



WIDECELLS GROUP
PROSPECTUS

WORLDWIDE PROVIDER
OF STEM CELL SERVICES

widecells
GROUP



THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the contents of this document or the action you should take, you should consult a person authorised for the purposes of the Financial Services and Markets Act 2000 (FSMA) who specialises in advising on the acquisition of shares and other securities.

This document comprises a prospectus relating to WideCells Group PLC (**Company**), prepared in accordance with the Prospectus Rules of the Financial Conduct Authority (**FCA**) made under section 73A of FSMA and approved by the FCA under section 87A of FSMA. This document has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Rules. Applications will be made to the FCA for the Enlarged Share Capital to be admitted to the Official List of the United Kingdom Listing Authority by way of a standard listing under Chapter 14 of the Listing Rules and to the London Stock Exchange Plc (**London Stock Exchange**) for the Enlarged Share Capital to be admitted to trading on the London Stock Exchange's main market for listed securities (**Admission**). It is expected that Admission will become effective and that dealings in the Ordinary Shares will commence at 8.00 a.m. on 27 July 2016.

The Company and each of the Directors, whose names appear on page 30 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and 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.

THE WHOLE OF THE TEXT OF THIS DOCUMENT SHOULD BE READ BY INVESTORS. YOUR ATTENTION IS SPECIFICALLY DRAWN TO THE DISCUSSION OF CERTAIN RISK AND OTHER FACTORS THAT SHOULD BE CONSIDERED IN CONNECTION WITH ANY INVESTMENT IN THE ORDINARY SHARES, AS SET OUT IN THE SECTION ENTITLED "RISK FACTORS" ON PAGES 13 TO 21 OF THIS DOCUMENT.

PROSPECTIVE INVESTORS SHOULD BE AWARE THAT AN INVESTMENT IN THE COMPANY INVOLVES A SIGNIFICANT DEGREE OF RISK AND THAT, IF CERTAIN OF THE RISKS DESCRIBED IN THIS DOCUMENT OCCUR, INVESTORS MAY FIND THEIR INVESTMENT IS MATERIALLY ADVERSELY AFFECTED.

ACCORDINGLY, AN INVESTMENT IN THE ORDINARY SHARES IS ONLY SUITABLE FOR INVESTORS WHO ARE PARTICULARLY KNOWLEDGEABLE IN INVESTMENT MATTERS AND WHO ARE ABLE TO BEAR THE LOSS OF THE WHOLE OR PART OF THEIR INVESTMENT.

WIDECELLS GROUP PLC

(incorporated in England and Wales under the company number 10197256)

**Placing of 18,181,819 Ordinary Shares at a price of 11 pence per Ordinary Share
Issue of 5,443,515 Conversion Shares accompanied by the grant of warrants
over 2,721,757 Ordinary Shares, issue of 32,727 Fee Shares and grant of
Broker Warrants over 727,272 Ordinary Shares
Admission of the Ordinary Shares to the Official List
(by way of a Standard Listing under Chapter 14 of the Listing Rules)
and to trading on the London Stock Exchange's main market for listed securities**

This document does not constitute an offer to sell or an invitation to subscribe for, or the solicitation of an offer to buy or subscribe for, Ordinary Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company. The Ordinary Shares will not be generally made available or marketed to the public in the UK or any other jurisdiction in connection with Admission.

The Ordinary Shares have not been and will not be registered under the US Securities Act of 1933, as amended (**Securities Act**), or under the securities laws or with any securities regulatory authority of any state or other jurisdiction of the United States or of Australia, Canada, Japan, New Zealand, the Republic of Ireland or the Republic of South Africa, or any province or territory thereof. Subject to certain exceptions, the Ordinary Shares may not be taken up, offered, sold, resold, transferred or distributed, directly or indirectly, and this document may not be distributed by any means including electronic transmission within, into, in or from the United States, Australia, Canada, Japan, New Zealand, the Republic of Ireland or the Republic of South Africa or to or for the account of any national, resident or citizen of the United States or any person resident in Australia, Canada, Japan, New Zealand, the Republic of Ireland or the Republic of South Africa. The Ordinary Shares may only be offered or sold in offshore transactions as defined in and in accordance with Regulation S promulgated under the Securities Act. Acquirers of the Ordinary Shares may not offer to sell, pledge or otherwise transfer the Ordinary Shares in the United States, or to any US Person as defined in Regulation S under the Securities Act, including resident corporations, or other entities organised under the laws of the United States, or non-US branches or agencies of such corporations unless such offer, sale, pledge or transfer is registered under the Securities Act, or an exemption from registration is available. The Company does not currently plan to register the Ordinary Shares under the Securities Act. The distribution of this document in or into other jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Smaller Company Capital Limited (**SCC**), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company and for no one else in relation to the Placing and Admission and the arrangements referred to in this document. SCC will not regard any other person (whether or not a recipient of this document) as its client in relation to the Placing and Admission and will not be responsible to anyone other than the Company for providing the protections afforded to clients of SCC or for providing advice in relation to the Placing and Admission, the contents of this document or any transaction or arrangement referred to herein. No liability whatsoever is accepted by SCC for the accuracy of any information or opinions contained in this document or for the omission of any material information, for which it is not responsible.

Shard Capital Partners LLP (**Shard**), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company and for no one else in relation to the Placing and Admission and the arrangements referred to in this document. Shard will not regard any other person (whether or not a recipient of this document) as its client in relation to the Placing and Admission and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Shard or for providing any advice in relation to the Placing and Admission, the contents of this document or any transaction or arrangement referred to herein. No liability whatsoever is accepted by Shard for the accuracy of any information or opinions contained in this document or for the omission of any material information, for which it is not responsible.

APPLICATION WILL BE MADE FOR THE ENLARGED SHARE CAPITAL TO BE ADMITTED TO A STANDARD LISTING ON THE OFFICIAL LIST. A STANDARD LISTING WILL AFFORD INVESTORS IN THE COMPANY A LOWER LEVEL OF REGULATORY PROTECTION THAN THAT AFFORDED TO INVESTORS IN COMPANIES WITH A PREMIUM LISTING ON THE OFFICIAL LIST, WHICH ARE SUBJECT TO ADDITIONAL OBLIGATIONS UNDER THE LISTING RULES. IT SHOULD BE NOTED THAT THE UK LISTING AUTHORITY WILL NOT HAVE THE AUTHORITY TO (AND WILL NOT) MONITOR THE COMPANY'S COMPLIANCE WITH ANY OF THE LISTING RULES WHICH THE COMPANY HAS INDICATED THAT IT INTENDS TO COMPLY WITH ON A VOLUNTARY BASIS, NOR TO IMPOSE SANCTIONS IN RESPECT OF ANY FAILURE BY THE COMPANY TO SO COMPLY.

Dated: 22 July 2016

CONTENTS

	<i>Page</i>
SUMMARY	3
RISK FACTORS	13
CONSEQUENCES OF A STANDARD LISTING	22
IMPORTANT INFORMATION, PRESENTATION OF FINANCIAL AND OTHER INFORMATION AND NOTICES TO INVESTORS.....	24
EXPECTED TIMETABLE OF PRINCIPAL EVENTS.....	29
PLACING STATISTICS	29
DIRECTORS, AGENTS AND ADVISERS.....	30
PART I: INFORMATION ON THE COMPANY, THE GROUP AND STRATEGY.....	31
PART II: DIRECTORS AND CORPORATE GOVERNANCE	43
PART III: THE PLACING	46
PART IV: SELECTED FINANCIAL INFORMATION	48
(A) ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF THE COMPANY	48
(B) HISTORICAL FINANCIAL INFORMATION OF THE COMPANY.....	50
(C) ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF WIDECELLS INTERNATIONAL LIMITED.....	54
(D) HISTORICAL FINANCIAL INFORMATION OF WIDECELLS INTERNATIONAL LIMITED.....	56
PART V: OPERATING AND FINANCIAL REVIEW OF THE GROUP	77
PART VI: UNAUDITED PRO FORMA FINANCIAL INFORMATION	81
(A) ACCOUNTANT'S REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION	81
(B) UNAUDITED PRO FORMA FINANCIAL INFORMATION	83
PART VII: TAXATION.....	85
PART VIII: ADDITIONAL INFORMATION.....	87
PART IX: DEFINITIONS.....	107
PART X: GLOSSARY	111

SUMMARY

Summaries are made up of disclosure requirements known as “Elements”. These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of security and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of “not applicable”.

Section A – Introduction and Warnings		
Element	Disclosure requirement	Disclosure
A.1	Introduction and Warnings	<p>THIS SUMMARY SHOULD BE READ AS AN INTRODUCTION TO THE PROSPECTUS. ANY DECISION TO INVEST IN THE SECURITIES SHOULD BE BASED ON CONSIDERATION OF THE PROSPECTUS AS A WHOLE BY THE INVESTOR.</p> <p>Where a claim relating to the information contained in the prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus or it does not provide, when read together with other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.</p>
A.2	Subsequent resale of securities or final placement of securities through financial intermediaries	Not applicable as there are no financial intermediaries
Section B – Issuer and Guarantor		
Element	Disclosure requirement	Disclosure
B.1	Legal and commercial name	The legal and commercial name of the Company is WideCells Group PLC.
B.2	Domicile, legal form, legislation and country of incorporation	<p>The Company is incorporated under the laws of England and Wales under CA 2006. The Company was incorporated on 24 May 2016 as a private limited company and re-registered as a public limited company on 21 June 2016. The Company’s registered number is 10197256 and its registered office is at Core Technology Facility, 46 Grafton Street, Manchester, M13 9NT England.</p> <p>The Company is domiciled in the United Kingdom and is subject to the City Code.</p>

B.3	Current operations/ principal activities and markets	<p>WideCells is an international specialised provider of stem cell services. Its business is separated into three key divisions each of which is operated under a separate brand: WideCells, CellPlan and WideAcademy.</p> <p>The WideCells division currently operates in Portugal and Spain where in collaboration with third party blood banks it provides stem cell collection, cryopreservation and storage services to the public. WideCells has developed a relationship with a third party blood bank in Brazil through which it will, shortly after Admission, provide umbilical cord blood and tissue, and subsequently adipose tissue and dental pulp, collection, cryopreservation and storage services to the public. In the UK, WideCells will offer stem cell retrieval, processing and storage services through its laboratory facilities at the University of Manchester Innovation Centre.</p> <p>The CellPlan division will focus on the development and provision of a specialist insurance product for the stem cell and cord blood banking and services sector. The Group has collaborated with Best Doctors to develop the product. The CellPlan insurance scheme will provide insurance cover for the expenses relating to the future use of stored stem cells in medical procedures. This product is complementary in nature to the services offered by the WideCells division of the business and is expected to be ready for offer to prospective customers within six months of Admission.</p> <p>The WideAcademy division will offer training programmes for healthcare professionals on the collection, processing, storage and use of stem cells in medical procedures and the wider stem cell and cord blood banking and services sector. WideCells has a relationship with the University of Westminster and will provide online training courses in collaboration with the university.</p>
B.4a	Significant recent trends of the issuer and its industry	<p>The retrieval and storage of stem cells is a relatively new service. The Group operates in the cord blood banking market which was valued at US\$2.40 billion in 2015 and is expected to grow at a CAGR of 8.3% from 2015 to 2020 to reach an estimated value of US\$3.58 billion in 2020 (<i>Source: BioInformant Report</i>). As one of the fastest growing segments of the stem cell market, the number of cord blood banks worldwide has grown from 23 in 2004 to over 500 in 2013 (<i>Source: BioInformant Report</i>).</p>
B.5	Group structure	<p>The Company is the holding company of the Group. It directly holds the whole of the issued share capital of WideCells International, which in turn holds the whole of the issued share capital of each of the other Subsidiaries.</p>
B.6	Notifiable interests, different voting rights and controlling interests	<p>The interests of the Directors together represent approximately 62.5% of the issued and outstanding share capital of the Company as at 21 July 2016 (being the latest practicable date prior to the publication of this document) and are expected to represent approximately 36.12% of the total issued share capital of the total Company on Admission.</p> <p>Other than the loan of £35,129 owed by WideCells International to the Directors João Goncalves Andrade and João Carlos Martins Loureiro Lopes Gil which was used to finance the acquisition of a majority stake in WideCells Portugal, as at 21 July 2016 (being the latest practicable date prior to the</p>

		<p>publication of this document), there were no outstanding loans granted (or any guarantee provided) by any member of the Group to any Director, nor by any Director to (or for the benefit of) any member of the Group.</p> <p>The members of the Concert Party will be treated as acting in concert for the purposes of the City Code, and will on Admission be interested in 57.76% of the total issued share capital of the Company on Admission.</p> <p>Except for the interests of the Directors and those persons set out below, the Directors are not aware, at the date of this document, of any interest which immediately following Admission would amount to 3% or more of the Company's issued share capital:</p> <table border="1" data-bbox="614 616 1390 862"> <thead> <tr> <th data-bbox="614 689 671 712">Name</th> <th data-bbox="890 616 1023 712">Ordinary Shares as at the date of this document</th> <th data-bbox="1038 616 1150 712">Percentage of Existing Ordinary Shares</th> <th data-bbox="1166 638 1270 712">Ordinary Shares on Admission</th> <th data-bbox="1286 616 1390 712">Percentage of Enlarged Share Capital</th> </tr> </thead> <tbody> <tr> <td data-bbox="614 723 826 768">Dominus Investments Limited</td> <td data-bbox="922 745 1023 768">3,776,000</td> <td data-bbox="1078 745 1145 768">12.4%</td> <td data-bbox="1158 745 1270 768">4,311,386¹</td> <td data-bbox="1318 745 1385 768">7.98%</td> </tr> <tr> <td data-bbox="614 790 687 813">Luis Gil</td> <td data-bbox="922 790 1023 813">3,776,000</td> <td data-bbox="1078 790 1145 813">12.4%</td> <td data-bbox="1158 790 1270 813">3,776,000</td> <td data-bbox="1318 790 1385 813">6.99%</td> </tr> <tr> <td data-bbox="614 835 767 857">Joseph Ferreira</td> <td data-bbox="922 835 1023 857">3,776,000</td> <td data-bbox="1078 835 1145 857">12.4%</td> <td data-bbox="1158 835 1270 857">3,836,292²</td> <td data-bbox="1318 835 1385 857">7.1%</td> </tr> </tbody> </table> <p data-bbox="614 875 1390 976">¹The additional 535,386 Ordinary Shares to be held on Admission will be issued as Conversion Shares pursuant to the conversion of Convertible Loan Notes of a nominal value of £44,399. Further, Dominus Investments Limited will be granted warrants on Admission over 267,693 Warrant Shares.</p> <p data-bbox="614 999 1390 1099">²The additional 60,292 Ordinary Shares to be held on Admission will be issued as Conversion Shares pursuant to the conversion of Convertible Loan Notes of a nominal value of £5,000. Further, Mr Ferreira will be granted warrants on Admission over 30,146 Warrant Shares.</p> <p data-bbox="614 1122 1390 1178">No major holder of Ordinary Shares has voting rights different from other holders of Ordinary Shares.</p> <p data-bbox="614 1200 1390 1290">To the best of the Directors' knowledge, no one directly or indirectly, acting jointly, exercise or could exercise control over the Company.</p>	Name	Ordinary Shares as at the date of this document	Percentage of Existing Ordinary Shares	Ordinary Shares on Admission	Percentage of Enlarged Share Capital	Dominus Investments Limited	3,776,000	12.4%	4,311,386 ¹	7.98%	Luis Gil	3,776,000	12.4%	3,776,000	6.99%	Joseph Ferreira	3,776,000	12.4%	3,836,292 ²	7.1%
Name	Ordinary Shares as at the date of this document	Percentage of Existing Ordinary Shares	Ordinary Shares on Admission	Percentage of Enlarged Share Capital																		
Dominus Investments Limited	3,776,000	12.4%	4,311,386 ¹	7.98%																		
Luis Gil	3,776,000	12.4%	3,776,000	6.99%																		
Joseph Ferreira	3,776,000	12.4%	3,836,292 ²	7.1%																		
<p>B.7</p>	<p>Historical key financial information of the issuer</p>	<p>This document contains historical financial information of the Company and the Group along with pro-forma financial information for the Group.</p> <p><i>The Company</i></p> <p>The Company was incorporated on 24 May 2016 with an ordinary share capital of £0.005. Between the date of incorporation and 17 June 2016 the Company has issued 30,399,998 ordinary shares of £0.0025 each; there have been no other significant changes to the Company's financial position.</p> <p>As at 17 June 2016, the Company's audited balance sheet was as follows:</p>																				

		As at 17 June 2016 £	
Fixed asset investments			
	Investment in WideCells International Ltd	76,000	
Net assets		76,000	
Liabilities and shareholders' equity			
Shareholders' equity			
	Called up share capital	76,000	
Total equity		76,000	
Total liabilities and shareholders' equity		76,000	
<i>The Group (excluding the Company)</i>			
The tables below set out summary financial information for the Group for the years ending 31 December 2013, 2014 and 2015 as extracted from the historical financial information of the Group set out in <i>Part IV: Selected Financial Information</i> of this document. The Group is made up of companies from the UK, Spain and Portugal.			
Summary income statements			
	Year ended 31 December 2015 £'000	Year ended 31 December 2014 £'000	Year ended 31 December 2013 £'000
	Revenue	51	118
	Cost of sales	–	(9)
	Gross profit	51	109
	Operating expenses	(285)	(358)
	Loss before tax and interest	(234)	(249)
	Finance costs	(38)	(13)
	Loss before tax	(272)	(262)
	Taxation	(1)	(3)
	Loss for the period/year	(273)	(265)
	Other comprehensive income	–	–
	Total comprehensive loss for the year	(273)	(156)

		Balance sheet			
		Year ended	Year ended	Year ended	
		31 December 2015	31 December 2014	31 December 2013	
		£'000	£'000	£'000	
		Intangible fixed assets	–	1	–
		Tangible fixed assets	30	48	–
		Non-current assets	30	49	–
		Inventories	3	4	1
		Receivables	31	50	25
		Cash and cash equivalents	34	10	1
		Current assets	68	64	27
		Total assets	98	113	27
		Share capital and share premium	1	–	–
		Convertible loan stock	173	173	75
		Retained earnings	(497)	(279)	(88)
		Shareholders equity	(323)	(106)	(13)
		Non-controlling interests	(172)	(116)	(43)
		Total equity	(495)	(222)	(56)
		Trade and other payables	143	180	83
		Borrowings	450	155	–
		Current liabilities	593	335	83
		Total equity and liabilities	98	113	27
		<p>WideCells International was formed in September 2012 and started to trade in 2014. Despite the losses incurred in each period of trading, the development of stem cell consultancy and cord blood and tissue services has enabled activities to encompass Portugal, Spain and the UK. Two further companies have been created: CelliPlan Limited to develop and offer stem cell health insurance and WideAcademy Limited to provide training for healthcare professionals on the collection, processing, storage and use of stem cells in medical procedures and the wider stem cell and cord blood banking and services sector. To fund these operations £185,399 of Convertible Loan Notes were issued to its existing and new angel investors in 2015.</p> <p>Subsequent to 31 December 2015, WideCells International issued further Convertible Loan Notes amounting to £274,500. The Convertible Loan Notes will automatically convert into Ordinary Shares at a conversion price equal to a 20% discount of the Placing Price.</p> <p>Except as described in this section B.7, there have been no significant changes to the financial condition and operating results of the Group (excluding the Company) during or subsequent to the period covered by the key financial information set out above.</p>			
B.8	Key pro forma financial information	<p>The unaudited pro forma financial information has been prepared to illustrate the impact of the £1,725,000 net proceeds of the Placing as if it had taken place at 17 June 2016.</p> <p>The unaudited pro forma statement of net assets has been prepared for illustrative purposes only in accordance with Annex II of the Prospectus Rules and should be read in conjunction with the notes to the pro forma. By its nature it addresses a hypothetical situation and, therefore, does not represent the Group's actual financial position nor is it indicative of the results that may, or may not, be expected to be achieved in the future.</p>			

		If the acquisition of WideCells International had taken place on 17 June 2016 (being the date to which the audited financial information contained in Section (B) of <i>Part IV: Selected Financial Information</i> of this document (Historical Financial Information on the Company) was prepared the net assets of the Company, as at 17 June 2016, would have been higher by £76,000.
B.9	Profit forecasts/ estimates	Not applicable; this document does not contain profit forecasts or estimates.
B.10	Qualifications in the audit report	Not applicable; there are no qualifications on such information.
B.11	Working capital	The Company's working capital, taking into account the Net Proceeds, is sufficient for its present requirements, that is, for at least the 12 months from the date of this document.
Section C – Securities		
Element	Disclosure requirement	Disclosure
C.1	Description of type and class of securities being offered	<p>The Company proposes to raise gross proceeds of approximately £2 million through the issue of 18,181,819 Ordinary Shares pursuant to the Placing.</p> <p>The issue of the Placing Shares is accompanied by the issue of 5,443,515 Conversion Shares under the terms of the Convertible Loan Notes, the grant of warrants to subscribe for 2,721,757 Ordinary Shares on the terms of the Warrant Instrument, the issue of 32,727 Fee Shares and the grant of Broker Warrants to subscribe for 727,272 Ordinary Shares on the terms of warrant instruments between the Company and the Brokers.</p> <p>The securities the subject of the Placing and Admission (including the Placing Shares and the Conversion Shares) are ordinary shares of £0.0025 each.</p> <p>The Ordinary Shares will be registered with ISIN number GB00BD060S65 and SEDOL number BD060S6.</p>
C.2	Currency of securities	The Ordinary Shares are denominated in pounds sterling and the Placing Price is payable in pounds sterling.
C.3	Shares issued/value per share	The Company has 30,400,000 ordinary shares of £0.0025 each in issue and fully paid as at the date of this document, with the 18,181,819 Placing Shares, 5,443,515 Conversion Shares and 32,727 Fee Shares to be issued conditional on Admission taking place. There are no shares in issue that are not fully paid.
C.4	Rights attaching to the Ordinary Shares	Each Ordinary Share ranks <i>pari passu</i> for voting rights, dividends and return of capital on winding up. Every Shareholder present in person, by proxy or by a duly authorised corporate representative at a general meeting of the Company shall have one vote on a show of hands and, on a poll, every Shareholder present in person, by proxy or by a duly authorised corporate representative shall have one vote for every Ordinary Share of which he is the holder. The Company must hold an annual general meeting each year in addition to any other general meetings held in the year. The directors of the Company can call a general meeting at any time. All members

		<p>who are entitled to receive notice under the Articles must be given notice. Subject to the CA 2006, the Company may, by ordinary resolution, declare dividends to be paid to members of the Company according to their rights and interests in the profits of the Company available for distribution, but no dividend shall be declared in excess of the amount recommended by the board of directors of the Company. On a voluntary winding-up of the Company, the liquidator may, with the sanction of a special resolution of the Company and subject to the CA 2006 and the Insolvency Act 1986 (as amended), divide amongst the Shareholders in specie the whole or any part of the assets of the Company, or vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as the liquidator, with the like sanction, shall determine.</p> <p>The pre-emption rights contained in the Articles have been waived: (i) for the purposes of, or in connection with, the Placing; (ii) generally for such purposes as the Directors may think fit (including the allotment of equity securities for cash) up to a maximum aggregate amount not exceeding 30% of the aggregate nominal value of the Ordinary Shares in issue (as at the close of the first business day following Admission); and (iii) for the purposes of the issue of securities offered (by way of a rights issue, open offer or otherwise) to existing holders of Ordinary Shares. Otherwise, Shareholders will have pre-emption rights which will generally apply in respect of future share issues for cash. No pre-emption rights exist in respect of future share issues wholly or partly other than for cash.</p>
C.5	Restrictions on free transferability of the Ordinary Shares	Not applicable; there are no restrictions in place.
C.6	Admission to trading/regulated markets where the securities are traded	Application will be made for all of the Company's issued Ordinary Shares, including the Placing Shares, the Fee Shares and the Conversion Shares to be issued conditional on Admission, to be admitted to a Standard Listing of the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective and that unconditional dealings will commence on the London Stock Exchange at 8.00 a.m. on 27 July 2016.
C.7	Dividend policy	The Company does not intend to pay dividends in the near future as any earnings during such time are expected to be retained for use in business operations. The declaration and payment by the Company of any dividends and the amount thereof will be in accordance with, and to the extent permitted by, all applicable laws and will depend on the results of the Company's operations, its financial position, cash requirements, prospects, profits available for distribution and other factors deemed to be relevant at the time.
Section D – Risks		
Element	Disclosure requirement	Disclosure
D.1	Key risks specific to the Company and its industry	<p>Risks relating to the Company and its business strategy</p> <ul style="list-style-type: none"> • Early stage company – The Group faces risks frequently encountered by early stage companies. In particular, its future growth and prospects will depend on its ability to

		<p>manage growth and to continue to expand and improve operational, financial and management information and quality control systems on a timely basis, whilst at the same time maintaining effective cost controls.</p> <ul style="list-style-type: none"> • Dependence on key executives and personnel – Although the Directors have entered or will at the time of Admission enter into service agreements or letters of appointment with the Company, the loss of the services of any such individual may have an adverse material effect on the business, operations, revenues, customer relationships and/or prospects of the Company. • Reliance on the Best Doctors Agreement and UMIC Lease – A substantial part of the Group’s business and growth potential depends on its CellPlan insurance product and therefore its relationship with Best Doctors. Should the agreement with Best Doctors be terminated and the Group find it difficult or impossible to replace this relationship it could have a significantly adverse impact on the Group. The WideCells division of the Group’s business depends substantially on the lease in relation to the laboratory premises at the University of Manchester Innovation Centre (UMIC). Should the lease be terminated or fail to be renewed at the end of its three year term (in circumstances where the Group would like to renew it) this could have a significantly adverse impact on the Group. <p>Risks relating to the stem cell and cord blood banking and services sector</p> <ul style="list-style-type: none"> • Operating within a regulatory environment – The Group’s business is subject to a variety of regulatory regimes, and compliance with or changes in law and regulation, or in its interpretation and application by regulators, could impose operational restrictions on the Group, increase its expenses and/or otherwise have a material adverse effect on the Group’s business. • The need to obtain and maintain business licences – Cord blood banks must be licensed by relevant licensing authorities to operate their businesses. This indirectly and directly impacts on the Group. Its third party blood bank partner is responsible for licensing in Brazil but it has a direct requirement to obtain licences in Spain and Portugal (and will do in the UK in respect of the Group’s WideCells’ business to be carried on at the UMIC laboratory). These licensing requirements place a cost burden on the Group, a time burden on the Group’s management and ultimately will present an insurmountable barrier to its business development and growth if the necessary licences cannot be obtained or maintained, which could have a material adverse effect on the Group’s business, financial condition and results of operations. • The threat of competition and new technology – There is a risk that the science underpinning the Group’s business will reveal alternative, more effective solutions to the issues the Group’s services and products seek to address which will
--	--	--

		<p>decrease demand for the Group's products and services. In addition, technologies in alternative solutions may advance more rapidly than that which the Group's business relies on, making those alternative solutions more attractive to end users.</p> <ul style="list-style-type: none"> • Limitations to the application of medical treatments – There are a number of limitations in relation to the use of stem cells and cord blood in medical treatments, some of which are inherent and some of which arise from the fact that the underlying science and technology is relatively new and of a limited track record. Such drawbacks could have a negative impact on the overall value of, and opportunities within, the stem cell and cord blood banking and services sector.
D.3	Key risks specific to the Ordinary Shares	<ul style="list-style-type: none"> • A Standard Listing affords shareholders a lower level of regulatory protection than a Premium Listing. • Any further issues of Ordinary Shares (including on exercise of the Options or the issue of Warrant Shares) may dilute investors' shareholdings. In particular, the Company may issue additional Ordinary Shares to raise additional equity capital. Pre-emption rights have been waived. • Returns on investment may not be realised within investors' perceived reasonable timescales, due to the potential illiquidity of the Ordinary Shares. • Dividend payments on the Ordinary Shares are not guaranteed.
Section E – Offer		
Element	Disclosure requirement	Disclosure
E.1	Net proceeds and expenses	The Company has conditionally raised gross proceeds of £2,000,000 through the Placing, and estimated Net Proceeds of £1,725,000. The total costs of the Placing and Admission payable by the Company are estimated to be £275,000 (inclusive of irrecoverable VAT).
E.2a	Reasons for the Offer and use of proceeds	<p>Under the Placing, gross proceeds of £2,000,000 before expenses have been raised and the Net Proceeds will be approximately £1,725,000. The Placing will only be completed if the full £2,000,000 is raised.</p> <p>The Company intends to use the Net Proceeds, amongst other things, to fund the capital costs in setting up the WideCells laboratory at UMIC, employ up to 21 employees in the first year following Admission across the WideCells and CellPlan businesses and pay other corporate, property and marketing costs.</p>
E.3	Terms and conditions of the Offer	The Placing is for 18,181,819 Placing Shares. The Placing Shares are being issued at the Placing Price of 11p per share. The Placing is conditional upon Admission occurring and becoming effective by 8.00 a.m. London time on or prior to 27 July 2016 (or such later date as may be agreed between the Company and Smaller Company Capital, being not later than 31 August 2016). Placing letters in respect of the subscription for 18,181,819 Placing Shares have been received by the Brokers. An investor who has applied for Ordinary Shares via a

		<p>placing letter agrees to become a member of the Company and agrees to subscribe for those Ordinary Shares at the Placing Price.</p> <p>The rights attaching to the Placing Shares will be uniform in all respects and all of the Ordinary Shares will form a single class for all purposes. Each investor undertakes to pay the Placing Price for the Placing Shares issued to such investor. The Placing will not be underwritten.</p>
E.4	Material interests	<p>The interests of the Directors together represent approximately 62.5% of the total issued share capital of the Company as at 21 July 2016 (the latest practicable date prior to the publication of this document) and are expected to represent approximately 36.12% of the total issued share capital of the Company on Admission.</p> <p>As at 21 July 2016, the Company has issued Options over a total of 2,200,000 Ordinary Shares to its Directors. The Options have an exercise price of £0.0025 per Option Share, vest in three equal tranches over a three year period and expire on the tenth anniversary of the date of the Options.</p> <p>Additionally, the Directors will be granted warrants on Admission over a total of 263,601 Warrant Shares.</p> <p>Save as set out above, it is not expected that any Director will have any interest in the share capital of the Company on Admission or have any conflict of interest between his duties to the Company and any private interests or other duties.</p>
E.5	Name of the Offeror Selling Shareholders and lock-up agreements (if any)	<p>The Placing Shares are being placed by the Company.</p> <p>Under lock-in and orderly market agreements, each of the Directors has agreed with the Company not to dispose of, and to procure that no party associated with the respective Director disposes of, any interests in the Ordinary Shares for a period of 12 months from the date of Admission and, for the following 12 months, that they will only dispose of interests with the consent of the Company's broker for the time being in order to ensure an orderly market in the Ordinary Shares, in each case subject to certain limited exceptions.</p>
E.6	Dilution	<p>Under the Placing 18,181,819 Placing Shares have been conditionally subscribed for by investors at the Placing Price representing 33.63% of the Enlarged Share Capital, 5,443,515 Conversion Shares will be issued conditional on Admission representing 10.05% of the Enlarged Share Capital and 32,727 Fee Shares will be issued conditional on Admission representing 0.06% of the Enlarged Share Capital. The Placing and issue of the Conversion Shares and the Fee Shares Admission will result in the Existing Ordinary Shares being diluted so as to constitute 56.24% of the Enlarged Share Capital.</p>
E.7	Expenses charged to investors	<p>Not applicable; no expenses charged to the investors by the Company.</p>

RISK FACTORS

The investment detailed in this document may not be suitable for all its recipients and involves a higher than normal degree of risk. Before making an investment decision, prospective investors are advised to consult an investment adviser authorised under the Financial Services and Markets Act 2000 who specialises in investments of the kind described in this document. Prospective investors should consider carefully whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them.

Before deciding whether to invest in Ordinary Shares, prospective investors should carefully consider the risks described below together with all other information contained in this document.

The risks referred to below are those risks the Company and the Directors consider to be the material risks relating to the Company. The risk factors described below may not be exhaustive. Additional risks and uncertainties relating to the Company that are not currently known to the Directors, or that are currently deemed immaterial, may also have an adverse effect on the Company's business. If this occurs the price of the Ordinary Shares may decline and investors could lose all or part of their investment.

Prospective investors should note that the risks relating to the Company, its industry and the Ordinary Shares summarised in the section of this document headed "Summary" are the risks that the Company believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Ordinary Shares. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this document headed "Summary" but also, among other things, the risks and uncertainties described below.

RISKS RELATING TO THE COMPANY AND ITS BUSINESS STRATEGY

Early stage company

The Group faces risks frequently encountered by early stage companies. In particular, its future growth and prospects will depend on its ability to manage growth and to continue to expand and improve operational, financial and management information and quality control systems on a timely basis, whilst at the same time maintaining effective cost controls. Any failure to expand and improve operational, financial and management information and quality control systems in line with the Group's growth could have a material adverse effect on the Group's business, financial condition and results of operations. The Group had only a limited trading history to date with limited revenues. Investors therefore have a limited basis on which to evaluate the Group's ability to achieve the objectives set out in this document. The actual performance of the Group following Admission may differ materially from the expectations of both the Directors and Shareholders.

The Group will need to manage its growth, including the expansion of its services into new sales channels, particularly in respect of the CellPlan insurance product where it will be imperative to scale the offering up quickly in the larger markets (such as China and India) in order to encourage insurance providers to offer competitive rates which underpin the product, the ability to control development and costs, implement and improve operational and financial control systems, and to hire, expand, train and manage effectively employee. Any unexpected decline in the growth of revenue without a corresponding decline in the growth of operating costs, or an inability to manage growth effectively, will result in the operating results being adversely affected.

Dependence on key executives and personnel

Although the Directors have entered or will at the time of Admission enter into service agreements or letters of appointment with the Company, the loss of the services of any such individual may have an adverse material effect on the business, operations, revenues, customer relationships and/or prospects of the Company. The future performance of the Company will depend heavily on its ability

to retain the services and personal connections/contacts of key executives (particularly the CEO, João Goncalves Andrade, who is key to maintaining the Group's culture and vision) and to recruit, motivate and retain further suitably skilled, qualified and experienced personnel.

Loss of revenue owing to relationships with sources of revenue

As the Group's business grows, the Group is expected to rely heavily on relationships with cord blood banks to promote the Group's products to potential customers globally. It is anticipated that the majority of such relationships would comprise a simple referral or introduction from the blood bank to the Group, although in some cases the Group may enter into formal licensing, agency or distribution agreements to sell the Group's services (for example, the agreement with Biocells Brasil). If the Group is unable to establish a referral or introduction network with cord blood banks, or if any key referral source were to cease to make further introductions, or if any material licensee, agent or distributor were to terminate its agreement with the Group to sell the Group's services, the Group could fail to obtain expected revenue or lose part of its revenue stream. The Group expects that through its network of contacts in the stem cell and cord blood banking and services sector it should be well positioned to establish or replace these arrangements but there is a risk of delay in the establishment of the Group's introduction or referral network or the between termination and replacement of a particular introducer, licensee, agent or distributor, or even instances where no suitable replacement can be found, which could have a material adverse effect on the Group's business, financial condition and results of operations.

Reliance on the Best Doctors agreement

A substantial part of the Group's business and growth potential depends on its relationship with Best Doctors. Best Doctors are heavily involved in the continued development and delivery of the CellPlan insurance product. Should the agreement with Best Doctors be breached in a material manner or terminated this could have a significantly adverse impact on the Group. The Best Doctors agreement is on terms designed to protect the Group from this eventuality; it is for a fixed period of five years after which termination can only take place on 12 months' notice. As such the Directors consider that the impact of termination can be contained and limited. The Group also considers that it has access to appropriate alternative sources of insurance and reinsurance products via virtue of the connections it has made through Best Doctors and those of the Directors, including particularly Dr Marilyn Orcharton. However the Group may be unable to find a suitable replacement for Best Doctors or may experience a delay in doing so which could have a have a material adverse effect on the Group's business, financial condition and results of operations.

Delays in the commencement of sales of the CellPlan insurance product and related services

The Directors anticipate that sales of the CellPlan insurance product will commence within six months of Admission. Additionally, the Group is intending to establish a membership programme for cord blood banks, where membership will be dependent upon positive assessment against technical and regulatory criteria.

Any delays in the commencement of sales of the CellPlan product, or in the establishment of the membership programme, could have a material adverse effect on the Group's business, financial condition and results of operations.

Reliance on the UMIC Lease

The Group's WideCells business depends substantially on the UMIC Lease in relation to the laboratory premises at the University of Manchester Innovation Centre. Should the UMIC Lease be terminated or fail to be renewed at the end of its three year term (in circumstances where the Group would like to renew it) this could have a significantly adverse impact on the Group. The Group considers that in circumstances where the WideCells business is in operation and as such the Group wishes to extend the UMIC Lease, that there would be little incentive for the landlord, UMIC Limited, to refuse to grant a renewal. However if a renewal were to be refused the Group may be unable to find suitable replacement premises or may experience a delay in doing so which could have a have

a material adverse effect on the Group's business, financial condition and results of operations at that time. The Group intends to put in place back-up storage arrangements with alternative third party service providers, at the appropriate time, to minimise the risk to the Group's business should the Group have to relocate its facilities upon termination of the UMIC Lease.

The Company's business strategy depends on the effectiveness of the operating strategies devised by the Directors and there is no assurance that these strategies will be successfully implemented or, if implemented, that they will be effective in increasing the valuation of the Company's business

There can be no assurance that the Company or the Directors will be able to propose and/or implement effective operational improvements for any company or business which the Company acquires or to effectively implement the other features of value creation strategy as described in this document. In addition, general economic and market conditions or other factors outside the Company's control could make the Company's operating strategies difficult to implement. Any failure to implement these strategies successfully and/or the failure of these strategies to deliver the anticipated benefits could have a material adverse effect on the Company's results of operations and financial condition. As a result the Company may be unable to achieve attractive returns for its Shareholders.

Unfavourable general economic conditions may have a negative impact on the results of operations, financial condition and prospects of the business

The global financial markets are experiencing continued volatility and geopolitical issues and tensions continue to arise. Many Organisation for Economic Co-operation and Development (OECD) countries have continued to experience recession or negligible growth rates, which have had, and may continue to have, an adverse effect on consumer and business confidence. The resulting low consumer and business confidence has led to low levels of demand for many products across a wide variety of industries. This may be of particular relevance to the Group's products, which are premium products likely to be taken up only by consumers with significant disposable income. The Company cannot predict the severity or extent of these recessions and/or periods of slow growth. Accordingly, the Company's estimate of the results of operations, financial condition and prospects of the Group will be uncertain and may be adversely impacted by unfavourable general global, regional and national macroeconomic conditions.

For more information about the effect of general global, regional or national macroeconomic deterioration on the stem cell and cord blood banking and services sector, see "*Risks Relating to the stem cell and cord blood banking and services sector*", below.

The Company may be unable to retain or hire the personnel required to support the Group

There can be no assurance that the Group's qualified, technical personnel will remain with the Group for an extended time period following Admission or that, if they depart, the Company will be able to replace such personnel with individuals of similar expertise and of a similar calibre. Changes in personnel may have a material adverse effect on the Group's business, financial condition or results of operations.

The Group is exposed to risks related to the result of the referendum on the United Kingdom's continued membership of the EU

The Group faces potential risks associated with the "leave" result of the referendum on the United Kingdom's continued membership of the EU held on 23 June 2016. The precise implementation process, and timing, for the UK's exit from the EU have yet to be determined, and the economic impact of the decision is not yet clear. The UK is currently experiencing a period of political and economic volatility arising from the results of the referendum, and with the resignation of the UK's Prime Minister in the wake of the EU referendum result, it is possible that a general election will be called later this year. Continuing political and economic uncertainty and instability could materially and adversely affect the operational, regulatory, currency, insurance and tax regime to which the Group is currently subject. Prolonged uncertainty regarding aspects of the UK economy could damage customers' and investors' confidence. The effect of these risks could be to increase compliance and operating costs for the Group and may also materially affect the Group's tax position

or business, results of operation and financial position more generally, especially as the Group has historically generated a significant proportion of its revenue in euros in the EU countries Spain and Portugal.

The insurance the Group maintains may not fully cover all potential exposures

The Group will as appropriate in the context of the demands of its business following Admission arrange insurance through its insurance brokers to cover risks associated with its business including medical malpractice, property damage, terrorism, business interruption, cyber security and directors' and officers' liability. However, such insurance may not cover the cost of all potential losses. One particular risk in this regard is the possibility that the cost of compensation for any damage caused to collected cord blood during its processing in the Group's facilities exceeds the Group's insurance cover. If such a case were to arise, it could have a have a material adverse effect on the Group's business, financial condition and results of operations.

The Group may require additional capital in the medium to long term and no assurance can be given that such capital will be available on terms acceptable to the Group or at all; dilution risk

Whilst the Company anticipates that the further development of its CellPlan, WideCells and WideAcademy businesses in the second year after Admission will be funded principally by any Net Proceeds not utilised during the first 12 months from Admission and the proceeds of sales from each of these business lines, the Group may require external funding to finance, for example, unforeseen future requirements relating to new product development or capital investment or to provide additional working capital in the event that the Group incurs sustained losses in the medium to long term. It may be unable to raise such finance from banks, the capital markets or other sources of funds on terms acceptable to the Group or at all. Where the Company issues Ordinary Shares in the future (including on exercise of the Options or the issue of Warrant Shares), such issuance may result in the Shareholders sustaining dilution of their equity holding in the Company. For the avoidance of doubt, nothing in this risk factor constitutes a qualification of the working capital statement contained in paragraph 10 of *Part VIII: Additional Information* of this document.

The cost and impact of future disputes and/or litigation

Although the Group is not currently engaged in any disputes or subject to any litigation it may become involved in disputes and litigation in the future. Managing disputes and/or litigation can be expensive and disruptive to normal business operations, including to management due to the increased time and resources required to respond to and address any dispute and/or litigation. An unfavourable outcome of any particular matter or any future legal proceedings or costs related to the settlement of any such proceedings could have a material adverse effect on the Group's business, financial condition and results of operations.

Foreign exchange currency risk

The Group's operations and the Subsidiaries are located in the UK, Europe and Brazil, and the revenues earned will therefore be exposed to currency fluctuations between the other currencies in which the Enlarged Group may operate, including GBP, the Euro and the Real.

RISKS RELATING TO THE STEM CELL AND CORD BLOOD BANKING AND SERVICES SECTOR

Operating within a regulatory environment

The Group's business is subject to a variety of regulatory regimes, and compliance with or changes in law and regulation, or in its interpretation and application by regulators, could impose operational restrictions on the Group, increase its expenses and/or otherwise have a material adverse effect on the Group's business. In a number of regions governments have substantial control over the ability of private cord blood banks to operate profitably. Therefore a decline in government support for private cord blood banks in these regions could have a major impact on the stem cell and cord blood banking and services sector and therefore the Group. Two examples where this is of particular concern are the Republic of Ecuador and the People's Republic of China. In the former the government is creating its first public cord blood bank and has introduced legislation to prevent private cord blood banks from offering their services to potential customers during the first

six months of pregnancy. In the latter there is a "one licence per region" policy for cord blood banks and the government controls the issue of these permits.

The cost of obtaining business accreditations

Cord blood banks are subject to a number of accreditation requirements (both mandatory and discretionary) which must be achieved and maintained if a cord blood bank is operate effectively. Examples include mandatory accreditation by the Food and Drug Administration of the United States of America for cord blood banks operating there and the discretionary accreditation available mainly in Europe by the European organisation, the Joint Accreditation Committee - ISCT – EBMT. These requirements place heavy cost burdens on cord blood banks. These costs will impact directly and indirectly on the Group; indirectly through their relationship with third party operators of cord blood banks (e.g. Biocells Brasil in Brazil and Biosckin and Cytothera in Portugal) and directly in relation to the WideCells arm of the Group's business which will operate a cord blood bank from the laboratory premises at the Core Technology Facility of the UMIC and will need to meet and maintain the relevant accreditation standards it requires to operate effectively.

The need to obtain and maintain business licences

Cord blood banks must be licensed by relevant licensing authorities to operate their businesses. If a cord blood bank fails to obtain or maintain the necessary licence it will not be able to commence or carry on its business. This indirectly and directly impacts on the Group. Currently the licences required in respect of the Group's operations in Brazil, Spain and Portugal are in place. Biocells Brasil is licensed in Brazil by ANVISA; it has successfully maintained this licence for four years and is due to renew the licence in September 2016. WideCells España is licensed in Spain by SERMAS and ONT; it is licensed to promote its services within Madrid, collect samples from the public clinics in Madrid listed in the licence and store samples at the Biosckin laboratory in Portugal. The licence has been in place since February 2014 and is currently in the process of being renewed; the Group is currently making no sales in Spain and will not recommence sales generation in Spain until (amongst other things) all such licences have been renewed. WideCells Portugal is licensed in Portugal by DGS; it has been licensed since July 2013 to provide collection, cryopreservation and storage services at the Biosckin premises pursuant to the Biosckin Agreement and since July 2015 to provide collection, cryopreservation and storage services at the Cytothera laboratory pursuant to the Cytothera Agreement. These licences remain in place indefinitely (subject to the Group's ongoing compliance with their terms) provided that the terms of the Biosckin Agreement and Cytothera Agreement do not change in any material way. If such changes take place WideCells Portugal will need to notify DGS and renew its licences to cover the services provided on the terms of the amended contracts. The Group will seek a licence from the HTA for the cord blood bank it intends to operate from the Core Technology Facility of the UMIC in the third quarter of 2016. This first HTA licence would cover the handling of cord blood and cord tissue, and the Group's expansion plans for the processing and storage of dental pulp cells and adipose tissue will be the subject of (and conditional on the grant of) further HTA licences. Once this initial HTA licence has been obtained, WideCells España and WideCells Portugal intend to apply to SERMAS, ONT and DGS (as applicable) to have their licences varied so as to allow for the export of samples collected by WideCells España and WideCells Portugal to the Group's UK cord blood bank operated from the Core Technology Facility of the UMIC. Only when the Spanish and Portuguese licences have been amended by the relevant authorities following the grant of the initial HTA licence, will the Group recommence sales of its WideCells collection, processing and storage services in Spain and Portugal respectively. These separate licensing requirements and compliance with ongoing licensing requirements place a cost burden on the Group, a time burden on the Group's management and ultimately will present an insurmountable barrier to its business development and growth if the necessary licences (including, particularly, the HTA licences required to commence the operation of the Group's WideCells business at its UMIC site and to expand the UK licences to cover additional tissue types) cannot be obtained or maintained, which could have a material adverse effect on the Group's business, financial condition and results of operations.

Additionally, the Group will seek FCA approval for the intermediation of insurance in respect of the distribution of the CellPlan product with the EU. Failure to obtain this approval could have a material

adverse effect on the Group's business, financial condition and result of operations, although the Company considers that alternative arrangements for the offering of the CellPlan insurance could be put in place utilising appropriately regulated entities under licence agreements with the Group.

The threat of competition and new technology

The stem cell and cord blood banking and services sector is a relatively young sector. Science and technology in this area progress at a rapid pace. There is a risk that the science underpinning the Group's business will reveal alternative, more effective solutions to the issues the Groups' services and products seek to address which will decrease demand for the Group's products and services. In addition, technologies in alternative solutions may advance more rapidly than that which the Group's business relies on, making those alternative solutions more attractive to end users. One such area in which the Directors believe there may be a significant risk in this respect is transplant alternatives, for example involving bone marrow or peripheral blood, which have the potential to achieve superior patient outcomes.

Public awareness

As with any emerging market, such as the stem cell and cord blood banking and services sector, public awareness of the benefit and availability of products and services are critical to a business' success. A study published in the 2006 Journal of Reproductive Medicine identified that a third of expectant parents are unaware of the option to preserve cord blood. Of the two thirds who have some knowledge, 74% describe themselves as "minimally informed." The study also identified that 84% of prenatal patients expected their obstetricians to be able to provide them with information on the subject of cord blood banking; however, only about 14% were educated about cord blood banking by their medical professional. A January 2014 survey of over 600 recent and expectant parents revealed that these percentages have decreased very little since 2006, despite attempts in a significant number of countries across the world to encourage healthcare providers to offer prenatal patients balanced information on both public and private cord blood banking options. (*Source: BioInformant Report*). It is not common place, the world over, for medical professionals practising within the obstetrics field to have had significant education or training on cellular therapy which limits the scope for raising public awareness. There is a risk that if levels of awareness in the sector do not improve it could have a material adverse effect on the Group's business, financial condition and results of operations.

Limitations to the application of medical treatments

There are a number of limitations in relation to the use of stem cells and cord blood in medical treatments, some of which are inherent and some of which arise from the fact that the underlying science and technology is relatively new and of a limited track record. This in turn has an impact on the overall value of, and opportunities within, the stem cell and cord blood banking and services sector. Issues arise in relation to both the ability to apply treatment and the difficulty in implementing possible treatments. For example in relation to the former, there are many conditions for which autologous cord blood transplant cannot be used including for conditions in which there is a genetic origin e.g. leukaemia. In relation to the latter, for example, it is not yet known if stem cells can be stored and maintained for over 15 years, thereby limiting the circumstances in which they can be utilised. These drawbacks may have a negative impact on the public's perception of the sector and decrease demand for its products and services which in turn could have a material adverse effect on the Group's business, financial condition and results of operations.

RISKS RELATING TO THE ORDINARY SHARES

The Standard Listing of the Ordinary Shares affords shareholders a lower level of regulatory protection than a Premium Listing

A Standard Listing affords shareholders in the Company a lower level of regulatory protection than that afforded to investors in a company with a Premium Listing, which is subject to additional obligations under the Listing Rules. A Standard Listing will not permit the Company to gain a FTSE indexation, which may impact the valuation of the Ordinary Shares.

Further details regarding the differences in the protections afforded by a Premium Listing as against a Standard Listing are set out in the section of this document entitled “*Consequences of a Standard Listing*” on page 22 of this document.

The Company may be unable or unwilling to transition to a Premium Listing in the future

The Company is not currently eligible for a Premium Listing under Chapter 6 of the Listing Rules. There can be no guarantee that the Company will ever meet such eligibility criteria or that a transition to a Premium Listing will be achieved. If the Company does not achieve a Premium Listing, the Company will not be obliged to comply with the higher standards of corporate governance or other requirements which it would be subject to upon achieving a Premium Listing and, for as long as the Company continues to have a Standard Listing, it will be required to continue to comply with the lesser standards applicable to a company with a Standard Listing. In addition, an inability to achieve a Premium Listing will prohibit the Company from gaining a FTSE indexation and may have an adverse effect on the valuation of the Ordinary Shares. Further details regarding the difference in the protections afforded by a Premium Listing as against a Standard Listing are set out in the section entitled “*Consequences of a Standard Listing*” on page 22 of this document.

Alternatively, in addition to or in lieu of seeking a Premium Listing, the Company may determine to retain a Standard Listing or to seek a listing on another stock exchange, which may not have standards or corporate governance comparable to those required by a Premium Listing or which Shareholders may otherwise consider to be less attractive or convenient.

Shareholders may not be able to realise returns on their investment in Ordinary Shares within a period that they would consider to be reasonable

Investments in Ordinary Shares may be relatively illiquid for as long as the Company holds a Standard Listing. There may be a limited number of Shareholders and there may be infrequent trading in the Ordinary Shares on the London Stock Exchange and volatile Ordinary Share price movements. Shareholders should not expect that they will necessarily be able to realise their investment in Ordinary Shares within a period that they would regard as reasonable. Accordingly, the Ordinary Shares may not be suitable for short-term investment. Admission should not be taken as implying that there will be an active trading market for the Ordinary Shares. Even if an active trading market develops, the market for the Ordinary Shares may fall below the Placing Price.

There is currently no market for the Ordinary Shares, notwithstanding the Company's intention to be admitted to trading on the London Stock Exchange. A market for the Ordinary Shares may not develop, which would adversely affect the liquidity and price of the Ordinary Shares

There is currently no market for the Ordinary Shares. Therefore, investors cannot benefit from information about prior history when making their decision to invest. The price of the Ordinary Shares after issue can also vary due to a number of factors, including but not limited to, general economic conditions and forecasts, the Company's general business condition and the release of its financial reports. Although the Company's current intention is that its securities should continue to trade on the London Stock Exchange or another suitable listing venue, it cannot assure you that it will always do so. In addition, an active trading market for the Ordinary Shares may not develop or, if developed, may not be maintained. Investors may be unable to sell their Ordinary Shares unless a market can be established and maintained, and if the Company subsequently obtains a listing on an exchange in addition to, or in lieu of, the London Stock Exchange, the level of liquidity of the Ordinary Shares may decline.

Dividend payments on the Ordinary Shares are not guaranteed

The Board will maintain a regular review of the Company's dividend policy. However, it is not intended that dividends will be paid to Shareholders in the near future (see further paragraph 9, *Dividend policy* in *Part I: Information on the Company, the Group and Strategy* below). The Company's ability to pay any dividend will depend on a number of factors, including its results of operations, financial condition and profitability, free cash flow and other factors considered relevant by the Directors. The Company can therefore give no assurance that it will be able to pay dividends going forward or as to the amount of any such dividends.

Fluctuations and volatility in the price of Ordinary Shares

Stock markets have from time to time experienced severe price and volume fluctuations, a recurrence of which could adversely affect the market price for the Ordinary Shares. The market price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, some specific to the Company and some which affect listed companies generally, including variations in the operating results of the Company, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, general economic, political or regulatory conditions, overall market or sector sentiment, legislative changes in the Company's sector and other events and factors outside of the Company's control.

The ability of Overseas Shareholders to bring actions or enforce judgments against the Company or the Directors may be limited

The ability of an Overseas Shareholder to bring an action against the Company may be limited under law. The Company is a public limited company incorporated in England and Wales. The rights of holders of Ordinary Shares which are set out in the Articles and are governed by English law. These rights may differ from the rights of shareholders in non-UK corporations. An Overseas Shareholder may not be able to enforce a judgment against some or all of the Directors and executive officers. A majority of the Directors are residents of the UK. Consequently, it may not be possible for an Overseas Shareholder to effect service of a process upon the Directors within the Overseas Shareholder's country of residence or to enforce against the Directors judgments of courts of the Overseas Shareholder's country of residence based on civil liabilities under the country's securities laws. There can be no assurance that an Overseas Shareholder will be able to enforce any judgments in civil and commercial matters or any judgments under the securities law of countries other than the UK against the Directors who are residents of the UK or countries other than those in which judgment is made. In addition, English or other courts may not impose civil liability on the Directors in any original action based solely on foreign securities laws brought against the Company or the Directors in a court of competent jurisdiction in England or other countries.

RISKS RELATING TO TAXATION

Taxation of returns from assets located outside the UK may reduce any net return to Shareholders

It is possible that any return the Company receives from any assets, company or business which the Company acquires and which is or are established outside the UK may be reduced by irrecoverable foreign taxes and this may reduce any net return derived by Shareholders from a shareholding in the Company.

Changes in tax law may reduce any net returns for Shareholders

The tax treatment of holders of Ordinary Shares issued by the Company, any special purpose vehicle that the Company may establish and any company which the Company may acquire are all subject to changes in tax laws or practices or in interpretation of the law in the UK or any other relevant jurisdiction. Any such change may reduce any net return derived by Shareholders from an investment in the Company.

There can be no assurance that the Company will be able to make returns for Shareholders in a tax-efficient manner

It is intended that the Company will structure the Group to maximise returns for Shareholders in as fiscally efficient a manner as practicable. The Company has made certain assumptions regarding taxation. However, if these assumptions cannot be borne out in practice, taxes may be imposed with respect to any of the Company's assets, or the Company may be subject to tax on its income, profits, gains or distributions in a particular jurisdiction or jurisdictions in excess of taxes that were anticipated. This will alter the post-tax returns for Shareholders (or Shareholders in certain jurisdictions). Any change in laws or tax authority practices or interpretation of the law could also adversely affect any post-tax returns of capital to Shareholders or payments of dividends (if any, which the Company does not envisage to the payment of, at least in the short to medium-term). In addition, the Company may incur costs in taking steps to mitigate any such adverse effect on the post-tax returns to Shareholders.

If any of the risks referred to above materialise, the Company's business, financial condition, results or future operations could be materially adversely affected. In such case, the price of its shares could decline and investors may lose all or part of their investment.

CONSEQUENCES OF A STANDARD LISTING

Application will be made for the Ordinary Shares to be admitted to a listing on the Standard Listing segment of the Official List pursuant to Chapter 14 of the Listing Rules, which sets out the requirements for Standard Listings.

The Company's Ordinary Shares will be listed under Chapter 14 of the Listing Rules (Standard Listing (shares)) and as a consequence a significant number of the Listing Rules will not apply to the Company. Shareholders will therefore not receive the full protection of the Listing Rules associated with a Premium Listing.

The Company will comply with Listing Principles 1 and 2 as set out in Chapter 7 of the Listing Rules, as required by the UK Listing Authority, and intends to comply with the Premium Listing Principles as set out in Chapter 7 of the Listing Rules notwithstanding that they only apply to companies which obtain a Premium Listing on the Official List.

An applicant that is applying for a Standard Listing of equity securities must comply with all the requirements listed in Chapter 2 of the Listing Rules, which specifies the requirements for listing for all securities. Where an application is made for the admission to the Official List of a class of shares, at least 25% of the shares of the class must be distributed to the public in one or more EEA states. Listing Rule 14.3 sets out the continuing obligations applicable to companies with a Standard Listing and requires that such companies' listed equity shares be admitted to trading on a regulated market at all times. Such companies must have at least 25% of the shares of any listed class in public hands at all times in one or more EEA states and the FCA must be notified as soon as possible if these holdings fall below that level.

The continuing obligations under Chapter 14 also include requirements as to:

- the forwarding of circulars and other documentation to the FCA for publication through to the National Storage Mechanism, and related notification to an RIS;
- the provision of contact details of appropriate persons nominated to act as a first point of contact with the FCA in relation to compliance with the Listing Rules and the Disclosure and Transparency Rules;
- the form and content of temporary and definitive documents of title;
- the appointment of a registrar;
- notifying an RIS in relation to changes to equity and debt capital; and
- compliance with, in particular, Chapters 4, 5 and 6 of the Disclosure and Transparency Rules.

As a company with a Standard Listing, the Company will, following Admission, not be required to comply with, *inter alia*, the provisions of Chapters 6 and 8 to 13 of the Listing Rules, which set out more onerous requirements for issuers with a Premium Listing of equity securities. These include provisions relating to certain listing principles, the requirement to appoint a sponsor, various continuing obligations, significant transactions, related party transactions, dealings in own securities and treasury shares and contents of circulars.

As mentioned above, while the Company has a Standard Listing, it is not required to comply with the provisions of, among other things:

- Chapter 6 of the Listing Rules containing additional requirements for the listing of equity securities, which are only applicable for companies with a Premium Listing;
- Chapter 8 of the Listing Rules regarding the appointment of a listing sponsor to guide the Company in understanding and meeting its responsibilities under the Listing Rules in connection with certain matters. The Company does not have and does not intend to appoint such a sponsor in connection with its publication of this document, the Placing or Admission;
- Chapter 9 of the Listing Rules regarding continuous obligations for a company with a Premium Listing, which includes, *inter alia*, requirements relating to further issues of shares, the ability to

issue shares at a discount in excess of 10% of market value, notifications and contents of financial information that are not applicable to the Company;

- Chapter 10 of the Listing Rules relating to significant transactions, meaning that any acquisitions by the Company, will not require shareholder approval under this Chapter (although such approval may be required for the purposes of facilitating the financing arrangements or for other legal or regulatory reasons);
- Chapter 11 of the Listing Rules regarding related party transactions. It should therefore be noted therefore that related party transactions will not require Shareholder consent;
- Chapter 12 of the Listing Rules regarding purchases by the Company of its Ordinary Shares; and
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.

IT SHOULD BE NOTED THAT THE UK LISTING AUTHORITY WILL NOT HAVE THE AUTHORITY TO (AND WILL NOT) MONITOR THE COMPANY'S COMPLIANCE WITH ANY OF THE LISTING RULES WHICH THE COMPANY HAS INDICATED HEREIN THAT IT INTENDS TO COMPLY WITH ON A VOLUNTARY BASIS, NOR TO IMPOSE SANCTIONS IN RESPECT OF ANY FAILURE BY THE COMPANY TO SO COMPLY. HOWEVER THE FCA WOULD BE ABLE TO IMPOSE SANCTIONS FOR NON-COMPLIANCE WHERE THE STATEMENTS REGARDING COMPLIANCE IN THIS DOCUMENT ARE THEMSELVES MISLEADING, FALSE OR DECEPTIVE.

IMPORTANT INFORMATION, PRESENTATION OF FINANCIAL AND OTHER INFORMATION AND NOTICES TO INVESTORS

In deciding whether or not to purchase Ordinary Shares, prospective purchasers should rely only on their own examination of the Company and/or the financial and other information contained in this document.

Purchasers of Ordinary Shares must not treat the contents of this document or any subsequent communications from the Company or any of its respective affiliates, officers, directors, employees or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters.

Prospective investors should inform themselves as to:

- the legal requirements within their own countries for the purchase, holding, transfer or other disposal of the Ordinary Shares;
- any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the Ordinary Shares which they might encounter; and
- 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 therein.

No person has been authorised to give any information or make any representations other than as contained in this document and, if given or made, such information or representations must not be relied on as having been so authorised. Without prejudice to the Company's obligations under the FSMA, Prospectus Rules, Listing Rules and Disclosure and Transparency Rules, neither the delivery of this document nor any subscription made pursuant to it will, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in it is correct as at any time subsequent to its date.

This document comprises a prospectus relating to the Company prepared in accordance with the Prospectus Rules and has been approved by the FCA under section 87A of FSMA. This document has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Rules. No arrangement has however been made with the competent authority in any other member state of the EEA (or any other jurisdiction) for the use of this document as an approved prospectus in such jurisdiction and accordingly no public offer is to be made in such jurisdiction.

This document does not constitute, and may not be used for the purposes of, an offer to sell or an invitation to subscribe for or the solicitation of an offer to buy or subscribe for, any Ordinary Shares by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) in which, or to any person to whom, it is unlawful to make such offer, solicitation or invitation. The distribution of this document and the offering of the Ordinary Shares in certain jurisdictions may be restricted. Accordingly, persons outside the UK into whose possession this document comes are required by the Company to inform themselves about, and to observe any restrictions as to the offer or sale of Ordinary Shares and the distribution of this document under, the laws and regulations of any territory in connection with any applications for Ordinary Shares, including obtaining any requisite governmental or any other consent and observing any other formality prescribed in such territory.

No action has been taken or will be taken in any jurisdiction by the Company or the Directors that would permit a public offering of the Ordinary Shares in any jurisdiction where action for that purpose is required, nor has any such action being taken with respect to the possession or distribution of this document other than in any jurisdiction where action for that purpose is required. Accordingly, the Ordinary Shares may not be offered or sold, directly or indirectly, and neither this document nor any other offering material or advertisement in connection with the Ordinary Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdictions. Any

failure to comply with this restriction may constitute a violation of the securities laws of any such jurisdiction. Neither the Company nor any of the Directors accepts any responsibility for any violation of any of these restrictions by any other person.

An investment in the Company should be regarded as a long-term investment. There can be no assurance that the Company's objectives will be achieved.

It should be remembered that the price of the Ordinary Shares, and any income from such Ordinary Shares, can go down as well as up.

This document should be read in its entirety before making any investment in the Ordinary Shares. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Articles, which prospective investors should review.

FORWARD-LOOKING STATEMENTS

Some of the statements under "*Summary*", "*Risk Factors*", "*Part I: Information on the Company, the Group and Strategy*" and elsewhere in this document include forward-looking statements which reflect the Company's or, as appropriate, the Directors' current views, interpretations, beliefs or expectations with respect to the Company's financial performance, business strategy and plans and objectives of management for future operations. These statements include forward-looking statements both with respect to the Company and the sector and industry in which the Company proposes to operate. Statements which include the words "expects", "intends", "plans", "believes", "projects", "anticipates", "will", "targets", "aims", "may", "would", "could", "continue", "estimate", "future", "opportunity", "potential" or, in each case, their negatives, and similar statements of a future or forward-looking nature identify forward-looking statements.

All forward-looking statements address matters that involve risks and uncertainties because they relate to events that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. Accordingly, there are or will be important factors that could cause the Company's actual results, prospects and performance to differ materially from those indicated in these statements. In addition, even if the Company's actual results, prospects and performance are consistent with the forward-looking statements contained in this document, those results may not be indicative of results in subsequent periods. Important factors that may cause these differences include, but are not limited to:

- the Company's ability to propose effective growth strategies for the Group;
- the Company's ability to ascertain the merits or risks of the operations of the business;
- the Company's ability to deploy the Net Proceeds on a timely basis;
- changes in economic conditions generally and specifically in the Group's markets;
- impairments in the value of the Company's assets;
- the availability and cost of equity or debt capital for future transactions;
- changes in interest rates and currency exchange rate fluctuations, as well as the success of the Company's hedging strategies in relation to such changes and fluctuations (if such strategies are in fact used); and
- legislative and/or regulatory changes, including changes in taxation regimes.

Risks and uncertainties which are material and known to the Directors are listed in the section of this document headed "*Risk Factors*", which should be read in conjunction with the other cautionary statements that are included in this document.

Any forward-looking statements in this document reflect the Company's, or as appropriate, the Directors' current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the Company's future business, results of operations, financial conditions and growth strategy. For the avoidance of doubt, nothing in this paragraph qualifies the working capital statement set out in paragraph 10 of *Part VIII: Additional Information* of this document.

These forward-looking statements speak only as of the date of this document. Subject to any obligations under the Prospectus Rules, the Listing Rules and the Disclosure and Transparency Rules and except as required by the FCA, the London Stock Exchange, the City Code or applicable law and regulations, the Company undertakes no obligation publicly to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or individuals acting on behalf of the Company are expressly qualified in their entirety by this paragraph. Prospective investors should specifically consider the factors identified in this document which could cause actual results to differ before making an investment decision.

NOTICE TO US SHAREHOLDERS AND SHAREHOLDERS IN CERTAIN RESTRICTED JURISDICTIONS

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

The Ordinary Shares have not been and will not be registered under the Securities Act, or under the securities laws or with any securities regulatory authority of any state or other jurisdiction of the United States or of Australia, Canada, Japan, New Zealand, the Republic of Ireland or the Republic of South Africa, or any province or territory thereof. Subject to certain exceptions, The Ordinary Shares may not be taken up, offered, sold, resold, reoffered, pledged, transferred, distributed or delivered, directly or indirectly, and this document may not be distributed by any means including electronic transmission within, into, in or from the United States, Australia, Canada, Japan, New Zealand, the Republic of Ireland or the Republic of South Africa or to for the account of any national, resident or citizen of the United States or any person resident in Australia, Canada, Japan, New Zealand, the Republic of Ireland or the Republic of South Africa. The Ordinary Shares may only be offered or sold in offshore transactions as defined in and in accordance with Regulation S promulgated under the Securities Act. Acquirers of the Ordinary Shares may not offer to sell, pledge or otherwise transfer the Ordinary Shares in the United States, or to any US Person as defined in Regulation S under the Securities Act, including resident corporations, or other entities organised under the laws of the United States, or non-US branches or agencies of such corporations unless such offer, sale, pledge or transfer is registered under the Securities Act, or an exemption from registration is available. The Company does not currently plan to register the Ordinary Shares under the Securities Act.

The ability of an Overseas Shareholder to bring an action against the Company may be limited under law. The rights of holders of Ordinary Shares are governed by English law and by the Articles. These rights differ from the rights of shareholders in typical US corporations and some other non-UK corporations.

NOTICE TO EEA SHAREHOLDERS

In relation to each member state of the EEA which has implemented the Prospectus Directive (each, a “relevant member state”) with effect from and including the date on which the Prospectus Directive was implemented in that relevant member state (the “relevant implementation date”), no Ordinary Shares have been offered or will be offered pursuant to the Placing to the public in that relevant member state prior to the publication of a prospectus in relation to the Ordinary Shares which has been approved by the competent authority in that relevant member state or, where appropriate, approved in another relevant member state and notified to the competent authority in the relevant member state, all in accordance with the Prospectus Directive, except that with effect from and including the relevant implementation date, offers of Ordinary Shares may be made to the public in that relevant member state at any time:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

- (b) to any legal entity which has two or more of: (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €43 million; and (iii) an annual turnover of more than €50 million, as shown in its last annual or consolidated accounts;
- (c) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) in such relevant member state; or
- (d) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Ordinary Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purpose of these provisions, the expression an “offer to the public” in relation to any Ordinary Shares in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the Placing and any Ordinary Shares to be offered so as to enable an investor to decide to purchase any Ordinary Shares, as the same may be varied in that relevant member state by any measure implementing the Prospectus Directive in that relevant member state, and the expression “Prospectus Directive” includes any relevant implementing measure in each relevant member state.

In the case of any Ordinary Shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Ordinary Shares acquired by it in the Placing have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Ordinary Shares to the public other than their offer or resale in a relevant member state to qualified investors as so defined or in circumstances in which the prior consent of the Company has been obtained to each such proposed offer or resale. Each of the Company and its respective affiliates, and others, will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

NOTICE TO OVERSEAS SHAREHOLDERS

An Overseas Shareholder may not be able to enforce a judgment against some or all of the Directors and executive officers. The Company is incorporated under the laws of England and Wales but some of the Directors are not residents of the UK. Consequently, it may not be possible for an Overseas Shareholder to effect service of process upon the Directors within the Overseas Shareholder’s country of residence or to enforce against the Directors judgments of courts of the Overseas Shareholder’s country of residence based on civil liabilities under that country’s securities laws. There can be no assurance that an Overseas Shareholder will be able to enforce any judgments in civil and commercial matters or any judgments under the securities laws of countries other than the UK against the Directors who are residents of the UK or countries other than those in which judgment is made. In addition, English or other courts may not impose civil liability on the Directors in any original action based solely on the foreign securities laws brought against the Company or the Directors in a court of competent jurisdiction in England or other countries.

NOTICE TO ALL SHAREHOLDERS

Copies of this document will be available on the Company’s website, www.widecellsgroup.com, from the date of this document until the date which is one month from the date of Admission.

THIRD PARTY INFORMATION

Where information contained in this document has been sourced from a third party, the Company confirms that such information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

DATA PROTECTION

The Company may delegate certain administrative functions to third parties and will require such third parties to comply with data protection and regulatory requirements of any jurisdiction in which data

processing occurs. Such information will be held and processed by the Company (or any third party, functionary or agent appointed by the Company) for the following purposes:

- (a) verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- (b) carrying out the business of the Company and the administering of interests in the Company;
- (c) meeting the legal, regulatory, reporting and/or financial obligations of the Company in the United Kingdom or elsewhere; and
- (d) disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company.

Where appropriate, it may be necessary for the Company (or any third party, functionary or agent appointed by the Company) to:

- (a) disclose personal data to third party service providers, agents or functionaries appointed by the Company to provide services to prospective investors; and
- (b) transfer personal data outside of the EEA to countries or territories which do not offer the same level of protection for the rights or freedoms of prospective investors as the United Kingdom.

If the Company (or any third party, functionary or agent appointed by the Company) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data it will use reasonable endeavours to ensure that any third party, agent or functionary to whom the relevant personal data is disclosed or transferred is contractually bound to provide an adequate level of protection in respect of such personal data.

In providing such personal data, investors will be deemed to have agreed to the processing of such personal data in the manner described above. Prospective investors are responsible for informing any third party individual to whom the personal data relates of the disclosure and use of such data in accordance with these provisions.

DEFINED TERMS

Except for certain names of natural persons and legal entities and capitalised terms that need no further explanation, the capitalised terms used in this document, including capitalised abbreviations, are defined or explained in *Part IX: Definitions*, starting on page 107 of this document.

CURRENCY

Unless otherwise indicated, all references in this document to “GBP”, “£”, “pounds sterling”, “pounds”, “sterling”, “pence” or “p” are to the lawful currency of the United Kingdom; all references to “\$”, “US\$” or “US dollars” are to the lawful currency of the US; all references to “R\$” or “Real” are to the lawful currency of Brazil; and all references to “€” or “euro” are to the lawful currency of the Euro zone countries.

NO INCORPORATION OF WEBSITE TERMS

Except to the extent expressly set out in this document, neither the content of the Company’s website or any other website nor the content of any website accessible from hyperlinks on the Company’s website or any other website is incorporated into, or forms part of, this document.

GOVERNING LAW

Unless otherwise stated, statements made in this document are based on the law and practice currently in force in England and Wales and are subject to changes therein.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	22 July 2016
Announcement confirming results of Placing	8.00 a.m. on 27 July 2016
Completion of the Placing, Admission and commencement of unconditional dealings in Ordinary Shares	8.00 a.m. on 27 July 2016
Despatch of definitive share certificates for Ordinary Shares in certificated form and certificates in respect of the Warrants by no later than	10 August

These dates and times are indicative only and subject to change, in which case new dates will be announced. All references to time in this document are to London time unless otherwise stated.

PLACING STATISTICS

Number of Existing Ordinary Shares	30,400,000
Placing Price	11 pence per Ordinary Share
Number of Placing Shares	18,181,819
Number of Conversion Shares	5,443,515
Number of Fee Shares	32,727
Enlarged Share Capital in issue on Admission following the issue of the Placing Shares, the Conversion Shares and the Fee Shares	54,058,061
Percentage of Enlarged Share Capital represented by the Placing Shares	33.63%
Percentage of the Enlarged Share Capital represented by the Conversion Shares	10.05%
Percentage of the Enlarged Share Capital represented by the Fee Shares	0.06%
Gross proceeds of the Placing	£2,000,000
Proceeds of the Placing receivable by the Company (after deduction of transaction costs)	£1,725,000
Aggregate number of Option Shares, Warrant Shares and Broker Warrants	5,649,029
Enlarged Share Capital on a fully diluted basis	59,707,090
Enlarged Share Capital as a percentage of fully diluted capital of the Company	90.54%

DIRECTORS, AGENTS AND ADVISERS

Directors	Dr Richard Graham (“Graham”) Hine (<i>Non-Executive Director and Chairman</i>) João Goncalves Andrade (<i>Group Chief Executive Officer</i>) João Carlos Martins Loureiro Lopes (“Lopes”) Gil (<i>Group Chief Operating Officer</i>) Dr Peter Hollands (<i>Group Chief Scientific Officer</i>) David Vernon Bridgland (<i>Group Chief Financial Officer</i>) Dr Marilyn Margaret Orcharton (<i>Non-Executive Director</i>) (<i>All c/o the registered office</i>)
Company Secretary	David Vernon Bridgland
Registered Office	Core Technology Facility 46 Grafton Street Manchester M13 9NT England
Brokers	Smaller Company Capital Limited 3rd Floor 15 Eldon Street London EC2M 7LD Shard Capital Partners LLP 23rd Floor 20 Fenchurch Street London EC3M 3BY
Solicitors to the Company	Fladgate LLP 16 Great Queen Street London WC2B 5DG
Auditors and Reporting Accountants	Critchleys LLP Greyfriars Court Paradise Square Oxford OX1 1BE
Public Relations and Investor Relations	St Brides Partners Limited 3 St Michael’s Alley London EC3V 9DS Shard Capital Partners LLP 23rd Floor 20 Fenchurch Street London EC3M 3BY
Registrar	SLC Registrars 42-50 Hersham Road Walton-on-Thames Surrey KT12 1RZ
Website	www.widecellsgroup.com
ISIN	GB00BD060S65
SEDOL	BD060S6
Ticker	WDC

PART I

INFORMATION ON THE COMPANY, THE GROUP AND STRATEGY

1. Introduction

WideCells Group plc is incorporated in England and Wales, and is the holding company of the Group, which operates in the stem cell and cord blood banking and services sector.

The Company was incorporated on 24 May 2016 and on 21 June 2016 re-registered as a public limited company.

Having raised private financing to establish its initial operations, the Company has applied for Admission and is conducting the Placing with the intention of building an integrated stem cell services company, focused on promoting stem cell treatments by making them accessible and affordable. The Directors believe that the use of cord blood stem cells for transplant will drive one of the next important phases in medicine and the Group is developing market leading products in complementary, strategic areas which are designed to take advantage of substantial market opportunities in one of the fastest growing segments in the healthcare industry.

The Group has built an experienced senior management team that has been integral to the development of its growth and business to date. The Group's CEO, João Andrade, COO Lopes Gil and CSO Dr Peter Hollands have between them over 30 years' senior level experience in the stem cell market. The team is further strengthened by the appointment as a non-executive director of Dr Marilyn Orcharton, a qualified dentist and co-founder of Denplan, the UK's dental payment plan specialist. Dr Graham Hine, non-executive Chairman, is a technology entrepreneur with a background in leading, growing and successfully exiting technology companies, and CFO David Bridgland has over 20 years' experience leading companies ranging from privately owned and venture capital backed companies, to major listed companies.

2. History of the Group

The Group was founded in 2012 as a new participant in the growing cord blood industry, focusing on umbilical cord blood and tissue services in Portugal. During 2013, WideCells Portugal was incorporated and the Portuguese business launched. WideCells Portugal's first agreement was to provide outsourced umbilical cord blood and tissue services to a Portuguese biotechnology and healthcare company, Biosckin. WideCells Portugal developed all the legal documents to promote the services, developed a quality management system and obtained a licence in July 2013 from the Portuguese regulatory agency Direção Geral de Saúde (DGS) to provide collection, cryopreservation and storage services at the Biosckin cord blood bank laboratory. WideCells Portugal then developed a similar relationship with another Portuguese biotechnology and healthcare company, Cytothera, and obtained a further licence from the DGS in July 2015 to provide collection, cryopreservation and storage services at the Cytothera cord blood bank laboratory.

The Group's initial stake in WideCells Portugal comprised a 60% interest, which was acquired in 2013, and in December 2015 the Group acquired 100% of WideCells Portugal.

Towards the end of 2013, a sales and administrative team was established, and the first orders were received. In 2014, as the company continued to grow, WideCells Portugal received the support of a number of prominent celebrity figures who endorsed its services, which enabled the company to achieve brand awareness within Portugal, and enabled the company to organise workshops in private hospitals and enter into commercial agreements with various hospitals and pharmacies. During 2013 and 2014, WideCells Portugal received approximately 140 orders and stored 113 samples, with a further 65 orders and 55 samples up to May 2015.

Encouraged by this progress, in January 2014 the Group acquired a 56% interest in Nacersalud S.L. (which changed its name in January 2016 to WideCells España S.L.), a Madrid based stem cell services company, licensed by the local regulatory authority, Servicio Madrileño de Salud (SERMAS) and the national regulatory authority, Organización Nacional de Trasplantes (ONT). Widecells España had commercial agreements with 19 hospitals in Madrid at the time of such acquisition.

In December 2015 the Group acquired 100% of WideCells España.

Currently, the Group is an international provider of stem cell collections and storage services, currently supplying products and services in Portugal and Spain to customers including patients, cord blood banks, hospitals and other medical institutions. The Group's recent focus has primarily been on the development of its Cells Plan insurance product and the WideCells business at the University of Manchester Innovation Centre, as described in paragraph 4 (Strategy) below, rather than pursuing additional sales in Spain and Portugal.

Through its licensing arrangements with Biocells Brasil, described in more detail in paragraph 4 (Strategy) below, the Group is also to promote its services in Brazil. Biocells Brasil operates a stem cell laboratory in São Paulo, Brazil, licensed by the Brazilian regulatory authority, the Agência Nacional de Vigilância Sanitária (ANVISA).

3. The stem cell and cord blood banking and services sector

Background to stem cell extraction, storage and applications

Stem cell treatments

Since the first stem cell transplant occurred more than 50 years ago (1957), there has been a very significant increase in stem cell transplants. While bone marrow stem cells are the most commonly recognised type of stem cell used in transplant, cord blood stem cells (which are similarly haematopoietic stem cells or HSCs) are increasingly showing advantages over other stem cell sources, including reduced immune reactions and a greater flexibility for tissue-mismatched cord blood units to be used in transplant. Within the past ten years the proportion of cord blood transplants has significantly increased.

Stem cell technology began in the 1950s with the discovery of bone marrow stem cells and the use of these haematopoietic stem cells to treat blood disorders. Through the 1960-70s, bone marrow transplantation was the routine treatment for leukaemia, aplastic anaemia and related blood disorders. Most of these bone marrow transplants were allogeneic with donor cells coming from unrelated donors who donated their bone marrow to treat others. Bone marrow transplantation ideally requires a 100% tissue type match between donor and recipient in order to avoid the risk of graft-versus-host disease (GVHD) in the recipient which is a potentially fatal consequence of bone marrow transplantation. As a result many patients were unable to find a suitable bone marrow donor and these patients often died whilst waiting for a donor. The extraction and long-term storage of cord blood can potentially alleviate this issue, particularly within families, by making available a source of stem cells with advantageous properties. Further, significant research and ongoing clinical trials are directed at the use of autologous cord blood stem cells, for example in the treatment of cerebral palsy. Currently stem cells are typically transplanted for patients with certain disorders of the blood or bone marrow, such as leukaemia and multiple myeloma, and have been utilised in treating over 80 different diseases, including sickle cell anaemia and thalassemia.

Cord blood

Cord blood is blood from the placenta drawn through a newly cut umbilical cord. It may be collected for either research purposes or for transfusion in the same (autologous) or another (allogeneic) person at a later time, as a form of cellular therapy. The transfer of cord blood is one form of hematopoietic stem cell (HSC) transplantation, with other common methods being bone marrow and peripheral blood stem cell transplants, with certain advantages over bone marrow stem cells as referred to above. More recently, in addition to cord blood, cord tissue, being the physical tissue which forms the umbilical cord in a new born baby, through which the cord blood flows, may be collected and stored as an additional service when storing cord blood. It is rich in mesenchymal stem cells, which are currently used in clinical trials around the world.

Cord blood stem cells are readily available and are simply obtained by the collection of the blood normally left in the umbilical cord and placenta after delivery. This does not interfere with the birth process, and there are no known risks to mother or baby. Cord blood is processed in a clean room laboratory to concentrate the stem cells for transplant, and frozen in liquid nitrogen. Once frozen, stem cells are theoretically stable indefinitely, but are usually retained for approximately 25 years.

Umbilical cord blood (UCB) banking and private services

Historically, a variety of cord blood banks have been created worldwide in order to appropriately preserve donated UCB units. Initially, blood services were typically run by hospitals or non-profit institutions, which processed UCB samples and provided cells when needed for public medical purposes. More recently, private companies have been offering UCB storage for clients' own or for family-related use, and within the last decade have extended such services to cord tissue and other sources of stem cells e.g. placental tissue. Private banks usually charge a first-year processing fee ranging from about \$1,400 to \$2,300, plus annual storage costs of about \$115 to \$150, although discounts may be offered if prepaid for longer periods of storage (5, 10, 20 or 25 years). A new trend in the industry is to offer a single, discounted, all-inclusive price for 20 or 25 years of cell storage. Accordingly, there is a significant variation in pricing, as well as in the quality and guarantees offered by cord blood banks.

The main benefit of choosing a private cord blood bank is that it ensures that there will be cord blood stem cells available if the baby or relatives require transplantation. Studies have demonstrated that cord blood stem cells from a genetically related family member result in better transplant outcomes, less transplant-related mortality, and improved long-term survival compared with stem cells from unrelated donors sourced from a public bank. Privately stored stem cells are genetically unique to a child and his or her family, offering the highest possibility for a successful outcome when transplanted to a biologically related relative. Parents who choose to bank their child's cord blood stem cells for family use typically do so because they feel that it offers a form of "medical insurance" that guarantees that cord blood stem cells will be available if medically required.

Additional reasons to privately bank cord blood stem cells include:

- cord blood stem cells are an exact biological match for the child from whom they are sourced. Consequently, they eliminate any risk of rejection in transplant to that individual;
- related stem cells are the preferred choice of transplant by many physicians, as they cause fewer recipient problems;
- cord blood stem cells have a 25% probability of being a perfect match and a 50% probability of providing a suitable match for transplant use with a sibling; and
- privately banked cord blood stem cells may also provide a suitable match for parents, grandparents, cousins and other biologically-related family members.

As most medical conditions do not arise until later in life, families with private stored stem cells are likely to be the first to benefit from emerging stem cell therapies and advances in regenerative medicine.

To date minority populations have been drastically under-represented in public stem cell storage registries, and accordingly mixed ethnic parents may particularly benefit from private UCB banking, as they have limited access to donor matches in current registries.

The market and recent trends

The cord blood banking market was valued at US\$2.40 billion in 2015 and is expected to grow at a CAGR (compound annual growth rate) of 8.3% from 2015 to 2020, to reach an estimated value of US\$3.58 billion in 2020 (*Source: BioInformant Report*). As one of the fastest growing segments of the stem cell market, the number of cord blood banks worldwide has grown from 23 in 2004 to over 500 in 2013 (*Source: BioInformant Report*).

The Directors believe that the Group's growth will be driven by the following factors, amongst others:

- while the cord blood market in the US is reasonably mature (cord blood banks emerged in the US in the 1990s), it is an early-stage market in other areas of the world where cord blood banks were not well established until the 2000s. This provides potential for growth and expansion within these regions;
- cord blood stem cells are relatively uncontroversial because they are derived from living new-borns. This is a major advantage over other stem cell types, such as human embryonic stem cells. WideCells is not involved in embryonic stem cell research;

- the effectiveness of cord blood transplants has been widely validated, with 30,000 transplants performed worldwide to date;
- cord blood is a very versatile biological material, as it can be used to treat a wide range of blood diseases, genetic and metabolic disorders, immunodeficiencies, and various forms of cancer;
- cord blood is a naturally occurring resource available during the birthing process;
- collecting cord blood for transplant use is a safe, easy and pain-free process. Thus, cord blood transplant has a distinct advantage over directly competing alternatives, such as bone marrow transplant. Bone marrow transplant involves a painful extraction process, use of local anaesthesia, and higher risks of latent viral infection to the donor;
- the cord blood industry is not restricted from offering financial incentives to doctors (obstetricians) for their support, despite the fact that the pharmaceutical industry is highly regulated in this regard;
- the industry serves expectant parents, and broadly speaking, expectant parents are open-minded about options that could provide protection to their families;
- public perception toward cellular therapy is becoming increasingly favourable. There has been increasingly frequent news coverage about stem cell transplants being used to treat serious medical conditions, as well as to heal traumatic injuries for sports icons;
- there is potential to expand market size through increasing public awareness;
- new clinical trial data support applications for HSCs from cord blood and MSCs from cord tissue;
- there is substantial deal making within the industry, including mergers, acquisitions and funding rounds;
- the potential for cross-organisational collaboration through formation of cord blood industry associations (currently occurring in the United States and South America); and
- there is a trend toward diversification within the industry, with cord blood banks effectively becoming stem cell banks through the storage of cord blood, cord tissue, and in some cases, placental tissue, amniotic fluid, and more.

4. Strategy

Current Business Strategy

The Directors believe that the growth of the global cord blood banking industry, and the trends within the industry referred to above, will create opportunities for the growth of the Group's services and products.

The Company's strategy in the cord blood banking market comprises three key elements:

- it is intended that the CellPlan insurance product, which the Group has developed with Best Doctors, will give customers access to renowned specialists and hospitals globally and will include cover for medical, travel, accommodation expenses (including a companion), arranging doctors' appointments, hospitalisation, paperwork and bills. The Company expects that the CellPlan insurance will be priced within the range of £100 - £300 p.a. (depending on the country). The Group will be entitled to commission based on a percentage of the net premium of each policy sold;
- through its WideCells business, the Group is establishing a laboratory at the University of Manchester Innovation Centre. The facilities at UMIC will include two clean rooms that will be used for stem cell processing, and a large room which will be used for freezing and storing a range of human tissues. WideCells will collect, process and store tissue of various kinds in cryopreservation conditions. The average cost to the consumer is expected to be in the region of £2,000; and

- the Company is developing WideAcademy, which is the research and development branch of the Group. It will offer a series of online stem cell training courses for healthcare professionals. The Directors believe that training will help to accelerate the growth of the stem cell market. These e-learning stem cells courses are being developed in partnership with the University of Westminster.

CellPlan

The Group has developed the CellPlan insurance product with partners Best Doctors (a market leading global medical advisory group specialising in providing expert medical opinion to ensure that a patient receives a correct diagnosis and appropriate treatment plan), and a health insurance underwriter, as a specialist insurance programme to cover individuals' and families' costs in the event of certain specific diagnoses, and for the costs of treatment using the stored stem cells.

The Directors believe that the CellPlan insurance product, which is expected to be priced at between £100 and £300 per annum, will be attractive to users of cord blood banking services by providing them with assistance to obtain the right diagnosis for a stem cell treatment and ensuring that treatment should be both accessible and affordable.

CellPlan insurance will provide: access to stem cell specialists and hospitals worldwide; access to an expert second medical opinion for an in depth review of the insured's medical files, for confirmation of the diagnoses, and the identification of the most effective treatment plan; global concierge service if treatment is carried out abroad; and cover for up to €1 million of medical, travel and accommodation expenses, if the patient has been diagnosed with certain, specified illnesses, and is being treated with the stem cells stored by those cord blood banks which are members of the membership programme for cord blood banks, more particularly described below. Best Doctors will be responsible for claims handling, as part of their existing operations, the provision of the expert second medical opinion, and for providing insurance and re-insurance capacity.

Further details of the agreement between the Group and Best Doctors are set out in paragraph 9.10 of *Part VIII: Additional Information* of this document.

The Directors anticipate that the availability of such an insurance product in the market will help to create rapid growth in the cord blood banking market. In the months following Admission, the Group and Best Doctors will, in accordance with the terms of the agreement, establish agreements with cord blood banks, and finalise operational plans and the marketing programme. As at the date of this document, the Group has commenced negotiations with four leading cord blood banks, with operations in the UK and continental Europe (including Germany, Belgium and Switzerland) and in aggregate storing in excess of 500,000 tissue samples, in connection with the marketing of the CellPlan insurance product. The Directors anticipate that sales of the CellPlan insurance product will commence within six months of Admission.

Additionally, the Group is intending to establish a membership programme for cord blood banks, where membership will be dependent upon positive assessment against technical and regulatory criteria. Such membership is expected to drive take-up of UCB services at member UCB suppliers, and enhance the Group's overall product and services offering by association with high-quality UCB institutions.

WideCells

WideCells is the most established arm of the Group, which has historically offered stem cell processing, retrieval and storage services in Spain and Portugal. The Group has been offering umbilical cord stem cells processing and storage services under its BabyCells brand in Portugal since early 2014.

The Group is in the process of establishing and licensing collection, storage and processing facilities at its laboratory at UMIC, which is designed to apply industry-leading techniques to optimise the viability and usability of stem cells, and is well positioned to capture an increasing share of the cord blood banking market in Europe, Middle-East and Africa.

Subject to obtaining HTA licences, WideCells will offer the collection, processing and storage of cord blood and cord tissue from new-borns, as well as the storage of dental pulp from children's

deciduous teeth and adipose tissue storage from adults. As such, the Group would be positioned to store stem cells for individuals anywhere along the age spectrum. With this approach, the Directors believe the Group will have the potential to grow into a leading global provider of stem cell services.

WideCells Limited, one of the Subsidiaries, has a three-year lease from 1 July 2016 over a laboratory unit at the Core Technology Facility of the UMIC which will house two clean rooms and a tissue storage facility, and has acquired certain infrastructure and fittings at the premises from the previous tenant of the unit. Further details of the lease and such acquisition are set out in paragraph 15 *Premises* and paragraph 9.11 of *Part VIII: Additional Information* of this document. In addition to the acquisition of laboratory and other technical equipment and systems as referred to below, following Admission the Group will undertake some limited refurbishment work at the UMIC facilities.

The Group intends, following Admission, to acquire certain additional laboratory equipment, including a “Biosafe Sepax” processing system (manufactured by the Biosafe Group SA) for the processing of human tissue. This would be used in a grade B clean room and in a class II biosafety cabinet where required so as to achieve a grade A air supply. In order to carry out freezing services, the Group intends to acquire and use a “Planer” controlled rate freezer (manufactured by Planer PLC) which would allow cord blood units to be stored in the vapour phase of liquid nitrogen. In terms of IT systems and document control the Group intends to acquire and use “Stemsoft” software (created by Stemsoft Software Inc. for the particular needs of the stem cell and cord blood banking and services sector) and a “Q Pulse” quality management system (created by Ideagen PLC).

The initial processing capacity of the facility is expected to be approximately 1,000 cord blood and 1,000 cord tissue samples per year. This capacity can be increased in the facility, albeit dependent on investment in additional equipment and staff. The facility will also be able, when licensed to do so, to process limited numbers of dental pulp and adipose tissue collections.

The initial storage capacity of the facility, which is based on a single large storage tank, is anticipated to provide storage space for up to two years’ operations. The storage area has capacity of another four storage tanks and additional storage space is potentially available at UMIC. The laboratory staff will initially consist of a full-time laboratory manager and a full-time technician. The Chief Scientific Officer, Dr Hollands, is based in the Manchester area and will oversee WideCells’ operations at the laboratory.

The Group will utilise human tissue-accredited services to transport samples from around the world to its UK facilities.

The University of Manchester also has its Faculty of Life Sciences and Cardiovascular Research in the UMIC building, which may enable further academic and research collaboration with WideCells. In addition UMIC is adjacent to Manchester Royal Infirmary that may enable collaboration with clinical teams in the future.

The Directors anticipate that the WideCells laboratory at UMIC will become licensed by the United Kingdom HTA for procurement, import/export, processing, storage and distribution of certain human stem cells by the end of 2016. The application process will initially be for cord blood and cord tissue stem cells and the intention is to make the licence application in the third quarter of 2016. This will enable the HTA to review the application with a view to the WideCells laboratory being fully licensed and operational for umbilical stem cells under its BabyCells brand by the end of 2016. Once operational with cord blood and cord tissue, further applications are expected to be made to the HTA to enable the processing of dental pulp stem cells and adipose tissue. The Directors currently anticipate that the facilities will become fully licensed and operational in respect of these additional tissue types by the end of 2017.

Through the Group’s licensing arrangements with Biocells Brasil, the Group has access to Biocells Brasil’s cord blood bank facilities based in São Paulo, Brazil, which comprise ANVISA licensed storage and processing facilities. The facilities currently have storage capacity for 3,000 samples, with significant expansion potential. Under the arrangements with Biocells Brasil, the Group has licensed to Biocells Brasil its services, know-how and branding for the collection, processing and storage of umbilical cord blood and tissue, adipose tissue and dental pulp, which Biocells Brasil will promote and supply in Brazil, subject to the payment of certain royalties and commissions to the Group. The Group anticipates that its BabyCells branded services for umbilical tissue storage will be

offered by Biocells Brasil from July 2016. Further details of this agreement are set out in paragraph 9.13 of *Part VIII: Additional Information* of this document. Biocells Brasil has been recently rebranded as “WideCells Brasil”.

WideAcademy

The Group will also offer training courses for healthcare professionals on stem cell matters through its WideAcademy business. Training courses are being developed in partnership with the University of Westminster, and will include courses on umbilical cord blood tissue collection processing and storage; umbilical cord blood tissue transplantation; dental pulp stem cell technology; and lipo tissue stem cells technology. WideAcademy’s courses will be disseminated online, providing students with flexible, and accessible, highly focused content. The courses will be developed from September 2016.

WideAcademy may also offer seminars and congresses in stem cell technology, and in future may expand through partnerships with other universities.

The Directors anticipate that the WideAcademy courses will drive take-up of the Group’s WideCells services.

Future strategy

In addition to the above, the Company plans to expand the offerings of the Group by developing the following products and services:

- OssGraft: a synthetic bone substitute that is intended to encourage cell growth and bone regeneration;
- TeethCells: dental pulp stem cells processing and storage; and
- LipoCells: adipose tissue stem cells processing and storage.

5. Regulatory regime

The stem cell and cord blood banking sector is subject to regulation by the governments of the countries in which companies operate. The requirements vary greatly from being extremely onerous, as in Italy and France, where privately storing cord blood is entirely prohibited, to Africa and some parts of Asia where regulation is relatively light.

In the United Kingdom, regulation is overseen by the Human Tissue Authority, an executive body of the Department of Health, with which any company which handles human tissue must be registered. The HTA was set up in 2005.

The HTA operates a dual regime. In part, it registers and records companies operating within this sphere, and also investigates complaints and inspects companies. Similar regulatory oversight exists in the Group’s other jurisdictions of operation: the DGS in Portugal, the ONT and SERMAS in Spain and ANVISA in Brazil.

All necessary licences in relation to the handling of human tissue are in place for the Group’s current operations. As referred to above in paragraph 4 *Strategy*, the Group is yet to apply to the HTA for the necessary authorisations to commence the WideCells business at the UMIC. Similarly, and as referred to on page 17 under the risk factor “*The need to obtain and maintain business licences*”, WideCells España and WideCells Portugal will only apply to have their licences varied so as to allow exports of human tissue to the WideCells business operated from the UMIC once the HTA licence is in place. As is the case for all licensees, all authorised entities, including Group companies and Biocells Brasil, are subject to regular inspections and renewal processes.

6. Key strengths

The Directors believe that the Company’s combination of high quality innovative services, in complementary strategic areas, designed to take advantage of substantial market opportunities in one of the fastest growing segments of the healthcare industry, is a key strength of the Group.

The Directors believe that the Company should be well-placed to compete against other market participants in the stem cell and cord blood banking and services sector due to the collectively strong track record, understanding and experience of its Board as outlined in this *Part I: Information on the Company, the Group and Strategy* and in *Part II: Directors and Corporate Governance*.

The Directors believe that the Group's CellPlan insurance product will be the most attractive product suite on the market, owing to: the Group's partnership with Best Doctors; the key differentiating features of the insurance coverage, including the high financial limit of coverage, high levels of service provision including a concierge service, the territorial scope of the coverage being global, and limited pre exclusions; and complementary services for the UCB industry such as the establishment of a membership programme where membership will be dependent upon positive assessment against technical and regulatory criteria.

The Directors believe that its arrangements with Best Doctors will allow the Group to benefit from the experience, brand reputation and back-office infrastructure of Best Doctors and its relationships with specialist medical insurance underwriters, in order to help drive take-up of the CellPlan insurance product, which in turn is expected to increase take-up of the Group's WideCells storage and processing services.

Taken on a standalone basis, the Group's WideCells business has a number of competitors offering accredited storage and processing services in the UK, Europe and other jurisdictions for cord blood. However, the Directors believe that the integration of the WideCells business with the Group's CellPlan business, including the Group's association with Best Doctors and with high-quality service providers through its membership programme, will enable the WideCells business to be competitive with other stem cell storage and processing firms, particularly as the Group expands into broader stem cell banking services such as in relation to dental pulp and adipose tissue. Additionally, the Directors believe that the education and training courses being developed by the WideAcademy business will serve to promote the Group's WideCells business.

Additionally, as a listed company, the Company will have considerable flexibility in how it would be able to raise any necessary further finance.

7. Key assumptions

The Directors expect that there will be a significant demand for stem cell treatment insurance and increased demand for cord blood banking services. The Directors have made the following key assumptions in relation to the Group's strategy as set out in paragraph 4 *Strategy* above:

In relation to CellPlan:

- the 3,000,000 cord blood samples held in storage in 500 cord blood banks across the world as at the date of this document are increasing by 250,000 a year;
- the cost of stem cell treatment can be up to £300,000;
- though some countries may cover the cost of treatment based on stem cell techniques, not all will; and no country will cover the full range of services offered by the CellPlan insurance which includes a medical expert second opinion, concierge services and cover for travel and accommodation costs;
- the CellPlan insurance product will be purchased by 10,000 clients in the first year following the launch of the product; another 30,000 clients in the second year following its launch; and another 60,000 in the third year following its launch. The Directors consider that this is a small fraction of the potential available market for sales in the first three years following the launch of the CellPlan insurance product; and
- similar insurance products, if launched in competition within the first two years following the launch of the CellPlan product, will grow acceptance of the stem cell treatment insurance in the market, and therefore will have no overall impact on CellPlan's growth.

In relation to WideCells:

- there are 500,000 births each year in WideCells' initial target market of UK, Portugal, Spain and Brazil;
- of this number, there will be 50,000 (10%) umbilical cord blood samples stored per year;
- WideCells will take less than 2% of this market in the first two years following the licensing and putting into operation its new facility at UMIC; and
- the average price paid for this service in the Group's target markets is £2,000.

In relation to WideAcademy:

- WideAcademy's training courses will be developed over the six months commencing in September 2016 and will be and marketed towards the end of the first year from commencement of development.

8. Reasons for Admission and the Placing, use of proceeds and sensitivity analysis

Use of proceeds and sensitivity analysis

The Company expects to raise gross proceeds of approximately £2,000,000 and Net Proceeds of approximately £1,725,000 from the Placing. The Net Proceeds will be used, principally, to establish the CellPlan insurance product by entering into agreements with major cord blood banks to offer it to their existing customers and conducting other marketing operations in respect of it, and to set up the WideCells stem cell processing and storage facility at UMIC. The Directors anticipate that the operations of the Group during the second year following Admission will be self-funding from growth in sales.

The Directors anticipate that, in the 12 months following Admission, the Net Proceeds will be applied as follows:

Expense	Estimated amount £
Capital expenditure to fit out and equip stem cell processing and storage laboratory and office for WideCells at UMIC	205,000
Employ up to 16 staff to establish and run WideCells' operations including sales, technical / processing and administration	318,000
Employ up to 5 staff to run CellPlan's operations including marketing, sales and administration	108,000
Board costs for executive and non-executive directors	417,000
Lease of premises at UMIC	66,000
Marketing costs	106,000
Costs of HTA application to process cord blood and tissue	5,000
Developing WideAcademy courses	10,000
Costs of FCA approval for CellPlan	5,000
Professional advice (legal, accounting, PR etc.)	20,000
Miscellaneous further costs (including office, IT and travel costs)	40,000
Additional working capital / contingency	425,000
TOTAL	<u>£1,725,000</u>

Assumptions regarding the use of proceeds

The above table showing the use of proceeds anticipates, in particular with respect to the development of new sales and the introduction of new products or services during the two years following Admission, that:

- the facilities at UMIC will be fitted out to start processing and storing samples during the three months following Admission;
- staff will be employed to develop the WideCells business in the UK and Europe. Headcount is projected to grow from 16 employees in the first year following Admission, to 25 in the second year following Admission;

- a separate team will be formed to run the CellPlan insurance business, to provide customer support, and work closely with cord blood banks, insurers and Best Doctors (which would manage the administration of policies and claims management under the terms of the agreement). Headcount is projected to grow will grow from five employees in the first year following Admission, to six in the second year following Admission;
- WideAcademy training courses will be developed in the first six months and marketed towards the end of the first year;
- sales of the CellPlan insurance product are forecast to begin within six months of Admission, and the costs above support the Group's activities to this end. The net revenues from these sales have not been included as contributing to the payment of the Group's expenses as set out in the use of proceeds table, although they are expected to contribute to the continued funding of Group's operations;
- the assumptions referred to above and the associated expenditures referred to in the above table constitute the maximum anticipated expenditures based on current plans. As referred to below, the Group has the capacity to vary these expenditures in line with the Company's performance; and
- in the second year following Admission, the Group's overhead expenses will be similar to those set out in the above table showing use of proceeds during the first 12 months from Admission, except that the initial capital expenditure related to the establishment of the WideCells facilities at UMIC will not be required, and headcount will grow by about 50%. It is anticipated that the Group's further development of its CellPlan, WideCells and WideAcademy businesses during this period will be funded principally by any Net Proceeds not utilised during the first 12 months from Admission and the proceeds of sales from each of these business lines.

Sensitivity analysis

Delays in obtaining HTA approvals for the WideCells facilities at UMIC

The Directors anticipate that the laboratory and facilities at UMIC will take three months following Admission to be fitted out and during that period WideCells intends to apply to the HTA for a licence to handle cord blood and tissue.

Director Dr Peter Hollands, who is based in Manchester, will oversee the development of the WideCells facilities and the HTA application process. The licensing application process (first, for the handling of cord blood and tissue, and subsequently, for the handling of dental pulp and adipose tissue) involves the following steps:

- preparation by the Group of a Preparation Process Dossier (PPD) and a validation plan, and submission thereof to the HTA;
- examination of the PPD and validation plan by the HTA followed by the HTA's acceptance in principle of the proposal;
- completion by the Group of validation data for submission to the HTA for acceptance;
- once the validation data is accepted by the HTA, the HTA will issue an initial licence and give permission to become operational in respect of the relevant tissue type; and
- shortly after becoming operation, the HTA will inspect the laboratory and issue the full licence.

Dr Hollands has managed similar application processes before as Quality Manager in the Bone Marrow Transplantation Unit at Great Ormond Street Hospital for Children, and has set up similar laboratories for other cord blood banks in the UK. Accordingly the Group considers the likelihood of obtaining the necessary HTA licences to be high. The Directors anticipate that the HTA approval to commence the handling of cord blood and tissue should be granted during this three month period, but the Group's business plan allows for grant of this approval up to the end of 2016.

Should the HTA not grant the required licences for the relevant tissue type, the Group will not be able to execute its business strategy in relation to that tissue type, as currently envisaged.

Delays in offering the CellPlan insurance product and slow take-up of the product

The CellPlan policy has been developed with Best Doctors and a specialist medical insurer over the last two years and its launch is anticipated within the six months following Admission.

CellPlan was launched at the World Cord Blood Congress in London on 18/19 March 2016. The Directors consider that feedback has been positive and accordingly the Group has begun discussions with cord blood banks with a view to putting in place agreements to promote CellPlan and to participate in the cord blood bank accreditation scheme.

The Directors believe that, unlike most new insurance products, the initial market base is clearly identified, being the existing clients of the major cord blood banks. The Directors expect that cord blood banks would be likely to offer the CellPlan product to their clients as an-add on service, and that by being a member of the accreditation programme they will be able to attract more clients with the added assurance of the CellPlan insurance scheme.

In order to retain control of the distribution of the CellPlan insurance product in the EU (which will be the Group's initial target market), the Company considers that it would be advantageous for CellPlan Limited to seek approval from the FCA for the intermediation of non-investment insurance contracts. The Company expects to submit an application for such approval to the FCA around the time of Admission. On this basis, an overview of the steps to be taken in order to launch the CellPlan insurance is set out below:

- following submission of the FCA application referred to above, negotiate referral agreements with high-quality cord blood banks in connection with their joining the CellPlan membership programme referred to above and the promotion of the CellPlan product;
- once a referral agreement is in place with a cord blood bank, CellPlan Limited and each bank will develop a detailed implementation plan covering, amongst other things, sales operations (including sales approach, the policy issuance process, reporting and design and implementation); sales training (including the preparation of supporting materials); the agreement of a definitive distribution contract; and the establishment of a detailed marketing roll-out plan across the key jurisdictions in which the cord blood bank conducts operations;
- following FCA approval:
 - launch the CellPlan website, which will be directed at both retail customers and cord blood banks; and
 - formally launch the CellPlan product in the UK.

The Company considers that it will be able to obtain such FCA approval (given that it has in place the CellPlan product, reinsurance and insurance capacity through Best Doctors, and an insurance underwriter, in addition to the specific insurance sector experience of Director Dr Marilyn Orcharton) and execute the additional steps outlined above within the first six months following Admission, and following the formal launch of the CellPlan product in the UK, it will be in a position to launch the product in Spain, Italy, Greece and Portugal within 12 months from the date of first launch.

However, the Company cannot be certain that the CellPlan product will be launched on time or that it will be able to generate the anticipated sales at the expected price. If either or both of these circumstances occur, the Group may not achieve its desired revenue, profitability or growth targets. The Directors believe, however, that in such circumstances the Group will be able to delay recruitment of employees to match costs to expected revenues, and/or divert resources to additional product development and marketing efforts.

Reasons for Admission

The Directors consider that Admission will:

- provide the Company will access to capital to grow the Group, raise funds, and to continue the operations of the Group, and expand its operations by researching further products;
- create a market for the Company's shares, in order to increase its shareholder base;

- create a heightened public profile for the Company through increased press and media coverage;
- provide an opportunity to encourage employees' commitment and incentivise their long term motivation and performance; and
- provide the possibility of using the Company's listed shares as consideration for any future acquisitions.

9. Dividend policy

The Company intends that its cash resources will be used for the expansion and development of the Group and as such, no dividends are intended to be paid in the near future. Any earnings in the near future are expected to be retained for use in business operations, not being distributed until the Company has an appropriate level of distributable profits. The declaration and payment by the Company of any dividends and the amount thereof will be in accordance with, and to the extent permitted by, all applicable laws and will depend on the results of the Company's operations, its financial position, cash requirements, prospects, profits available for distribution and other factors deemed to be relevant at the time.

10. Convertible Loan Notes, Warrants, Broker Warrants, Options and Fee Shares

The Company has issued the Convertible Loan Notes which will convert into the Conversion Shares on Admission. These have been issued on the terms of the First Convertible Loan Note Instrument and Second Convertible Loan Note Instrument which are more particularly described in paragraphs 9.4 and 9.5 of *Part VIII: Additional Information* of this document. Under the terms of the Convertible Loan Notes, the Company will on Admission issue warrants to subscribe for the Warrant Shares to the holders of the Convertible Loan Notes. These will be issued on the terms of the Warrant Instrument which is more particularly described in paragraph 9.6 of *Part VIII: Additional Information* of this document. In addition, as part of the fee arrangements for the Placing, the Company has issued, conditional on Admission, the Broker Warrants as further described in paragraph 9.8 of *Part VIII: Additional Information*. The Company has also granted the Options to Directors Dr Peter Hollands and David Bridgland. These are currently vested as to an aggregate of 733,333 Ordinary Shares. Further details of the Options are outlined in paragraph 8.2 of *Part VIII: Additional Information* of this document. The Company has also issued the Fee Shares to St Brides Partners Limited as described in paragraph 9.9 of *Part VIII: Additional Information*.

PART II

DIRECTORS AND CORPORATE GOVERNANCE

1. The Board and the Directors

The Board currently comprises six Directors. Details of the Directors are set out below.

Dr Richard Graham Hine, *Non-Executive Director and Chairman (age 61)*

Graham is a technology entrepreneur with a background in successfully leading, growing and exiting technology companies. His career began with Philips, where he moved through semi-conductor development into international sales and marketing of the resultant products. Subsequently, Graham has had over 20 years' experience as CEO to companies including Capteur Sensors and Analysers Ltd which manufactured chemical measuring equipment including gas sensors, P2i Ltd, which is involved in liquid repellent nanotechnology, Hardide Plc, an AIM listed, advanced surface coating technology company and SGX Sensortech Limited, which sells gas and x-ray sensor technologies.

João Goncalves Andrade, *Group Chief Executive Officer (age 34)*

João, one of the co-founders of the WideCells business, has a strong background in marketing and international business development, and brings his considerable experience business experience, strategic thinking and industry specific knowledge. João has over eight years senior experience in the stem cell market, and, prior to founding WideCells, served in key roles at two European cord blood banks and service providers, with operations in several countries: as Key Account Manager at Future Health Technologies Limited and FHT Portugal S.A., and the Chief Strategy Officer at Precious Cells International Limited.

João Carlos Martins Loureiro Lopes Gil, *Group Chief Operating Officer (age 55)*

Lopes Gil is a co-founder of WideCells, and has over 25 years' experience working as an area manager in Merck KGaA and Mylan N.V. in Portugal, creating and establishing complex business operations. In addition, he has extensive business experience in international marketing, strategic planning and studies in the pharmaceutical industry. Lopes was previously Chief Finance Strategist at Precious Cells International Limited, where he was focused on developing its international cell banking services. He holds a degree in management from Instituto Superior Miguel Torga, and an MBA from Universidad San Pablo-CEU.

Dr Peter Hollands, *Group Chief Scientific Officer (age 57)*

Peter trained at Cambridge University under the supervision of Professor Sir Robert Edwards FRS, the inventor of IVF and Nobel Laureate, gaining a PhD from Cambridge University in stem cell technology. Peter held a post-doctorate position as a Senior Embryologist at the first IVF clinic in the world, Bourn Hall Clinic, and has carried out research in stem cell technology, has written numerous papers and book chapters on stem cell technology, and has been invited to lecture on stem cell technology in the Vatican, House of Lords and the Canadian Parliament. He has also been involved in clinical transplantation as Quality Manager in the Bone Marrow Transplantation Unit at Great Ormond Street Hospital for Children. Most recently, Peter was Chief Scientific Officer of Smart Cells Information Ltd., a UK cord blood bank, and Cells for Life Ltd. in Canada.

David Vernon Bridgland, *Group Chief Financial Officer (age 50)*

David studied engineering at Cambridge University and is a Chartered Accountant. He has over 20 years of business experience in a range of companies, from privately owned and venture capital backed companies to major listed companies, including Smiths Group, Autoliv and Honeywell. David's key focus is early stage businesses with innovative technologies, and he has experience in raising funding, organic business growth, acquisitions and has achieved successful trade sale exits for investors.

Dr Marilyn Margaret Orcharton, *Non-Executive Director (age 74)*

A serial entrepreneur, Marilyn is a qualified dentist with a medal of Honour from the British Dental Association, and her first business was a dental practice. She co-founded Denplan Limited in 1986, which is still the UK's market leader in dental insurance, with a multi-million pound annual turnover. Marilyn sold her stake in Denplan in 1992 and founded Kite Consultants Ltd, which has researched and developed ISOPLAN, a unique business management software package for professional outlets: dentists, doctors, nursing homes and lawyers. She is a founder member of the Entrepreneurial Exchange and has been an honouree of the Leading Women Entrepreneurs. Marilyn was also a visiting surgeon at the University of Glasgow and the first woman to be a dental adviser to the Medical Defence Union and president of the Glasgow Chamber of Commerce. She also has a diploma in marketing and is a member of the Chartered Institute of Marketing.

Further details of Directors' service agreements and letters of appointment are set out in paragraph 8.5 of *Part VIII: Additional information* of this document.

2. Independence of the Board

Dr Hine and Dr Orcharton (before the grant to her of the options discussed in paragraph 6, *Share option schemes* below) are considered to be "independent" (using the definition set out in the Corporate Governance Code). It is expected that additional directors, both executive and non-executive, will be appointed at relevant times during the growth of the Company, and that independence will be one of the factors taken into account in relation to appointments at that time.

3. Strategic decisions

The Board is responsible for the Company's objectives and business strategy and its overall supervision. Operational, research and development, acquisition, divestment and other strategic matters will all be considered and determined by the Board.

The Board will provide leadership within a framework of appropriate and effective controls. The Board will set up, operate and monitor the corporate governance values of the Company, and will have overall responsibility for setting the Company's strategic aims, defining the business objective, managing the financial and operational resources of the Company and reviewing the performance of the officers and management of the Company's business. The Board will take appropriate steps to ensure that the Company complies with Listing Principles 1 and 2 as set out in Chapter 7 of the Listing Rules and (notwithstanding that they only apply to companies with a Premium Listing) the Premium Listing Principles as set out in Chapter 7 of the Listing Rules.

4. Corporate governance

As a company with a Standard Listing, the Company is not required to comply with the provisions of the Corporate Governance Code. However, in the interests of observing best practice on corporate governance, the Company intends to comply with the provisions of the Corporate Governance Code insofar as is appropriate having regard to the size and nature of the Company and the size and composition of the Board.

Accordingly, the Board has established two committees: an Audit and Risk Committee, and a Remuneration Committee.

Audit and Risk Committee

The Audit and Risk Committee comprises Dr Hine and Dr Orcharton, with Dr Hine as chairman, and is responsible, amongst other things, for monitoring the Group's financial reporting, external and internal audits and controls, including reviewing and monitoring the integrity of the Group's annual and half-yearly financial statements, reviewing and monitoring the extent of non-audit work undertaken by external auditors, advising on the appointment of external auditors, overseeing the Group's relationship with its external auditors, reviewing the effectiveness of the external audit process and reviewing the effectiveness of the Group's internal control review function. The ultimate responsibility for the reviewing and approving the annual report and accounts and the half-yearly reports remains with the Board. The Audit and Risk Committee gives due consideration to laws and regulations, the provisions of the Corporate Governance Code and the requirements of the Listing

Rules. The Audit and Risk Committee will meet at least three times per year at appropriate intervals in the financial reporting and audit cycle and otherwise as required.

Remuneration Committee

The Remuneration Committee comprises Dr Hine and Dr Orcharton, with Dr Orcharton as chairman, and is responsible, amongst other things, for assisting the Board in determining its responsibilities in relation to remuneration, including making recommendations to the Board on the Company's policy on executive remuneration, including setting the parameters and governance framework of the Group's remuneration policy and determining the individual remuneration and benefits package of each of the Company's executive directors. It is also responsible for approving the rules and basis for participation in any performance related pay-schemes, share incentive schemes and obtaining reliable and up-to-date information about remuneration in other companies. The Remuneration Committee will meet at least two times per year.

Note that currently the Board does not comply with the provision of the Corporate Governance Code that at least half of the Board, excluding the Chairman, should comprise non-executive directors determined by the Board to be independent. In addition, the Company has not appointed a senior independent director. The Company may appoint additional independent non-executive directors once the Group has grown to an appropriate size.

The Company will adopt, effective from Admission, procedures ensuring compliance with the new Market Abuse Regulation (**MAR**) and the Board will be responsible for taking all proper and reasonable steps to ensure compliance with the MAR by the Directors.

5. Lock-in agreements

Each of the Directors have undertaken to the Company that, other than in certain limited circumstances, they will not, and will procure that any associated party will not, dispose of any interest they hold in the Ordinary Shares held by them on Admission (representing approximately 36.12% of the Enlarged Share Capital in aggregate) for a period of 12 months from the date of Admission and, for the following 12 months, that they will only dispose of interests with the consent of the Company's broker for the time being in order to ensure an orderly market in the Ordinary Shares, in each case subject to certain limited exceptions. Further details of the lock-in agreements are set out in paragraph 9.7 of *Part VIII: Additional Information* of this document.

6. Share option schemes

The Company recognises the need to provide appropriate incentive packages in order to attract and retain individuals key to the Group's business including both directors and employees. The Company has granted the Options to Directors Dr Peter Hollands and David Bridgland and is committed to implementing additional, appropriate incentive schemes following Admission. In particular it has agreed with Director Dr Marilyn Orcharton that, following Admission, she will be awarded options over new Ordinary Shares representing 0.5% of the Enlarged Share Capital at the Placing Price.

PART III

THE PLACING

1. Description of the Placing

Under the Placing, gross proceeds of £2,000,000 before expenses have been raised and 18,181,819 Placing Shares have been subscribed by, and will, conditional on Admission, be issued to, investors at the Placing Price of 11p per Ordinary Share. Net of the cash expenses of Admission (expected to be approximately £275,000, including irrevocable VAT), this will be approximately £1,725,000. The Placing will only be completed if the full £2,000,000 is raised.

The Company intends to apply the Net Proceeds in pursuit of the objective set out in paragraph 4, *Strategy*, and in accordance with paragraph 8, *Reasons for Admission and the Placing, use of proceeds and sensitivity analysis, in Part I: Information on the Company, the Group and Strategy*.

The Placing has been offered by the Brokers to investors in the United Kingdom by way of placing letters between the Broker(s) and each investor. Conditional on, amongst other things, Admission occurring on or prior to 27 July 2016 (or such later time and/or date as may be agreed, being not later than 31 August 2016), each investor under the Placing has irrevocably agreed to acquire those Placing Shares allocated to it under its placing letter.

The completion of the Placing is conditional on Admission taking place. If Admission does not occur for any reason, any monies received under the placing letters will be returned without interest. The Placing is not being underwritten.

Confirmation of the completion of the Placing will be announced via an RIS on Admission, which is expected to take place at 8.00 a.m. on 27 July 2016.

The Placing Shares have been made available to institutional and certain non-institutional investors in the UK. In accordance with Listing Rule 14.2.2, at Admission at least 25% of the Ordinary Shares of this listed class will be in public hands (as defined in the Listing Rules).

2. Equity commitment of the Directors, major shareholders and significant investors

The following table sets out, to the extent known to the Company, subscriptions under the Placing made by major Shareholders, members of the Company's management, supervisory or administrative bodies, and investors subscribing for more than 5% of the Placing Shares:

Name	Description	Ordinary Shares being subscribed for in the Placing	Percentage of Placing Shares being subscribed for	Percentage of Ordinary Shares held at Admission
Miton Group	Investor	4,545,455	25%	8.41%

3. Admission, dealings and CREST

Application has been made to the FCA for the Enlarged Share Capital to be admitted to the Standard Listing segment of the Official List and to the London Stock Exchange for such shares to be admitted to trading on the London Stock Exchange's main market for listed securities.

Admission is expected to take place and unconditional dealings in the Ordinary Shares are expected to commence on the London Stock Exchange at 8.00 a.m. on 27 July 2016. Dealings on the London Stock Exchange before Admission will only be settled if Admission takes place. All dealings in Ordinary Shares prior to commencement of unconditional dealings will be at the sole risk of the parties concerned.

Application will be made for all the issued and to be issued Ordinary Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the ordinary Shares following Admission may take place through CREST.

CREST is the system for paperless settlement of trades in listed securities. CREST allows securities to be transferred from one person's CREST account to another's without the need to use share certificates or written instruments of transfer in accordance with the CREST Regulations.

The Articles permit the holding of Ordinary Shares in uncertificated form under the CREST system. Application has been made for the Ordinary Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST System if any Shareholder so wishes. CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so. An investor applying for Ordinary Shares in the Placing will receive Ordinary Shares in certificated form.

4. Selling and transfer restrictions

Certain restrictions that apply to the distribution of this document and the offer, issue and sale of Ordinary Shares are described above on pages 26 and 27 under the headings “*Notice to US shareholders and shareholders in certain restricted jurisdictions*” and “*Notice to EEA shareholders*”.

5. Withdrawal rights

If the Company is required to publish any supplementary prospectus, investors who have applied for Placing Shares under the Placing will have at least two clear business days following publication of the relevant supplementary prospectus to withdraw their application to acquire Placing Shares in its entirety. The right to withdraw an application to subscribe for or acquire Placing Shares in these circumstances will be available to all investors. If an application to acquire Placing Shares under the Placing is not withdrawn within the stipulated period, such application will remain valid and binding. Details of how to withdraw an application will be made available if a supplementary prospectus is published.

PART IV
SELECTED FINANCIAL INFORMATION

(A) ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF THE COMPANY



The Directors
WideCells Group PLC
Core Technology Facility
46 Grafton Street
Manchester
England
M13 9NT

22 July 2016

Dear Sirs

Introduction

We report on the financial information set out in Part IV (B) of the prospectus (**Prospectus**) dated 22 July 2016 of WideCells Group PLC (**Company**). This financial information has been prepared for inclusion in the Prospectus on the basis of the accounting policies set out in note 2 of the financial information. This report is required by Annex I, item 20.1 of Commission Regulation (EC) N 809/2004 (**Prospectus Directive Regulation**) and is given for the purpose of complying with that requirement and for no other purpose.

Responsibilities

It is the responsibility of the directors of the company to prepare the financial information in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

It is our responsibility to form an opinion on the financial information and report our opinion to you.

Basis of opinion

We conducted our work in accordance with Standards of Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information underlying the financial statements and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Critchleys is the trading name of Critchleys LLP a limited liability partnership. Registered office: Greyfriars Court Oxford OX1 1BE
Incorporated in England & Wales under number OC354137. Critchleys is a member of the UK200Group and IAPA - a global association of independent accountancy firms

Authorised and regulated by the Financial Conduct Authority • Anthony Harris, Sue Roscoe & Lawrence King are authorised to act as Licensed Insolvency Practitioners by the ACCA in the UK

Members
Katy Bruce FCCA • Anthony Harris FCCA FBRP • Gerry Jackson CTA • Peter Kemp FCA • Lawrence King MABRP • Robert Kirtland Ltd • Gavin Little Ltd • Jason McGuigan Ltd • Kathryn Pocock FCA
Andrew Rodzynski ACA • Mark Rusher Ltd • Caroline Webster FCA • Matthew Williams ACCA • Martin Wright ACA • Critchleys Annuitants

Opinion

In our opinion, the financial information gives, for the purposes of the Prospectus, a true and fair view of the state of affairs of the Company as at the periods stated and of its results, cash flows and changes in equity for the periods stated in accordance with IFRS.

Declaration

For the purpose of Prospectus Rule 5.5.3R, we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the document in compliance with Annex I (item 1.2) of the Prospectus Directive Regulation.

Yours faithfully

Critchleys LLP

Chartered Accountants

PART IV

(B) HISTORICAL FINANCIAL INFORMATION OF THE COMPANY

Statement of Financial Position

The audited statement of the financial position of the Company as at 17 June 2016 is set out below:

	Note	Audited as at 17 June 2016 £
Fixed asset investments		
Investment in WideCells International Ltd	7	76,000
Net assets		<u>76,000</u>
Liabilities and shareholders' equity		
Shareholders' equity		
Called up share capital		76,000
Total equity		<u>76,000</u>
Total liabilities and shareholders' equity		<u>76,000</u>

Statement of Cash Flow

The audited statement of the cash flow of the Company as at 17 June 2016 is set out below:

	2016 £
Net cash flows used in operating activities	–
Cash flows from financing activities	
Proceeds from issue of ordinary shares	–
Net cash from financing activities	–
Net increase in cash and cash equivalents	–
Cash and cash equivalents at beginning of the period	–
Cash and cash equivalents at end of the period	<u>–</u>

Statement of Changes in Equity

The audited statement of changes in equity of the Company as at 17 June 2016 is set out below:

	Share capital £	Retained earnings £	Total Equity £
At incorporation 24 May 2016	–	–	–
Issue of shares	76,000	–	76,000
At 17 June 2016	<u>76,000</u>	<u>–</u>	<u>76,000</u>

No statement of income is presented as the Company has not traded during the period from the date of its incorporation on 24 May 2016 to 17 June 2016.

NOTES TO THE FINANCIAL INFORMATION

1. General information

The Company was incorporated as a private company limited by shares under the laws of England and Wales under the Companies Act 2006, on 24 May 2016, with number 10197256, under the name WideCells Group Limited.

2. Accounting Policies

Basis of preparation

The Historical Financial Information of the Company for the period ended 17 June 2016 has been prepared by the Directors of the company.

The Historical Financial Information does not constitute statutory accounts within the meaning of section 434 of Companies Act 2006.

The Directors of the Company are solely responsible for preparation of this Historical Financial Information.

The Historical Financial Information of the Company has been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union (EU) and the Companies Act 2006 applicable to companies reporting under IFRS. The Historical Financial Information has been prepared primarily under the historical cost convention. Areas where other bases are applied are identified in the accounting policies below.

The Directors are satisfied that the Company has adequate resources to continue to operate for the foreseeable future and therefore the Historical Financial Information has been prepared on a going concern basis.

First-time adoption of IFRS

The Historical Financial Information is prepared in accordance with International Financial Reporting Standards (IFRS) using the measurement basis specified by IFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies in note 1. It has been prepared in accordance with IFRS, there has therefore been no transition.

The Historical Financial Information is presented in sterling, being the currency of the primary economic environment in which the Company operates. The presentational currency of the Company is also sterling.

Presentation of Historical Financial Information in accordance with IAS 1

The Historical Financial Information statements are presented in accordance with IAS 1 Presentation of Historical Financial Information (Revised 2007).

Changes in accounting policies

New standards, interpretations and amendments

As this is the first set of IFRS accounts being prepared, all relevant standards have been adopted for the first time. Under SIR 2000, the Company is required to adopt the relevant standards that would apply to the first set of IFRS accounts following the listing. As a result, certain new standards, interpretations and amendments applicable from accounting periods beginning on or after 1 January 2016 would apply to this Historical Financial Information.

The new standards, amendments and interpretations to existing standards that were published by the IASB and endorsed by the EU that could be applicable for the Company are as follows:

- IFRS 10 'Consolidated Financial Statements' (IFRS 10)
- IFRS 12 'Disclosure of Interests in Other Entities' (IFRS 12)
- IAS 27 (Revised) 'Separate Financial Statements'
- IAS 28 (Revised) 'Investments in Associates and Joint Ventures'
- IFRS 7 (Amendment) 'Disclosures – Offsetting Financial Assets and Financial Liabilities – Amendments to IFRS 7'

- 'Investment Entities – Amendments to IFRS 10, IFRS 12 and IAS 27'
- 'Transition Guidance – Amendments to IFRS 10, IFRS 11 and IFRS 12'
- Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)

The remaining standards have no significant impact on the Company.

New standards, interpretations and amendments not yet effective

There are no further standards in issue that have been adopted by the EU which would be applicable for the Company.

Share capital

The Company's ordinary shares are classified as equity instruments.

Going concern

The financial information has been prepared on a going concern basis, which assumes that the Company will continue to meet its liabilities as they fall due.

3. Critical accounting estimates and judgements

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Contingent assets and liabilities

The Company exercises judgement in measuring and recognising contingent assets and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent assets or liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or an asset/liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual gains or losses may be different from the originally estimated provision.

4. Revenue

Revenue in all periods principally arises from the provision of services. There is an immaterial level of sales of goods.

5. Segment Information

The Company manages its operations in one segment, seeking suitable investments. The results of this segment are regularly reviewed by the board as a basis for the allocation of resources and to assess its performance.

6. Staff Costs

The Company had no employees during the period ended 17 June 2016. The Directors received no remuneration for their services during the period ended 17 June 2016.

7. Fixed asset investments

	2016
	£
Investment in WideCells International Limited	<u>76,000</u>

8. Share capital

Issued and fully paid

30,400,000 ordinary shares of £0.0025 each

£

76,000

Total shares issued and fully paid

76,000

9. Capital commitments

The Company had no capital commitments at 17 June 2016.

10. Contingent liabilities

The Company had no contingent liabilities at 17 June 2016.

11. Events after the reporting period

Subsequent to 17 June 2016 the company acquired 100% of the issued share capital of WideCells International (previously registered with the name WideCells Group Limited) by the issuance of 30,399,998 ordinary shares of £0.0025.

12. Ultimate controlling party

There is no ultimate controlling party.

PART IV

(C) ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF WIDECELLS INTERNATIONAL LIMITED



The Directors
WideCells Group PLC
Core Technology Facility
46 Grafton Street
Manchester
England
M13 9NT

22 July 2016

Dear Sirs

Introduction

We report on the financial information of WideCells International Limited (**Company**) set out in Part IV (D) of the prospectus (**Prospectus**) dated 22 July 2016 of WideCells Group PLC. This financial information has been prepared for inclusion in the Prospectus on the basis of the accounting policies set out in note 2 of the financial information. This report is required by Annex I, item 20.1 of Commission Regulation (EC) N 809/2004 (**Prospectus Directive Regulation**) and is given for the purpose of complying with that requirement and for no other purpose.

Responsibilities

It is the responsibility of the directors of the company to prepare the financial information in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

It is our responsibility to form an opinion on the financial information and report our opinion to you.

Basis of opinion

We conducted our work in accordance with Standards of Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information underlying the financial statements and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Critchleys is the trading name of Critchleys LLP a limited liability partnership. Registered office: Greyfriars Court Oxford OX1 1BE
Incorporated in England & Wales under number OC354137. Critchleys is a member of the UK200Group and IAPA - a global association of independent accountancy firms

Authorised and regulated by the Financial Conduct Authority • Anthony Harris, Sue Roscoe & Lawrence King are authorised to act as Licensed Insolvency Practitioners by the ACCA in the UK

Members

Katy Bruce FCCA • Anthony Harris FCCA FBRP • Gerry Jackson CTA • Peter Kemp FCA • Lawrence King MABRP • Robert Kirtland Ltd • Gavin Little Ltd • Jason McGuigan Ltd • Kathryn Pocock FCA
Andrew Rodzynski ACA • Mark Rusher Ltd • Caroline Webster FCA • Matthew Williams ACCA • Martin Wright ACA • Critchleys Annuitants

Opinion

In our opinion, the financial information gives, for the purposes of the Prospectus, a true and fair view of the state of affairs of the Company as at the periods stated and of its losses, cash flows and changes in equity for the periods stated in accordance with IFRS.

Declaration

For the purpose of Prospectus Rule 5.5.3R, we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the document in compliance with Annex I (item 1.2) of the Prospectus Directive Regulation.

Yours faithfully

Critchleys LLP

Chartered Accountants

PART IV

(D) HISTORICAL FINANCIAL INFORMATION OF WIDECELLS INTERNATIONAL LIMITED

Consolidated statement of comprehensive income

The consolidated statement of comprehensive income for the years ended 31 December 2015, 2014 and 2013 is set out below:

	Note	2015 £	2014 £	2013 £
Revenue	3	50,644	118,311	4,522
Cost of sales		(101)	(9,089)	(343)
Gross profit		50,543	109,222	4,179
Operating expenses	5	(272,263)	(355,889)	(150,329)
Depreciation and amortisation	5	(11,523)	(2,222)	(1,428)
Loss from operations		(233,243)	(248,889)	(147,578)
Finance income	7	59	–	–
Finance expense	7	(38,495)	(12,860)	–
Loss before tax		(271,679)	(261,749)	(147,578)
Tax expense	8	(1,250)	(3,140)	(8,674)
Loss after tax		(272,929)	(264,889)	(156,252)
Total other comprehensive loss, net of tax		(272,929)	(264,889)	(156,252)
Total comprehensive loss attributable to:				
Shareholders		(217,031)	(191,659)	(87,501)
Non-controlling interests		(55,898)	(73,230)	(68,751)
Total comprehensive loss for the year		(272,929)	(264,889)	(156,252)
Earnings per share				
Basic per ordinary share (weighted average)	9	(5,686)	(131,668)	(78,126)
Diluted per ordinary share (weighted average)	9	(2)	(131,668)	(78,126)

The diluted earnings per share are based on the loan shown in note 17 converted into ordinary share capital.

Consolidated statement of financial position

The consolidated statement of financial position for the years ended 31 December 2015, 2014 and 2013 is set out below:

	Note	2015 £	2014 £	2013 £
Assets				
Non-current assets				
Property, plant and equipment	10	30,454	48,266	–
Intangible assets	11	–	1,473	–
Current assets				
Inventories	13	2,887	3,697	882
Trade and other receivables	14	31,462	49,682	25,519
Cash and cash equivalents	15	33,753	9,764	921
Total assets		<u>98,556</u>	<u>112,882</u>	<u>27,322</u>
Liabilities				
Current liabilities				
Trade and other payables	16	142,948	179,989	82,570
Borrowings	17	450,016	155,161	39
Total liabilities		<u>592,964</u>	<u>335,150</u>	<u>82,609</u>
Equity attributable to owners of the parent				
Share capital	19	48	2	2
Share premium reserve		743	–	–
Convertible loan stock		173,044	173,044	75,136
Retained earnings		(496,191)	(279,160)	(87,501)
Shareholders' equity		<u>(322,356)</u>	<u>(106,114)</u>	<u>(12,363)</u>
Non-Controlling Interests		(172,052)	(116,154)	(42,924)
Total equity		<u>(494,408)</u>	<u>(222,268)</u>	<u>(55,287)</u>
Total equity and liabilities		<u>98,556</u>	<u>112,882</u>	<u>27,322</u>

Consolidated statement of cash flows

The consolidated statement of cash flows for the years ended 31 December 2015, 2014 and 2013 is set out below:

	Note	2015 £	2014 £	2013 £
Cash flows used in Operating activities				
Loss for the year before tax		(271,679)	(261,749)	(147,578)
<i>Adjustments for:</i>				
Depreciation of property, plant and equipment	10	10,050	2,222	1,428
Amortisation of intangible assets	11	1,473	–	–
Finance costs	7	38,436	12,860	–
Net interest expense/(income)				
Decrease/(Increase) in trade and other receivables	14	18,220	(24,163)	(25,519)
Decrease/(increase) in inventories	13	810	(2,815)	(882)
(Decrease)/increase in trade and other payables	16	(35,151)	102,950	73,896
Taxes paid		(3,140)	(8,674)	–
Net cash flows used in operating activities		<u>(240,981)</u>	<u>(179,369)</u>	<u>(98,655)</u>
Cash flows used in Investing activities				
Purchases of property, plant and equipment	10	–	(50,488)	(1,428)
Sale of property, plant and equipment	10	7,762	–	–
Acquisition of intangible assets	11	–	(1,473)	–
Net cash received on subsidiary acquisitions		–	–	25,827
Net cash used in investing activities		<u>7,762</u>	<u>(51,961)</u>	<u>24,399</u>
Cash flows from financing activities				
Interest paid	7	(38,436)	(12,860)	–
Proceeds from issue of ordinary shares, net of issue costs	19	789	–	2
Proceeds from bank borrowing drawdowns		76,934	67,644	39
Proceeds from other borrowing drawdowns		217,921	185,389	75,136
Net cash from financing activities		<u>257,208</u>	<u>240,173</u>	<u>75,177</u>
Net increase in cash and cash equivalents	15	<u>23,989</u>	<u>8,843</u>	<u>921</u>
Cash and cash equivalents at beginning of year	15	<u>9,764</u>	<u>921</u>	<u>–</u>
Cash and cash equivalents at end of year	15	<u>33,753</u>	<u>9,764</u>	<u>921</u>

Consolidated statement of changes in equity

The consolidated statement of changes in equity for the years ended 31 December 2015, 2014 and 2013 is set out below:

	Share capital £	Share premium £	Other equity instruments £	Minority interests £	Retained earnings £	Total Equity £
At January 2013						
Issue of shares	2	–	–	–	–	2
Introduction of funds for capitalisation	–	–	75,136	–	–	75,136
Acquisition of subsidiaries	–	–	–	25,827	–	25,827
Loss for the year	–	–	–	(68,751)	(87,501)	(156,252)
At 31 December 2013	2	–	75,136	(42,924)	(87,501)	(55,287)
Introduction of funds for capitalisation	–	–	97,908	–	–	97,908
Loss for the year	–	–	–	(73,230)	(191,659)	(264,889)
At 31 December 2014	2	–	173,044	(116,154)	(279,160)	(222,268)
Issue of shares	46	743	–	–	–	789
Reduction of funds for capitalisation	–	–	–	–	–	–
Loss for the year	–	–	–	(55,898)	(217,031)	(272,929)
At 31 December 2015	48	743	173,044	(172,052)	(496,191)	(494,408)

NOTES TO THE FINANCIAL INFORMATION

1. Accounting policies

Basis of preparation

The Historical Financial Information of Widecells International Limited (**Company**) and its subsidiary undertakings (**Group**) for the periods ended 31 December 2015, 31 December 2014 and 31 December 2013, has been prepared by the Directors of the Company.

The Historical Financial Information does not constitute statutory accounts within the meaning of section 434 of Companies Act 2006.

The Directors of the Company are solely responsible for preparation of this Historical Financial Information.

The Historical Financial Information of the Group has been prepared from 1 January 2013 in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union (EU) and the Companies Act 2006 applicable to companies reporting under IFRS. The Historical Financial Information has been prepared primarily under the historical cost convention. Areas where other bases are applied are identified in the accounting policies below.

The Directors are satisfied that the Company has adequate resources to continue to operate for the foreseeable future and therefore the Historical Financial Information has been prepared on a going concern basis.

First-time adoption of IFRS

The Historical Financial Information is prepared in accordance with International Financial Reporting Standards (IFRS) using the measurement basis specified by IFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies in note 1. All periods have been prepared in accordance with IFRS, there has therefore been no transition.

The Historical Financial Information is presented in sterling, being the currency of the primary economic environment in which the company operates. The presentational currency of the Group is also sterling.

Presentation of Historical Financial Information in accordance with IAS 1

The Historical Financial Information statements are presented in accordance with IAS 1 Presentation of Historical Financial Information (Revised 2007). The Group has elected to present the 'Statement of comprehensive income' in one statement.

Changes in accounting policies

New standards, interpretations and amendments

As this is the first set of IFRS accounts being prepared, all relevant standards have been adopted for the first time. Under SIR 2000, the Group is required to adopt the relevant standards that would apply to the first set of IFRS accounts following the listing. As a result, certain new standards, interpretations and amendments applicable from accounting periods beginning on or after 1 January 2016 would apply to this Historical Financial Information.

The new standards, amendments and interpretations to existing standards that were published by the IASB and endorsed by the EU that could be applicable for the Group are as follows:

- IFRS 10 'Consolidated Financial Statements' (IFRS 10)
- IFRS 12 'Disclosure of Interests in Other Entities' (IFRS 12)
- IFRS 13 'Fair Value Measurement' (IFRS 13)
- IAS 27 (Revised) 'Separate Financial Statements'
- IAS 28 (Revised) 'Investments in Associates and Joint Ventures'
- IFRS 7 (Amendment) 'Disclosures – Offsetting Financial Assets and Financial Liabilities – Amendments to IFRS 7'
- 'Investment Entities – Amendments to IFRS 10, IFRS 12 and IAS 27'
- 'Transition Guidance – Amendments to IFRS 10, IFRS 11 and IFRS 12'
- Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)

IFRS 10 'Consolidated Financial Statements' (IFRS 10)

IFRS 10 supersedes IAS 27 'Consolidated and Separate Financial Statements' (IAS 27) and SIC 12 'Consolidation-Special Purpose Entities'. IFRS 10 revises the definition of control and provides extensive new guidance on its application. These new requirements have the potential to affect which of the Group's investees are considered to be subsidiaries and therefore to change the scope of consolidation. The requirements on consolidation procedures, accounting for changes in non-controlling interests and accounting for loss of control of a subsidiary are unchanged.

Management has reviewed its control assessments in accordance with IFRS 10 and has concluded that there is no effect on the classification (as subsidiaries or otherwise) of any of the Group's investees held during the period or comparative periods covered by these financial statements.

IFRS 12 'Disclosure of Interests in Other Entities' (IFRS 12)

IFRS 12 integrates and makes consistent the disclosure requirements for various types of investments, including unconsolidated structured entities. It introduces new disclosure requirements about the risks to which an entity is exposed from its involvement with structured entities. Note 12 illustrates the application of IFRS 12 in the current year.

IFRS 13 'Fair Value Measurement' (IFRS 13)

IFRS 13 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect which items are required to be fair-valued. The scope of IFRS 13 is broad and it applies for both financial and non-financial items for which other IFRSs require or permit fair value measurements or disclosures about fair value measurements except in certain circumstances.

The Group has applied IFRS 13 in the Historical Financial Information, see note 21.

The remaining standards have no significant impact on the Group

New standards, interpretations and amendments not yet effective

There are no further standards in issue that have been adopted by the EU which would be applicable for the Group.

Basis of consolidation

The Group financial statements consolidate those of the parent company and all of its subsidiaries. The parent controls a subsidiary if it has power over the investee to significantly direct the activities, exposure, or rights, to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the investor's returns. All subsidiaries have a reporting date of 31 December.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-Group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Historical Financial Information incorporates the results of business combinations using the purchase method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

Revenue

Revenue represents the fair value of the consideration received or receivable, net of discounts and sales taxes.

Sales income derives from the procurement and marketing of cord blood stem cell storage. Revenue is recognised as detailed below:

Revenue is recognised when it is probable that the economic benefits associated with a transaction will flow to the Group and the amount of revenue and associated costs can be measured reliably. Where the work has been carried out and it is certain that the income is due, appropriate adjustments are made through deferred and accrued income on a percentage of completion basis. Deferred income comprises of income received in advance of the consideration being due and has been included within current liabilities on the basis that the revenue becomes due within 12 months from the balance sheet date. Accrued income includes the value of work performed during the period and where a right to consideration has arisen, which was not invoiced until after the period end.

Government grants

A government grant is recognised only when there is reasonable assurance that the company will comply with the conditions of the grant and when there is reasonable assurance that the grant will be received.

The grant is recognised as income over the period necessary to match them with the related costs on a systematic basis for which they intend to compensate.

Grants relating to income are included within other income.

Inventories

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

Intangible assets

An intangible asset, which is an identifiable non-monetary asset without physical substance, is recognised to the extent that it is probable that the expected future economic benefits attributable to the asset will flow to the Group and that its cost can be measured reliably. The asset is deemed to be identifiable when it is separable or when it arises from contractual or other legal rights.

Amortisation is charged on a straight line basis through the profit or loss. The rates applicable, which represent the Directors' best estimate of the useful economic life, are:

- WideCell trademark – Fully amortised

Impairment of non-financial assets (excluding inventories and deferred tax assets)

Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ('CGUs'). Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from the synergies of the combination giving rise to the goodwill.

Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income.

Foreign currency

Transactions entered into by Group entities in a currency other than the currency of the primary economic environment in which they operate are recorded at the rates ruling when the transactions

occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss, except for foreign currency borrowings qualifying as a hedge of a net investment in a foreign operation, in which case exchange differences are recognised in other comprehensive income and accumulated in the foreign exchange reserve along with the exchange differences arising on the retranslation of the foreign operation.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations, including goodwill arising on the acquisition of those operations, are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income and accumulated in the foreign exchange reserve.

Exchange differences recognised in the profit or loss of Group entities on the translation of long-term monetary items forming part of the Group's net investment in the overseas operation concerned are reclassified to other comprehensive income and accumulated in the foreign exchange reserve on consolidation.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are transferred to the consolidated statement of comprehensive income as part of the profit or loss on disposal.

Financial assets

The Group does not have any financial assets which it would classify as fair value through profit or loss, available for sale or held to maturity. Therefore all financial assets are classed as loans and receivables as defined below.

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and - for the purpose of the statement of cash flows - bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the consolidated statement of financial position.

Equity instruments

Convertible loan notes are categorised based on the substance of the contract and not their legal form. Any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities is treated as an equity instrument.

A financial instrument is treated as an equity instrument only if:

1. The instrument may or will be settled in the issuers own equity instruments it is either a derivative that will be settled by the issuer exchanging a fixed amount of cash or another financial instrument for a fixed number of its own equity shares, or a non-derivative that includes a contractual obligation to deliver a variable number of the entity's own equity shares.
2. The instrument includes no contractual obligation to deliver cash or another financial asset to another entity.

Apart from contingent consideration the Group does not have any financial liabilities that would be classified as fair value through the profit or loss. Therefore these financial liabilities are classified as financial liabilities at amortised cost, as defined below.

Other financial liabilities include the following items:

- Borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. Interest expense in this context includes initial transaction costs and premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.
- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Share capital

The Group's ordinary shares are classified as equity instruments.

Dividends

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when declared by the Directors. In the case of final dividends, this is when approved by the shareholders at the AGM. No dividends were declared during the three years to 31 December 2015.

Property, plant and equipment

Items of plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs.

Depreciation is provided on all other items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives. It is provided at the following rates:

Motor vehicles	–	25% straight line basis
Computer equipment	–	25% straight line basis

Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

2. Critical accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Valuation of intangibles

Purchases in respect of the company trademark have been reviewed annually to determine the fair value of the asset. As the value of the asset was deemed to be lower than cost this has resulted in an impairment to the asset valuation.

(b) Income taxes

Significant judgement is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the company recognises tax liabilities based on estimates of whether additional taxes and interest will be due. These tax liabilities are recognised when, despite the Group's belief that its tax return positions are supportable, the Group believes that certain positions are likely to be challenged and may not be fully sustained upon review by tax authorities. The Group believes that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors including past experience and interpretations of tax law. This assessment relies on estimates and assumptions and may involve a series of complex judgments about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made.

(c) Control Assessment

IFRS 10 has introduced a new definition of control. Management considers that this does not affect its assessment that the Group continues to consolidate all entities within this Historical Financial Information that the company has control over the following:

- power over the investee to significantly direct the activities;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect the amount of the investor's returns.

(d) Contingent assets and liabilities

The Group exercises judgement in measuring and recognising contingent assets and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent assets or liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a asset/liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual gains or losses may be different from the originally estimated provision.

3. Revenue

Revenue in all periods principally arises from the provision of services. There is an immaterial level of sales of goods.

4. Segment information

Operating segments are components of the entity one that

1. Engages in business activities from which it may earn revenues and incur expenses
2. Of which discrete financial information is available
3. Whose operating results are reviewed regularly by the chief operating decision maker

The Group has three main operating segments:

- UK
- Portugal
- Spain

Factors that management used to identify the Group's reportable segments

The Group's reportable segments are strategic business units that offer products and services into different market. They are managed separately as each business is operated from a different location.

Measurement of operating segment profit or loss, assets and liabilities

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

The Group evaluates performance on the basis of profit or loss from operations but excluding non-recurring losses, such as goodwill impairment, and the effects of share-based payments.

Inter-segment sales are priced along the same lines as sales to external customers, with an appropriate discount being applied to encourage use of Group resources at a rate acceptable to local tax authorities. This policy was applied consistently throughout the current and prior period.

Loans and borrowings are allocated to the segments based on relevant factors (e.g. funding requirements). Details are provided in the reconciliation from segment assets and liabilities to the Group position.

2015	UK £	Portugal £	Spain £	Total £
Sales and services provided	–	50,644	–	50,644
Total revenue from external customers	–	50,644	–	50,644
Total gross profit/(loss)	–	50,543	–	50,543
Segment EBITDA	(81,484)	(114,378)	(25,858)	(221,720)
Depreciation and amortisation	(1,473)	(6,732)	(3,318)	(11,523)
Segment profit/(loss)	(82,957)	(121,110)	(29,176)	(233,243)
Finance income	–	–	59	59
Finance expense	(27,341)	(11,154)	–	(38,495)
Tax	–	(1,250)	–	(1,250)
Group profit/(loss) after tax	(110,298)	(133,514)	(29,117)	(272,929)

Each of the above three segments are contained within their own individual company with the exception of the UK segment which also comprises of the income and expenditure generated by Wide Cells Group Limited.

	UK £	Portugal £	Spain £	Total £
Additions to non-current assets	–	–	–	–
Reportable segment assets	35,980	36,304	26,272	98,556
Reportable segment liabilities	379,651	198,414	14,899	592,964

2014	UK £	Portugal £	Spain £	Total £
Sales and services provided	–	118,311	–	118,311
Total revenue from external customers	–	118,311	–	118,311
Total gross profit/(loss)	(5,095)	114,317	–	109,222
Segment EBITDA	(47,934)	(174,681)	(24,052)	(246,667)
Depreciation and amortisation	–	(715)	(1,507)	(2,222)
Segment profit/(loss)	(47,934)	(175,396)	(25,559)	(248,889)
Interest income	–	–	–	–
Interest expense	–	(12,663)	(197)	(12,860)
Tax	–	(3,140)	–	(3,140)
Group profit/(loss) after tax	(47,934)	(191,199)	(25,756)	(264,889)
	UK £	Portugal £	Spain £	Total £
Additions to non-current assets	–	29,753	20,735	50,488
Reportable segment assets	4,029	77,534	31,318	112,881
Reportable segment liabilities	153,772	145,691	35,687	335,150
	UK £	Portugal £	Spain £	Total £
2013				
Sales and services provided	–	4,522	–	4,522
Total revenue from external customers	–	4,522	–	4,522
Total gross profit/(loss)	–	4,179	–	4,179
Segment EBITDA	–	(146,150)	–	(146,150)
Depreciation and amortisation	–	(1,428)	–	(1,428)
Segment profit/(loss)	–	(147,578)	–	(147,578)
Interest income	–	–	–	–
Interest expense	–	–	–	–
Tax	–	(8,674)	–	(8,674)
Group profit/(loss) after tax	–	(156,252)	–	(156,252)
	UK £	Portugal £	Spain £	Total £
Additions to non-current assets	–	1,428	–	1,428
Reportable segment assets	–	27,320	–	27,322
Reportable segment liabilities	–	49,739	–	82,609

5. Expenses by nature

	2015 £	2014 £	2013 £
Supplies and external services	193,030	218,746	63,723
Other expenses	8,953	27,275	432
Staff cost (see note 6)	70,280	109,868	86,174
Total operating expenses	272,263	355,889	150,329
Amortisation and depreciation of assets	11,523	2,222	1,428

6. Staff costs

	2015 £	2014 £	2013 £
Staff costs (including Directors) comprise:			
Wages and salaries	<u>70,280</u>	<u>109,868</u>	<u>86,174</u>

Employee numbers

The average number of staff employed by the Group during the financial year amounted to:

	2015 £	2014 £	2013 £
Selling, administration and distribution	<u>6</u>	<u>8</u>	<u>5</u>

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including the Directors of the company and the Management Committee.

	2015 £	2014 £	2013 £
Wages and salaries including social security and other taxes	<u>40,236</u>	<u>25,202</u>	<u>41,324</u>

Emoluments disclosed above include the following amounts in respect of the highest paid Director:

	2015 £	2014 £	2013 £
Salary	<u>12,243</u>	<u>12,601</u>	<u>20,662</u>

None of the Directors have exercised share options during the period.

7. Finance income and expense

Recognised in profit or loss	2015 £	2014 £	2013 £
Finance income			
Interest received on bank deposits	<u>59</u>	<u>–</u>	<u>–</u>
Total finance income	<u>59</u>	<u>–</u>	<u>–</u>
	2015 £	2014 £	2013 £
Finance expense			
Interest payable on invoice loan facilities	<u>38,495</u>	<u>12,860</u>	<u>–</u>
Total finance expense	<u>38,495</u>	<u>12,860</u>	<u>–</u>

8. Tax expense

	2015 £	2014 £	2013 £
Current tax expense			
Current tax on profits for the year	1,250	3,140	8,674
Total tax expense	<u>1,250</u>	<u>3,140</u>	<u>8,674</u>

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to profits for the year are as follows:

	2015 £	2014 £	2013 £
Taxes on fuel, travel and subsistence and insurances	<u>1,250</u>	<u>3,140</u>	<u>8,674</u>

Changes in the taxation rate

The Finance Act 2013 included a provision for the main rate of corporation tax to reduce to 21% from 1 April 2014 and to 20% from 1 April 2015. In March 2016 the UK Chancellor of the Exchequer announced a number of corporate tax reforms effective from 1 April 2020. This included the reduction in mainstream rate of UK corporation tax from 20% to 17% over a period of 4 years, beginning 1 April 2016.

9. Earnings per share

	2015 £	2014 £	2013 £
<i>Numerator:</i>			
Profit/(loss) for the year and earnings used in basic EPS and diluted EPS	(272,929)	(264,889)	(156,252)
<i>Denominator:</i>			
Weighted average number of ordinary shares used in basic EPS	48	2	2
Effects of:			
Weighted average number of shares used after conversion of all loan notes	148,357	2	2
Basic per ordinary share (weighted average)	(5,686)	(131,668)	(78,126)
Diluted per ordinary share (weighted average)	<u>(2)</u>	<u>(131,668)</u>	<u>(78,126)</u>

10. Property, plant and equipment

	Computer equipment £	Motor vehicles £	Total £
<i>Cost</i>			
At 1 January 2013	–	–	–
Additions	1,428	–	1,428
At 31 December 2013	<u>1,428</u>	<u>–</u>	<u>1,428</u>
<i>Depreciation</i>			
At 1 January 2013	–	–	–
Charge for the year	1,428	–	1,428
At 31 December 2013	<u>1,428</u>	<u>–</u>	<u>1,428</u>
<i>Net book value</i>			
At 31 December 2013	<u>–</u>	<u>–</u>	<u>–</u>

	Computer equipment £	Motor vehicles £	Total £
<i>Cost</i>			
At 1 January 2014	1,428	–	1,428
Additions	29,753	20,735	50,488
At 31 December 2014	31,181	20,735	51,916
<i>Depreciation</i>			
At 1 January 2014	1,428	–	1,428
Charge for the year	715	1,507	2,222
At 31 December 2014	2,143	1,507	3,650
Net book value			
At 31 December 2014	29,038	19,228	48,266
At 31 December 2013	–	–	–
	Computer equipment £	Motor vehicles £	Total £
<i>Cost</i>			
At 1 January 2015	31,181	20,735	51,916
Additions	–	–	–
Disposals	(9,552)	–	(9,552)
At 31 December 2015	21,629	20,735	42,364
<i>Depreciation</i>			
At 1 January 2015	2,143	1,507	3,650
Charge for the year	5,141	3,318	8,459
Eliminated	(199)	–	(199)
At 31 December 2015	7,085	4,825	11,910
Net book value			
At 31 December 2015	14,544	15,910	30,454
At 31 December 2014	29,038	19,228	48,266

None of the assets were held under finance leases at the end of the period.

None of the assets were held as security at the end of the period.

11. Intangible assets

	Trademark £	Total £
<i>Cost</i>		
At 1 January 2014	–	–
Additions	1,473	1,473
At 31 December 2014	1,473	1,473
<i>Amortisation</i>		
At 1 January 2014	–	–
Charge for the year	–	–
At 31 December 2014	–	–
<i>Carrying value</i>		
At 31 December 2014	1,473	1,473
	Trademark £	Total £
<i>Cost</i>		
At 1 January 2015	1,473	1,473
Additions	–	–
At 31 December 2015	1,473	1,473
<i>Amortisation</i>		
At 1 January 2015	–	–
Charge for the year	1,473	1,473
At 31 December 2015	1,473	1,473
<i>Carrying value</i>		
At 31 December 2015	–	–
At 31 December 2014	1,473	1,473

The carrying value of the trademark was not subject to annual amortisation, however after testing for impairment the recoverable amount has been reduced to nil. Due to the age of the company it was determined that the value of the trademark had not generated any value.

12. Subsidiaries

The principal subsidiaries of Widecells International Limited for the three years to 31 December 2015 are as follows:

Name	Country of incorporation	Nature of business
WideCells Limited (100%)	United Kingdom	Procurement and marketing
WideCells (Portugal) SA (60%)	Portugal	Procurement and marketing
WideCells (Espana) SL (56%)	Spain	Procurement and marketing

Notes:

The Group held no interests in unconsolidated structured entities. After the 31 December Widecells Group Limited company name changed to WideCells International Limited. A new Widecells Group Limited was subsequently incorporated and a share for share exchange resulted in WideCells International Limited becoming the principal subsidiary of the new Widecells Group Limited.

13. Inventories

	2015 £	2014 £	2013 £
Raw materials and consumables	2,887	3,697	882

14. Trade and other receivables

	2015 £	2014 £	2013 £
Trade receivables	126	19,744	2,296
Supplier payments on account	–	5,591	5,591
Prepayments	–	1,200	–
Tax and social security	29,749	17,083	6,033
Other receivables	1,587	6,064	11,599
Total trade and other receivables	31,462	49,682	25,519

15. Cash and cash equivalents notes

	2015 £	2014 £	2013 £
Cash at bank available on demand	33,753	9,764	921

16. Trade and other payables

	2015 £	2014 £	2013 £
Current			
Trade payables	54,224	52,800	5,623
Tax and social security	8,868	14,622	13,691
Directors' loan	26,674	49,919	–
Deferred income	–	–	12,298
Other creditors	53,182	62,648	50,958
Total trade and other payables	142,948	179,989	82,570

Book values approximate to fair values as at 31 December 2015, 2014 and 2013.

All current trade and other payables are payable within 3 months of the period end date shown above.

17. Borrowings

	2015 £	2014 £	2013 £
Credit card	4,654	4,503	39
Lease contracts	360	568	–
Bank loans	139,603	62,612	–
Interest free loans	305,399	87,478	–
Total borrowings	450,016	155,161	39

The loans are due within one year and secured over the assets held by the Group.

18. Financial instruments - risk management

The Group is exposed through its operations to the following financial risks:

- Credit risk
- Fair value or cash flow interest rate risk
- Liquidity risk

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout this Historical Financial Information.

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Trade receivables
- Cash and cash equivalents
- Trade and other payables

A summary of the financial instruments held by category is provided below:

Financial assets - loans and receivables

	2015	2014	2013
	£	£	£
Cash and cash equivalents	33,753	9,764	921
Trade receivables	126	19,744	2,296
Supplier payments on account	–	5,591	5,591
Prepayments	–	1,200	–
Tax and social security	29,749	17,083	6,033
Other receivables	1,587	6,063	11,599
Total financial assets	<u>65,215</u>	<u>59,445</u>	<u>26,440</u>

Financial liabilities – amortised cost

	2015	2014	2013
	£	£	£
Trade and other payables	142,948	179,989	82,570
Loans and borrowings	450,016	155,161	39
Total financial liabilities – amortised cost	<u>592,964</u>	<u>335,150</u>	<u>82,609</u>

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's Management Committee. The Board receives quarterly reports from the Management Committee through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. It is Group policy, implemented locally, to assess the credit risk of new customers before entering contracts.

The directors have established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings when available. Purchase limits are established for each customer, which represents the maximum open amount without requiring approval from the Credit Committee.

The Group does not enter into derivatives to manage credit risk, although in certain isolated cases may take steps to mitigate such risks if it is sufficiently concentrated.

Quantitative disclosures of the credit risk exposure in relation to financial assets are set out below. Further disclosures regarding trade and other receivables, which are neither past due nor impaired, are provided in note 14.

Financial assets – maximum exposure

	2015 £	2014 £	2013 £
Cash and cash equivalents	33,753	9,764	921
Trade receivables – gross of VAT	126	19,744	2,296
Total financial assets	33,879	29,508	3,217

The directors monitor the utilisation of the credit limits regularly and at the reporting date does not expect any losses from non-performance by the counterparties.

Cash in bank

The Group is continually reviewing the credit risk associated with holding money on deposit in banks and seek to mitigate this risk by holding deposits with banks with high credit status.

Fair value and cash flow interest rate risk

The Group is exposed to cash flow interest rate risk from short term and long-term borrowings at variable rate. It is Group policy that all borrowings are approved by the directors to ensure that it is not taking on significant risk related to possible movements in interest rates. Although the board accepts that this policy neither protects the Group entirely from the risk of paying rates in excess of current market rates nor eliminates fully cash flow risk associated with variability in interest payments, it considers that it achieves an appropriate balance of exposure to these risks.

During the period, the Group's borrowings at variable rate were denominated in sterling.

Foreign exchange risk

Foreign exchange risk arises as the Group has a operations located in Portugal and Spain whose functional currency is not the same. Given the levels current funding, the Group does not yet hedge its net investments in overseas operations as the cost of doing so is disproportionate to the exposure.

Foreign exchange risk also arises when individual Group entities enter into transactions denominated in a currency other than their functional currency; the Group has several customers who are invoiced in currency other than sterling and also relies on regular supplier invoiced in currency other than sterling. Again, these transactions are not hedged because the cost of doing so is disproportionate to the risk.

As of 31 December 2015, 2014 and 2013 the Group's exposure to foreign exchange risk was not material.

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

It is the Group's aim to settle balances as they become due.

All of the group's liabilities are due within one year.

Capital disclosures

The Group monitors "adjusted capital" which comprises all components of equity (i.e. share capital, share premium, foreign exchange reserve and retained earnings).

The Group's objectives when maintaining capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group has historically maintained very high levels of gearing and is currently not exposed to externally imposed capital requirements. The Group will continue to manage the amount of capital it

requires in proportion to risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The high levels of debt in comparison to the level of equity are due to the age of the company. Should the company become a public liability company the level of gearing would change significantly.

19. Share capital

Issued and fully paid	£	£	£
2 ordinary shares of £1.00 each	–	2.00	2.00
475,000 ordinary shares of £0.0001 each	47.50	–	–
Total shares issued and fully paid	47.50	2.00	2.00

Rights Attaching to the shares

The ordinary shares have full voting, dividend, and capital distribution rights. They do not confer any rights of redemption.

On or following the occurrence of a change of control the receipts from the acquirer shall be applied to the holders of the ordinary shares pro rata to their respective holdings.

Share transactions and issues

During 2015 38 ordinary shares were allotted at a nominal value of £1.00 each, resulting in total shares allotted of 40 with an aggregate nominal value of £40.

The 40 ordinary shares were then sub-divided to 400,000 £0.0001 shares.

A further allotment of 75,000 shares at £0.0001 per share was then made, resulting in an overall shareholding of 475,000 £0.0001 shares with an aggregate nominal value of £48. The total paid for these shares was £791, which gave rise to a share premium of £743.

20. Reserves

The following describes the nature and purpose of each reserve within equity

Reserve	Description and purpose
Share premium	Amount subscribed for share capital in excess of nominal value.
Minority interests	Represents equity of the group relating to other parties
Other equity	Amounts introduced in advance of conversion to capital
Retained earnings	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

21. Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observable significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

The Group has level two financial instruments.

The Group performs valuations of financial items for financial reporting purposes, including Level 3 fair values. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information.

The valuation techniques used for instruments categorised in Level two and three are described below:

Level 3 fair value measurements

The reconciliation of the carrying amounts of financial instruments classified at level 2 is as follows:

	2015 £	2014 £	2013 £
Company loan liability			
Interest free convertible loan	<u>305,399</u>	<u>87,478</u>	<u>—</u>

22. Capital commitments

The Group had no capital commitments at 31 December 2013, 31 December 2014 and 31 December 2015.

23. Contingent liabilities

The Group had no contingent liabilities at 31 December 2013, 31 December 2014 and 31 December 2015.

24. Related parties

Details of Directors' remuneration are given in note 6. There were no other transactions with related parties during the period other than the below:

J Fernandes – Company shareholder

During the three years to 31 December 2015 J Fernandes loaned the company a total of £120,000, this remained due to J Fernandes as at 31 December 2015.

L Gil – Close family to director

During the three years to 31 December 2015 L Gil loaned the company £86,516, this was converted into share capital after 31 December 2015.

J Ferreira – Company Shareholder

During the three years to 31 December 2015 J Ferreira loaned the company £86,529, this was converted into share capital after 31 December 2015.

25. Events after the reporting period

In January 2016 £118,000 of the £120,000 loan by J Fernandes was converted into 94,400 shares. At the same time the minority shareholders in the subsidiary companies were transferred up to WideCells Group Limited in a share for share exchange so WideCells Group Limited became the 100% owner of WideCells Ltd, WideCells (Portugal) SA and WideCells (Espana) SL.

In May 2016 Widecells Group Limited changed its name to WideCells International Limited. A new company was subsequently incorporated as Widecells Group Limited, and WideCells Group Limited became the 100% owner of Widecells International Limited via another share for share exchange agreement.

On 21 June 2016, WideCells Group Limited was re-registered as a public limited company.

26. Ultimate controlling party

There is not an ultimate controlling party.

PART V

OPERATING AND FINANCIAL REVIEW OF THE GROUP

The overview of financial results below provides information which the Directors consider is relevant to an assessment and understanding of the Group's financial position and results of operations. This section contains financial information that has been extracted or derived, without material adjustment, from WideCells International's audited financial information for the period from incorporation to 31 December 2015.

The following discussion should be read in conjunction with the other financial information in this document, in particular with the unaudited pro-forma financial information. This discussion contains forward-looking statements, which, although based on assumptions that the Directors consider reasonable, are subject to risks and uncertainties which could cause actual events or conditions to differ materially from those expressed or implied by the forward-looking statements, and should be read in conjunction with the factors discussed in the "Risk Factors" section of this document.

As at the date of this document, the Company, a newly incorporated entity, has not yet commenced trading.

Overview

WideCells International was formed in September 2012 and started to trade in 2014 with the provision of stem cell consultancy. In 2013 WideCells Portugal was created to develop umbilical cord blood and tissue services. Following the success of Portuguese activities the company acquired WideCells España, a stem cell services company based in Madrid, Spain (previously called Nasersalud S.A.). Further companies were added to the Group in January 2016, being CellPlan Limited and WideAcademy Limited. Both of these companies are based in Manchester; the former focusing on the development and provision of stem cell health insurance in collaboration with Best Doctors and the latter focusing on providing training courses on to healthcare professionals on stem cell and cord blood banking and services. On 16 June 2016 WideCells International was acquired by WideCells by way of a share for share exchange resulting in WideCells international becoming a wholly owned subsidiary of WideCells.

Strategy

The strategy of the Group is to use the net Placing Proceeds to:

- Develop insurance-based access to stem cell therapy.
- Provide stem cell processing and storage services to customers.
- Provide training courses and conference events to healthcare professionals.
- Extend stem cell markets to other countries with Brazil being a current target.

Results for the period

The tables below set out summary financial information for the Group for the years ending 31 December 2013, 2014 and 2015 as extracted from the historical financial information of the Group set out in Part IV of this document.

Summary income statements

	Year ended 31 December 2015 £'000	Year ended 31 December 2014 £'000	Year ended 31 December 2013 £'000
Revenue	51	118	4
Cost of sales	–	(9)	–
Gross profit	51	109	4
Operating expenses	(285)	(358)	(152)
Loss before tax and interest	(234)	(249)	(148)
Finance costs	(38)	(13)	–
Loss before tax	(272)	(262)	(148)
Taxation	(1)	(3)	(8)
Loss for the period/year	(273)	(265)	(156)
Other comprehensive income	–	–	–
Total comprehensive loss for the period/year	(273)	(265)	(156)

Balance sheet

	Year ended 31 December 2015 £'000	Year ended 31 December 2014 £'000	Year ended 31 December 2013 £'000
Intangible fixed assets	–	1	–
Tangible fixed assets	30	48	–
Non-current assets	30	49	–
Inventories	3	4	1
Receivables	31	50	25
Cash and cash equivalents	34	10	1
Current assets	68	64	27
Total assets	98	113	27
Share capital and share premium	1	–	–
Convertible loan stock	173	173	75
Retained earnings	(497)	(279)	(88)
Shareholders equity	(323)	(106)	(13)
Non-controlling interests	(172)	(116)	(43)
Total equity	(495)	(222)	(56)
Trade and other payables	143	180	83
Borrowings	450	155	–
Current liabilities	593	335	83
Total equity and liabilities	98	113	27

Operational and financial overview

WideCells International was founded in 2012, and activities began with the incorporation of WideCells Portugal in January 2013. With funding provided by angel investors the company developed

agreements and licensing to promote outsourced umbilical cord blood and tissue services to store samples at 3rd party cord blood banks in Portugal. Towards the end of 2013, a small sales and administrative team was established, and the first orders were received. During 2013 and 2014, WideCells Portugal received approximately 140 orders and stored 113 samples, with a further 65 orders and 55 samples up to May 2015. To expand, WideCells International acquired a majority stake in WideCells España in January 2014. Total sales to the end of 2015 amounted to £173,000.

Early in 2015, the directors looked to raise additional funding to grow the existing business and to launch the CellPlan stem cell health insurance product. Sales activity ceased while fund raising took over. To fund these operations, WideCells took out bank loans and issued convertible loan notes (CLNs) to its existing and new angel investors in the summer of 2015. By the end of 2015 £186,000 of CLNs had been issued and, when completed at the end of April 2016, a total of £460,000 had been raised in this way. Bank debt at the end of 2015 was £145,000.

In January 2016 the minority shareholders in WideCells Portugal and WideCells España agreed to exchange their shares in such companies for shares in the WideCells Group, the holding company, thereby establishing WideCells Portugal and WideCells España as wholly-owned subsidiaries of the Company. CellPlan Ltd and WideAcademy Ltd were also incorporated in January 2016 to run the two new businesses – health insurance and online training.

New contracts obtained

Standard agreements with cord blood banks in Portugal and Spain are in place.

The central agreement for the CellPlan insurance product is between CellPlan Limited and Best Doctors, a US healthcare insurance business with its European operations based in Spain and Portugal. CellPlan Limited is responsible for the sales and marketing of the insurance product, and Best Doctors provide claims management services. The agreement requires Best Doctors to arrange underwriting of the insurance policies through insurers or reinsurers.

WideCells Ltd has agreed to lease a clean room facility at the University of Manchester Innovation Centre to set up a UK cord blood bank processing and storage facility.

WideAcademy has an agreement with the University of Westminster to develop the online training courses for medical professionals.

Revenues

All revenues have been for the processing and storage of umbilical cord blood and tissue in WideCells Portugal.

Margins achieved and achievable in the future

The sales price to process and store a baby's umbilical cord blood cells is around £1,800. The cost of the collection kit, transporting plus processing materials is about £500; and, with £100 of labour, the gross margin is approximately £1,200 (66.7%). These margins will be maintained in the main European market as this will be the principle focus of activity.

The CellPlan insurance product will be marketed globally and will be between £100 - 300 per policy per year. The higher priced policies will include four family members under cover. After commissions and reinsurance costs, the expected £100 balance will be shared 50:50 between CellPlan Limited and Best Doctors.

Operating costs

Over the last three years WideCells International has had a maximum of 12 employees including the two founder directors. The founder directors have been paid below-market salaries while the business has been starting up.

Once the decision was taken in 2015 to focus on fund-raising, the employee numbers fell leaving just the 2 founder directors.

The main costs in 2013 and 2014 were to deliver the 168 sales to date. There were no R&D costs because of the nature of the business. In 2015, the main costs have been related to Admission and the Placing.

Fixed assets

There have been no significant fixed asset purchases.

Significant debtors and creditors

WideCells International has no significant debtors and, because customers pay for their cord blood storage in advance, this is not expected to grow.

The main creditors at the end of 2015 were comprised of £145,000 of bank loans in Portugal and £305,000 of Convertible Loan Notes to current angel investors. Convertible Loan Notes of £120,000 issued to one angel investor was partially converted on 25 January 2016 into £118,000 of ordinary shares in the share capital of WideCells International (with the remainder Convertible Loan Notes of £2,000 left outstanding).

Cash and loan notes

The Convertible Loan Notes (which carry an 8% interest rate on outstanding notes) will convert into Ordinary Shares automatically on Admission at a conversion price which is a 20% discount to the Placing Price.

Treasury management and foreign exchange

Sales and insurance costs will be in the local currencies of the countries to which they relate. Initially these costs will be in EUR, GBP and USD (with most overheads in EUR and GBP). The Group will match currency costs to revenues and maintain forward exchange contracts to hedge currency risk where appropriate.

Liquidity risk

The net proceeds of the Placing are forecast to take the Group through to profitability in the second year following Admission, by which time the Group's operations will start to generate cash.

Credit risk

This is not considered to be significant as customers will pay in advance.

Managing growth and future expansion

The CellPlan product is designed for the worldwide market. Once the product is ready for sale, CellPlan Limited will contract with the cord blood banks it already has relationships with (initially focusing on the biggest and most prestigious of them). Best Doctors already has an international base of contractors and connections and is expected to be able to provide all the medical consulting and claims processing needed as the business is developed.

Corporate Governance

The Company has a non-executive chairman and non-executive director with relevant healthcare insurance background. They will chair the remuneration and audit committees and the board will expand as the business develops. Board meetings are held as and when required and at least monthly.

PART VI

(A) ACCOUNTANT'S REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION



The Directors
WideCells Group PLC
Core Technology Facility
46 Grafton Street
Manchester
England
M13 9NT

22 July 2016

Dear Sirs,

Introduction

We report on the unaudited pro forma statement of net assets as at 17 June 2016 set out in Part VI(B) “*Unaudited Pro Forma Financial Information*” of the prospectus (**Prospectus**) of WideCells Group Limited (Company) dated 22 July 2016, which has been prepared on the basis described, for illustrative purposes only, to provide information about how the admission of the Company and its securities to trading on the standard segment of the Official List of the UK Listing Authority and certain transactions might have affected the net assets presented on the basis of the accounting policies adopted by the company in preparing the audited financial information as at 17 June 2016. This report is required by Annex I, item 20.2 of Commission Regulation (EC) N 809/2004 and is given for the purpose of complying with that requirement and for no other purpose.

Responsibilities

It is the responsibility of the directors of the company to prepare the pro forma financial information in accordance with Annex I (item 20.2) and Annex II (items 1-6) of Commission Regulation (EC) N 809/2004.

It is our responsibility to form an opinion, in accordance with Annex I (item 20.2) and Annex II (items 1-6) of Commission Regulation (EC) N 809/2004 as to the proper compilation of the pro forma financial information and to report that statement to you in accordance with Annex II (item 7) of Commission Regulation (EC) N 809/2004.

Basis of opinion

We conducted our work in accordance with Standards of Investment reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed, for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the pro forma financial information with the directors.

Critchleys is the trading name of Critchleys LLP a limited liability partnership. Registered office: Greyfriars Court Oxford OX1 1BE
Incorporated in England & Wales under number OC354137. Critchleys is a member of the UK200Group and IAPA - a global association of independent accountancy firms

Authorised and regulated by the Financial Conduct Authority • Anthony Harris, Sue Roscoe & Lawrence King are authorised to act as Licensed Insolvency Practitioners by the ACCA in the UK

Members

Katy Bruce FCCA • Anthony Harris FCCA FBRP • Gerry Jackson CTA • Peter Kemp FCA • Lawrence King MABRP • Robert Kirtland Ltd • Gavin Little Ltd • Jason McGuigan Ltd • Kathryn Pocock FCA
Andrew Rodzynski ACA • Mark Risher Ltd • Caroline Webster FCA • Matthew Williams ACCA • Martin Wright ACA • Critchleys Annuitants

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with reasonable assurance that the pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the company.

Our work has not been carried out in accordance with auditing or other standards and practices generally adopted in jurisdictions outside the United Kingdom, including the USA, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion the pro forma financial information has been properly compiled on the basis stated and such basis is consistent with the accounting policies of the company.

Declaration

For the purpose of Prospectus Rule 5.5.3R, we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the document in compliance with Annex I (item 1.2) of Commission Regulation (EC) N 809/2004.

Yours faithfully

Critchleys LLP
Chartered Accountants

(B) UNAUDITED PRO FORMA FINANCIAL INFORMATION

1. Introduction

The unaudited pro forma statements of net assets and income have been prepared on the basis of the notes set out below, in accordance with item 20.2 of annex I and items 1-6 of annex II to the Prospectus Directive Regulation, and in accordance with the accounting policies to be applied by the Company in its financial statements for the year ended 31 December 2016, which are consistent with the policies applied in the preparation of historical financial information in Part IV of this document.

The pro forma statement of net assets has been prepared to illustrate the effects of the Placing as if it had occurred at 17 June 2016.

The unaudited pro forma income statement has been prepared based on the income statement of WideCells and the consolidated income statement of WideCells International for the year ended 31 December 2015 to illustrate the effect on the income statement of WideCells of the acquisition and the placing as if it had taken place as at 1 January 2016.

The unaudited pro forma financial information has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and, therefore, does not represent the Company's actual financial position or results. In addition the unaudited pro forma financial information does not purport to represent what the Company's financial position actually would have been if the transactions had been completed on the dates indicated and does not purport to represent the results of operations for any future period or the financial condition at any future date.

2. Unaudited pro forma statement of assets

	Net assets of the Group at 31 December 2015 £'000	Net assets of the Company as at 17 June 2016 £'000	Net proceeds of the Placing £'000	Pro forma net assets of the Group at 17 June 2016 £'000
Tangible fixed assets/investments	30	76	–	106
Non-current assets	30	76	–	106
Inventories	3	–	–	3
Receivables	31	–	–	31
Cash and cash equivalents	34	–	1,725	1,759
Current assets	68	–	1,725	1,793
Total assets	98	76	1,725	1,899
Trade and other payables	(143)	–	–	(143)
Borrowings	(450)	–	–	(450)
Current liabilities	(593)	–	–	(593)
Net assets/(liabilities)	(495)	76	1,725	1,306

Notes

1. The financial information as at 31 December 2015 has been extracted, without material adjustment, from the audited consolidated historical financial information set out in Section (D) of *Part IV: Selected Financial Information* of this document.
2. The financial information as at 17 June 2016 has been extracted, without material adjustment, from the audited financial information of the Company as set out in Section (B) of *Part IV: Selected Financial Information* of this document (Historical Financial Information on the Company).
3. The total net proceeds of the Placing are estimated to be £1,725,000 after the deduction of the estimated expenses of £275,000 incurred by the Company in connection with Admission and the Placing.

3. Unaudited pro forma income statement for the Group

	Period ended 17 June 2016 for the Company £'000	Year ended 31 December 2015 for the Group £'000	Pro forma £'000
Revenue	–	51	51
Cost of sales	–	–	–
Gross profit	–	51	51
Operating expenses	–	(285)	(285)
Loss before tax and interest	–	(234)	(234)
Finance costs	–	(38)	(38)
Loss before tax	–	(272)	(272)
Taxation	–	(1)	(1)
Loss for the period/year	–	(273)	(273)
Other comprehensive income	–	–	–
Total comprehensive loss for the period/year	–	(273)	(273)

Notes

1. The financial information as at 17 June 2016 has been extracted, without material adjustment, from the audited financial information of the Company as set out in Section (B) of *Part IV: Selected Financial Information* of this document (Historical Financial Information on the Company).
2. The group financial information for the year ended 31 December 2015 has been extracted, without material adjustment, from the audited consolidated historical financial information set out in Section (D) of *Part IV: Selected Financial Information* of this document.

PART VII

TAXATION

United Kingdom Taxation

The comments set out below are based on the current UK tax law and what is understood to be current HMRC practice which are subject to change at any time. They are intended as a general guide only and apply only to Shareholders who are resident and domiciled in the UK for tax purposes (except to the extent that specific reference is made to Shareholders resident outside the UK), who hold their Ordinary Shares as investments and who are the absolute beneficial owners of those Ordinary Shares.

They do not deal with the position of certain classes of Shareholders, such as dealers in securities, broker dealers, insurance companies, collective investment schemes or Shareholders who have or are deemed to have acquired their Ordinary Shares by virtue of an office or employment. Shareholders who are in doubt as to their position or who are subject to tax in any jurisdiction other than the UK should consult their own professional advisers immediately.

An investment in the Company involves a number of complex tax considerations. Changes in law, practice of a tax or fiscal authority or in the interpretation of law in any of the countries in which the Company (or any subsidiary of the Company) has assets or carries on business, or changes in tax treaties negotiated by those countries, could adversely affect the returns from the Company to investors.

Prospective investors should consult their own independent professional advisers on the potential tax consequences of subscribing for, purchasing, holding or selling Ordinary Shares under the laws of their country and/or state of citizenship, domicile or residence.

Taxation of dividends

The Company will not be required to withhold tax at source on any dividends it pays to its Shareholders.

Individuals resident in the UK for taxation purposes or who carry on a trade, profession or vocation in the UK through a branch or agency and who hold Ordinary Shares for the purposes of such trade, profession or vocation, or for such branch or agency, are generally liable to Income Tax on the aggregate amount of any dividend received (and any dividend income shall be treated as forming the highest part of a taxpayer's income).

The UK regime on taxation of dividend income was reformed on 6 April 2016 and in particular the previous deemed tax credit was abolished. In its place, taxpayers will have a £5,000 dividend tax allowance. Dividend receipts in excess of £5,000 will be taxed at the following rates depending on the Shareholder's income level: 7.5%, (previously an effective rate of 0%), 32.5% (previously an effective rate of 25%), and 38.1% (previously an effective rate of 30.6%).

Trustees of discretionary trusts receiving dividends from Ordinary Shares are also liable to account for income tax at the dividend trust rate, currently 38.1% of the dividend. UK pension funds and charities are generally exempt from tax on dividends they receive.

Dividends paid on the Ordinary Shares to UK resident corporate Shareholders will generally (subject to anti-avoidance rules) fall within one or more of the classes of dividend qualifying for exemption from Corporation Tax. Shareholders within the charge to Corporation Tax are advised to consult their independent professional tax advisers in relation to the implications of the legislation.

The right of a non-UK resident Shareholder to the dividend tax allowance referred to above in respect of a dividend received from the Company and to claim that allowance will depend on the existence and terms of any double taxation convention between the UK and the country in which the Shareholder is resident. Non-UK resident Shareholders may be subject to tax on dividend income under any law to which they are subject outside the UK. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

Disposals of Ordinary Shares

Subject to their individual circumstances, Shareholders who are resident in the United Kingdom for taxation purposes, or who carry on a trade in the UK through a branch, agency or permanent establishment with which their investment in the Company is connected, will potentially be liable to UK taxation on any gains which accrue to them on a sale or other disposition of their Ordinary Shares which constitutes a “disposal” for UK taxation purposes.

Stamp Duty and Stamp Duty Reserve Tax

The statements below summarise the current position and are intended as a general guide only to Stamp Duty and SDRT. Certain categories of person are not liable to Stamp Duty or SDRT, and special rules apply to agreements made by broker dealers and market makers in the ordinary course of their business and to certain categories of person (such as depositories and clearance services) who may be liable to Stamp Duty or SDRT at a higher rate or may, although not primarily liable for tax, be required to notify and account for SDRT under the Stamp Duty Reserve Tax Regulations 1986.

No UK Stamp Duty or SDRT will be payable on the issue of Ordinary Shares pursuant to the Placing, other than as explained below.

The transfer on sale of Ordinary Shares will generally be liable to ad valorem Stamp Duty at the rate of 0.5% (rounded up to the nearest multiple of £5) of the amount or value of the consideration paid. An exemption from Stamp Duty will be available on an instrument transferring Ordinary Shares where the amount or value of the consideration is £1,000 or less, and it is certified on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds £1,000. The purchaser normally pays the Stamp Duty. An unconditional agreement to transfer such shares will be generally liable to SDRT, at the rate of 0.5% of the consideration paid, but such liability will be cancelled or a right to a repayment in respect of the SDRT liability will arise if the agreement is completed by a duly stamped transfer within six years of the agreement having become unconditional. SDRT is the liability of the purchaser.

Paperless transfers of shares within the CREST system are generally liable to SDRT (at a rate of 0.5% of the amount or value of the consideration payable) rather than Stamp Duty, and SDRT on relevant transactions settled within the system or reported through it for regulatory purposes will be collected by CREST. Deposits of shares into CREST will not generally be subject to SDRT unless the transfer into CREST is itself for consideration.

Where shares are transferred (but not on issue): (a) to, or to a nominee for, a person whose business is or includes the provision of clearance services; or (b) to, or to a nominee or agent for, a person whose business is or includes issuing depositary receipts, Stamp Duty or SDRT will generally be payable at the higher rate of 1.5% of the amount or value of the consideration payable or, in certain circumstances, the value of the shares (rounded up to the next multiple of £5 in the case of Stamp Duty). This liability for Stamp Duty or SDRT will strictly be accountable by the depository or clearance service operator or their nominee, as the case may be, but will, in practice, generally be reimbursed by participants in the clearance service or depositary receipt scheme. Transfers within the clearance service, and transfers of depositary receipts, are then generally made free of SDRT or Stamp Duty. Clearance services may opt, provided certain conditions are satisfied, for the normal rate of Stamp Duty or SDRT (0.5% of the amount or value of consideration given) to apply to issues or transfers of shares into, and to transactions within, such services instead of the higher rate of 1.5% generally applying to an issue or transfer of shares into the clearance service and instead of the exemption from SDRT on transfers of shares whilst in the service.

The statements in this section relating to Stamp Duty and SDRT apply to any Shareholders irrespective of their residence, summarise the current position and are intended as a general guide only. Special rules apply to agreements made by, amongst others, intermediaries.

PART VIII

ADDITIONAL INFORMATION

1. Responsibility

The Company and each of the Directors whose names appear on page 30 of this document accept responsibility for the information contained in this document. To the best of the knowledge of the Company and 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 contains no omission likely to affect its import.

2. The Company

- 2.1 The Company's legal and commercial name is WideCells Group plc.
- 2.2 The Company was incorporated in England and Wales on 24 May 2016 under the name WideCells Group Limited with registered number 10197256 as a private limited company under CA 2006. On 21 June 2016, the Company was re-registered as a public limited company with the name WideCells Group plc. The domicile of the Company is the United Kingdom.
- 2.3 The principal legislation under which the Company operates is CA 2006. The liability of the members is limited to the amount, if any, unpaid on the shares respectively held by them.
- 2.4 The Company's registered office is at Core Technology Facility, 46 Grafton Street, Manchester and the telephone number is 0161 606 7200.
- 2.5 The Company is the holding company of the Group, which provides services in the stem cell and cord blood banking and services sector, including the processing and storage of stem cells from umbilical cord blood (WideCells Limited), providing insurance cover should such products need to be used (CellPlan Limited), and providing training for healthcare professionals (WideAcademy Limited). The Group also works to develop a number of additional products and services.
- 2.6 The Company is the holding company of the Group and holds the Subsidiaries directly and indirectly as set out below.

Company name	Interest (share capital and voting rights)	Number (country of incorporation)	Principal activity
Direct Subsidiary of the Company			
WideCells International	100% held by the Company	08150010 (UK)	Holding company of the Subsidiaries
Indirect Subsidiaries of the Company held by WideCells International			
CellPlan Limited	100% held by WideCells International	09962594 (UK)	Stem cell health insurance
WideAcademy Limited	100% held by WideCells International	09963544 (UK)	Research and development and training
WideCells Limited	100% held by WideCells International	08202804 (UK)	Stem cell processing and storage
WideCells Portugal	100% held by WideCells International	Identified by VAT No. 510 467 229 (Portugal)	Stem cell processing and storage
WideCells España	100% held by WideCells International	Identified by VAT No. B 85905 750 (Spain)	Stem cell processing and storage

- 2.7 On 21 June 2016, the Company adopted the Articles in substitution for and to the exclusion of the Company's existing articles of association.

3. Share Capital

- 3.1 In accordance with CA 2006, the Company has no limit on its authorised share capital.
- 3.2 On incorporation of the Company, two ordinary shares of £0.0025 each were subscribed for and issued and allotted in equal number to João Goncalves Andrade and João Carlos Martins Loureiro Lopes Gil.
- 3.3 On 16 June 2016 the Company issued and allotted 30,399,998 Ordinary Shares to the shareholders of WideCells International in consideration for the transfer of the entire issued share capital of WideCells International to the Company, making it a wholly owned subsidiary of the Company. Further details of this share for share exchange are set out in paragraph 9.3 of *Part VIII: Additional Information* of this document.
- 3.4 The issued and fully paid up share capital of the Company at the date of this document is 30,400,000 Ordinary Shares.
- 3.5 The issued share capital of the Company at the date of this document and on Admission will be as follows:

	Number of Ordinary Shares allotted and fully paid	Nominal value of Ordinary Shares
Current	30,400,000	£76,000
On Admission	54,058,061	£135,145.15

- 3.6 Pursuant to a resolution passed on 16 June 2016, the Company resolved that:
- 3.6.1 the Directors be generally authorised in accordance with the Articles to exercise all the powers of the Company to allot Ordinary Shares, or grant rights to subscribe for, or convert any security into, Ordinary Shares, up to a maximum aggregate nominal value of £67,572.57, provided always that such authority conferred on the directors shall (unless previously renewed, varied or revoked prior to that time) expire at the conclusion of the Company's next annual general meeting or on the date falling 18 months after the date of the passing of the resolution, whichever is the sooner. The Company may make an offer or agreement which would or might require Ordinary Shares to be allotted pursuant to the resolution referred to in this paragraph 3.6.1 before the expiry of their authority to do so, but allot the Ordinary Shares pursuant to any such offer or agreement after that expiry date;
- 3.6.2 all pre-emption rights in the Articles be waived: (i) for the purposes of, or in connection with, the Placing, the issue of the Conversion Shares and the issue of the Warrant Shares; (ii) generally for such purposes as the directors may think fit (including the allotment of equity securities for cash) up to a maximum aggregate amount of £40,543.54; and (iii) for the purposes of the issue of securities offered (by way of a rights issue, open offer or otherwise) to existing holders of Ordinary Shares, but subject to the directors having a right to make such exclusions or other arrangements in connection with the offering as they deem necessary or expedient: (A) to deal with equity securities representing fractional entitlements; and (B) to deal with legal or practical problems in the laws of any territory, or the requirements of any regulatory body; on the basis that the authorities conferred under the resolution referred to in this paragraph 3.6.2 shall (unless previously renewed, varied or revoked prior to that time) expire at the conclusion of the Company's next annual general meeting or on the date falling 18 months after the date of the passing of the resolution, whichever is the sooner. The Company may make an offer or agreement which would or might require equity securities to be issued before the expiry of its power to do so, but allot the equity securities pursuant to any such offer or agreement after that expiry date.
- 3.7 The provisions of section 561(1) CA 2006 (to the extent not disapplied pursuant to sections 570-571 CA 2006) confer on shareholders certain rights of pre-emption in respect of the allotment of equity securities (as defined in section 560 CA 2006) which are, or are to be,

paid up in cash and will apply to the unissued share capital of the Company, except to the extent disapplied by the resolution referred to in paragraph 3.6.2 above.

- 3.8 The Ordinary Shares will be listed on the Official List and will be traded on the main market of the London Stock Exchange. The Ordinary Shares are not listed or traded, and no application has been or is being made for the admission of the Ordinary Shares to listing or trading, on any other stock exchange or securities market.
- 3.9 Each Placing Share and each Conversion Share will rank in full for all dividends and distributions declared made or paid after their issue and otherwise *pari passu* in all respects with each Existing Ordinary Share and will have the same rights (including voting and dividend rights and rights on a return of capital).
- 3.10 Except for the Company's obligations to issue and allot Ordinary Shares pursuant to the Placing and under the Convertible Loan Notes, and the Options, there are no rights and/or obligations over the Company's unissued share or loan capital nor do there exist any undertakings to increase the Company's share or loan capital.
- 3.11 Except as disclosed in this document, no share of the Company or any of the Subsidiaries is under option or has been agreed conditionally or unconditionally to be put under option.
- 3.12 The Company does not have in issue any securities not representing share capital nor any shares which are held by or on behalf of the Company itself. Except as disclosed in this document, there are no outstanding convertible securities issued by the Company.
- 3.13 On Admission, on the basis that existing Shareholders do not participate in the Placing, they will suffer a dilution of 43.76% in their aggregate interests in the Company.
- 3.14 The Ordinary Shares may be held in either certificated form or under the CREST system.
- 3.15 Except as disclosed in this paragraph and as referred to in this *Part VIII: Additional Information*, since the date of incorporation of the Company: (i) there has been no change in the amount of the issued share or loan capital of the Company; and (ii) no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any share capital of the Company.
- 3.16 To the best of the Directors' knowledge, no-one, directly or indirectly, acting jointly, exercise or could exercise control over the Company.
- 3.17 The ISIN number in respect of the Ordinary Shares is GB00BD060S65. The Ordinary Shares are and will be created and issued under CA 2006 and are denominated in pounds sterling.
- 3.18 The registrars of the Company are SLC Registrars. They will be responsible for maintaining the register of members of the Company.

4. Objects of the Company

The Company's objects are unrestricted.

5. Articles of association

The rights attaching to the Ordinary Shares, as set out in the Articles contain, amongst others, the following provisions:

Votes of members

- 5.1 Subject to any special terms as to voting or to which any shares may have been issued or, no shares having been issued subject to any special terms, on a show of hands every member who being an individual is present in person or by proxy or, being a corporation is present by a duly authorised representative, has one vote, and on a poll every member has one vote for every share of which he is the holder.
- 5.2 Unless the directors determine otherwise, a member of the Company is not entitled in respect of any shares held by him to vote at any general meeting of the Company if any amounts payable by him in respect of those shares have not been paid or if the member has a holding

of at least 0.25% of any class of shares of the Company and has failed to comply with a notice under section 793 CA 2006.

Variation of rights

5.3 The Articles do not contain provisions relating to the variation of rights as these matters are dealt with in section 630 CA 2006. If at any time the capital of the Company is divided into different classes of shares, the rights attached to any class may be varied or abrogated with the consent in writing of the holders of at least three fourths in nominal value of that class or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of that class but not otherwise.

Transfer of shares

5.4 Subject to the provisions of the Articles relating to CREST, all transfers of shares will be effected in any usual form or in such other form as the board approves and must be signed by or on behalf of the transferor and, in the case of a partly paid share, by or on behalf of the transferee. The transferor is deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect of it.

5.5 The directors may, in their absolute discretion and without assigning any reason, refuse to register the transfer of a share in certificated form if it is not fully paid or if the Company has a lien on it, or if it is not duly stamped, or if it is by a member who has a holding of at least 0.25% of any class of shares of the Company and has failed to comply with a notice under section 793 CA 2006. In exceptional circumstances approved by the London Stock Exchange, the directors may refuse to register any such transfer, provided that their refusal does not disturb the market.

5.6 The Articles contain no restrictions on the free transferability of fully paid Ordinary Shares provided that the transfers are in favour of not more than four transferees, the transfers are in respect of only one class of share and the provisions in the Articles, if any, relating to registration of transfers have been complied with.

Payment of dividends

5.7 Subject to the provisions of CA 2006 and to any special rights attaching to any shares, the Shareholders are to distribute amongst themselves the profits of the Company according to the amounts paid up on the shares held by them, provided that no dividend will be declared in excess of the amount recommended by the directors. A member will not be entitled to receive any dividend if he has a holding of at least 0.25% of any class of shares of the Company and has failed to comply with a notice under section 793 CA 2006. Interim dividends may be paid if profits are available for distribution and if the directors so resolve.

Unclaimed dividends

5.8 Any dividend unclaimed after a period of 12 years from the date of its declaration will be forfeited and will revert to the Company.

Untraced Shareholders

5.9 The Company may sell any share if, during a period of 12 years, at least three dividends in respect of such shares have been paid, no cheque or warrant in respect of any such dividend has been cashed and no communication has been received by the Company from the relevant member. The Company must advertise its intention to sell any such share in both a national daily newspaper and in a newspaper circulating in the area of the last known address to which cheques or warrants were sent. Notice of the intention to sell must also be given to the London Stock Exchange.

Return of capital

5.10 On a winding-up of the Company, the balance of the assets available for distribution will, subject to any sanction required by CA 2006, be divided amongst the members.

Borrowing powers

5.11 Subject to the provisions of CA 2006, the directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and assets, including its uncalled or unpaid capital, and to issue debentures and other securities and to give guarantees.

Directors

5.12 No shareholding qualification is required by a director.

5.13 The directors are entitled to fees, in addition to salaries, at the rate decided by them, subject to an aggregate limit of £100,000 per annum or such additional sums as the Company may by ordinary resolution determine. The Company may by ordinary resolution also vote extra fees to the directors which, unless otherwise directed by the resolution by which it is voted, will be divided amongst the directors as they agree, or failing agreement, equally. The directors are also entitled to be repaid all travelling, hotel and other expenses incurred by them in connection with the business of the Company.

5.14 At the third annual general meeting after an annual general meeting or general meeting at which a director was appointed (or other shareholder ratification of the appointment of a director), such director will retire from office. A retiring director is eligible for reappointment.

5.15 The directors may from time to time appoint one or more of their body to be the holder of an executive office on such terms as they think fit.

5.16 Except as provided in paragraphs 5.17 and 5.18 below, a director may not vote or be counted in the quorum present on any motion in regard to any contract, transaction, arrangement or any other proposal in which he has any material interest, which includes the interest of any person connected with him, otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company. Subject to CA 2006, the Company may by ordinary resolution suspend or relax this provision to any extent or ratify any transaction not duly authorised by reason of a contravention of it.

5.17 In the absence of some other material interest than is indicated below, a director is entitled to vote and be counted in the quorum in respect of any resolution concerning any of the following matters:

5.17.1 the giving of any security, guarantee or indemnity to him in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiaries;

5.17.2 the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

5.17.3 any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in its underwriting or subunderwriting;

5.17.4 any contract, arrangement, transaction or other proposal concerning any other company in which he is interested provided that he is not the holder of or beneficially interested in 1% or more of any class of the equity share capital of such company, or of a third company through which his interest is derived, or of the voting rights available to members of the relevant company, any such interest being deemed to be a material interest, as provided in paragraph 5.16 above, in all circumstances;

5.17.5 any contract, arrangement, transaction or other proposal concerning the adoption, modification or operation of a superannuation fund or retirement, death or disability benefits scheme under which he may benefit and which has been approved by or is subject to and conditional upon approval by HMRC;

- 5.17.6 any contract, arrangement, transaction or other proposal concerning the adoption, modification or operation of an employee share scheme which includes full time executive directors of the Company and/or any subsidiary or any arrangement for the benefit of employees of the Company or any of its subsidiaries and which does not award to any director any privilege or advantage not generally accorded to the employees to whom such a scheme relates; and
- 5.17.7 any contract, arrangement, transaction or proposal concerning insurance which the Company proposed to maintain or purchase for the benefit of directors or for the benefit or persons including the directors.
- 5.18 If any question arises at any meeting as to the materiality of a director's interest or as to the entitlement of any director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question must be referred to the chairman of the meeting and his ruling in relation to any other director will be final and conclusive except in a case where the nature or extent of the interest of such director has not been fully disclosed.
- 5.19 The directors may provide or pay pensions, annuities, gratuities and superannuation or other allowances or benefits to any director, ex-director, employee or ex-employee of the Company or any of its subsidiaries or to the spouse, civil partner, children and dependants of any such director, ex-director, employee or ex-employee.

CREST

- 5.20 The directors may implement such arrangements as they think fit in order for any class of shares to be held in uncertificated form and for title to those shares to be transferred by means of a system such as CREST in accordance with the Uncertificated Securities Regulations 2001 and the Company will not be required to issue a certificate to any person holding such shares in uncertificated form.

Disclosure notice

- 5.21 The Company may by notice in writing require a person whom the Company knows or has reasonable cause to believe to be or, at any time during the three years immediately preceding the date on which the notice is issued, to have been interested in shares comprised in the Company's relevant share capital:
- 5.21.1 to confirm that fact or (as the case may be) to indicate whether or not it is the case; and
- 5.21.2 where he holds or has during that time held an interest in shares so comprised, to give such further information as may be required in the notice.

General meetings

- 5.22 An annual general meeting and an extraordinary general meeting for the passing of a special resolution must be called by at least 21 days' notice, and all other general meetings must be called by at least 14 days' notice.
- 5.23 Notices must be given in the manner stated in the articles to the members, other than those who under the provisions of the articles or under the rights attached to the shares held by them are not entitled to receive the notice, and to the auditors.
- 5.24 No business may be transacted at any general meeting unless a quorum is present which will be constituted by two persons entitled to vote at the meeting each being a member or a proxy for a member or a representative of a corporation which is a member. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of, or by, members, will be dissolved.
- 5.25 At a general meeting a resolution put to the vote will be decided on a show of hands unless, before or on the declaration of the show of hands, a poll is demanded by the chairman or by at least five members present in person or by proxy and entitled to vote or by a member or members entitled to vote and holding or representing by proxy at least one tenth of the total voting rights of all the members having the right to vote at the meeting. Unless a poll is

demanded as above, a declaration by the chairman that a resolution has been carried, or carried unanimously or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of general meetings of the Company is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

- 5.26 No member is entitled to vote at any general meeting either personally or by proxy or to exercise any privilege as a member, unless all calls or other sums presently payable to him in respect of shares in the Company have been paid.
- 5.27 The appointment of a proxy must be in any usual form, or such other form as may be approved by the directors, and must be signed by the appointor or by his agent duly authorised in writing or if the appointor is a corporation, must be either under its common seal or signed by an officer or agent so authorised. The directors may, but will not be bound to, require evidence of authority of such officer or agent. An instrument of proxy need not be witnessed.
- 5.28 The proxy will be deemed to include the right to demand or join in demanding a poll and generally to act at the meeting for the member giving the proxy.
- 5.29 The directors may direct that members or proxies wishing to attend any general meeting must submit to such searches or other security arrangements or restrictions as the directors consider appropriate in the circumstances and may, in their absolute discretion, refuse entry to, or eject from, such general meeting any member or proxy who fails to submit to such searches or otherwise to comply with such security arrangements or restrictions.

6. Substantial Shareholders

- 6.1 Except for the interests of those persons set out in this paragraph and the interests of the Directors set out in paragraph 8.1 below, the Directors are not aware of the interests of any person which, at the date of this document and immediately following Admission, would amount to 3% or more of the Company's issued share capital:

Name	Ordinary Shares as at the date of this document	Percentage of Existing Ordinary Shares	Ordinary Shares on Admission	Percentage of Enlarged Share Capital
Dominus Investments Limited	3,776,000	12.4%	4,311,386 ¹	7.98%
Luis Gil	3,776,000	12.4%	3,776,000	6.99%
Joseph Ferreira	3,776,000	12.4%	3,836,292 ²	7.1%
Miton Group	Nil	Nil	4,545,455	8.41%

¹ The additional 533,386 Ordinary Shares to be held on Admission will be issued as Conversion Shares pursuant to the conversion of Convertible Loan Notes of a nominal value of £44,399. Further, Dominus Investments Limited will be granted warrants on Admission over 267,693 Warrant Shares.

² The additional 60,292 Ordinary Shares to be held on Admission will be issued as Conversion Shares pursuant to the conversion of Convertible Loan Notes of a nominal value of £5,000. Further, Mr Ferreira will be granted warrants on Admission over 30,146 Warrant Shares.

6.2 The holdings of the Concert Party, at the date of this document and immediately following Admission, are as follows:

Name	Ordinary Shares as at the date of this document	Percentage of Existing Ordinary Shares	Ordinary Shares on Admission	Percentage of Enlarged Share Capital
Dominus Investments Limited	3,776,000	12.4%	4,311,386	7.98%
Luis Gil	3,776,000	12.4%	3,776,000	6.99%
Joseph Ferreira	3,776,000	12.4%	3,836,292	7.1%
Alvaro Jimenez	72,000	0.2%	120,234 ¹	0.22%
João Andrade	8,000,000	26.3%	8,000,000	14.8%
Lopes Gil	8,000,000	26.3%	8,000,000	14.8%
Graham Hine	3,000,000	9.9%	3,178,698	5.88% ²

¹ The additional 48,234 Ordinary Shares to be held on Admission will be issued as Conversion Shares pursuant to the conversion of Convertible Loan Notes of a nominal value of £4,000. Further, Mr Jimenez will be granted warrants on Admission over 24,117 Warrant Shares.

² See note 2 to the table at paragraph 8.1 below.

6.3 No major holder of Ordinary Shares, either as listed above, or as set out in paragraph 8 of this Part VIII: Additional Information, has voting rights different from other holders of Ordinary Shares.

6.4 So far as the Company is aware, there are no arrangements in place the operation of which may at a subsequent date result in a change of control of the Company.

7. The Directors

7.1 The Directors and their respective functions are as follows:

Dr Richard Graham ("Graham") Hine (*Non-Executive Director and Chairman*)

João Goncalves Andrade (*Group Chief Executive Officer*)

João Carlos Martins Loureiro Lopes ("Lopes") Gil (*Group Chief Operating Officer*)

Dr Peter Hollands (*Group Chief Scientific Officer*)

David Vernon Bridgland (*Group Chief Financial Officer*)

Dr Marilyn Margaret Orcharton (*Non-Executive Director*)

The business address of each of the Directors is Core Technology Facility, 46 Grafton Street, Manchester, M13 9NT England.

8. Directors' interests in the Company including service agreements

8.1 The interests of the Directors and persons connected with them, within the meaning of sections 252 and 253 CA 2006, in the share capital of the Company, at the date of this document and immediately following Admission, all of which are beneficial, are:

Name	Ordinary Shares as at the date of this document	Percentage of Existing Ordinary Shares	Ordinary Shares on Admission	Percentage of Enlarged Share Capital
João Andrade	8,000,000	26.3%	8,000,000	14.8%
David Bridgland	Nil	Nil	232,552 ¹	0.43%
Lopes Gil	8,000,000	26.3%	8,000,000	14.8%
Graham Hine	3,000,000	9.9%	3,178,698 ²	5.88%
Dr Marilyn Orcharton	Nil	Nil	115,952 ³	0.21%

¹ The 232,552 Ordinary Shares to be held on Admission will be issued as Conversion Shares pursuant to the conversion of Convertible Loan Notes of a nominal value of £20,000. Further, Mr Bridgland will be granted warrants on Admission over 116,276 Warrant Shares.

² The additional 178,698 Ordinary Shares to be held on Admission will be issued as Conversion Shares pursuant to the conversion of Convertible Loan Notes of a nominal value of £15,000. Further, Mr Hine will be granted warrants on Admission over 89,349 Warrant Shares.

³ The 115,952 Ordinary Shares to be held on Admission will be issued as Conversion Shares pursuant to the conversion of Convertible Loan Notes of a nominal value of £10,000. Further, Dr Orcharton will be granted warrants on Admission over 57,976 Warrant Shares.

- 8.2 WideCells International granted the Directors Dr Peter Hollands and David Bridgland approved enterprise management incentive options over ordinary shares of £0.0001 each in its share capital on 6 October 2015. Following the acquisition of WideCells International by the Company, these options were cancelled and replacement options, in respect of the Option Shares, were granted by the Company on the basis set out below.

Under the terms of his option grant, Dr Peter Hollands has been granted options to subscribe for a total of 1,600,000 Ordinary Shares at an exercise price of £0.0025 per Ordinary Share. His options vest in three tranches: over 533,333 Ordinary Shares on 6 October 2015, 533,333 Ordinary Shares on 6 October 2016 and 533,334 Ordinary Shares on 6 October 2017. David Bridgland has been granted options to acquire a total of 600,000 Ordinary Shares at an exercise price of £0.0025 per Ordinary Share. His options vest in three tranches: over 200,000 Ordinary Shares on 6 October 2015, 200,000 Ordinary Shares on 6 October 2016, and 200,000 Ordinary Shares on 6 October 2017.

- 8.3 Except as disclosed in paragraph 8.1 and 8.2 and as referred to in paragraph 6 *Share Option Schemes of Part II: Director and Corporate Governance* of this document in relation to a proposed grant of options to Director Dr Marilyn Orcharton following Admission, none of the Directors nor any person connected with them, within the meaning of sections 252 and 253 CA 2006, is interested in the share capital of the Company, in any related financial products referenced to the Ordinary Shares, or in any options granted over any Ordinary Shares.

- 8.4 There are no outstanding loans granted by the Company to any Director, nor has any guarantee been provided by the Company for their benefit.

- 8.5 The Company has entered into the following service agreements and letters of appointment with the Directors:

8.5.1 a letter of appointment with Dr Graham Hine dated on or around 21 July 2016, conditional upon Admission, pursuant to which Dr Hine was appointed as non-executive director and chairman of the Company for an annual fee of £52,000, payable monthly in arrears. Dr Hine will be expected to devote at least two to three days a month to perform his duties for the Company. The appointment is terminable on 12 months' notice on either side. The appointment may be terminated immediately if, among other things, Dr Hine is in material breach of the terms of the appointment;

8.5.2 a letter of appointment with Dr Marilyn Orcharton dated on or around 21 July 2016, conditional upon Admission, pursuant to which Dr Orcharton was appointed as non-executive director of the Company for an annual fee of £20,000, payable monthly in arrears. The appointment is for an initial term of one year and is terminable on six months' notice on either side. The appointment may be terminated immediately if, among other things, Dr Orcharton is in material breach of the terms of the appointment. Dr Orcharton is eligible to participate in the Company's stock option plan;

8.5.3 an agreement with João Andrade dated on or around 21 July 2016, conditional upon Admission, pursuant to which Mr Andrade was appointed as CEO of the Company for an annual salary of £115,000, payable monthly in arrears. The appointment is terminable on twelve months' notice on either side. If the Company terminates the appointment other than in circumstances in which it was entitled to terminate the appointment summarily, the Company shall pay Mr Andrade a termination payment equal to his basic annual salary within one month of termination. The appointment may be terminated immediately if, among other things, Mr Andrade is in material breach of the terms of the appointment. Mr Andrade is entitled to a company car, private medical insurance and pension contributions. Subject to the approval of the Remuneration Committee, Mr Andrade is eligible to receive an annual bonus which shall not exceed 40% of his annual salary, and he is eligible to participate in the Company's stock option plan from time to time;

8.5.4 an agreement with Lopes Gil dated on or around 21 July 2016, conditional upon Admission, pursuant to which Mr Gil was appointed as COO of the Company for an

annual salary of £90,000, payable monthly in arrears. The appointment is terminable on six months' notice on either side. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, Mr Gil is in material breach of the terms of the appointment. Mr Gil is entitled to a company car, private medical insurance and pension contributions. Subject to the approval of the Remuneration Committee, Mr Gil is eligible to receive an annual bonus which shall not exceed 40% of his annual salary, and he is eligible to participate in the Company's stock option plan from time to time;

- 8.5.5 an agreement with Dr Peter Hollands dated on or around 21 July 2016, conditional upon Admission, pursuant to which Dr Hollands was appointed as CSO of the Company for an annual salary of £80,000, payable monthly in arrears. The appointment is terminable on six months' notice on either side. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, Dr Hollands is in material breach of the terms of the appointment. Dr Hollands is entitled to private medical insurance and pension contributions. Subject to the approval of the Remuneration Committee, Dr Hollands is eligible to receive an annual bonus which shall not exceed 40% of his annual salary, and he is eligible to participate in the Company's stock option plan from time to time; and
- 8.5.6 an agreement with David Bridgland dated on or around 21 July 2016, conditional upon Admission, pursuant to which Mr Bridgland was appointed as CFO of the Company to work 25 hours per week for an annual salary of £60,000, payable monthly in arrears. The appointment is terminable on six months' notice on either side. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, Mr Bridgland is in material breach of the terms of the appointment. Mr Bridgland is entitled to private medical insurance and pension contributions. Subject to the approval of the Remuneration Committee, Mr Bridgland is eligible to receive an annual bonus which shall not exceed 40% of his annual salary and he is eligible to participate in the Company's stock option plan from time to time.
- 8.6 The aggregate remuneration paid and benefits in kind granted to the Directors for the period from 31 December 2015 to Admission, under the arrangements in force at the date of this document, amount to £55,500. It is estimated that the aggregate remuneration payable to the Directors from the date of Admission to 31 December 2016 under arrangements that are in force and that will come into effect on Admission will amount to £208,500.
- 8.7 Except as set out above, there are no liquidated damages or other compensation payable by the Company upon early termination of the contracts of the Directors. None of the Directors has any commission or profit sharing arrangements with the Company.
- 8.8 Except as provided for above, the total emoluments of the Directors will not be varied as a result of Admission.
- 8.9 Except as disclosed in this paragraph 8, there are no existing or proposed service contracts between the Company and any of the Directors which are not terminable on less than 12 months' notice, nor have any of their letters of appointment or service contracts been amended in the six months prior to the date of this document.
- 8.10 There are no pension, retirement or similar benefits currently established by the Company as at the date of this document. Pursuant to the service agreements referred to in paragraph 8.5 above, executive directors will from admission be entitled to pension contributions.
- 8.11 In addition to their directorships of the Company or any of the Subsidiaries, the Directors are or have been members of the administrative, management or supervisory bodies or partners of the following companies or partnerships (which, unless otherwise stated, are incorporated in the UK) within the five years prior to the publication of this document:

Richard Graham Hine

Current

Trillion Technologies Limited
Pronec Limited
Nalia Systems Limited

Past

Hardide Plc
SGX Sensortech Limited
MC 498 Limited
SGX Sensortech (IS) Limited
SGX Sensortech (MA) Limited
Hardide Coatings Limited
Capteur Sensors and Analysers Limited

João Andrade

Current

None

Past

Widepharma Limited

Lopes Gil

Current

None

Past

Widepharma Limited

Peter Hollands

Current

None

Past

Issue (The National Fertility Association)

David Bridgland

Current

Geothermal Engineering Limited
WizDish Limited
Geon Energy Limited

Past

Sentec Limited
BizEsp Limited
SGX Sensortech Limited
MC 498 Limited
SGX Sensortech (IS) Limited
SGX Sensortech (MA) Limited
Capteur Sensors and Analysers Limited

Marilyn Orcharton

Current

The Genesis Initiative Limited
The Small Business Bureau Limited

Past

Student Templine Limited
Global Hearts for Children
Isoplan International Limited
Isoplan Limited
Isoplan UK Limited

- 8.12 No Director has:
- 8.12.1 had any convictions in relation to fraudulent offences or unspent convictions in relation to indictable offences;
 - 8.12.2 had a bankruptcy order made against him or entered into an individual voluntary arrangement;
 - 8.12.3 been a director of any company or been a member of the administrative, management or supervisory body of an issuer or a senior manager of an issuer which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration, or company voluntary arrangement or which entered into any composition or arrangement with its creditors generally or any class of its creditors whilst he was acting in that capacity for that company or within the 12 months after he ceased to so act;
 - 8.12.4 been a partner in any partnership placed into compulsory liquidation, administration or partnership voluntary arrangement where such director was a partner at the time of or within the 12 months preceding such event;
 - 8.12.5 been subject to receivership in respect of any asset of such Director or of a partnership of which the Director was a partner at the time of or within 12 months preceding such event; or
 - 8.12.6 been subject to any official public criticisms by any statutory or regulatory authority (including designated professional bodies) nor has such Director been disqualified by a court from acting as a director of a company or from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.
- 8.13 No Director has been interested in any transaction with the Company which was unusual in its nature or conditions or significant to the business of the Company during the current financial year which remains outstanding or unperformed.
- 8.14 In the case of those Directors who have roles as directors of companies other than the Company or are otherwise interested in other companies or businesses, although there are no current conflicts of interest, it is possible that the general duties under chapter 2 of part 10 CA 2006 and fiduciary duties owed by those Directors to companies or other businesses of which they are directors or otherwise interested in from time to time may give rise to conflicts of interest with the duties owed to the Company. There are no potential conflicts of interest between the duties owed by the Directors to the Company and their private duties or duties to third parties.
- 8.15 Except for the Directors, the Board does not believe that there are any other senior managers who are relevant in establishing that the Company has the appropriate expertise and experience for the management of the Company's business.

9. Material Contracts

The following material contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company in the period since incorporation or are other contracts that contain provisions under which the Company has an obligation or entitlement which is material to the Company as at the date of this document.

9.1 *Placing letters*

Placing letters have been sent by Smaller Company Capital (on behalf of the Brokers) to each subscriber for shares in the Placing and each subscriber has sent Smaller Company Capital a letter of confirmation accepting that it will subscribe for Placing Shares on the terms set out in their placing letter. Under the placing letters each subscriber agrees to subscribe for Placing Shares at a price of 11p per Placing Share conditional, amongst other things, on Admission having become effective on or before 8.00 a.m. on 27 July 2016 (or such later date

as may be agreed between Smaller Company Capital and the Company, being not later than 31 August 2016).

9.2 **Registrar agreement**

The Company and the Registrar have entered into an agreement with the Registrar dated 21 June 2016 (Registrar Agreement), pursuant to which the Registrar has agreed to act as registrar to the Company and to provide transfer agency services and certain other administrative services to the Company in relation to its business and affairs. The Registrar is entitled to receive an annual fee for the provision of its services under the Registrar Agreement. The annual fee will be calculated on the basis of the number of holders of shares in the Company and the number of transfers of such shares.

The Registrar Agreement will continue for an initial period of one year and thereafter may be terminated upon the expiry of three months' written notice given by either party. In addition, the agreement may be terminated immediately if either party commits a material breach of the agreement which has not been remedied within 30 days of a notice requesting the same, or upon an insolvency event in respect of either party. The Company has agreed to indemnify the Registrar against, and hold it harmless from, any damages, losses, costs, claims or expenses incurred by the Registrar in connection with or arising out of the Registrar's performance of its obligations in accordance with the terms of the Registrar Agreement, save to the extent that the same arises from some act of fraud or wilful default on the part of the Registrar. The Registrar may delegate the carrying out of certain matters which the Registrar considers appropriate without giving prior written notice to the Company.

The Registrar Agreement is governed by English law.

9.3 **Share for share exchange agreement**

On 15 June 2016 the Company and WideCells International entered into share purchase agreements with each of the shareholders of WideCells International pursuant to which the Company agreed to purchase the entire issued share capital of WideCells International in consideration for the allotment and issue of 30,399,998 Ordinary Shares to the shareholders of WideCells International (comprising, with the two subscriber shares referred to in paragraph 3.2 above, the Existing Ordinary Shares). The Ordinary Shares were allocated on the basis of 40 Ordinary Shares for each share held in WideCells International (after taking into account any subscriber shares held in the Company). On completion of the agreement WideCells International became a wholly owned subsidiary of the Company and the former shareholders of WideCells International held Ordinary Shares in the same proportions as they had held shares in WideCells International.

9.4 **First Convertible Loan Note Instrument**

On 22 October 2015 WideCells International created £350,000 convertible loan notes on the terms of a loan note instrument (the First Convertible Loan Note Instrument) all of which are in issue. Each note issued under the First Convertible Loan Note Instrument has a nominal value of £1.00, accrues interest at 8% per annum and if not converted into shares is required to be repaid in cash on or before the first anniversary of the date of the First Convertible Loan Note Instrument. The loan notes shall convert into Ordinary Shares on Admission at a conversion price which is a 20% discount to the Placing Price. On Admission each holder of convertible loan notes shall be issued with warrants to subscribe for such number of Ordinary Shares as equal 50% of the Ordinary Shares issued to them on the conversion of their convertible loan notes, on the terms of the Warrant Instrument.

9.5 **Second Convertible Loan Note Instrument**

On 18 March 2016 WideCells International created £600,000 convertible loan notes on the terms of on the terms of a loan note instrument (the Second Convertible Loan Note Instrument) of which £110,000 are in issue. The terms of the Second Convertible Loan Note Instrument are the identical to those of the First Convertible Loan Note Instrument (described in paragraph 9.4 above). On Admission each holder of convertible loan notes shall be issued with warrants to

subscribe for such number of Ordinary Shares as equal 50% of the Ordinary Shares issued to them on the conversion of their convertible loan notes, on the terms of the Warrant Instrument.

9.6 **Warrant Instrument**

On Admission the Company shall enter into the Warrant Instrument pursuant to which it shall issue warrants to the Convertible Loan Note Holders. The warrants entitle the Convertible Loan Note Holders to subscribe for the number of Ordinary Shares outlined in paragraphs 9.4 and 9.5 above at twice the Placing Price and are exercisable at any time within the period of one year from the date of Admission.

9.7 **Lock-in agreements**

Under lock-in agreements dated on or around 21 July 2016, each of the Directors has agreed with the Company not to dispose of, and to procure that no party associated with the respective Director disposes of, any Ordinary Shares for a period of two years from the date of Admission without the consent of the Company and any broker engaged by the Company at the time, subject to certain limited exceptions (such as disposals pursuant to a takeover of the Company, a court order or the death of a Director).

9.8 **Broker agreements**

On the terms of an agreement between Smaller Company Capital and the Company dated 15 September 2015 Smaller Company Capital will be retained as financial adviser and broker to the Company for an annual fee of £12,500 and an additional fee of 5% of the gross proceeds of the Placing raised by Smaller Company Capital and 1% of the gross proceeds of the Placing Shares raised by Shard Capital Partners. The agreement is for an initial term of 12 months renewable thereafter for further 12 month periods.

On the terms of an agreement between Shard Capital Partners and the Company dated 14 April 2016 Shard Capital will be retained as financial adviser and broker to the Company for an annual fee of £12,500 and an additional fee of 4% of the gross proceeds of the Placing raised by Shard Capital Partners. The agreement is for an initial fixed term of 12 months and may be terminated by either party on three months' notice to the other so as to expire at any time on or after the expiry of the initial fixed 12 month term.

In addition, the Brokers, in their capacity as brokers to the Company, are to be issued a total of 727,272 Broker Warrants pursuant to warrant instruments that provide for the exercise of such Broker Warrants at any time within two years of Admission, at the Placing Price, representing the issue of Broker Warrants to Smaller Company Capital over Ordinary Shares equivalent to 4% of the Placing Shares placed by Smaller Company Capital and 1% of the Placing Shares placed by Shard Capital Partners; and to Shard Capital Partners, Broker Warrants equivalent to 3% of the Placing Shares placed by Shard Capital Partners. The warrant instruments and the issue of the Broker Warrants are part of the fee arrangements agreed.

9.9 **Public relations agreement**

The Company has agreed to satisfy an invoice from its financial public relations advisers, St Brides Partners Limited, in the amount of £3,600 (including VAT) by the issue on Admission of 32,727 Ordinary Shares in aggregate at the Placing Price, comprising the Fee Shares.

9.10 **Best Doctors agreement**

Best Doctors and CellPlan Limited have agreed to jointly develop the CellPlan insurance product, and have agreed to manage, deliver and market CellPlan for its sale and distribution through cord blood banks and online channels on the terms of an agreement dated 21 June 2016. On the terms of the agreement, Best Doctors will arrange insurance and reinsurance capacity for CellPlan and will be responsible for associated work streams such as processing customer applications and providing customer support in relation to claims and service management. CellPlan Limited will market and promote CellPlan and in particular in connection with this assess cord blood banks for quality and enter into introduction agreements with cord blood banks for the sale of CellPlan to their customers. The agreement has an initial fixed term

of five years after which any party may terminate the agreement on 12 months' notice. CellPlan Limited shall be paid 50% of the net revenue generated from the sales of CellPlan (i.e. gross revenue generated less the expenses incurred by Best Doctors and CellPlan Limited in complying with their contractual obligations under the agreement). Best Doctors have granted CellPlan Limited a royalty-free, non-exclusive worldwide licence to use their trade marks (and related intellectual property rights) in connection with CellPlan for the term of the agreement, subject to Best Doctors approving any materials on which their trade mark is used. CellPlan Limited has granted Best Doctors the same form of licence over its trade marks (and related intellectual property rights) for the term of the agreement. Each party agrees not to market or promote products competing with CellPlan for the duration of the agreement and not to poach employees or consultants of one another engaged in relation to CellPlan for a period of six months after termination of the agreement.

9.11 ***UMIC lease and purchase of laboratory equipment***

UMIC Limited has granted WideCells Limited a three year lease over two laboratory units within the Core Technology Facility of the UMIC pursuant to which any member of the Group can occupy the laboratory units. The rent payable by WideCells Limited is £39,100 per year payable quarterly (along with an annual service charge of £11,000 and a share of the annual cost of insuring the premises). Both the rent and service charge are subject to annual review in July of each year of the term of the lease.

In connection with the UMIC Lease, by an agreement dated 25 April 2016 WideCells Limited acquired the equipment and furniture located at the laboratory units from the previous tenant, Qiagen Manchester Limited, at a price of £51,000 payable over the three year term of the UMIC Lease at £17,000 per year.

9.12 ***WideAcademy agreement***

On 4 May 2016 WideAcademy Limited entered into a consultancy agreement with UoWT pursuant to which UoWT will provide consultancy services to WideAcademy Limited in connection with its development of the WideAcademy programme. Between 1 September 2016 and 1 September 2017, UoWT shall provide consultancy services for up to a maximum of two days per month. During this time, UoWT shall review and provide advice on 10 WideAcademy learning modules prepared by WideAcademy Limited. The fees for the consultancy services are £115.00 plus VAT per hour and UoWT may terminate the agreement for any reason on not less than 90 days' notice.

9.13 ***Biocells Brasil agreement***

Pursuant to an agreement dated 3 March 2016, WideCells International has appointed Biocells Brasil as its agent to sell the BabyCells, LipoCells and TeethCells products and WideAcademy programme in Brazil for a term of two years from such date. During the two year term either party may terminate the agreement in writing with immediate effect in certain circumstances such as material breach of the terms of the agreement or the insolvency of the other party. WideCells International has additional termination rights; in particular a right to terminate in writing with immediate effect if Biocells Brasil loses the licence granted to it by ANVISA (to store and process stem cells derived from umbilical cord blood and tissue) and as such cannot perform its obligations under the Agreement. Biocells will pay WideCells International royalties of 2% of the net sales of the BabyCells services, 3% of the net sales of LipoCells services and 3% of the net sales of the TeethCells services (in each case after the first fifty products sold) and commission of 5% of gross sales of the WideAcademy programme. A side letter dated 3 March 2016 has been entered into between WideCells International and Biocells setting out amongst other matters WideCells International's pre-emptive right to purchase any portion of the share capital of Biocells, the entirety of Biocell's business or the elements of Biocell's business to which the Biocells Agreement relates, should an acquisition offer be made in this respect by a third party.

9.14 ***Biosckin Agreement***

On the terms of the Biosckin Agreement, WideCells Portugal collects and transports cord blood samples and Biosckin supplies the collection kits and provides processing, analysis and storage services from the Biosckin laboratory premises. The agreement has an initial term of five years from the date of the licence issued by DGS (July 2013) after which it automatically renews every five years for a further five year period. Either party may terminate the agreement on 180 days' notice. WideCells Portugal pays a fee to Biosckin for each cord blood unit received by Biosckin.

9.15 ***Cytothera Agreement***

On the terms of the Cytothera Agreement, WideCells Portugal collects and transports cord blood samples and Cytothera supplies the collection kits and provides processing, analysis and storage services from the Cytothera laboratory premises. The agreement has an initial term of four years from the date of the licence issued by DGS (August 2015) after which it automatically renews every four years for a further four year period. Either party may terminate the agreement on 180 days' notice. WideCells Portugal pays a fee to Cytothera for each cord blood unit received by Cytothera.

9.16 ***WideCells Portugal acquisition***

On 3 December 2015 WideCells International entered into an agreement with WideCells Limited, Joao Goncalves de Andrade, Joao Carlos Martins Loureiro Lopes Gil and Regina Paula Margato Pereira Gil (the initial shareholders of WideCells Portugal) pursuant to which WideCells International purchased a 60% majority stake in WideCells Portugal from WideCells Limited for a consideration of €45,000 (which WideCells Limited had acquired in 2013).

On 7 December 2015 WideCells International entered into an agreement with Luis Alberto Martins Loureiro Lopes Gil and Joseph Albert Ferreira for the purchase of the remaining 40% minority stake in WideCells Portugal not held by WideCells International resulting in WideCells Portugal becoming a wholly-owned subsidiary. In consideration WideCells International allotted and issued 174,400 ordinary shares of £0.0001 each in its share capital to the sellers.

9.17 ***WideCells España acquisition***

On 3 December 2015 WideCells International entered into a share purchase agreement with WideCells Limited for the purchase of its 56% interest in WideCells España held by WideCells Limited (which was acquired in January 2014) for a consideration of €33,600.

On 7 December 2014 WideCells International entered into an agreement with Luis Alberto Martins Loureiro Lopes Gil, Joseph Albert Ferreira and Alvaro Salas Jimenez for the purchase of the remaining 44% minority stake in WideCells España not held by WideCells International resulting in WideCells España becoming a wholly-owned subsidiary. In consideration WideCells International allotted and issued 16,200 ordinary shares of £0.0001 each in its share capital to the sellers.

10. Working capital

The Company is of the opinion that the working capital available to the Group, taking into account the Net Proceeds, is sufficient for the Group's present requirements, that is, for at least the next 12 months from the date of this document.

11. Liquidity and capital resources

The Group's primary source of liquidity will be the net cash proceeds of the Placing. Following Admission the Group expects to obtain increasing revenues from its operating subsidiaries – principally the UK, Portugal and Spain. At the present time the Group's subsidiaries have been financed by the Convertible Loan Notes and bank borrowings; the directors will take a commercial decision on whether to preserve the existing line of credit after Admission. The Convertible Loan Notes will automatically convert into Ordinary Shares at a conversion price equal to a 20% discount of the Placing Price.

12. Capitalisation and indebtedness

The Company

The Company's capitalisation and indebtedness as at the date of the last available financial information (being 17 June 2016) is summarised below:

	17 June 2016
	£
Total Current Debt	
– Guaranteed	–
– Secured	–
– Unguaranteed/Unsecured	–
Total Non-Current Debt (excluding current portion of long-term debt)	
– Guaranteed	–
– Secured	–
– Unguaranteed/Unsecured	–
Shareholders' Equity	
a) Share Capital	76,000
b) Share Premium	–
c) Accumulated Deficit	–
Total	<u>76,000</u>

Statement of Material Change

Since 17 June 2016 there have been no material changes in the capitalisation and indebtedness of the Company.

WideCells International

The Company's capitalisation and indebtedness as at the date of the last published financial information (being 31 December 2015) is summarised below:

	31 December 2015
	£
Total Current Debt	
– Guaranteed	–
– Secured	–
– Unguaranteed/Unsecured	185,399
Total Non-Current Debt (excluding current portion of long-term debt)	
– Guaranteed	–
– Secured	–
– Unguaranteed/Unsecured	–
Shareholders' Equity	
a) Share Capital	48
b) Share Premium	742
c) Accumulated Deficit	(45,803)
Total	<u>140,386</u>

Statement of material change

Since 31 December 2015 the following have led to material changes in the capitalisation and indebtedness of WideCells International:

WideCells International issued £140,500 of Convertible Loan Notes pursuant to the First Convertible Loan Instrument between January 2016 and March 2016 and £134,000 Convertible Loan Notes pursuant to the Second Convertible Loan Note Instrument in April 2016.

13. Litigation

There are no, and have not within the last 12 months been, any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened so far as the

Company is aware) which may have, or have had, significant effects on the financial position or profitability of the Group.

14. Intellectual property

Except as described in this document, the Company is not dependent on any patents or licences, industrial, commercial or financial contracts, or new manufacturing processes, where such are of fundamental importance to the Company's business or profitability.

15. Premises

The Company does not own any premises or hold any leasehold interests in any properties except for the UMIC Lease.

16. Employees

As at the end of the period covered by the historical financial information, and the date of this document, the Group did not, and does not, have any employees. From Admission the Directors will be employees of the Group on the terms of the service agreements and letters of appointment described in paragraph 8.5 of *Part VIII: Additional Information* of this document.

17. Related Party Transactions

The Company is not party to any transactions with related parties other than as set out in note 30 to the financial information set out in Section (D) (Historical Financial Information on the Company) of *Part IV: Selected Financial Information* of this document, for the period covered by the historical financial information up to the date of this document.

18. No significant change and narrative statement

The Company

There has been no significant change in the financial or trading position of the Company subsequent to 17 June 2016 (being the date to which the most recent audited historical financial information for the Company was prepared).

WideCells International

Other than the issue by WideCells International of £140,500 of Convertible Loan Notes pursuant to the First Convertible Loan Instrument between January 2016 and March 2016 and £134,000 of Convertible Loan Notes pursuant to the Second Convertible Loan Note Instrument in April 2016, there has been no significant change in the financial or trading position of WideCells International since 31 December 2015 (being the date to which the last published audited financial information for WideCells International was prepared).

19. Mandatory bids and compulsory acquisition rules relating to ordinary shares

19.1 Other than as provided by the City Code and Chapter 28 CA 2006, there are no rules or provisions relating to mandatory bids and/or squeeze-out and sell-out rules that apply to the Ordinary Shares.

19.2 The City Code is issued and administered by the Takeover Panel.

19.3 The City Code will apply to the Company from Admission and the Shareholders will be entitled to the protection afforded by the City Code.

19.4 There have been no public takeover bids for the Company's shares.

Mandatory bid provisions

19.5 Under Rule 9 of the City Code, when: (i) any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons in which he is already interested and in which persons acting in concert with him are interested) carry 30% or more of the voting rights of a company subject to the City Code; or (ii) any person, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30% but not more than 50% of

the voting rights of such a company, and such person or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, then, except with the consent of the Takeover Panel, that person, and any person acting in concert with him, must make a general offer in cash to the holders of any class of equity share capital whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights to acquire the balance of the shares not held by him and his concert party.

- 19.6 Except where the Takeover Panel permits otherwise, an offer under Rule 9 of the City Code must be in cash and at the highest price paid within the 12 months prior to the announcement of the offer for any shares in the company by the person required to make the offer or any person acting in concert with him. Offers for different classes of equity share capital must be comparable; the Takeover Panel should be consulted in advance in such cases.

Squeeze-out

- 19.7 Under CA 2006, if a “takeover offer” (as defined in section 974 CA 2006) is made for the Ordinary Shares and the offeror were to acquire, or unconditionally contract to acquire, not less than 90% in value of the Ordinary Shares to which the offer relates and not less than 90% of the voting rights carried by the Ordinary Shares to which the offer relates, it could, within three months of the last day on which its takeover offer can be accepted, compulsorily acquire the remaining 10%. The offeror would do so by sending a notice to outstanding members telling them that it will compulsorily acquire their Ordinary Shares and then, six weeks later, it would execute a transfer of the outstanding Ordinary Shares in its favour and pay the consideration for the outstanding Ordinary Shares to the Company, which would hold the consideration on trust for outstanding members. The consideration offered to the minority shareholder whose shares are compulsorily acquired must, in general, be the same as the consideration that was available under the original offer unless a member can show that the offer value is unfair.

Sell-out

- 19.8 CA 2006 also gives minority members a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all the Ordinary Shares and, at any time before the end of the period within which the offer could be accepted, the offeror held or had agreed to acquire not less than 90% in value of the Ordinary Shares and not less than 90% of the voting rights carried by the Ordinary Shares, any holder of Ordinary Shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those Ordinary Shares. The offeror is required to give any member notice of its right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority members to be bought out, but that period cannot end less than three months after the end of the acceptance period or, if later, three months from the date on which notice is served on members notifying them of their sell-out rights. If a member exercises its rights, the offeror is entitled and bound to acquire those Ordinary Shares on the terms of the offer or on such other terms as may be agreed.

Concert Party

- 19.9 Following Admission, certain Shareholders, being the members of the Concert Party, will be treated as acting in concert for the purposes of the City Code in relation to their shareholdings in the Company by virtue of being all the former shareholders of Widecells International, which was acquired by the Company pursuant to the share for share agreement described in paragraph 9.3 of *Part VIII: Additional Information*. Following Admission, their aggregate holding in the Enlarged Share Capital will be 57.76%. Further details of the interests of the Concert Party are set out in paragraph 6.2 of *Part VIII: Additional Information*.

Since the Concert Party holds over 50% of the voting rights in the Company, no obligation under Rule 9 normally arises from acquisitions of interests in Ordinary Shares by any member of the Concert Party. However, the acquisition by a single member of the Concert Party who holds between 30% and 50% of the voting rights may be regarded by the Panel as giving rise to an obligation to make an offer for the entire Company.

20. General

- 20.1 Critchleys LLP were appointed as the auditors of the Company on 14 June 2016. Critchleys LLP are registered to carry out audit work by the Institute of Chartered Accountants in England and Wales at the address of Greyfriars Court, Paradise Square, Oxford OX1 1BE.
- 20.2 Critchleys LLP, which has no material interest in the Company, has given and has not withdrawn its written consent to the issue of this document with the inclusion of the references to its name in the form and context in which they appear and to the inclusion in *Part IV: Selected Financial Information* and *Part VI: Unaudited Pro Forma Financial Information* of this document of its accountants' report and report on the unaudited pro forma financial information in the form and context in which they are included, and having authorised the contents of such reports.
- 20.3 The total costs and expenses of or incidental to the Placing and Admission payable by the Company are expected to be approximately £275,000 (including irrevocable VAT).
- 20.4 The Directors are not aware of any environmental issues which may affect the Company's utilisation of its tangible fixed assets (if any).
- 20.5 The Company's accounting reference date is 31 December.
- 20.6 The financial information relating to the Company contained in this document does not constitute statutory accounts for the purposes of section 434 CA 2006.
- 20.7 Since incorporation, the Company has not made up any financial statements or published any financial information save for the information contained in *Part IV: Selected Financial Information* of this document.
- 20.8 The Placing Shares and the Conversion Shares will be issued and allotted under the laws of England and their currency will be pounds sterling.
- 20.9 The Placing Price represents a premium of £0.1075 above the nominal value of an Ordinary Share which is £0.0025.

21. Documents available for inspection

Copies of the following documents may be inspected at the offices of Fladgate LLP, 16 Great Queen Street, London WC2B 5DG during normal business hours of any weekday (Saturdays, Sundays and public holidays excepted) from the date of this document until a date one month following Admission:

- 21.1 the Articles;
- 21.2 the consent letter of Critchleys LLP;
- 21.3 this document;
- 21.4 the service contracts and letters of appointment of the Directors referred to above in paragraph 8.5 of this section; and
- 21.5 the material contracts referred to above in paragraph 9.

PART IX

DEFINITIONS

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

Admission	the admission of the Enlarged Share Capital to listing on the Official List and trading on the London Stock Exchange's main market for listed securities.
Articles	the articles of association of the Company.
BDUI	Best Doctors Underwriting Iberia SLU, a company incorporated in Spain with registered address Calle Almagro, 36, 28010, Madrid, Spain.
BDUE	Best Doctors Underwriting Europe Mediação De Seguros Unipessoal LDA, a company incorporated in Portugal with registered address Rua Tierno Galvan - Amoreiras, Torre 3, 8.º Andar, in Lisbon, Portugal.
Best Doctors	the Best Doctors group of companies, of which the counterparties (being BDUI and BDUE) to the CellPlan insurance collaboration agreement (further details of which are set out in paragraph 9.10 of <i>Part VIII: Additional Information</i> of this document) form part.
Biocells Brasil	Biocells Brasil Laboratório de Biotecnologia e Criopreservação Ltda, a Brazilian company with registered number CGC 16.468.423/0001-01.
BioInformant Report	the "Complete 2015-16 Global Cord Blood Banking Industry Report" published by BioInformant Worldwide, LLC.
Biosckin	Biosckin Molecular and Cell Therapies S.A. a company incorporated in Portugal with registered office Rua Eng.º Frederico Ulrich 2650, 4470-605 Maia, Portugal.
Biosckin Agreement	the agreement entered into between WideCells Portugal (1) and Biosckin (2) on 7 June 2013 and described in paragraph 9.14 of <i>Part VIII: Additional Information</i> of this document.
Board or Directors	the directors of the Company whose names are set out on page 30 of this document.
Broker Warrants	warrants to subscribe for a total of up to 727,272 Ordinary Shares to be issued to Shard or SCC, pursuant to warrant instruments, details of which are set out in paragraph 9.8 of <i>Part VIII: Additional Information</i> .
Brokers	Smaller Company Capital and Shard Capital Partners.
CellPlan Limited	CellPlan Limited, being one of the Subsidiaries.
City Code	the City Code on Takeovers and Mergers published by the Takeover Panel.
CA 2006	the Companies Act 2006.
Company or WideCells	WideCells Group plc, incorporated in England and Wales with registered number 10197256.
Concert Party	Dominus Investments Limited, Luis Gil, Joseph Ferreira, Alvaro Jimenez, João Andrade, Lopes Gil and Graham Hine.

Conversion Shares	the 5,443,515 Ordinary Shares to be issued to the holders of the Convertible Loan Notes on Admission.
Convertible Loan Notes	the convertible loan notes of up to a maximum aggregate nominal value of £950,000, established by the First Convertible Loan Note Instrument and the Second Convertible Loan Note Instrument.
Corporate Governance Code	the UK Corporate Governance Code, published by the Financial Reporting Council.
CREST	the paperless share settlement system and system for the holding and transfer of shares in uncertified form in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in the CREST Regulations).
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended.
Cytothera	Cytothera – Companhia Portuguesa de Investigação e Serviços em Biotecnologia Clínica S.A. a company incorporated in Portugal with registered office Rua Henrique Paiva Couceiro, nº 27, 2700-451 Venda Nova, Amadora.
Cytothera Agreement	the agreement entered into between WideCells Portugal (1) and Cytothera (2) on 2 September 2015 and described in paragraph 9.15 of <i>Part VIII: Additional Information</i> of this document.
Disclosure and Transparency Rules	the disclosure and transparency rules of the FCA.
Enlarged Share Capital	the issued ordinary share capital of the Company on Admission and immediately following completion of the Placing, comprising the Existing Ordinary Shares, the Placing Shares, the Fee Shares and the Conversion Shares.
European Economic Area or EEA	territories comprising the European Union together with Norway, Iceland and Liechtenstein.
Existing Ordinary Shares	the 30,400,000 Ordinary Shares in issue at the date of this document.
FCA or Financial Conduct Authority	the Financial Conduct Authority of the United Kingdom.
Fee Shares	the 32,727 Ordinary Shares to be issued on Admission to St Brides Partners Limited as described in paragraph 9.9 of <i>Part VIII: Additional Information</i> .
First Convertible Loan Note Holder	a holder of Convertible Loan Notes under the First Convertible Loan Note Instrument.
First Convertible Loan Note Instrument	the instrument entered into by WideCells Limited on 22 October 2015 and described in paragraph 9.4 of <i>Part VIII: Additional Information</i> of this document.
FSMA	the Financial Services and Markets Act 2000.
Group	the Company and the Subsidiaries.
HMRC	HM Revenue & Customs.
Listing Rules	the Listing Rules of the FCA.
London Stock Exchange	London Stock Exchange plc.

Net Proceeds	the funds received by the Company under the Placing less any expenses paid or payable in connection with Admission and the Placing.
Official List	the Official List maintained by the UKLA.
Options	options which shall be satisfied on exercise by the issue of Ordinary Shares granted to certain Directors pursuant to agreements referred to in paragraph 8.2 of <i>Part VIII: Additional Information</i> of this document.
Option Shares	up to 2,200,000 Ordinary Shares issuable pursuant to the Options.
Ordinary Shares	ordinary shares of £0.0025 each in the capital of the Company, including, where the context requires, the Placing Shares and the Conversion Shares.
Overseas Shareholders	holders of Ordinary Shares who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the UK or persons who are nominees or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the UK which may be affected by the laws or regulatory requirements of the relevant jurisdictions.
Placing	the proposed conditional placing of the Placing Shares by the Brokers on behalf of the Company at the Placing Price and on the terms and subject to the conditions set out in this document.
Placing Price	11p per Ordinary Share.
Placing Shares	the 18,181,819 new Ordinary Shares which are proposed to be issued pursuant to the Placing.
Premium Listing	a Premium Listing on the Official List under Chapter 6 of the Listing Rules.
Prospectus Directive	the Directive of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading (no. 2003/71/EC).
Prospectus Rules	the Prospectus Rules of the FCA.
Registrar	SLC Registrars.
Regulation S	Regulation S promulgated under the Securities Act.
Regulated Information Service or RIS	one of the regulated information services authorised by the RIS or UKLA to receive, process and disseminate regulator information in respect of listed companies.
Second Convertible Loan Note Holder	a holder of Convertible Loan Notes under the Second Convertible Loan Note Instrument.
Second Convertible Loan Note Instrument	the instrument entered into by WideCells International on 18 March 2016 and described in paragraph 9.5 of <i>Part VIII: Additional Information</i> of this document.
Securities Act	the United States Securities Act of 1933, as amended.
Shard Capital Partners	Shard Capital Partners, LLP, a limited liability partnership incorporated in England with registered address 23rd Floor, 20 Fenchurch Street, London EC3M 3BY and registered number OC360394, being the Company's joint broker.

Shareholders	holders of Ordinary Shares.
Smaller Company Capital or SCC	Smaller Company Capital Limited, a company incorporated in England with registered address 15 Eldon Street, London EX2M 7LD and registered company number 09371312, being the Company's joint broker.
Standard Listing	a standard listing on the Official List under Chapter 14 of the Listing Rules.
Subsidiaries	the subsidiaries of the Company, being WideCells International, CellPlan Limited, WideCells Limited, WideCells Portugal, WideCells España, and WideAcademy Limited, as detailed in paragraph 2.6 of <i>Part VIII: Additional Information</i> .
Subsidiary	has the meaning given to it by section 1159 CA 2006.
The role and potential of umbilical cord blood	the article entitled "The role and potential of umbilical cord blood in an era of new therapies: a review" published by Stem Cell Research & Therapy 2015; 6 (1): 123 and online on 2 July 2015.
Takeover Panel	the Panel on Takeovers and Mergers.
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland.
UK Listing Authority or UKLA	the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA in the exercise of its functions in respect of, among other things, the admission to the Official List.
UMIC	the University of Manchester Innovation Centre.
UMIC Lease	the lease agreement entered into between UMIC Limited (1) and WideCells Limited (2) on 11 May 2016 and described in paragraph 9.11 of <i>Part VIII: Additional Information</i> of this document.
UMIC Limited	University of Manchester Innovation Centre Limited, a company incorporated in England with registered address Manchester Incubator Building, 48 Grafton Street, Manchester M13 9XX and registered company number 03278630.
United States, US or USA	the United States of America, its territories and possessions.
UoWT	University of Westminster (Trading) Limited, a company incorporated in England with registered address 309 Regent Street, London W1B 2UW and registered company number 2368579.
Warrant Instrument	the warrant instrument to be entered into by the Company on Admission pursuant to the First Convertible Loan Note Instrument and the Second Convertible Loan Note Instrument and described in paragraph 9.6 of <i>Part VIII: Additional Information</i> of this document.
Warrant Shares	up to 2,721,757 Ordinary Shares in aggregate issuable pursuant to the Warrant Instrument.
WideCells España	WideCells España S. L., being one of the Subsidiaries.
WideCells International	WideCells International Limited, being one of the Subsidiaries and the original holding company for the Group prior to the incorporation of the Company.
WideCells Portugal	WideCells Portugal – Serviços de Saúde, S.A. being one of the Subsidiaries.

PART X
GLOSSARY

allogenic	a stem cell transplant where donor cells come from a third party, i.e. not the recipient.
ANVISA	Agência Nacional de Vigilância Sanitária (National health Surveillance Agency), the Brazilian regulatory body with oversight of sectors relating to products and services that can affect the health of the population.
autologous	a stem cell transplant where donor cells come from the recipient.
class II biosafety cabinet	an enclosed ventilated laboratory workspace which meets the “Class II” criteria specified by the US Centres for Disease Control and Prevention (a US federal agency under the Department of Health and Human Services).
DGS	Direção-Geral da Saúde (Directorate-General of Health), a Portuguese regulatory body forming part of the Ministry of Health.
grade A air supply	a supply of air which meets the criteria specified or referred to in volume 4 (EU Guidelines to Good Manufacturing Practice) of the European Commission’s Rules Governing Medicinal Products in the European Union.
grade B clean room	a clean room in a laboratory which meets the “grade B” criteria specified in volume 4 (EU Guidelines to Good Manufacturing Practice) of the European Commission’s Rules Governing Medicinal Products in the European Union.
GvHD	graft versus host disease.
hematopoietic stem cells (HSCs)	blood forming stem cells.
HTA	the Human Tissue Authority, an executive agency of the United Kingdom Department of Health, and regulator, amongst other things, of organisations that remove, store and use human tissue for research, medical treatment, post-mortem examination, education and training.
mesenchymal stem cells (MSCs)	stem cells which can form bone, muscle and connective tissue.
ONT	Organización Nacional de Transplantes (National Transplant Organisation), the Spanish co-ordinating body under the Ministry of Health, Social Services and Equality, which is responsible for developing functions relating to the clinical development and use of organs, tissues and cells and acts as a service agency for the whole Spanish national health system.
SERMAS	Servicio Madrileño de Salud (Madrid Health Service), the health authority for the Madrid area.
UCB	umbilical cord blood.



widecells
GROUP



WIDECELLS GROUP PLC
CORE TECHNOLOGY FACILITY
46 GRAFTON STREET
MANCHESTER M13 9NT
UNITED KINGDOM

widecellsgroup.com