in this document the Company will make an appropriate announcement to a Regulatory Information Service giving details of the revised dates.

#### 4.1 ***If you have an Application Form in respect of your Open Offer Entitlement***

##### 4.1.1 *General*

Subject to paragraph 6 of this Part III in relation to Overseas Shareholders, Qualifying Non-CREST Shareholders will receive an Application Form. The Application Form shows the number of Existing Ordinary Shares registered in your name on the Record Date. It also shows the number of Open Offer Shares for which you may apply pursuant to your Open Offer Entitlement (on an initial pro rata basis) as shown by the total number of Open Offer Shares allocated to you. You may apply for less than your initial pro rata entitlement should you wish to do so. You may also apply for Excess Shares by completing Boxes E and F on the Application Form.

Qualifying Non-CREST Shareholders may also hold such an Application Form by virtue of a *bona fide* market claim. If the total number of Open Offer Shares applied for by all Qualifying Shareholders exceeds 3,123,988, applications for Open Offer Shares will be scaled back at the discretion of the Directors. The instructions and other terms set out in the Application Form form part of the terms of the Open Offer in relation to Qualifying Non-CREST Shareholders.

##### 4.1.2 *Market claims*

Applications for the Open Offer Shares may only be made on the Application Form and may only be made by the Qualifying Non-CREST Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Existing Ordinary Shares through the market prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to the Open Offer by the London Stock Exchange, being 14 October 2020. Application Forms may be split up to 3.00 p.m. on 26 October 2020.

The Application Form is not a negotiable document and cannot be separately traded. A Qualifying Non-CREST Shareholder who has sold or transferred all or part of his holding of Existing Ordinary Shares prior to 14 October 2020, being the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to the Open Offer by the London Stock Exchange, should consult his broker or other professional adviser as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed from him by the transferee pursuant to the rules of the London Stock Exchange. Qualifying Non-CREST Shareholders who have sold all of their registered holdings should, if the market claim is to be settled outside CREST, complete Box J on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Application Form should not, however, subject to certain exceptions, be forwarded to or transmitted in or into the United States of America, Canada, Australia, Japan, New Zealand, the Republic of South Africa or any other Restricted Jurisdiction. If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedures set out in paragraph 4.2 below.

##### 4.1.3 *Application procedures*

If you are a Qualifying Non-CREST Shareholder and wish to apply for all or some of your entitlement to Open Offer Shares under the Open Offer you should complete and sign the Application Form in accordance with the instructions on it and send it, together with the appropriate remittance, by post to Share Registrars Limited at The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR or by hand (during normal business hours only) to Share Registrars Limited at The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR, so as to arrive no later than 11.00 a.m. on 28 October 2020. A reply-paid envelope is enclosed for use by Qualifying Non-CREST Shareholders in connection with the Open Offer. Please note that the Receiving

Agent cannot provide financial advice on the merits of the Open Offer or as to whether or not you should take up your entitlement to Open Offer Shares under the Open Offer.

If any Application Form is sent by first class post or using the reply-paid envelope within the United Kingdom, Qualifying Non-CREST Shareholders are recommended to allow at least four Business Days for delivery. The Receiving Agent, on the Company's behalf but only with the agreement of Cenkos Securities, may elect to accept Application Forms and remittances after 11.00 a.m. on 28 October 2020 in respect of those bearing a post mark of before that date and time. The Receiving Agent may also (on behalf of the Company but only with the agreement of Cenkos Securities) elect to treat an Application Form as valid and binding on the person(s) by whom or on whose behalf it is lodged, even if it is not completed in accordance with the relevant instructions, or if it does not strictly comply with the terms and conditions of application. Applications will not be acknowledged.

The Receiving Agent, on behalf of the Company but only with the agreement of Cenkos Securities, also reserves the right (but shall not be obliged) to accept applications in respect of which remittances are received prior to 11.00 a.m. on 28 October 2020 from an authorised person (as defined in the FSMA) specifying the number of Open Offer Shares applied for, and undertaking to lodge the relevant Application Form in due course but, in any event, within two Business Days.

#### 4.1.4 *EIS*

Qualifying Non-CREST Shareholders who intend to claim EIS relief in respect of their investment under the Open Offer should request a Certificate in respect of some or all of their Open Offer Shares by completing 'Box EIS' on the Application Form. However, please note that the Company will not be able submit an application to HMRC for authority to issue any Shareholder with a Certificate if that Shareholder fails to indicate that they wish to receive a Certificate in respect of some or all of the Open Offer Shares specified on their Application Form and/or they fail to provide any other information which the Company may reasonably request from them to enable it to submit its application to HMRC. Neither the Company nor the Directors gives any guarantee that HMRC will authorise the Company to issue such Certificates. Shareholders of the Company who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK are strongly advised to consult their own independent financial adviser immediately. For information on EIS relief generally please refer to paragraph 6 of Part I of this document.

#### 4.1.5 *Payments*

All payments must be in pounds sterling and cheques or banker's drafts should be made payable to 'Share Registrars Limited Receiving Agent Account' and crossed 'A/C payee only'. Cheques or banker's drafts must be drawn on an account at a branch of a bank or building society in the British Isles which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right hand corner. Eurocheques will not be accepted. Cheques should be drawn on the personal account to which you have sole or joint title to funds. Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the bank or building society has confirmed the name of the account holder (which should match the name detailed on page 1 of the Application Form) and have added the branch stamp.

Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be allowed on payments made before they are due and any interest earned on such payments will accrue for the benefit of the Company. It is a term of the Open Offer that cheques shall be honoured on first presentation, and the Company and/or the Receiving Agent (on the Company's behalf) may elect in their absolute discretion to treat as invalid acceptances in respect of which cheques are not so honoured. Application monies will be paid into a separate

bank account pending the Open Offer becoming unconditional. In the event that the Open Offer does not become unconditional the Open Offer will lapse and application monies will be returned by post to applicants, at the applicants' risk and without interest, to the address set out on the Application Form, as soon as practicable. The interest earned on monies held in the separate bank account will be retained for the benefit of the Company.

#### 4.1.6 *Effect of application*

All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant's own risk. By completing and delivering an Application Form, you (as the applicant(s)):

- (i) request that the Open Offer Shares to which you will become entitled be issued to you on the terms set out in this document and subject to the Articles of Association of the Company;
- (ii) agree that all applications, and contracts resulting therefrom, under the Open Offer shall be governed by, and construed in accordance with, the laws of England;
- (iii) confirm that in making the application you are not relying on any information or representation other than that contained in this document, and you accordingly agree that no person responsible solely or jointly for this document or any part of it shall have any liability for any such information or representation not so contained;
- (iv) represent and warrant that you are the Qualifying Shareholder originally entitled to the Open Offer Entitlements or that if you have received some or all of your Open Offer Entitlements from a person other than the Company, you are entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (v) represent and warrant that you are not, and nor are you applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in Section 93 (Depository Receipts) or Section 96 (Clearance Services) of the Finance Act 1986; and
- (vi) confirm that in making such application you are not relying on any information in relation to the Company other than that contained in this document and you agree that no person responsible solely or jointly for this document or any part of it or involved in the preparation thereof shall have any liability for any such other information and further agree that having had the opportunity to read this document, you will be deemed to have had notice of all the information concerning the Company contained therein.

If you do not wish to apply for any of the Open Offer Shares to which you are entitled under the Open Offer, you should take no action and not complete or return the Application Form. Shareholders are nevertheless requested to complete and return the enclosed Form of Proxy for use at the General Meeting to be held at 11.00 a.m. on 30 October 2020.

If you are in doubt whether or not you should apply for any of the Open Offer Shares under the Open Offer, you should consult your independent financial adviser immediately. All enquiries in relation to completion of the Application Form by Qualifying Non-CREST Shareholders under the Open Offer should be addressed to Share Registrars Limited at The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR telephone 01252 821390 or, if telephoning from outside the UK, on +44 1252 821390 between 9.00 a.m. and 5.30 p.m. Calls to the Share Registrars' number are charged at the standard geographic rate and will vary by provider. Calls to the Share Registrars' number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Share Registrars cannot provide advice on the merits of the Proposals nor given any financial, legal or tax advice.

## 4.2 ***If you have Open Offer Entitlements credited to your stock account in CREST in respect of your entitlement under the Open Offer***

### 4.2.1 *General*

Subject as provided in paragraph 6 of this Part III in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive credits to his stock account in CREST of his Open Offer Entitlements equal to the number of Open Offer Shares for which he is entitled to apply under the Open Offer. Entitlements to Open Offer Shares will be rounded down to the nearest whole number and any fractional entitlements will therefore also be rounded down. Qualifying CREST Shareholders may also apply for Open Offer Shares in excess of their Open Offer Entitlement under the Excess Application Facility.

The CREST stock account to be credited will be the account under the participant ID and member account ID which holds the Existing Ordinary Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Open Offer Entitlement has been allocated.

If for any reason the Open Offer Entitlements cannot be enabled for settlement in CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by, 8.00 a.m. on 15 October 2020 or such later time as the Company (with the consent of Cenkos Securities) may decide, an Application Form will be sent out to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements credited (or due to be credited) to his stock account in CREST. In these circumstances the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying Non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive an Application Form.

CREST members who wish to apply for some or all of their entitlements to Open Offer Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact Share Registrars on 01252 821390 (if calling from within the UK) or +44 1252 821390 (if calling from outside the UK). Lines will be open Monday to Friday 9.00 a.m. to 5.30 p.m. excluding bank and public holidays. Calls may be recorded and monitored randomly for security and training purposes. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Open Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

### 4.2.2 *Market claims*

Each of the Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction.

Transactions identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlement will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) will thereafter be transferred accordingly. Please note that automated CREST generated claims and buyer protection will not be offered on the Excess CREST Open Offer Entitlement security.

### 4.2.3 *USE instructions*

CREST members who wish to apply for Open Offer Shares in respect of all or some of their Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) an Unmatched Stock Event (“**USE**”) instruction to Euroclear which, on its settlement, will have the following effect:

- (i) the crediting of a stock account of the Receiving Agent under the participant ID and member account ID specified below, with a number of Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and

- (ii) the creation of a CREST payment, in accordance with the CREST payment arrangements, in favour of the payment bank of the Receiving Agent in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above.

#### 4.2.4 *Content of USE instructions in respect of the Open Offer Entitlement*

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to the Receiving Agent);
- (ii) the ISIN of the Open Offer Entitlement. This is GB00BMH57G62;
- (iii) the participant ID of the accepting CREST member;
- (iv) the member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (v) the participant ID of the Receiving Agent. This is 7RA36;
- (vi) the member account ID of the Receiving Agent. This is RECEIVE;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 28 October 2020;
- (ix) the corporate action number for the Open Offer. This will be available on viewing the relevant corporate action details in CREST; and
- (x) the number of Open Offer Shares (if any) for which application is being made for EIS purposes should be specified in the 'shared note field' in the USE Instruction preceded with 'EIS Open Offer Shares'. If this field is left blank or is un-recognisable then the applicant shall receive Open Offer Shares that are not issued as EIS shares in substitute (subject to the limits under the Excess Application Facility).

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 28 October 2020.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 28 October 2020 in order to be valid is 11.00 a.m. on that day.

#### 4.2.5 *Content of USE instruction in respect of Excess Entitlements*

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Excess Entitlements for which application is being made;
- (ii) the ISIN of the Excess Entitlements. This is GB00BMCMWH86;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Excess Entitlements are to be debited;
- (v) the participant ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 7RA36;
- (vi) the member account ID of the Receiving Agent in its capacity as a CREST receiving agent. This is RECEIVE;

- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Excess Entitlements referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 28 October 2020;
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST; and
- (x) the number of Open Offer Shares (if any) for which application is being made for EIS purposes pursuant to the Excess CREST Open Offer Entitlement should be specified in the 'shared note field' in the USE Instruction preceded with 'EIS Open Offer Shares'. If this field is left blank or is un-recognisable then the applicant shall receive Open Offer Shares that are not issued as EIS shares in substitute (subject to the limits under the Excess Application Facility).

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 28 October 2020.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 28 October 2020 in order to be valid is 11.00 a.m. on that day.

#### 4.2.6 *Deposit of Open Offer Entitlements into, and withdrawal from, CREST*

A Qualifying Non-CREST Shareholder's entitlement under the Open Offer as set out in an Application Form may be deposited into CREST (either into the account of the Qualifying Shareholder named in the Application Form or into the name of a person entitled by virtue of a *bona fide* market claim), provided that such Qualifying Non-CREST Shareholder is also a CREST member. Similarly, Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing so to deposit the entitlement set out in such form is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 28 October 2020.

In particular, having regard to normal processing times in CREST and, on the part of the Receiving Agent, the recommended latest time for depositing an Application Form with the CCSS (the CREST Courier and Sorting Service, established by Euroclear to facilitate, *inter alia*, the deposit and withdrawal of certificated securities), where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Open Offer Entitlements in CREST, is 3.00 p.m. on 23 October 2020, and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements from CREST is 4.30 p.m. on 22 October 2020, in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements prior to 11.00 a.m. on 28 October 2020.

#### 4.2.7 *EIS*

Qualifying CREST Shareholders who intend to claim EIS relief in respect of their investment under the Open Offer should request a Certificate in respect of some or all of their Open Offer Shares by electing to apply for EIS in respect of such number of Ordinary Shares as they shall specify. However, please note that the Company will not be able submit an application to HMRC for authority to issue any Shareholder with a Certificate if that Shareholder fails to populate the 'shared note field' in the USE Instruction and/or they fail to provide any other information which

the Company may reasonably request from them to enable it to submit its application to HMRC. Please refer to paragraphs 4.2.4(x) and 4.2.5(x) of this Part III for further information. Neither the Company nor the Directors gives any guarantee that HMRC will authorise the Company to issue such Certificates. Shareholders who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK are strongly advised to consult their own independent financial adviser immediately. For information on EIS relief generally please refer to paragraph 6 of Part I of this document.

#### 4.2.8 *Validity of application*

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 28 October 2020 will constitute a valid application under the Open Offer.

#### 4.2.9 *CREST procedures and timings*

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 28 October 2020. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

#### 4.2.10 *Incorrect or incomplete applications*

If a USE instruction includes a CREST payment for an incorrect sum, the Company through the Receiving Agent reserves the right:

- (i) to reject the application in full and refund the payment to the CREST member in question;
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question; and
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all the Open Offer Shares referred to in the USE instruction(s) refunding any unutilised sum to the CREST member in question.

#### 4.2.11 *Effect of a valid application*

A CREST member who makes or is treated as making a valid application in accordance with the above procedures will thereby:

- (i) pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Receiving Agent payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, satisfy the obligation of the CREST member to pay to the Company the amount payable on application);
- (ii) request that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this document and subject to the Articles of Association of the Company;
- (iii) agree that all applications and contracts resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, the laws of England;
- (iv) represent and warrant that he or she is not and nor is he or she applying as nominee or agent for a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in Section 93 (Depository Receipts) or Section 96 (Clearance Services) of the Finance Act 1986;

- (v) confirm that in making such application he or she is not relying on any information in relation to the Company other than that contained in this document and agrees that no person responsible solely or jointly for this document or any part of it or involved in the preparation thereof shall have any liability for any such other information and further agree that having had the opportunity to read this document, he will be deemed to have had notice of all the information concerning the Company contained therein; and
- (vi) represent and warrant that he or she is the Qualifying Shareholder originally entitled to the Open Offer Entitlements or that he has received such Open Offer Entitlements by virtue of a *bona fide* market claim.

#### 4.2.12 *The Company's discretion as to rejection and validity of applications*

The Company and Cenkos Securities may in their discretion:

- (i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part III;
- (ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
- (iii) treat a properly authenticated dematerialised instruction (in this sub-paragraph the 'first instruction') as not constituting a valid application if, at the time at which the Receiving Agent receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Receiving Agent have received actual notice from Euroclear of any of the matters specified in regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- (iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Open Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Registrar in connection with CREST.

#### 4.2.13 *Lapse of the Open Offer*

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 2 November 2020 or such later time and date as Cenkos Securities and the Company may agree, being no later than 30 November 2020, the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter. The interest earned on such monies, if any, will be retained for the benefit of the Company.

## **5. Money Laundering Regulations**

### **5.1 Holders of Application Forms**

It is a term of the Open Offer that, to ensure compliance with the Money Laundering Regulations, the Receiving Agent may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf an Application Form is lodged with payment (which requirements are referred to below as the "verification of identity requirements"). If the Application Form is submitted by a UK regulated broker or intermediary acting as agent, and which is itself subject to the Money Laundering

Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Receiving Agent. In such case, the lodging agent's stamp should be inserted on the Application Form.

The person lodging the Application Form with payment, and in accordance with the other terms as described above (the "acceptor"), including any person who appears to the Receiving Agent to be acting on behalf of some other person, accepts the Open Offer in respect of such number of the Open Offer Shares as referred to in the Application Form (for the purposes of this paragraph 5.1 (the "relevant shares")) shall thereby be deemed to agree to provide the Receiving Agent and/or the Company with such information and other evidence as they or either of them may require to satisfy the verification of identity requirements.

If the Receiving Agent determines that the verification of identity requirements apply to any applicant or application, and the verification of identity requirements have not been satisfied (which the Receiving Agent shall in its absolute discretion determine), the Company may, in its absolute discretion, and without prejudice to any other rights of the Company, treat the application as invalid or may confirm the allotment of the relevant shares to the applicant but (notwithstanding any other term of the Open Offer) the relevant shares will not be issued to the applicant unless and until the verification of identity requirements have been satisfied in respect of that application (which the Receiving Agent shall in its absolute discretion determine).

If the application is treated as invalid and the verification of identity requirements are not satisfied within such period, being not less than seven days after a request for evidence of identity is despatched to the applicant, the Company will be entitled to make arrangements (in its absolute discretion as to manner, timing and terms) to sell the relevant shares (and for that purpose the Company will be expressly authorised to act as agent of the applicant). Any proceeds of sale (net of expenses) of the relevant shares which shall be issued to and registered in the name of the purchasers or an amount equivalent to the original payment, whichever is the lower, will be held by the Company on trust for the applicant, subject to the requirements of the Money Laundering Regulations being satisfied. The Receiving Agent is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any applicant or application and whether such requirements have been satisfied. Neither the Company nor the Receiving Agent will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of any such discretion or as a result of any sale of relevant shares. Submission of an Application Form with the appropriate remittance will constitute a warranty from the applicant that the Money Laundering Regulations will not be breached by application of such remittance. If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in your application being treated as invalid or in delays in the despatch of share certificates or in crediting CREST stock accounts.

The verification of identity requirements will not usually apply:

- (i) if the applicant is an organisation required to comply with the Money Laundering Directive (the Council Directive on the prevention of the use of the financial system for the purpose of money laundering (no. 91/308/EEC));
- (ii) if the applicant is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations; or
- (iii) if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the name of such applicant.

Third party cheques will not be accepted with the exception of banker's drafts or building society cheques where the bank or building society has confirmed the name of the account holder (which must be the same name as appears on page 1 of the Application Form) on the back of the draft or cheque and have added their branch stamp.

In other cases the verification of identity requirements may apply. The following guidance is provided in order to assist in satisfying the verification of identity requirements and to reduce the likelihood of difficulties or delays and potential rejection of an application (but does not limit the right of the Receiving

Agent to require verification of identity as stated above). Satisfaction of the verification of identity requirements may be facilitated in the following ways:

- (A) if payment is made by building society cheque (not being a cheque drawn on an account of the applicant) or banker's draft, by the building society or bank endorsing on the cheque or draft the applicant's name and the number of an account held in the applicant's name at such building society or bank, such endorsement being validated by a stamp and an authorised signature; or
- (B) if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in (i) above or which is subject to anti-money laundering regulation in a country which is a member of the financial action task force (the non- European Union members of which are Argentina, Australia, Brazil, Canada, Hong Kong, Iceland, Japan, Mexico, New Zealand, Norway, the Russian Federation, Singapore, South Africa, Switzerland, Turkey, the United States of America and, by virtue of their membership of the gulf co-operation council, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), the agent should provide written confirmation that it has that status with the Application Form and written assurance that it has obtained and recorded evidence of the identity of the persons for whom it acts and that it will on demand make such evidence available to the receiving agent or the relevant authority.

In order to confirm the acceptability of any written assurance referred to above or any other case, the applicant should contact the Receiving Agent.

If the Application Form(s) is/are in respect of Open Offer Shares with an aggregate subscription price of €15,000 (approximately £13,000) or more and is/are lodged by hand by the acceptor in person, or if the Application Form(s) in respect of Open Offer Shares is/are lodged by hand by the acceptor and the accompanying payment is not the acceptor's own cheque, he or she should ensure that he or she has with him or her evidence of identity bearing his or her photograph (for example, his or her passport) and separate evidence of his or her address. If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 11.00 a.m. on 28 October 2020, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Receiving Agent may, at its discretion, as agent of the Company, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the account at the drawee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

## 5.2 **Open Offer Entitlements in CREST**

Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the applicant to provide promptly to the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to the Receiving Agent as to identity, the Receiving Agent may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the Open Offer Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Open Offer Shares represented by the USE instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence.

## 6. **Overseas Shareholders**

### 6.1 **General**

The making of the Open Offer to Overseas Shareholders may be affected by the laws or regulatory requirements of the relevant jurisdiction. Overseas Shareholders who are in any doubt in this respect should consult their professional advisers. No person receiving a copy of this document and/or an Application Form and/or receiving a credit of Open Offer Entitlements to a stock account in CREST in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him, nor should he in any event use such Application Form or credit of Open Offer Entitlements to a stock account in CREST, unless, in the relevant territory, such an invitation or offer could lawfully be made to him or such Application Form or credit of Open Offer Entitlements to a stock account in CREST could lawfully be used without contravention of any legislation or other local regulatory

requirements. Receipt of this document and/or an Application Form or the crediting of Open Offer Entitlements to a stock account in CREST does not constitute an invitation or offer to Overseas Shareholders in the territories in which it would be unlawful to make an invitation or offer and in such circumstances this document and/or any Application Forms are sent for information only.

It is the responsibility of any person receiving a copy of this document and/or an Application Form and/or receiving a credit of Open Offer Entitlements to a stock account in CREST outside the United Kingdom and wishing to make an application for any Open Offer Shares to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant territory in connection therewith, including obtaining any governmental or other consents which may be required or observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such other territory. Persons (including, without limitation, nominees and trustees) receiving an Application Form and/or receiving credits of Open Offer Entitlements to a stock account in CREST should not, in connection with the Open Offer, distribute or send the Application Form or transfer the Open Offer Entitlements into any jurisdiction when to do so would or might contravene local securities laws or regulations, including the United States and the Restricted Jurisdictions.

If an Application Form or a credit of Open Offer Entitlements to a stock account in CREST is received by any person in any such jurisdiction or by the agent or nominee of such person, he or she must not seek to take up the Open Offer Shares except pursuant to an express agreement with the Company. Any person who does forward an Application Form or transfer the Open Offer Entitlements into any such jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this paragraph 6. The Company, Cenkos Securities and the Receiving Agent reserve the right to reject an Application Form or transfer of Open Offer Entitlements from or in favour of Shareholders in any such jurisdiction or persons who are acquiring Open Offer Shares for resale in any such jurisdiction.

The Company, Cenkos Securities and the Receiving Agent reserve the right in their absolute discretion to treat as invalid any application for Open Offer Shares under the Open Offer if it appears to the Company, Cenkos Securities and the Receiving Agent and their agents that such application or acceptance thereof may involve a breach of the laws or regulations of any jurisdiction or if in respect of such application the Company, Cenkos Securities and the Receiving Agent have not been given the relevant warranty concerning overseas jurisdictions set out in the Application Form or in this document, as appropriate. All payments under the Open Offer must be made in pounds sterling.

## 6.2 **United States**

The Open Offer Shares and the Open Offer Entitlements have not been and will not be registered under the Securities Act or under any relevant securities laws of any state or other jurisdiction of the United States and, accordingly, may not, be offered, sold, taken up, delivered or transferred in or into the United States. Subject to certain exceptions, Qualifying Shareholders with registered addresses in, or who are located in, the United States, may not participate in the Open Offer. Neither this document nor the Application Form constitutes or will constitute or form any part of an offer or an invitation to apply for or an offer or an invitation to acquire any Open Offer Entitlements or Open Offer Shares in the United States. An Application Form will not be sent to any Shareholder located in or having a registered address in the United States. Unless otherwise agreed by the Company in its sole discretion, Application Forms sent from or post-marked in the United States will be deemed to be invalid and all persons acquiring Open Offer Shares and wishing to hold such Open Offer Shares in registered form must provide an address for registration outside the United States. No Open Offer Entitlements will be credited to a stock account in CREST of any Qualifying Shareholder with a registered address in the United States. Unless otherwise agreed by the Company and Cenkos Securities at their discretion, any person completing an Application Form or applying for Open Offer Shares will be required to represent that such person (i) is not located in the United States or any other Restricted Jurisdiction; (ii) is not in any jurisdiction in which it is unlawful to make or accept an offer to acquire the Open Offer Shares; (iii) is not exercising for the account of any person who is located in the United States, unless (a) the instruction to exercise was received from a person outside the United States and (b) the person giving such instruction has confirmed that (x) it has the authority to give such instruction, and (y) either (A) it has investment discretion over such account or (B) it is an investment manager or investment company that it is acquiring the Open Offer Shares in an "off shore transaction" within the meaning of Regulation S (as promulgated under the Securities Act); and (iv) is not acquiring the Open Offer Shares

with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into the United States, any of the Restricted Jurisdictions or any other jurisdiction referred to in (ii) above.

### **6.3 *Restricted Jurisdictions***

Due to restrictions under the securities laws of the Restricted Jurisdictions, and subject to certain exceptions, persons who have registered addresses in, or who are located, resident or ordinarily resident in, or citizens of, any Restricted Jurisdictions will not qualify to participate in the Open Offer and will not be sent an Application Form, nor will their stock accounts in CREST be credited with Open Offer Entitlements. The Open Offer Shares have not been, and will not be, registered under the relevant laws of any Restricted Jurisdictions or any state, province or territory of them and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdictions or to, or for the account or benefit of, any person with a registered address in, or who is located, resident or ordinarily resident in, or a citizen of, any Restricted Jurisdictions except pursuant to an applicable exemption. Subject to certain exceptions, no offer of Open Offer Shares is being made by virtue of this document and/or the Application Form into any Restricted Jurisdictions.

### **6.4 *Jurisdictions other than the Restricted Jurisdictions***

Application Forms will be sent to Qualifying Non-CREST Shareholders and an Open Offer Entitlement will be credited to the stock account in CREST of Qualifying CREST Shareholders. Qualifying Shareholders in jurisdictions other than the United States or any other Restricted Jurisdiction may, subject to the laws of their relevant jurisdiction, take up Open Offer Shares under the Open Offer in accordance with the instructions set out in this document and, if relevant, the Application Form. Qualifying Shareholders who have registered addresses in or who are located or resident in, or who are citizens of, countries other than the United Kingdom should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to apply for Open Offer Shares in respect of the Open Offer.

## **7. Taxation**

If you are in any doubt about your tax position or are subject to a tax in a jurisdiction other than the United Kingdom, you should consult your professional adviser without delay.

## **8. Admission, settlement, dealings and publication**

Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM, subject to the fulfilment of the conditions of the Open Offer. It is expected that admission of the Open Offer Shares to trading on AIM will become effective and that dealings therein for normal settlement will commence at 8.00 a.m. on 2 November 2020. In the case of Qualifying Shareholders wishing to hold Open Offer Shares in certificated form, definitive certificates in respect of the Open Offer Shares will be issued free of stamp duty and are expected to be despatched by post with 10 days of admission. No temporary documents of title will be issued and, pending such despatch, transfers will be certified against the share register. Open Offer Entitlements held in CREST are expected to be disabled in all respects after close of business on 28 October 2020 (the latest time and date for applications under the Open Offer). If the conditions to the Open Offer described in this document are satisfied, Open Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by the Company on the day on which such conditions are satisfied. On this day, the Receiving Agent will credit the appropriate stock accounts of such persons with such persons' entitlement to Open Offer Shares with effect from Admission (expected to be 2 November 2020). The stock accounts to be credited will be accounts under the same participant IDs and member account IDs in respect of which the USE instruction was given. Notwithstanding any other provision of this document, the Company (with the consent of Cenkos Securities) reserves the right to send you an Application Form instead of crediting the relevant stock account with Open Offer Entitlements, and to allot and/or issue any Open Offer Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

All documents or remittances sent by or to applicants, or as they may direct, will be sent through the post at their own risk. For more information as to the procedure for application, Qualifying Non-CREST Shareholders are referred to the Application Form. The completion and results of the Open Offer will be announced and made public through an announcement on a Regulatory Information Service as soon as possible after the results are known.

## **9. Governing law**

The terms and conditions of the Open Offer as set out in this Part III and each Application Form shall be governed by, and construed in accordance with, English law. The Courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this document and an Application Form. By taking up their entitlements under the Open Offer in accordance with the instructions set out in this document and (where applicable) an Application Form, Qualifying Shareholders irrevocably submit to the jurisdiction of the Courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

## **10. Other information**

Your attention is drawn to the letter from your Chairman which is set out in Part I of this document which contains, amongst other things, information on the reasons for the Fundraising, to the Risk Factors in Part II, and to the questions and answers about the Open Offer set out in Part IV of this document.

## **11. Dilution**

The share capital of the Company in issue at the date of this document will be increased by approximately 19.5 per cent. as a result of the Placing. Qualifying Shareholders who do not take up all of their Open Offer Entitlement will suffer a reduction of approximately 22.0 per cent. in their proportionate ownership and voting interest in the ordinary share capital of the Company assuming Admission of all Placing and Open Offer Shares. Qualifying Shareholders who take up all of their Open Offer Entitlement will still suffer dilution upon Admission due to completion of the Placing.

## PART IV

### QUESTIONS AND ANSWERS ABOUT THE OPEN OFFER

*The questions and answers set out in this Part IV are intended to be in general terms only and, as such, you should read Part III of this document for full details of what action you should take. If you are in any doubt as to what action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank, fund manager, solicitor, accountant or other appropriate independent financial adviser, who is authorised under the FSMA if you are resident in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.*

*This Part IV deals with general questions relating to the Placing and the Open Offer and more specific questions relating principally to Existing Ordinary Shares held by persons resident in the United Kingdom who hold their Existing Ordinary Shares in certificated form only. If you are an Overseas Shareholder, you should read paragraph 6 of Part III of this document and you should take professional advice as to whether you are eligible and/or you need to observe any formalities to enable you to take up your Open Offer Entitlements. If you hold your Existing Ordinary Shares in uncertificated form (that is, through CREST) you should read Part III of this document for full details of what action you should take. If you are a CREST sponsored member, you should also consult your CREST sponsor.*

**The contents of this document should not be construed as legal, business, accounting, tax, investment or other professional advice. Each prospective investor should consult his, her or its own appropriate professional advisers for advice. This document is for your information only and nothing in this document is intended to endorse or recommend a particular course of action.**

#### **1. What is a placing and an open offer?**

A placing, and open offer are ways for companies to raise money. Companies may do this by giving their existing shareholders a right to acquire further shares at a fixed price in proportion to their existing shareholdings (an open offer) and providing for specifically identified investors also to acquire a certain number of shares at the same price on a non pre-emptive basis (a placing).

This Open Offer is an invitation by the Company to Qualifying Shareholders to apply to acquire, in aggregate, up to 3,123,988 Open Offer Shares at a price of 16 pence per New Ordinary Share. If you hold Existing Ordinary Shares on the Record Date or have a *bona fide* market claim, other than, subject to certain exceptions, where you are a Shareholder with a registered address in, or located in, the United States or another Restricted Jurisdiction, you will be entitled to apply for Open Offer Shares under the Open Offer.

**The Open Offer is being made on the basis of 1 Open Offer Share for every 41 Existing Ordinary Shares held by Qualifying Shareholders on the Record Date. If your entitlement to Open Offer Shares is not a whole number, you will not be entitled to buy a fraction of an Open Offer Share and your entitlement will be rounded down to the nearest whole number.**

Applications by Qualifying Shareholders will be satisfied in full up to the amount of their individual Open Offer Entitlements. Qualifying Shareholders are also being given the opportunity, provided that they take up their Open Offer Entitlements in full, to apply for additional Open Offer Shares through the Excess Application Facility.

In addition to the Open Offer various institutional and other investors are subscribing for Placing Shares at the Issue Price, pursuant to the Placing.

**Qualifying Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying Non-CREST Shareholders should also note that the Application Form is not a negotiable document and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements will be admitted to CREST they will have limited settlement capabilities (for the purposes of market claims only), and the Open Offer Entitlements will not be tradable or listed, and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.**

## **2. Am I eligible to participate in the Placing?**

Unless you are a Placee, you will not be eligible to participate in the Placing.

## **3. I hold my Existing Ordinary Shares in certificated form. How do I know if I am able to apply to acquire Open Offer Shares under the Open Offer?**

If you receive an Application Form and, subject to certain exceptions, are not a holder with a registered address in or located in the United States or another Restricted Jurisdiction, then you should be eligible to acquire Open Offer Shares under the Open Offer, as long as you had not sold all of your Existing Ordinary Shares on or before 8.00 a.m. on 14 October 2020 (the 'ex' entitlement date for the Open Offer).

## **4. I hold my Existing Ordinary Shares in certificated form. How do I know how many Open Offer Shares I am entitled to take up?**

If you hold your Existing Ordinary Shares in certificated form and, subject to certain exceptions, do not have a registered address in and are not located in the United States or another Restricted Jurisdiction, you should be sent an Application Form.

That Application Form will show:

- how many Existing Ordinary Shares you held at close of business on the Record Date;
- how many Open Offer Shares are comprised in your Open Offer Entitlement; and
- how much you need to pay if you want to take up your right to subscribe for all your entitlement to the Open Offer Shares.

If you have a registered address or are located in the United States or, subject to certain exceptions, one of the Restricted Jurisdictions, you will not receive an Application Form.

If you would like to apply for any of, all of or more than the Open Offer Shares comprised in your Open Offer Entitlement you should complete the Application Form in accordance with the instructions printed on it and the information provided in this document. Please return the completed form in the reply-paid envelope provided with the Application Form along with a cheque or banker's draft for the number of Open Offer Shares you want to apply for and allow at least four Business Days for delivery if sent by first class post from within the United Kingdom. Please also see questions 5 and 12 for further help in completing the Application Form.

## **5. I am a Qualifying Shareholder with a registered address in the UK and I hold my Existing Ordinary Shares in certificated form. What are my choices in relation to the Open Offer and what should I do with the Application Form?**

### **(a) If you want to take up all of your Open Offer Entitlement?**

If you want to take up all of the Open Offer Shares to which you are entitled, all you need to do is send the completed Application Form, together with your cheque or banker's draft for the amount (as indicated in Box C of your Application Form), payable to 'Share Registrars Limited Receiving Agent Account' and crossed 'A/C payee only', in the reply-paid envelope provided, by post, or by hand (during normal business hours only) to Share Registrars, The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR to arrive by no later than 11.00 a.m. on 28 October 2020. Within the United Kingdom only, you can use the reply-paid envelope which is enclosed with the Application Form. You should allow at least four Business Days for delivery if using first-class post or the reply-paid envelope within the United Kingdom. If posting from outside the United Kingdom, postage will be payable when using the reply-paid envelope. Full instructions are set out in Part III of this document and in the Application Form.

### **(b) If you want to take up some but not all of your Open Offer Entitlement?**

If you want to take up some but not all of you Open Offer Entitlement, you should write the number of Open Offer Shares you want to take up in Box D of your Application Form; for example, if you are entitled to take up 1,000 shares but you only want to take up 500 shares, then you should write '500' in Box D.

To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares you want (in this example '500') by £0.16, which is the price of each Open Offer Share (giving you an amount of £80 in this example). You should write this amount in Box G, and this should be the amount your cheque or banker's draft is made out for. You should then return your Application Form together with your cheque or banker's draft for that amount payable to 'Share Registrars Limited Receiving Agent Account' and crossed 'A/C payee only', in the reply-paid envelope provided, by post, or by hand (during normal business hours only) to Share Registrars, The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR to arrive by no later than 11.00 a.m. on 28 October 2020, after which time the Application Form will not be valid. Within the United Kingdom only, you can use the reply-paid envelope which is enclosed with the Application Form. You should allow at least four Business Days for delivery if using first-class post or the reply-paid envelope within the United Kingdom. If posting from outside the United Kingdom, postage will be payable when using the reply-paid envelope.

Full instructions are set out in Part III of this document and in the Application Form. A definitive share certificate will then be sent to you for the Open Offer Shares that you validly take up. Your definitive share certificate for such Open Offer Shares is expected to be despatched to you by no later than 10 days post Admission.

(c) ***If you want to apply for more than your Open Offer Entitlement?***

Provided that you have agreed to take up your Open Offer Entitlement in full, you can apply for further Excess Shares using the Excess Application Facility. You should write the number of Open Offer Shares you wish to take up in Box D which must be the number of Open Offer Shares shown in Box B. You should then write the number of Excess Shares you wish to apply for under the Excess Application Facility in Box E and then complete Box F by adding together the numbers you have entered in Boxes D and E.

To work out how much you need to pay for the Open Offer Shares you are applying for, you need to multiply the number of Open Offer Shares shown in Box F by the Issue Price, which is the price of each Open Offer Share. You should write this amount in Box G, rounding down to the nearest whole penny. You should then return your Application Form together with your cheque or banker's draft for that amount payable to 'Share Registrars Limited Receiving Agent Account' and crossed 'A/C payee only', in the reply-paid envelope provided, by post, or by hand (during normal business hours only) to Share Registrars, The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR to arrive by no later than 11.00 a.m. on 28 October 2020, after which time the Application Form will not be valid. Within the United Kingdom only, you can use the accompanying reply-paid envelope.

You should allow at least four Business Days for delivery if using first-class post or the reply-paid envelope within the United Kingdom. If posting from outside the United Kingdom, postage will be payable when using the reply-paid envelope. Full instructions are set out in the Application Form. If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take-up of Open Offer Entitlements, such applications will be scaled back pro rata to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility (or otherwise at the Board's sole discretion). Therefore, applications under the Excess Application Facility may not be satisfied in full. In this event, Qualifying Shareholders will receive a pounds sterling amount equal to the number of Open Offer Shares applied and paid for by, but not allocated to, the relevant Qualifying Shareholder, multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable, without payment of interest and at the applicant's sole risk.

(d) ***If you do not want to take up your Open Offer Entitlement***

If you do not want to take up the Open Offer Shares to which you are entitled, you do not need to do anything. In these circumstances, you will not receive any Open Offer Shares. The Open Offer Shares you could have taken up will not be issued by the Company to you or for your benefit. You cannot sell your Application Form or your Open Offer Entitlement to anyone else.

If you are not a Placee and you do not take up any of your Open Offer Entitlement, then following the Fundraising, your interest in the Company will be diluted, although you should note that even if a

Qualifying Shareholder subscribes for his full entitlement to the Open Offer Shares, his proportionate interest in the Company will be diluted by the issue of New Shares pursuant to the Placing.

**6. I hold my Existing Ordinary Shares in uncertificated form in CREST. What do I need to do in relation to the Open Offer?**

CREST members should follow the instructions set out in Part III of this document. Persons who hold Existing Ordinary Shares through a CREST member should be informed by such CREST member of the number of Open Offer Shares they are entitled to apply for under their Open Offer Entitlement and should contact their CREST member should they not receive this information.

**7. I acquired my Existing Ordinary Shares prior to the Record Date and hold my Existing Ordinary Shares in certificated form. What if I do not receive an Application Form or I have lost my Application Form?**

If you do not receive an Application Form, this probably means that you are not eligible to participate in the Open Offer. Some Qualifying Non-CREST Shareholders, however, will not receive an Application Form but may still be eligible to participate in the Open Offer, namely:

- Qualifying CREST Shareholders who held their Existing Ordinary Shares in uncertificated form on 12 October 2020 and who have converted them to certificated form;
- Qualifying Non-CREST Shareholders who bought Existing Ordinary Shares before 12 October 2020 but were not registered as the holders of those shares at the close of business on 12 October 2020; and
- certain Overseas Shareholders.

If you do not receive an Application Form but think that you should have received one or you have lost your Application Form, please contact Share Registrars Limited on 01252 821390 from within the UK or +44 1252 821390 if calling from outside the UK. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice.

**8. If I buy Existing Ordinary Shares after the Record Date will I be eligible to participate in the Open Offer?**

If you buy or have bought Existing Ordinary Shares after the Record Date you are unlikely to be able to participate in the Open Offer in respect of those Existing Ordinary Shares.

If you are in any doubt, please consult your stockbroker, bank or other appropriate financial adviser, or whoever arranged your share purchase, to ensure you claim your entitlement.

**9. What if I change my mind?**

If you are a Qualifying Non-CREST Shareholder, once you have sent your Application Form and payment to the Receiving Agent, you cannot withdraw your application or change the number of Open Offer Shares you have applied for, except in the very limited circumstances which are set out in paragraph 4 of Part III of this document.

**10. What if the number of Open Offer Shares to which I am entitled is not a whole number? Am I entitled to fractions of Open Offer Shares?**

Your entitlement to Open Offer Shares will be calculated at the Record Date. If the result is not a whole number, you will not receive an Open Offer Share in respect of the fraction of each Existing Ordinary Share and your entitlement will be rounded down to the nearest whole number.

**11. I hold my Existing Ordinary Shares in certificated form. What should I do if I want to spend more or less than the amount set out in Box C of the Application Form?**

If you want to spend more than the amount set out in Box C you should divide the amount you want to spend by 16 pence (being the price in pence of each Open Offer Share under the Open Offer). This will give you the number of Open Offer Shares for which you should apply. You can only apply for a whole number of Open Offer Shares. For example, if you want to spend £500 you should divide £500 by 16 pence, which comes to 3,125. You should round that down to 3,125 to give you the number of Open Offer Shares for which, in this example, you can apply without exceeding your chosen amount. Write the total number of Open Offer Shares (in this example 3,125) in Box F. To get an accurate amount to put on your cheque or banker's draft, you should multiply the whole number of Open Offer Shares you want to apply for (in this example 3,125) by 16 pence and then fill in that amount rounded down to the nearest whole penny (in this example being £500), in Box G and on your cheque or banker's draft accordingly.

You should note that the number of available Open Offer Shares under the Excess Application Facility is dependent on the level of take-up of Open Offer Entitlements. If applications are received for more than the available number of Open Offer Shares, applications made under the Excess Application Facility will be scaled back pro rata to the number of Excess Shares applied for by Qualifying Shareholders (or otherwise at the Board's discretion). Assuming that there are no Overseas Shareholders who have registered addresses in, or are residents in or citizens of a Restricted Jurisdiction, and if every Qualifying Shareholder takes up their Open Offer Entitlements in full there will be no Open Offer Shares available under the Excess Application Facility. Qualifying Non-CREST Shareholders whose applications under the Excess Application Facility are so scaled back will receive a pounds sterling amount equal to the number of Open Offer Shares applied and paid for by, but not allocated to, them multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable, without payment of interest and at the applicant's sole risk.

If you want to spend less than the amount set out in Box C, you should divide the amount you want to spend by 16 pence (being the price, in pence, of each Open Offer Share under the Open Offer). This will give you the number of Open Offer Shares you should apply for. You can only apply for a whole number of Open Offer Shares. For example, if you want to spend £100 you should divide £100 by 16 pence. You should round that down to the nearest whole number (in this example, 625), to give you the number of shares you want to take up. Write that number (in this example, 625) in Box D. Then to get an accurate amount to put on your cheque or banker's draft, you should multiply the whole number of Open Offer Shares you want to apply for (in this example, 625) by 16 pence and then fill in that amount rounded down to the nearest whole penny (in this example being £100) in Box G and on your cheque or banker's draft accordingly.

**12. I hold my Existing Ordinary Shares in certificated form. What should I do if I have sold some or all of my Existing Ordinary Shares?**

If you hold Existing Ordinary Shares directly and you sold some or all of your Existing Ordinary Shares before or on 12 October 2020, you should contact the buyer or the person/company through whom you sold your shares. The buyer may be entitled to apply for Open Offer Shares under the Open Offer. If you sold any of your Existing Ordinary Shares on or after 12 October 2020, you may still take up and apply for the Open Offer Shares as set out on your Application Form.

**13. I hold my Existing Ordinary Shares in certificated form. How do I pay?**

You should return your Application Form with a cheque or banker's draft drawn in pounds sterling on a bank or building society account in the UK in the reply-paid envelope enclosed (from within the United Kingdom). You should allow at least four Business Days for delivery if using first-class post or the reply-paid envelope within the United Kingdom. Cheques should be drawn on a sole or joint personal account of the Qualifying Shareholder who is applying for the Open Offer Shares. The funds should be made payable to "Share Registrars Limited Receiving Agent Account". Payments via CHAPS, BACS or electronic transfer will not be accepted. Third party cheques may not be accepted with the exception of banker's drafts or building society cheques where the bank or building society has confirmed the name of the account holder (which must be the same name as appears on page 1 of the Application Form) on the back of the draft or cheque and have added their branch stamp.

**14. Will the Existing Ordinary Shares that I hold now be affected by the Open Offer?**

If you decide not to apply for any of the Open Offer Shares to which you are entitled under the Open Offer, or only apply for some of your entitlement, your proportionate ownership and voting interest in the Company will be reduced (in addition to the reduction caused by the Placing).

**15. I hold my Existing Ordinary Shares in certificated form. Where do I send my Application Form?**

You should send your completed Application Form and monies by post in the enclosed reply paid envelope (from within the United Kingdom) by post or by hand (during normal business hours only) to Share Registrars Limited at The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR. You should allow at least four Business Days for delivery if using first class post or the reply-paid envelope within the United Kingdom. If you do not want to take up or apply for Open Offer Shares then you need take no further action.

**16. I hold my Existing Ordinary Shares in certificated form. When do I have to decide if I want to apply for Open Offer Shares?**

The Receiving Agent must receive your completed Application Form and cheque or banker's draft by 11.00 a.m. on 28 October 2020. You should allow at least four Business Days for delivery if using first-class post or the reply-paid envelope included with the Application Form, within the United Kingdom.

**17. I hold my Existing Ordinary Shares in certificated form. If I take up my entitlements, when will I receive the certificate representing my Open Offer Shares?**

It is expected that the Registrars will post all Open Offer Share certificates within 10 days of Admission.

**18. What should I do if I think my holding of Existing Ordinary Shares (as shown in Box A on page 1 of the Application Form) is incorrect?**

If you bought or sold Existing Ordinary Shares shortly before the Record Date, your transaction may not have been entered on the register of members before the Record Date for the Open Offer. If you bought Existing Ordinary Shares before 12 October 2020 but were not registered as the holder of those shares on the Record Date for the Open Offer (9 October 2020), you may still be eligible to participate in the Open Offer. If you are in any doubt, please contact your stockbroker, bank or other appropriate financial adviser, or whoever arranged your share purchase, to ensure you claim your entitlement. You will not be entitled to Open Offer Entitlements in respect of any Existing Ordinary Shares acquired on or after 12 October 2020.

**19. Will the Fundraising affect dividends (if any) on the Existing Ordinary Shares?**

The New Ordinary Shares will, when issued and fully paid, rank equally in all respects with Existing Ordinary Shares, including the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.

**20. Will I be taxed if I take up my entitlements?**

Shareholders who are in any doubt as to their tax position or who may be subject to tax in any other jurisdiction are strongly recommended to consult their own professional advisers.

**21. What should I do if I live outside the United Kingdom?**

Your ability to apply to acquire Open Offer Shares may be affected by the laws of the country in which you live and you should take professional advice as to whether you require any governmental or other consents or need to observe any other formalities to enable you to take up your Open Offer Entitlement. Shareholders with registered addresses or who are located in the United States or another Restricted Jurisdiction are, subject to certain exceptions, not eligible to participate in the Open Offer. Your attention is drawn to the information in paragraph 6 of Part III of this document.

**22. How do I transfer my entitlements into the CREST system?**

If you are a Qualifying Non-CREST Shareholder, but are a CREST member and want your Open Offer Shares to be in uncertificated form, you should complete the CREST deposit form (Box O on page 4 of the Application Form), and ensure they are delivered to CCSS (the CREST Courier and Sorting Service, established by Euroclear to facilitate, *inter alia*, the deposit and withdrawal of certificated securities) in accordance with the instructions in the Application Form. CREST sponsored members should arrange for their CREST sponsors to do this. If you have transferred your rights into the CREST system, you should refer to paragraph 4.2 of Part III of this document for details on how to apply and pay for the Open Offer Shares.

**23. Do I need to comply with the Money Laundering Regulations (as set out in paragraph 5 of Part III of this document)?**

If you are a Qualifying Non-CREST Shareholder, you may not need to follow these procedures if you pay for them by a cheque drawn on an account in your own name and that account is one which is held with an EU or United Kingdom regulated bank or building society. If you are a Qualifying CREST Shareholder, you will not generally need to comply with the Money Laundering Regulations unless you apply to take up all or some of your entitlement to Open Offer Entitlements as agent for one or more persons and you are not an EU or United Kingdom regulated financial institution. Qualifying Non-CREST Shareholders and Qualifying CREST Shareholders should refer to paragraph 5 of Part III of this document for a fuller description of the requirements of the Money Laundering Regulations.

**24. How do I apply for EIS or VCT eligible Open Offer Shares?**

Qualifying Non-CREST Shareholders who intend to claim EIS or VCT relief in respect of their investment under the Open Offer should refer to paragraph 4.1 of Part III of this document. Qualifying CREST Shareholders who intend to claim EIS or VCT relief in respect of their investment under the Open Offer should refer to paragraph 4.2 of Part III of this document.

## NOTICE OF GENERAL MEETING

### SKINBIOTHERAPEUTICS PLC

*(Incorporated and registered in England and Wales with registered number 09632164)*

NOTICE IS HEREBY GIVEN that a General Meeting of SkinBioTherapeutics plc (the "Company") will be held at 11.00 a.m. on 30 October 2020 at 6.7.8 Tokenhouse Yard, London, EC2R 7AS for the purposes of considering and, if thought fit, passing the following resolutions. Resolutions 1 and 2 will be proposed as ordinary resolutions and Resolutions 3 and 4 will be proposed as special resolutions.

Words and expressions defined in the circular published by the Company on 14 October have the same meaning in this Notice, unless the context otherwise requires.

#### ORDINARY RESOLUTIONS

1. THAT, the Directors be generally and unconditionally authorised and empowered pursuant to and in accordance with section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot shares and/or grant rights to subscribe for or to convert any security into shares ("Rights") up to a maximum nominal amount of £281,240 (representing 28,124,000 Ordinary Shares of 1 penny each) in connection with the Placing and the Open Offer; such authority to expire at the next annual general meeting of the Company held after the date on which this resolution is passed or six months after the Company's accounting reference date (whichever is the earlier), save that the Company may at any time before such expiry make any offer(s) or enter into any agreement(s) which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors may allot shares or grant Rights in pursuance of any such offer(s) or agreement(s) as if the authority conferred hereby had not expired.
2. THAT, subject to and conditional upon the passing of resolution number 1 above, the Directors be generally and unconditionally authorised and empowered pursuant to and in accordance with section 551 of the Act to exercise all the powers of the Company to allot shares and/or grant Rights up to an aggregate nominal value of:
  - (a) £520,692 (being the nominal value of approximately one-third of the Enlarged Share Capital of the Company); and
  - (b) £1,041,384 (being the nominal value of approximately two-thirds of the Enlarged Share Capital of the Company) (such amount to be reduced by the nominal amount of any shares allotted or Rights granted under sub-paragraph (a) above) in connection with an offer by way of a rights issue or other pre-emptive offer to:
    - (i) the holders of Ordinary Shares in proportion (as nearly as may be practicable) to the respective numbers of Ordinary Shares held by them; and
    - (ii) holders of other equity securities, as required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary,

such authorities to expire at the next annual general meeting of the Company held after the date on which this resolution is passed or six months after the Company's accounting reference date (whichever is the earlier), save that the Company may at any time before such expiry make any offer(s) or enter into any agreement(s) which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors may allot shares or grant Rights in pursuance of any such offer(s) or agreement(s) as if the authority conferred hereby had not expired. The authorities granted by this resolution shall be in addition to the authority granted by Resolution 1 but shall replace all other existing authorities to allot any shares or grant Rights previously granted to the Directors pursuant to section 551 of the Act (but without prejudice to the validity of any allotment or grant of Rights already made, offered or agreed to be made pursuant to such previous authorities).

## **SPECIAL RESOLUTIONS**

3. THAT, subject to and conditional upon the passing of resolution number 1 above, the Directors be generally authorised in accordance with section 570 of the Act to allot equity securities (as defined in Section 560 of the Act) of the Company for cash as if section 561(1) of the Act did not apply to any such allotment, provided that this authority shall be limited to: the allotment of equity securities up to a maximum nominal amount of £281,240 (representing 28,124,000 Ordinary Shares of 1 penny each) in connection with the Placing and the Open Offer; and this authority shall expire on the date of the next annual general meeting of the Company held after the date on which this resolution is passed or six months after the Company's accounting reference date (whichever is the earlier), save that the Company may make any offer(s) or enter into any agreement(s) before such expiry which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to any such offer(s) or agreement(s) as if the authority conferred hereby had not expired.
  
4. THAT, subject to and conditional upon the passing of resolution number 2 above, the Directors be generally authorised in accordance with section 570 of the Act to allot equity securities (as defined in Section 560 of the Act) of the Company for cash as if section 561(1) of the Act did not apply to any such allotment, provided that this authority shall be limited to:
  - (a) the allotment of equity securities in connection with an offer by way of rights in favour of the holders of equity securities in proportion (as nearly as may be possible) to the respective number of Ordinary Shares held by them, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements or legal or practical problems in respect of overseas holders or otherwise;
  - (b) the grant of options to subscribe for shares in the Company, and the allotment of such shares pursuant to the exercise of options granted, under the terms of any share option scheme adopted or operated by the Company; and
  - (c) the allotment of equity securities (otherwise than pursuant to sub-paragraph (a) and (b) above) up to a maximum aggregate nominal value of £156,208 (being the nominal value of approximately 10 per cent. of the Enlarged Share Capital of the Company),

and this authority shall expire on the date the next annual general meeting of the Company held after the date on which this resolution is passed or six months after the Company's accounting reference date (whichever is the earlier), save that the Company may make any offer(s) or enter into any agreement(s) before such expiry which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to any such offer(s) or agreement(s) as if the authority conferred hereby had not expired.

Capitalised terms above shall bear the meaning as set out in the shareholder circular forming part of this document dated 14 October 2020.

By Order of the Board

**Douglas Quinn**  
*Company Secretary*

*Registered office:*

15 Silk House  
Park Green  
Macclesfield  
England  
SK11 7QJ

Dated: 14 October 2020

## Notes to the Notice of General Meeting

**In light of the COVID-19 pandemic Shareholders are urged to exercise their votes by submitting their Form of Proxy and appointing the Chairman of the General Meeting as their proxy. Shareholders and their proxies will not be allowed to attend the meeting in person, as to do so would be inconsistent with current government guidelines relating to COVID-19 (as published as at the date of this document), in particular the advice for people to avoid public gatherings, all non-essential travel and social contact. Any Shareholder seeking to attend the General Meeting in person will be refused entry. The Company is actively following developments and will issue further information through a Regulatory Information Service and/or on its website if it becomes necessary or appropriate to make any alternative arrangements for the General Meeting. The General Meeting will be purely functional in format to comply with the relevant legal requirements.**

1. As stated above, holders of ordinary shares will not be entitled to attend the General Meeting. A member may not appoint a person other than the Chairman of the General Meeting as his proxy to attend and vote at the meeting.
2. A Form of Proxy is enclosed with this Notice and instructions for completion are shown on the form. To appoint the Chairman of the General Meeting as a proxy, the Form of Proxy must be completed and deposited with the Company's registrars, Share Registrars Limited at The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR or by fax on 01252 719 232 or by scan and email to [voting@shareregistrars.uk.com](mailto:voting@shareregistrars.uk.com), in each case so as to arrive no later than 11.00 a.m. on 28 October 2020, being 48 hours (ignoring any part of any day that is not a working day) before the start of the General Meeting.
3. In the case of joint shareholders, the signature of the senior shareholder (seniority to be determined by the order in which the names stand in the register of members) shall be accepted to the exclusion of all other joint holders. The names of all joint shareholders should be stated at the top of the form.
4. In order to have the right to vote at the General Meeting (and also for the purpose of determining how many votes a person entitled to vote may cast), a person must be entered on the register of members of the Company at 11.00 a.m. on 28 October 2020, being 48 hours (ignoring any part of any day that is not a working day) before the start of the General Meeting, or, in the event of any adjournment, 48 hours before the start of the adjourned meeting (ignoring any part of any day that is not a working day). Changes to entries on the register of members after this time shall be disregarded in determining the rights of any person to attend or vote at the General Meeting.
5. CREST members who wish to appoint the Chairman of the General Meeting as their proxy through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.
6. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("Euroclear") specifications and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 7RA36) by the latest time for the receipt of proxy appointments specified in paragraph 2 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
7. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular message.

Normal system timings and limitations will, therefore, apply in relation to the input of CREST proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

8. The Company may treat as invalid a CREST proxy instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
9. Should Shareholders wish to ask any questions in relation to the Fundraising or the Resolutions, which they may have asked at the General Meeting had they been in attendance, they are encouraged to contact the Company prior to the General Meeting by email to [investorrelations@skinbiotherapeutics.com](mailto:investorrelations@skinbiotherapeutics.com). Where relevant, the answers to questions received will also be made available on the Company's website <https://www.skinbiotherapeutics.com>.
10. As at 13 October 2020 (being the last Business Day prior to the publication of this Notice), the Company's issued ordinary share capital consisted of 128,083,494 Ordinary Shares, carrying one vote each. Therefore, the total voting rights in the Company as at 13 October 2020 were 128,083,494.
11. A copy of this Notice, and other information required by section 311A of the Act, can be found at <https://www.skinbiotherapeutics.com/investor-relations>.
12. You may not use any electronic address (within the meaning of section 333(4) of the Act) provided in this Notice or in any related documents (including the Chairman's letter and Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.
13. Your personal data includes all data provided by you, or on your behalf, which relates to you as a shareholder, including your name and contact details, the votes you cast and your Reference Number (attributed to you by the Company). The Company determines the purposes for which and the manner in which your personal data is to be processed. The Company and any third party to which it discloses the data (including the Company's registrars) may process your personal data for the purposes of compiling and updating the Company's records, fulfilling its legal obligations and processing the shareholder rights you exercise.

