

**THIS ANNOUNCEMENT AND THE INFORMATION CONTAINED HEREIN IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA, NEW ZEALAND, JAPAN OR THE REPUBLIC OF SOUTH AFRICA OR ANY JURISDICTION IN WHICH SUCH PUBLICATION OR DISTRIBUTION IS PROHIBITED.**

**For immediate release 7.00am: 14 June 2013**

**RETROSCREEN VIROLOGY GROUP PLC**  
(“Retroscreen” or “the Company”)

**CONDITIONAL PLACING TO RAISE £25.5 MILLION**

Retroscreen Virology Group plc (AIM: RVG), the viral challenge and "virometrics" specialist, announces today that it has raised, subject to certain conditions, £25.5 million (before expenses) by way of a placing of 12,750,000 new Ordinary Shares (the “Placing Shares”) with both new and existing institutional shareholders at a price of 200 pence per Ordinary Share.

The Placing Price is at a discount of 28.6 per cent. to the closing middle market price of 280 pence per Ordinary Share on 13 June 2013, the latest date prior to this Announcement.

The Placing Shares will, upon Admission, rank *pari passu* in all respects with the Ordinary Shares in issue as at the date of this Announcement, including as regards the right to receive all dividends or other distributions declared, made or paid after Admission. The Placing Shares will represent 23.7 per cent. of the Company’s enlarged issued ordinary share capital immediately following completion of the Placing.

The net proceeds of the issue of the Placing Shares are expected to be approximately £25.0 million and will be used by the Company to build, validate and establish the Airways Disease Viral Exacerbation Challenge Model (or AD-VCM) and to build the Group’s Discovery Division.

A general meeting of Retroscreen to approve the Placing will be held at the Group’s offices at Queen Mary Bio Enterprises, Innovation Centre, 42 New Road, London E1 2AX at 10.00 a.m. on 2 July 2013.

Kym Denny, Chief Executive Officer, commented: "We are delighted to have successfully raised these funds through both existing and new shareholders. We thank our existing shareholders for their continued support and encouragement, and we welcome our new shareholders to the share register. The Board looks forward to investing the proceeds of the Placing in building the AD-VCM and Discovery Division. It is a very exciting time at Retroscreen and with lots to achieve."

Further details of the Placing are below.

**For further information:**

<b>Retroscreen Virology Group plc</b> Kym Denny, Chief Executive Officer Graham Yeatman, Finance Director	Tel: +44 (0) 207 756 1300
<b>Numis Securities Limited</b> Michael Meade / Freddie Barnfield – Nominated Adviser James Black / Michael Burke – Corporate Broking	Tel: +44 (0) 207 260 1000

## 1. Background to the Placing

Retroscreen is a specialist virology research and development business focussed on the commercialisation of its Viral Challenge Model (or VCM) to provide clinical services and pre-clinical analytical services to global pharmaceutical companies, biotechnology organisations and academic and government institutions.

### *Proven adoption of the VCM during 2012 and into 2013*

Since being admitted to AIM in May 2012, the Company has focussed its resources on further developing and scaling its VCM operations to meet client demand. During 2012, the Group has opened a new Flucamp screening centre and a second VCM unit in Cambridgeshire; has expanded its laboratory operations; launched a new molecular virology service and opened a second laboratory site in North London; and has taken on additional facilities at the Queen Mary Bio Enterprises Innovation Centre in order to expand its operations and scientific resource base.

The Group has seen transformational growth throughout 2012, reporting a 237 per cent. growth in revenue to £14.4 million during the year end 31 December 2012, securing two new large VCM client engagements during the same period and conducting its largest VCM studies as at that date. The Group sales pipeline has continued to expand, demonstrating both increasing adoption of the VCM amongst new and existing clients and an increased analysis and value for each VCM. As at the date of this Announcement, the current pipeline comprises eight fully qualified VCM study opportunities in advanced negotiations with an estimated total contract value of approximately £38 million, of which one is in full contract negotiation, five of these opportunities are under start-up agreement and two of these opportunities are under reservation fee agreement (although, as with any negotiations, there can be no guarantee that definitive agreements in respect of these opportunities will be concluded on these terms or at all). This represents an 83 per cent. increase in the Group's long term sales pipeline compared to this time last year.

### *Further progress since Admission*

In order to help maintain its strong leadership position in the conduct of VCMs, the Group acquired a complete bulk stock of commercially available RSV challenge virus from a contract manufacturer. The Group also began its manufacturing activities for a new flu challenge virus, which should be ready for use by the end of 2013. In addition, the Group expects to shortly bring its new HRV-16 cold virus into human use, in line with the Group's development plans for an Airways Disease Viral Exacerbation Challenge Model (or AD-VCM).

### *The Group's Discovery Division and Virometrics Database*

In addition to the progress made above in its service offering of the VCM to clients, the Group has also established its Discovery Division since admission to AIM. The Discovery Division is responsible for the Group's scientific discovery and commercialisation strategy.

The Group is increasingly developing its biobank of human samples which document the human interaction with viruses during the course of infection and subsequent recovery of the infected individual. Accordingly, the Directors believe that its VCM is an enabling tool for the Discovery Division to conduct fundamental research into the human response to infection, the modes of infection and the transmission between individuals in the community.

The Board's intention is for the Discovery Division to exploit the Group's biological samples and corresponding Virometrics database, in conjunction with the scientific research capabilities afforded by the VCM. Through the Virometrics database and applying leading bioinformatics practices, the Group intends to identify and develop new commercial opportunities working in collaboration with leading research institutions and industry globally. The Group's collaboration with the University of Oxford and University of Southampton on the Tcell Epitope discovery is an example of this in practice.

Over the course of the last decade, the attrition rates of Phase II and Phase III clinical trials have been steadily increasing, with attrition primarily due to efficacy failure – that is to say that drugs that appeared to have efficacy in preclinical models, failed to show sufficient efficacy in humans. Many commentators, including the FDA, have attributed a component of these clinical efficacy failures to the use of poorly predictive animal models at the early stages of research and development. By using Human Models of Disease, instead of other models such as animal models in early stages of research and development, the Directors believe that the Group has the potential to increase the predictive capability of early stage research and development, so that the probability of clinical stage efficacy failures is reduced.

Accordingly, the Directors believe that its VCM, as a Human Model of Disease (HMD), has the potential to enable the Group to identify relevant targets and biomarkers directly in humans during the entire life-cycle of virus infection. The Directors' intention is that the Group will use this scientific insight to develop and validate new model systems so that early stage drug development can be performed using systems which the Directors believe are more predictive of human response than other existing in vitro, culture and animal models, particularly for systemic diseases.

The Group has been active in building its internal team and engaging with external experts to help further define the Group's discovery strategy. The concept of the Group using its VCM for discovery in this way has been endorsed by key opinion leaders (KOLs) in their relevant fields of expertise, including influenza, RSV, airways disease, immunology, genomics and bioinformatics.

The Discovery Division will initially focus on the following Human Models of Disease to populate the Virometrics database:

- Influenza virus;
- Respiratory Syncytial Virus (RSV);
- Human Rhinovirus (HRV or common cold); and
- Airways Disease, such as Asthma and COPD.

#### *The Airways Disease VCM*

Throughout 2012, the Group has undertaken the required scoping exercise for its first AD-VCM. The Board's current aim is to commence its first internal AD-VCM in the final quarter of 2013 and to run additional internal AD-VCMS in 2014. Following internal validation, the Group expects to then commence the roll-out of the AD-VCM to clients. As with the use of the VCM in flu, colds and RSV, the Directors' intend that the AD-VCM will be both a tool that can be sold by the Group to clients as a service model and also one from which the Discovery Division will be able to start collecting samples for inputting into the Virometrics database.

#### *Outlook*

The Directors believe that, given its combination of a purpose-built VCM unit and extensive virology laboratory facilities, together with regional screening facilities to maximise subject recruitment, the Group is well placed not only to support the research programmes of global pharmaceutical and biotech companies, but also to conduct its own research to drive understanding of human response to viral infection and to harvest the potential of the VCM for discovery and the creation of proprietary intellectual property.

## **2. Current trading**

The Group announced its full year results for the year ended 31 December 2012 on 10 April 2013 and stated that the first quarter in 2013 was seeing Retroscreen operating concurrent VCM studies in two quarantine units for the first time. The Group's trading since the year end

has been strong, in line with the Board's expectations. The Board remains confident in the outlook for the full year. The Group is well placed to meet its growth plans, with the focus for its core VCM business being on achieving VCM study contract signatures, and delivering VCM engagements, for the second half of 2013 and beyond.

### **3. Use of proceeds**

The Directors intend that the Net Placing Proceeds, being approximately £25.0 million, will be used by the Company for two primary purposes:

- Building the AD-VCM; and
- Building the Discovery Division.

More specifically, the Directors intend to apply the proceeds of the Placing towards the following:

- establishment of its bioinformatics capability and Virometrics database, including significant investment in technology;
- investment in additional infrastructure and facilities, including a small "pilot" AD-VCM quarantine unit and a discovery laboratory to process and analyse samples for AD-VCM and Discovery purposes;
- building, validating and proving the AD-VCM, including conducting its own pilot AD-VCMs to test and develop the model towards commercialisation;
- investment in its own VCMs to generate additional samples;
- analysis and storage of Discovery samples;
- further expanding and broadening of the Discovery team internally and the move towards strategic collaborations with key opinion leaders and academic institutions;
- investment in its intellectual property strategy and protection, both in respect of the Virometrics database and the potential patentable outputs of the Discovery Division's activities; and
- the Company's identified working capital requirements.

### **4. Details of the Placing**

The Company proposes to raise £25.5 million (approximately £25.0 million net of expenses), by way of a conditional, non-pre-emptive placing of 12,750,000 new Ordinary Shares at the Placing Price. The Placing Shares will have been placed by Numis as agent for the Company and pursuant to the Placing Agreement, with institutional and other professional investors. The Directors had considered whether the Company would be able to extend the offer of new Ordinary Shares to existing Shareholders but having discussed this with its professional advisors decided that the expense of doing so could not be justified and would not be in the best interests of the Company.

The Placing Price represents a discount of approximately 28.6 per cent. to the closing mid-market price of the Ordinary Shares of 280 pence on 13 June 2013 (being the last practicable dealing day prior to the date of this Announcement). The Placing Shares will represent approximately 23.7 per cent. of the Ordinary Share capital as enlarged by the Placing and will, when issued, rank *pari passu* in all respects with the other Ordinary Shares then in issue, including all rights to all dividends and other distributions declared, made or paid following Admission.

The Placing Agreement is conditional upon (amongst other things) the Placing Agreement not having been terminated, the passing of the Resolutions at the General Meeting and Admission occurring on or before 8.00 a.m. on 3 July 2013 (or such later date as Numis and the Company may agree, being not later than 8.30 p.m. on 17 July 2013).

The Placing Agreement contains warranties from the Company in favour of Numis in relation to (amongst other things), the Company and its business. In addition, the Company has agreed to indemnify Numis in relation to certain liabilities it may incur in undertaking the Placing. Numis has the right to terminate the Placing Agreement in certain circumstances prior to Admission, in particular, it may terminate in the event that there has been a material breach of any of the warranties or for *force majeure*.

Application will be made for the Placing Shares to be admitted to trading on AIM. It is expected that dealings in the Placing Shares will commence on AIM on 3 July 2013.

## **5. Related party transaction**

As part of the Placing, the Related Party, which is a related party for the purpose of the AIM Rules by virtue of being a "substantial shareholder", has agreed to subscribe for 5,260,000 Placing Shares, representing 9.8 per cent. of the Company's issued share capital on Admission.

As at 13 June 2013 (being the last practicable date prior to the release of the Announcement), the Related Party held 7,804,500 Ordinary Shares representing 19.0 per cent. of the Existing Ordinary Shares. Immediately upon Admission, the Related Party is expected to hold 13,064,500 Ordinary Shares representing 24.3 per cent. of the enlarged share capital following Admission.

The Directors consider, having consulted with the Company's nominated adviser, Numis, that the participation by the Related Party in the Placing is fair and reasonable in so far as its Shareholders are concerned.

The AIM Rules do not prohibit the Related Party from exercising the voting rights attached to its holding of Ordinary Shares at the General Meeting

## **6. Resolutions**

The Company currently does not have sufficient authority to allot Ordinary Shares under the Act to effect the Placing. Accordingly the Resolutions, summarised below, are being proposed at the General Meeting to ensure that the Directors have sufficient authority to allot the Placing Shares on a non-pre-emptive basis.

### ***Resolution 1***

Resolution 1 is an ordinary resolution to grant authority to the Directors under section 551 of the Act to allot shares in the Company or to grant rights to subscribe for, or to convert any security into, shares in the Company up to an aggregate nominal amount of £637,500, such authority expiring on 2 October 2013.

If Resolution 1 is passed the Directors will have the authority, under the Act, to allot Ordinary Shares up to the maximum aggregate nominal amount of £637,500 (being the maximum required for the purposes of issuing the Placing Shares). This is in addition to the authority granted by the Company at the annual general meeting held on 22 May 2013.

### ***Resolution 2***

Resolution 2 is a special resolution, conditional upon the passing of Resolution 1, which, if passed, will empower the Directors, pursuant to section 570(1) of the Act, to allot equity securities for cash pursuant to the authority conferred by Resolution 1 up to an aggregate nominal amount of £637,500 on a non-pre-emptive basis, such authority expiring on 2 October

2013. This is in addition to the authority granted by the Company at the annual general meeting held on 22 May 2013.

If passed, these authorities will enable the Directors to effect the Placing on a non-pre-emptive basis.

Resolution 1 is an ordinary resolution and requires a majority of more than 50 per cent. of the Shareholders voting to be passed. Resolution 2 is a special resolution and requires the approval of not less than 75 per cent. of the Shareholders voting to be passed. If the Resolutions are not passed by the requisite majority, the Placing will not proceed.

The Notice of General Meeting is contained at the end of the Circular and sets out the Resolutions in full. The General Meeting is to be held at the registered office of the Company at Queen Mary Bio Enterprises, Innovation Centre, 42 New Road, London E1 2AX at 10.00 a.m. on 2 July 2013.

## **7. Recommendation**

The Directors consider that the Placing and the Resolutions are in the best interests of the Company and its Shareholders as a whole and accordingly recommend that Shareholders vote in favour of the Resolutions, as they intend to do in respect of their own legal and/or beneficial shareholdings, amounting, in aggregate, to 5,104,240 Ordinary Shares (representing approximately 12.5 per cent. of the Ordinary Shares in issue as at the date of this Announcement).

## **8. Circular to shareholders**

The Circular is being sent to Shareholders today and will be available on the Investor Relations section of the Company's website at [www.retroscreen.com](http://www.retroscreen.com).

## **APPENDIX**

### **TERMS AND CONDITIONS OF THE PLACING**

#### **IMPORTANT INFORMATION FOR PLACEEES ONLY REGARDING THE PLACING**

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

#### **IMPORTANT INFORMATION ON THE PLACING FOR INVITED PLACEEES ONLY.**

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN ARE FOR INFORMATION PURPOSES ONLY AND ARE DIRECTED ONLY AT: (A) PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA WHO ARE QUALIFIED INVESTORS AS DEFINED IN SECTION 86(7) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000, AS AMENDED, ("QUALIFIED INVESTORS") BEING PERSONS FALLING WITHIN THE MEANING OF ARTICLE 2(1)(E) OF THE EU PROSPECTUS DIRECTIVE (WHICH MEANS DIRECTIVE 2003/71/EC AND INCLUDES ANY RELEVANT IMPLEMENTING DIRECTIVE MEASURE IN ANY MEMBER STATE) (THE "PROSPECTUS DIRECTIVE"); (B) IN THE UNITED KINGDOM, QUALIFIED INVESTORS WHO ARE PERSONS WHO (I) FALL WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "ORDER"); (II) FALL WITHIN ARTICLE 49(2)(A) TO (D) ("HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC") OF THE ORDER; OR (III) ARE PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS

"RELEVANT PERSONS"). THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS.

THIS ANNOUNCEMENT, INCLUDING THIS APPENDIX, IS FOR INFORMATION PURPOSES ONLY AND DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN THE COMPANY. THIS ANNOUNCEMENT HAS BEEN ISSUED BY AND IS THE SOLE RESPONSIBILITY OF THE COMPANY.

THIS ANNOUNCEMENT, INCLUDING THIS APPENDIX, IS NOT AN OFFER FOR SALE OR SUBSCRIPTION IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL UNDER THE SECURITIES LAWS OF ANY SUCH JURISDICTION. THIS ANNOUNCEMENT, INCLUDING THIS APPENDIX, IS NOT AN OFFER OF OR SOLICITATION TO PURCHASE OR SUBSCRIBE FOR SECURITIES IN THE UNITED STATES. THE SECURITIES REFERRED TO HEREIN HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES HAS APPROVED OR DISAPPROVED OF AN INVESTMENT IN THE SECURITIES OR PASSED UPON OR ENDORSED THE MERITS OF THE PLACING OR THE ACCURACY OR ADEQUACY OF THE CONTENTS OF THIS ANNOUNCEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES. NO PUBLIC OFFERING OF SECURITIES IS BEING MADE IN THE UNITED STATES. NO MONEY, SECURITIES OR OTHER CONSIDERATION FROM ANY PERSON INSIDE THE UNITED STATES IS BEING SOLICITED AND, IF SENT IN RESPONSE TO THE INFORMATION CONTAINED IN THIS ANNOUNCEMENT, WILL NOT BE ACCEPTED.

EACH PLACEE SHOULD CONSULT WITH ITS OWN ADVISERS AS TO LEGAL, TAX, BUSINESS AND RELATED ASPECTS OF AN INVESTMENT IN PLACING SHARES. The price of shares in the Company and the income from them (if any) may go down as well as up and investors may not get back the full amount invested on disposal of shares.

Persons who are invited to and who choose to participate in the Placing, by making (or on whose behalf there is made) an oral or written offer to subscribe for Placing Shares (the "Placees"), will be deemed to have read and understood this Announcement, including this Appendix, in its entirety and to be making such offer on the terms and conditions, and to be providing the representations, warranties, acknowledgements, and undertakings contained in this Appendix. In particular, each such Placee represents, warrants and acknowledges that:

1. it is a Relevant Person (as defined above) and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;
2. in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the Placing Shares acquired by it have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Member State of the European Economic Area ("**EEA**") which has implemented the Prospectus Directive other than Qualified Investors or in circumstances in which the prior consent of Numis has been given to the offer or resale; or (ii) where Placing Shares have been acquired by it on behalf of persons in any Member State of the EEA other than Qualified Investors, the offer of those Placing Shares to it is not treated under the Prospectus Directive as having been made to such persons; and/or
3. (a) (i) it is not in the United States and (ii) it is not acting for the account or benefit of a person in the United States, (b) it is a dealer or other professional fiduciary in the United States acting on a discretionary basis for a non-US person (other than an estate or trust) in reliance on

Regulation S under the Securities Act; or (c) it is otherwise acquiring the Placing Shares in an "offshore transaction" meeting the requirements of Regulation S under the Securities Act.

The Company and Numis will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

This Announcement does not constitute an offer, and may not be used in connection with an offer, to sell or issue or the solicitation of an offer to buy or subscribe for Placing Shares in any jurisdiction in which such offer or solicitation is or may be unlawful. This Announcement and the information contained herein is not for publication or distribution, directly or indirectly, to persons in the United States, Canada, Australia, New Zealand, Japan or the Republic of South Africa or in any jurisdiction in which such publication or distribution is unlawful. Persons into whose possession this Announcement may come are required by the Company to inform themselves about and to observe any restrictions of transfer of this Announcement. No public offer of securities of the Company is being made in the United Kingdom, the United States or elsewhere.

In particular, the Placing Shares referred to in this Announcement have not been and will not be registered under the Securities Act or any laws of, or with any securities regulatory authority of, any state or other jurisdiction of the United States, and may not be offered, sold, pledged or otherwise transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and the securities laws of any state or other jurisdiction of the United States. The Placing Shares are being offered and sold outside the United States in accordance with Regulation S under the Securities Act.

The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this Announcement. Any representation to the contrary is a criminal offence in the United States.

The relevant clearances have not been, nor will they be, obtained from the securities commission of any province or territory of Canada; no prospectus has been lodged with or registered by the Australian Securities and Investments Commission or the Japanese Ministry of Finance; and the Placing Shares have not been, nor will they be, registered under or offered in compliance with the securities laws of any state, province or territory of Canada, Australia, New Zealand, Japan or the Republic of South Africa. Accordingly, the Placing Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into Canada, Australia, New Zealand, Japan or the Republic of South Africa or any other jurisdiction outside the United Kingdom.

Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of this Appendix or the Announcement of which it forms part should seek appropriate advice before taking any action.

In this Appendix, unless the context otherwise requires, "Placee" means a Relevant Person (including individuals, funds or otherwise) by whom or on whose behalf a commitment to subscribe for Placing Shares has been given.

### **Details of the Placing**

Numis has entered into a Placing Agreement with the Company under which Numis has, on the terms and subject to the conditions set out therein, undertaken to use its reasonable endeavours to procure, as agent for the Company, subscribers for the Placing Shares at the Placing Price.

The Placing Agreement contains customary warranties given by the Company to Numis as to matters relating to the Company and its business and a customary indemnity given by the Company to Numis in respect of liabilities arising out of or in connection with the Placing. The Placing is conditional upon, amongst other things, the Resolutions being passed by the requisite majority.

A circular explaining the background to and reasons for the Placing, and containing the Notice of General Meeting will be sent to Shareholders. A copy of the Circular and the Notice of General Meeting will also be available from the Company's website at: [www.retroscreen.com](http://www.retroscreen.com).

The Placing is also conditional upon Admission becoming effective and the Placing Agreement not being terminated in accordance with its terms.

The Placing Shares will, when issued, be credited as fully paid and will rank pari passu in all respects with the existing issued Ordinary Shares, including the right to receive all dividends and other distributions (if any) declared, made or paid on or in respect of the Ordinary Shares after the date of issue of the Placing Shares.

The Company, subject to certain exceptions, has agreed not to allot, issue or grant any rights in respect of its Ordinary Shares in the period of 180 days from the date of Admission without the prior written consent of Numis (such consent not to be unreasonably withheld or delayed).

### **Application for admission to trading**

Application will be made to the London Stock Exchange for Admission. Subject to, amongst other things, the Resolutions being passed by the requisite majority at the General Meeting, it is expected that settlement of any such shares and Admission will become effective on or around 3 July 2013 and that dealings in the Placing Shares will commence at that time.

### **Participation in, and principal terms of, the Placing**

1. Numis (whether through itself or any of its affiliates) is arranging the Placing as placing agent of the Company for the purpose of using reasonable endeavours to procure Placees at the Placing Price for the Placing Shares.
2. Participation in the Placing will only be available to persons who may lawfully be, and are, invited to participate by Numis. Numis and its affiliates may participate in the Placing as principal.
3. This Appendix gives details of the terms and conditions of, and the mechanics of participation in, the Placing. No commissions will be paid to Placees or by Placees in respect of any Placing Shares.
4. The Placing Price will be a fixed price of 200 pence per new Ordinary Share.
5. Each Placee's allocation will be confirmed to Placees orally by Numis, and a trade confirmation or contract note will be dispatched as soon as possible thereafter. The oral confirmation to such Placee will constitute an irrevocable legally binding commitment upon such person (who will at that point become a Placee) in favour of Numis and the Company, under which it agrees to acquire the number of Placing Shares allocated to it at the Placing Price on the terms and conditions set out in this Appendix and in accordance with the Company's Articles of Association.
6. Except as required by law or regulation, no press release or other announcement will be made by Numis or the Company using the name of any Placee (or its agent), in its capacity as Placee (or agent), other than with such Placee's prior written consent.
7. Irrespective of the time at which a Placee's allocation pursuant to the Placing is confirmed, settlement for all Placing Shares to be acquired pursuant to the Placing will be required to be made at the same time, on the basis explained below under "Registration and Settlement".
8. All obligations under the Placing will be subject to fulfilment or (where applicable) waiver of, amongst other things, the conditions referred to below under "Conditions of the Placing" and

to the Placing not being terminated on the basis referred to below under "Right to terminate under the Placing Agreement".

9. By participating in the Placing, each Placee will agree that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee.
10. To the fullest extent permissible by law, none of the Company, Numis or any of their respective affiliates shall have any liability to Placees (or to any other person whether acting on behalf of a Placee or otherwise). In particular, none of the Company, Numis or any of their respective affiliates shall have any liability (including to the fullest extent permissible by law, any fiduciary duties) in respect of Numis' conduct of the Placing. Each Placee acknowledges and agrees that the Company is responsible for the allotment of the Placing Shares to the Placees and Numis shall have no liability to the Placees for the failure of the Company to fulfil those obligations.

### **Conditions of the Placing**

Numis' obligations under the Placing Agreement in respect of the Placing Shares are conditional on, inter alia:

- (a) the Company allotting, subject only to Admission, the Placing Shares in accordance with the Placing Agreement;
- (b) Admission taking place not later than 8.00 a.m on 3 July 2013; and
- (c) the passing (without any amendment, save as agreed by Numis) of the Resolutions at the General Meeting.

If (i) any of the conditions contained in the Placing Agreement in relation to the Placing Shares are not fulfilled or waived by Numis by the respective time or date where specified (or such later time or date as the Company and Numis may agree not being later than 8.30 a.m. on 17 July 2013 (the "**Final Date**")), or (ii) the Placing Agreement is terminated as described below, the Placing in relation to the Placing Shares will lapse and the Placee's rights and obligations hereunder in relation to the Placing Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by the Placee in respect thereof.

Numis may, at its absolute discretion and upon such terms as it thinks fit, waive, or extend the period (up to the Final Date) for, compliance by the Company with the whole or any part of any of the Company's obligations in relation to the conditions in the Placing Agreement, save that the condition relating to the passing of the Resolutions and the condition relating to Admission taking place may not be waived. Any such extension or waiver will not affect Placees' commitments as set out in this Announcement.

Neither Numis nor the Company shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision they may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition to the Placing nor for any decision they may make as to the satisfaction of any condition or in respect of the Placing generally and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of Numis.

### **Right to terminate under the Placing Agreement**

Numis is entitled, at any time before Admission, to terminate the Placing Agreement by giving notice to the Company in certain circumstances, including, inter alia:

- (a) in the opinion of Numis (acting in good faith), the warranties given by the Company to Numis are not true and accurate or have become misleading (or would not be true and accurate or

would be misleading if they were repeated at any time before Admission) by reference to the facts subsisting at the time when the notice referred to above is given, in each case in a way that is material in the context of the Placing; or

- (b) in the opinion of Numis (acting in good faith), the Company fails to comply with any of its obligations under the Placing Agreement and that failure is material in the context of the Placing; or
- (c) in the opinion of Numis (acting in good faith), there has been a development or event (or any development or event involving a prospective change of which the Company is, or might reasonably be expected to be, aware) which will or is reasonably likely to have a material adverse effect on or affecting the operations, the condition (financial or otherwise), prospects, management, results of operations, financial position, business or general affairs of the Company or of the Company's group (taken as a whole) respectively whether or not foreseeable and whether or not arising in the ordinary course of business, which in each case is material in the context of the Placing; or
- (d) there has been a change in national or international financial, political, economic or stock market conditions (primary or secondary); an incident of terrorism, outbreak or escalation of hostilities, war, declaration of martial law or any other calamity or crisis; a suspension or material limitation in trading of securities generally on any stock exchange; any change in currency exchange rates or exchange controls or a disruption of settlement systems or a material disruption in commercial banking, in each case as would be likely in the opinion of Numis (acting in good faith) to materially prejudice the success of the Placing.

Following Admission, the Placing Agreement is not capable of termination to the extent that it relates to the Placing of the Placing Shares.

The rights and obligations of the Placees shall terminate only in the circumstances described in these terms and conditions and in the Placing Agreement and will not be subject to termination by the Placee or any prospective Placee at any time or in any circumstances. By participating in the Placing, Placees agree that the exercise by Numis of any right of termination or other discretion under the Placing Agreement shall be within the absolute discretion of Numis, and that it need not make any reference to Placees and that it shall have no liability to Placees whatsoever in connection with any such exercise or decision not to exercise. Placees will have no rights against Numis, the Company or any of their respective directors or employees under the Placing Agreement pursuant to the Contracts (Rights of Third Parties) Act 1999 (as amended).

#### **No Admission Document or Prospectus**

The Placing Shares are being offered to a limited number of specifically invited persons only and will not be offered in such a way as to require an admission document or prospectus in the United Kingdom or in any other jurisdiction. No offering document, admission document or prospectus has been or will be submitted to be approved by the FCA or submitted to the London Stock Exchange in relation to the Placing, and Placees' commitments will be made solely on the basis of the information contained in the Announcement (including this Appendix) and the Exchange Information (as defined further below). Each Placee, by accepting a participation in the Placing, agrees that the content of this Announcement is exclusively the responsibility of the Company and confirms that it has neither received nor relied on any other information (other than the Exchange Information), representation, warranty, or statement made by or on behalf of the Company or Numis or any other person and neither Numis nor the Company nor any other person will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placees may have obtained or received and, if given or made, such information, representation, warranty or statement must not be relied upon as having been authorised by Numis, the Company, or their respective officers, directors, employees or agents. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. Neither the Company, nor Numis are making any undertaking or warranty to any Placee regarding the legality of an investment in the Placing Shares by such Placee under any legal, investment or similar laws or regulations. Each Placee should not consider

any information in this Announcement to be legal, tax or business advice. Each Placee should consult its own solicitor, tax adviser and financial adviser for independent legal, tax and financial advice regarding an investment in the Placing Shares. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation or fraud.

### **Registration and Settlement**

Settlement of transactions in the Placing Shares (ISIN: GB00B6ZM0X53) following Admission will take place within CREST provided that, subject to certain exceptions, Numis reserves the right to require settlement for, and delivery of, the Placing Shares (or a portion thereof) to Placees by such other means that it deems necessary if delivery or settlement is not possible or practicable within CREST within the timetable set out in this Announcement or would not be consistent with the regulatory requirements in any Placee's jurisdiction.

Each Placee allocated Placing Shares in the Placing will be sent a trade confirmation or contract note stating the number of Placing Shares allocated to it at the Placing Price, the aggregate amount owed by such Placee to Numis (as agent for the Company) and settlement instructions. Each Placee agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with either the CREST or certificated settlement instructions that it has in place with Numis.

It is expected that settlement in respect of the Placing Shares will be on 3 July 2013 on a T+3 basis in accordance with the instructions set out in the trade confirmation.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above at the rate of two percentage points above LIBOR as determined by Numis.

Each Placee is deemed to agree that, if it does not comply with these obligations, Numis may sell any or all of the Placing Shares allocated to that Placee on such Placee's behalf and retain from the proceeds, for Numis' account and benefit (as agent for the Company), an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable and shall indemnify Numis on demand for any shortfall below the aggregate amount owed by it and may be required to bear any stamp duty or stamp duty reserve tax or securities transfer tax (together with any interest or penalties) which may arise upon the sale of such Placing Shares on such Placee's behalf. By communicating a bid for Placing Shares, each Placee confers on Numis all such authorities and powers necessary to carry out any such sale and agrees to ratify and confirm all actions which Numis lawfully takes in pursuance of such sale.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees should ensure that the trade confirmation or contract note is copied and delivered immediately to the relevant person within that organisation.

Insofar as Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject as provided below, be so registered free from any liability to UK stamp duty or stamp duty reserve tax or securities transfer tax. Placees will not be entitled to receive any fee or commission in connection with the Placing.

### **Representations, Warranties and Further Terms**

By participating in the Placing each Placee (and any person acting on such Placee's behalf) makes the following representations, warranties, acknowledgements, agreements and undertakings (as the case may be) to the Company and Numis, namely that, each Placee (and any person acting on such Placee's behalf):

1. represents and warrants that it has read and understood the Announcement, including this Appendix, in its entirety and that its subscription of Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements

and undertakings and other information contained herein and undertakes not to redistribute or duplicate this Announcement;

2. acknowledges that no offering document, admission document or prospectus has been prepared in connection with the Placing and represents and warrants that it has not received and will not receive a prospectus, admission document or other offering document in connection therewith;
3. acknowledges that the Ordinary Shares are admitted to trading on AIM, and the Company is therefore required to publish certain business and financial information in accordance with the AIM Rules (collectively "**Exchange Information**"), which includes the Company's most recent balance sheet and profit and loss account and the Company's announcements and circulars published in the past 12 months and that it is able to obtain or access such information without undue difficulty;
4. acknowledges that none of Numis, the Company, any of their respective affiliates or any person acting on behalf of any of them has provided it, and will not provide it, with any material regarding the Placing Shares or the Company other than this Announcement; nor has it requested any of Numis, the Company, their respective affiliates or any person acting on behalf of any of them to provide it with any such information and has read and understood the Exchange Information;
5. acknowledges that the content of this Announcement is exclusively the responsibility of the Company, and that none of Numis, its affiliates or any person acting on its or their behalf has or shall have any liability for any information, representation or statement contained in this Announcement or any information previously or concurrently published by or on behalf of the Company, and will not be liable for any Placee's decision to participate in the Placing based on any information, representation or statement contained in this Announcement or otherwise. Each Placee further represents, warrants and agrees that the only information on which it is entitled to rely and on which such Placee has relied in committing itself to acquire the Placing Shares is contained in this Announcement and any Exchange Information, such information being all that it deems necessary to make an investment decision in respect of the Placing Shares and that it has neither received nor relied on any other information given or representations, warranties or statements made by Numis, the Company or any of their respective directors, officers or employees or any person acting on behalf of any of them, or, if received, it has not relied upon any such information, representations, warranties or statements (including any management presentation that may have been received by any prospective Placee or any material prepared by the Research Department of Numis (the views of such Research Department not representing and being independent from those of the Company and the Corporate Finance Department of Numis and not being attributable to the same)), and neither Numis nor the Company will be liable for any Placee's decision to accept an invitation to participate in the Placing based on any other information, representation, warranty or statement. Each Placee further acknowledges and agrees that it may not place the same degree of reliance on this Announcement as it may otherwise place on a prospectus or admission document. Each Placee further acknowledges and agrees that it has relied solely on its own investigation of the business, financial or other position of the Company in deciding to participate in the Placing and it will not rely on any investigation that Numis, its affiliates or any other person acting on its or their behalf has or may have conducted;
6. represents and warrants that it has neither received nor relied on any confidential price sensitive information concerning the Company in accepting this invitation to participate in the Placing;
7. acknowledges that Numis does not have any duties or responsibilities to it, or its clients, similar or comparable to the duties of "best execution" and "suitability" imposed by the Conduct of Business Sourcebook in the FCA's Handbook of Rules and Guidance and that Numis is not acting for it or its clients and that Numis will not be responsible for providing protections to it or its clients;

8. acknowledges that none of Numis, any of its affiliates or any person acting on behalf of it or them has or shall have any liability for the Exchange Information, any publicly available or filed information or any representation relating to the Company, provided that nothing in this paragraph excludes the liability of any person for fraud or fraudulent misrepresentation made by that person;
9. that, save in the event of fraud on the part of Numis (and to the extent permitted by the Rules of the FCA), neither Numis, its ultimate holding company nor any direct or indirect subsidiary undertakings of that holding company, nor any of their respective directors and employees shall be liable to Placees for any matter arising out of Numis' role as placing agent or otherwise in connection with the Placing and that where any such liability nevertheless arises as a matter of law Placees will immediately waive any claim against any of such persons which they may have in respect thereof;
10. represents and warrants that (i) it is not in the United States and (ii) it is not acting for the account or benefit of a person in the United States;
11. acknowledges that the Placing Shares are being offered and sold only pursuant to Regulation S under the Securities Act in a transaction not involving a public offering of securities in the United States and the Placing Shares have not been and will not be registered under the Securities Act or with any state or other jurisdiction of the United States, nor approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other United States regulatory authority, and that the offer and sale of the Placing Shares to it has been made outside of the United States in an 'offshore transaction' (as such term is defined in Regulation S under the Securities Act) and agrees not to reoffer, resell, pledge or otherwise transfer the Placing Shares except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and otherwise in accordance with any applicable securities laws of any state or jurisdiction of the United States;
12. unless otherwise specifically agreed in writing with Numis, represents and warrants that neither it nor the beneficial owner of such Placing Shares will be a resident of Canada, Australia, New Zealand, Japan or the Republic of South Africa;
13. acknowledges that the Placing Shares have not been and will not be registered under the securities legislation of Canada, Australia, New Zealand, Japan or the Republic of South Africa and, subject to certain exceptions, may not be offered, sold, taken up, renounced or delivered or transferred, directly or indirectly, within those jurisdictions;
14. represents and warrants that the issue to it, or the person specified by it for registration as holder, of Placing Shares will not give rise to a liability under any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and that the Placing Shares are not being acquired in connection with arrangements to issue depository receipts or to transfer Placing Shares into a clearance system;
15. represents and warrants that: (i) it has complied with its obligations under the Criminal Justice Act 1993 and Part VIII of FSMA; (ii) in connection with money laundering and terrorist financing, it has complied with its obligations under the Proceeds of Crime Act 2002 (as amended), the Terrorism Act 2000 (as amended), the Terrorism Act 2006 and the Money Laundering Regulations 2007; and (iii) it is not a person: (a) with whom transactions are prohibited under the Foreign Corrupt Practices Act of 1977 or any economic sanction programmes administered by, or regulations promulgated by, the Office of Foreign Assets Control of the U.S. Department of the Treasury; (b) named on the Consolidated List of Financial Sanctions Targets maintained by HM Treasury of the United Kingdom; or (c) subject to financial sanctions imposed pursuant to a regulation of the European Union or a regulation adopted by the United Nations (together, the "**Regulations**"); and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations and has obtained all governmental and other consents (if any) which may be required for the purpose of, or as a

consequence of, such purchase, and it will provide promptly to Numis such evidence, if any, as to the identity or location or legal status of any person which Numis may request from it in connection with the Placing (for the purpose of complying with such Regulations or ascertaining the nationality of any person or the jurisdiction(s) to which any person is subject or otherwise) in the form and manner requested by Numis on the basis that any failure by it to do so may result in the number of Placing Shares that are to be purchased by it or at its direction pursuant to the Placing being reduced to such number, or to nil, as Numis may decide at its sole discretion;

16. if a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, represents and warrants that the Placing Shares purchased by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in a Member State of the European Economic Area which has implemented the Prospectus Directive other than Qualified Investors, or in circumstances in which the prior consent of Numis has been given to the offer or resale;
17. represents and warrants that it has not offered or sold and will not offer or sell any Placing Shares to persons in the European Economic Area prior to Admission except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted in and which will not result in an offer to the public in any member state of the European Economic Area within the meaning of the Prospectus Directive (including any relevant implementing measure in any member state);
18. represents and warrants that it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) relating to the Placing Shares in circumstances in which section 21(1) of the FSMA does not require approval of the communication by an authorised person;
19. represents and warrants that it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Placing Shares in, from or otherwise involving, the United Kingdom;
20. if in a Member State of the European Economic Area, unless otherwise specifically agreed with Numis in writing, represents and warrants that it is a Qualified Investor within the meaning of the Prospectus Directive;
21. if in the United Kingdom, represents and warrants that it is a person (i) who has professional experience in matters relating to investments falling within Article 19(1) of the Order; (ii) falling within Article 49(2)(A) to (D) ("High Net Worth Companies, Unincorporated Associations, etc") of the Order; or (iii) to whom this Announcement may otherwise be lawfully communicated;
22. represents and warrants that it and any person acting on its behalf is entitled to acquire the Placing Shares under the laws of all relevant jurisdictions and that it has all necessary capacity and has obtained all necessary consents and authorities and taken any other necessary actions to enable it to commit to this participation in the Placing and to perform its obligations in relation thereto (including, without limitation, in the case of any person on whose behalf it is acting, all necessary consents and authorities to agree to the terms set out or referred to in this Announcement) and will honour such obligations;
23. where it is acquiring Placing Shares for one or more managed accounts, represents and warrants that it is authorised in writing by each managed account: (a) to acquire the Placing Shares for each managed account; (b) to make on its behalf the representations, warranties, acknowledgements, undertakings and agreements in this Appendix and the Announcement of which it forms part; and (c) to receive on its behalf any investment letter relating to the Placing in the form provided to it by Numis;

24. undertakes that it (and any person acting on its behalf) will make payment for the Placing Shares allocated to it in accordance with this Announcement on the due time and date set out herein, failing which the relevant Placing Shares may be placed with other subscribers or sold as Numis may in its sole discretion determine and without liability to such Placee and it will remain liable and will indemnify Numis and the Company on demand for any shortfall below the net proceeds of such sale and the placing proceeds of such Placing Shares and may be required to bear the liability for any stamp duty or stamp duty reserve tax or security transfer tax (together with any interest or penalties due pursuant to or referred to in these terms and conditions) which may arise upon the placing or sale of such Placee's Placing Shares on its behalf;
25. acknowledges that none of Numis, any of its affiliates, or any person acting on behalf of any of them, is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing and that participation in the Placing is on the basis that it is not and will not be treated for these purposes as a client of Numis and that Numis has no duties or responsibilities to it for providing the protections afforded to their respective clients or customers or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor for the exercise or performance of any of their rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;
26. undertakes that the person whom it specifies for registration as holder of the Placing Shares will be (i) itself or (ii) its nominee, as the case may be. Neither Numis nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. Each Placee and any person acting on behalf of such Placee agrees to participate in the Placing and it agrees to indemnify the Company and Numis in respect of the same on the basis that the Placing Shares will be allotted to the CREST stock account of Numis who will hold them as nominee on behalf of such Placee until settlement in accordance with its standing settlement instructions;
27. acknowledges that these terms and conditions and any agreements entered into by it pursuant to these terms and conditions and any non-contractual obligations arising out of or in connection with such agreement shall be governed by and construed in accordance with the laws of England and Wales and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter (including non-contractual matters) arising out of any such contract, except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by the Company or Numis in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange;
28. acknowledges that time shall be of the essence as regards to obligations pursuant to this Appendix;
29. agrees that the Company, Numis and their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings which are given to Numis on its own behalf and on behalf of the Company and are irrevocable and are irrevocably authorised to produce this Announcement or a copy thereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby;
30. agrees to indemnify on an after-tax basis and hold the Company, Numis and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings in this Appendix and further agrees that the provisions of this Appendix shall survive after completion of the Placing;

31. acknowledges that no action has been or will be taken by any of the Company, Numis or any person acting on behalf of the Company or Numis that would, or is intended to, permit a public offer of the Placing Shares in any country or jurisdiction where any such action for that purpose is required;
32. acknowledges that it is an institution that has knowledge and experience in financial, business and international investment matters as is required to evaluate the merits and risks of subscribing for the Placing Shares. It further acknowledges that it is experienced in investing in securities of this nature and in this sector and is aware that it may be required to bear, and it, and any accounts for which it may be acting, are able to bear, the economic risk of, and is able to sustain, a complete loss in connection with the Placing. It has relied upon its own examination and due diligence of the Company and its associates taken as a whole, and the terms of the Placing, including the merits and risks involved;
33. acknowledges that its commitment to subscribe for Placing Shares on the terms set out herein and in the trade confirmation or contract note will continue notwithstanding any amendment that may in future be made to the terms of the Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company's conduct of the Placing;
34. acknowledges that Numis or any of its affiliates acting as an investor for its own account may take up shares in the Company and in that capacity may retain, purchase or sell for its own account such shares and may offer or sell such shares other than in connection with the Placing;
35. represents and warrants that, if it is a pension fund or investment company, its purchase of Placing Shares is in full compliance with all applicable laws and regulation; and
36. to the fullest extent permitted by law, it acknowledges and agrees to the disclaimers contained in the Announcement including this Appendix.

The representations, warranties, acknowledgments and undertakings contained in this Appendix are given to Numis and the Company and are irrevocable and shall not be capable of termination in any circumstances.

The agreement to settle a Placee's subscription (and/or the subscription of a person for whom such Placee is contracting as agent) free of stamp duty and stamp duty reserve tax depends on the settlement relating only to a subscription by it and/or such person direct from the Company for the Placing Shares in question. Such agreement assumes that the Placing Shares are not being subscribed for in connection with arrangements to issue depositary receipts or to transfer the Placing Shares into a clearance service. If there are any such arrangements, or the settlement relates to any other subsequent dealing in the Placing Shares, stamp duty or stamp duty reserve tax may be payable, for which neither the Company nor Numis will be responsible, and the Placee to whom (or on behalf of whom, or in respect of the person for whom it is participating in the Placing as an agent or nominee) the allocation, allotment, issue or delivery of Placing Shares has given rise to such UK stamp duty or stamp duty reserve tax undertakes to pay such UK stamp duty or stamp duty reserve tax forthwith and to indemnify on an after-tax basis and to hold harmless the Company and Numis in the event that any of the Company and/or Numis has incurred any such liability to UK stamp duty or stamp duty reserve tax. If this is the case, each Placee should seek its own advice and notify Numis accordingly.

In addition, Placees should note that they will be liable for any stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the UK by them or any other person on the subscription by them of any Placing Shares or the agreement by them to subscribe for any Placing Shares.

Each Placee, and any person acting on behalf of the Placee, acknowledges that Numis does not owe any fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings or indemnities in the Placing Agreement.

Each Placee and any person acting on behalf of the Placee acknowledges and agrees that Numis or any of its affiliates may, at their absolute discretion, agree to become a Placee in respect of some or all of the Placing Shares.

When a Placee or person acting on behalf of the Placee is dealing with Numis, any money held in an account with Numis on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the rules and regulations of the FCA made under the FSMA. The Placee acknowledges that the money will not be subject to the protections conferred by the client money rules; as a consequence, this money will not be segregated from Numis' money in accordance with the client money rules and will be used by Numis in the course of its own business and the Placee will rank only as a general creditor of Numis.

All times and dates in this Announcement may be subject to amendment. Numis shall notify the Placees and any person acting on behalf of the Placees of any changes.

Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser.

## Definitions

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

"Act"	the UK Companies Act 2006, as amended
"Admission"	admission of the Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules
"AD-VCM"	the Airways Disease Viral Exacerbation Challenge Model
"AIM"	the market of that name operated by the London Stock Exchange
"AIM Rules"	the AIM Rules for Companies, which sets out the rules and responsibilities for companies listed on AIM, as amended from time to time
"Announcement"	this announcement (including the appendix to this announcement)
"Board" or "Directors"	the board of directors of the Company from time to time
"Circular"	the circular of the Company dated 14 June 2014 giving (amongst other things) details of the Placing and incorporating the Notice of General Meeting
"Company" or "Retroscreen"	Retroscreen Virology Group plc, a public limited company incorporated in England & Wales under registered number 08008725
"COPD"	chronic obstructive pulmonary disease
"CREST"	the relevant system (as defined in the Regulations) which enables title to units of relevant securities (as defined in the Regulations) to be evidenced and transferred without a written instrument and in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in the Regulations)
"Existing Ordinary Shares"	the 40,976,920 Ordinary Shares in issue at the date of this document all of which are admitted to trading on AIM
"FCA"	means the Financial Conduct Authority of the United Kingdom

"FDA"	the US Food and Drug Administration
"FSMA"	means the Financial Services and Markets Act 2000 (as amended)
"General Meeting"	the general meeting of the Company to be held at 10.00 a.m. on 2 July 2013, notice of which is set out in the Circular
"Group"	the Company, its subsidiaries and subsidiary undertakings
"London Stock Exchange"	London Stock Exchange
"Notice of General Meeting"	the notice of General Meeting, set out at the end of the Circular
"Numis"	Numis Securities Limited, a private limited company incorporated in England & Wales under registered number 2285918 and having its registered office at 10 Paternoster Square, London EC4M 7LT
"Ordinary Shares"	ordinary shares of 5 pence each in the capital of the Company
"Placee"	means any person (including individuals, funds or otherwise) by whom or on whose behalf a commitment to acquire Placing Shares has been given
"Placing"	the proposed conditional, non-pre-emptive placing by Numis of the Placing Shares at the Placing Price
"Placing Agreement"	the conditional agreement dated 14 June 2013 relating to the Placing, between the Company and Numis
"Placing Price"	200 pence per Placing Share
"Placing Proceeds"	the net proceeds of the issue of the Placing Shares pursuant to the Placing
"Placing Shares"	12,750,000 new Ordinary Shares which are to be conditionally placed for cash with investors in accordance with the terms of the Placing Agreement and whose allotment and issue is conditional, <i>inter alia</i> , on the passing of the Resolutions
"Regulations"	the UK Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended
"Related Party"	Invesco Limited
"Resolutions"	the resolutions to be proposed at the General Meeting as set out in the Notice of General Meeting
"RSV"	respiratory syncytial virus
"Shareholders"	the holders of Ordinary Shares from time to time, each individually a "Shareholder"
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland
"US" or "United States"	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
"VCM"	the viral challenge model

All references in this document to "£", "pence" or "p" are to the lawful currency of the United Kingdom, all references to "US\$" or "\$" are to the lawful currency of the United States.