

A grayscale, high-magnification microscopic image of cells, likely stem cells, showing their rounded, textured surfaces and internal structures. The cells are arranged in a cluster, with some in sharp focus and others blurred in the background.

WIDECELLS GROUP

PLACING PROSPECTUS

JUNE 2018

WORLDWIDE PROVIDER
OF STEM CELL SERVICES

widecells
GROUP



THIS DOCUMENT AND ANY ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE 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.

If you sell or have sold or otherwise transferred all of your Existing Ordinary Shares prior to the record date of the General Meeting you should send this document, and if relevant, the enclosed Form of Proxy (and reply-paid envelope) at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. If you have sold or transferred any part of your registered holding of Existing Ordinary Shares in WideCells Group Plc, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately. However, this document should not be forwarded to or transmitted in or into the United States or any Excluded Territories where doing so may constitute a violation of local securities laws. Please refer to the notices contained in this document if you propose to send this document outside the United Kingdom. The distribution of this document and the accompanying documents into jurisdictions other than the United Kingdom may be restricted by law. Therefore, persons into whose possession this document and any accompanying documents come 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.

This document comprises (i) a circular prepared for the purposes of the general meeting (**General Meeting**) convened pursuant to the notice of General Meeting (**Notice of General Meeting**) set out at the end of this document; and (ii) 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 has been made available to the public in accordance with Rule 3.2 of the Prospectus Rules.

The Existing Ordinary Shares are admitted to the standard listing segment of the Official List of the FCA (**Official List**) and to trading on the London Stock Exchange plc's (**London Stock Exchange**) main market for listed securities (**Main Market**). Applications will be made to the FCA and the London Stock Exchange, respectively, for the New Ordinary Shares to be admitted to the standard listing segment of the Official List and to trading on the Main Market (together **Admission**). It is expected that, subject to Resolutions 1 and 3 being passed at the General Meeting, Admission will become effective and that unconditional dealings in the New Ordinary Shares will commence on the Main Market at 8.00 a.m. on 29 June 2018.

The Company and each of the Directors, whose names appear on page 40 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 LETTER FROM THE CHAIRMAN OF WIDECELLS GROUP PLC WHICH RECOMMENDS THAT YOU VOTE IN FAVOUR OF THE RESOLUTIONS TO BE PROPOSED AT THE GENERAL MEETING, AND 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 18 TO 29 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 67,865,022 Ordinary Shares and issue of 833,333 Fee Shares
at the Issue Price of 3 pence per New Ordinary Share**

**Admission of the New Ordinary Shares to the standard listing segment of the Official List and
to trading on the London Stock Exchange's Main Market for listed securities**

and

Notice of General Meeting

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 any other Excluded Territory. 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 or to or for the account of any national, resident or citizen of the United States or any person resident in any other Excluded Territory. 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.

Each of Smaller Company Capital and Shard (together the **Joint Brokers**), are authorised and regulated in the United Kingdom by the FCA, and are 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. None of the Joint Brokers will regard any other person (whether or not a recipient of this document) as its client in relation to the Placing and Admission, or any other matter set out in this document and will not be responsible to anyone other than the Company for providing the protections afforded to clients of each of the Joint Brokers 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 any of the Joint Brokers 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.

A notice of the General Meeting of the Company, to be held at the offices of Fladgate LLP, 16 Great Queen Street, London WC2B 5DG at 9.00 am on 28 June 2018, is set out at the end of document. Whether or not you intend to be present at the General Meeting, you are asked to complete and return the enclosed Form of Proxy in accordance with the instructions printed on it as soon as possible and, in any event, so as to be received by the Company's registrar, SLC Registrars, 42-50 Hersham Road, Walton-on-Thames, Surrey, KT12 1RZ, by not later than 9.00 am on 26 June 2018 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting). Completion and return of a Form of Proxy will not preclude a Shareholder from attending and voting at the General Meeting should they so wish.

APPLICATION WILL BE MADE FOR THE NEW ORDINARY SHARES 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.

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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>The Group is an international specialised provider of stem cell services. The business is separated into three key divisions, each of which is operated under a separate brand: WideCells, CellPlan and Wideacademy.</p> <p>WideCells (including under the “BabyCells” brand) provides stem cell procurement, processing, storage and distribution services, as well as stem cell research facilities in England and abroad.</p> <p>The CellPlan stem cell insurance product is currently generating initial revenues.</p> <p>The business’ research and education arm, Wideacademy, is developing its “software as a service” platform to deliver market sector insights and continual professional development to medical professionals.</p> <p>The Group does not currently have sufficient working capital. As at the date of this document, since 1 January 2018 the Company has accepted loans from certain directors of approximately £120,000 (repayable on demand after 1 July 2019) which, alongside re-negotiating terms of payment terms with creditors and obtaining additional banking facilities, has enabled the Group to continue operations. Should the Placing not complete in accordance with its terms by 30 June 2018, unless additional financing were obtained, the Group would be unable to continue trading as a going concern.</p>
B.4	Significant recent trends of the Company and its industry	<p>The Group operates in the stem cell procurement, processing, storage and distribution market, which is relatively new. The current worldwide market value as at September 2017 was estimated at US\$100 billion and is expected to grow at a CAGR of 13.8% from 2017 to 2025 to reach an estimated value of US\$270.5 billion (<i>Source: Transparency Market Research</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>). Over 4,000,000 people have stored cord blood with over 500 cord blood bank companies that exist world wide.</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, except for CellPlan International, of which the entire issued share capital is held by CellPlan Ltd, which is in turn held by WideCells International.</p>
B.6	Notifiable interests, different voting rights and controlling interests	<p>The interests of the Directors together represent approximately 25.77% of the issued and outstanding share capital of the Company as at 11 June 2018 (being the latest practicable date prior to the publication of this document) and are expected to represent approximately 17.08% of the total Enlarged Share Capital.</p> <p>As at 11 June 2018 (being the latest practicable date prior to the publication of this document), there were no outstanding loans granted (or any guarantee provided) by any member of</p>

the Group to any Director, nor by any Director to (or for the benefit of) any member of the Group except:

- the following loans to the Company from David Bridgland:
 - £100,000 outstanding since 30 November 2017; and
 - £30,000 outstanding since 29 March 2018;
- five executive directors have given personal guarantees to support the Company's overdraft with HSBC;
- a loan of £50,000 to the Company from Peter Presland, outstanding since 11 April 2018;
- a loan of £5,000 to the Company from Marilyn Orcharton, outstanding since 14 May 2018; and
- a loan of approximately £35,000 from Lopes Gil, outstanding since 17 April 2018.

The following Directors have applied the following outstanding loan amounts to subscribe for the following numbers of Placing Shares pursuant to the Placing:

Director	Loan amount applied	Number of Placing Shares subscribed for
Peter Presland	£50,000	1,666,667
Lopes Gil	£8,000	266,667
David Bridgland	£50,000	1,666,667
Marilyn Orcharton	£5,000	166,667

Therefore, following the Placing, it is expected that there will be the following outstanding loans granted to members of the Group by Directors:

- from David Bridgland, a total of £80,000 outstanding, which is repayable on demand after 1 July 2019;
- five executive directors have given personal guarantees to support the Company's overdraft with HSBC; and
- a loan of approximately £27,000 from Lopes Gil, which is repayable on demand after 1 July 2019.

The Directors intend for the overdraft with HSBC to be repaid shortly following Admission from the Net Proceeds.

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:

			Ordinary Shares as at the date of this document	Percentage of Existing Ordinary Shares	Ordinary Shares on Admission	Percentage of Enlarged Share Capital
		Name				
		João Andrade	8,055,000	12.4	8,388,333	6.28%
		Lopes Gil	8,050,000	12.4	8,316,667	6.23%
		Miton group	6,431,169	9.9	14,764,502	11.06%
		Dominus Investments	4,311,386	6.7	4,311,386	3.23%
		Joseph Ferreira	3,836,292	5.9	3,836,292	2.87%
		Luis Gil	3,776,000	5.9	3,776,000	2.82%
		Graham Hine	3,258,157	5.0	3,258,157	2.44%
		No major holder of Ordinary Shares has voting rights different from other holders of Ordinary Shares.				
		To the best of the Directors' knowledge, no one directly or indirectly, acting jointly or separately, exercises or could exercise control over the Company.				
B.7	Historical key financial information	<i>Key historical financial information of the Group</i>				
		The selected financial information set out below has been extracted without material adjustment from Historical Financial Information relating to the WideCells Group Plc for the 3 years ended 31 December 2017.				
		Shareholders and investors should note that the Group does not currently have sufficient working capital for its current purposes, being the twelve months from the date of this document, unless the Placing completes in accordance with its terms or alternative funding is found.				
		Consolidated Statement of Comprehensive Income of WideCells Group Plc				
			31 December 2017	31 December 2016	31 December 2015	
			£	£	£	
		Revenue	50,765	25,000	50,644	
		Administrative costs	(2,840,228)	(1,261,719)	(326,080)	
		Loss from operations	(2,789,463)	(1,236,719)	(275,436)	
		Finance expense	(17,264)	(30,710)	(11,120)	
		Loss before tax	(2,806,727)	(1,267,429)	(286,556)	
		Taxation	(2,126)	(7,517)	(1,250)	
		Loss after tax attributable to the owners of the parent	(2,808,853)	(1,274,946)	(287,806)	
		Other comprehensive expense – foreign exchange translation	(32,798)	–	–	
		Total comprehensive loss for the year	(2,841,651)	(1,274,946)	(287,806)	
		Loss per share				
		Basic and diluted loss per ordinary share	(0.05)	(0.03)	(0.02)	

Consolidated Statement of Financial Position of WideCells Group Plc			
	31 December 2017 £	31 December 2016 £	31 December 2015 £
Assets			
Non-current assets			
Tangible fixed assets	466,591	394,898	30,454
Intangible fixed assets	139,106	–	–
	<u>605,697</u>	<u>394,898</u>	<u>30,454</u>
Current assets			
Inventories	27,850	2,887	2,887
Trade and other receivables	9,551	22,554	40,033
VAT recoverable	173,703	59,567	24,002
Cash and cash equivalents	615,219	1,149,758	33,753
	<u>826,323</u>	<u>1,234,766</u>	<u>100,675</u>
Total assets	<u>1,432,020</u>	<u>1,629,664</u>	<u>131,129</u>
Liabilities			
Non-current liabilities			
Borrowings	207,551	247,803	–
	<u>207,551</u>	<u>247,803</u>	<u>–</u>
Current liabilities			
Trade and other payables	935,536	392,331	103,500
Borrowings	857,709	165,879	714,490
	<u>1,793,245</u>	<u>558,210</u>	<u>817,990</u>
Total liabilities	<u>2,000,796</u>	<u>806,013</u>	<u>817,990</u>
Issued capital and reserves attributable to owners of the parent			
Share capital	162,053	135,145	48
Share premium	3,460,854	2,159,000	742
Merger reserve	(185,728)	(185,728)	(466,318)
Translation reserve	(32,798)	–	–
Share-based payment reserve	331,975	211,513	–
Accumulated deficit	(4,305,132)	(1,496,279)	(221,333)
Total equity	<u>(568,776)</u>	<u>823,651</u>	<u>(686,861)</u>
Total equity and liabilities	<u>1,432,020</u>	<u>1,629,664</u>	<u>131,129</u>

Consolidated Statement of Cash Flows of WideCells Group Plc			
	31 December 2017 £	31 December 2016 £	31 December 2015 £
Cash flows from operating activities			
Loss for the year	(2,808,853)	(1,274,946)	(287,806)
Adjustments for:			
Depreciation of tangible fixed assets	113,191	16,143	10,050
Amortisation of intangible fixed assets	–	–	1,473
Share-based payment expense	120,462	186,626	–
Net Interest expense	17,264	30,710	11,120
Taxation expense	2,126	7,517	1,250
Cash flows from operating activities before changes in working capital	(2,555,810)	(1,033,950)	(263,913)
Increase in stock	(24,963)	–	810
(Increase)/Decrease in trade and other receivables	(101,133)	56,665	(30,337)
Increase in trade and other payables	543,205	238,129	81,535
Cash (used in)/generated from operations	(2,138,701)	(739,156)	(211,905)
Taxes paid	(2,126)	(7,517)	(1,250)
Net cash used in operating activities	(2,140,827)	(746,673)	(213,155)
Investing activities			
Purchases of property, plant and equipment	(323,989)	(205,531)	–
Sale of property, plant and equipment	–	24,931	7,762
Net cash generated (used) in investing activities	(323,989)	(180,600)	7,762
Financing activities			
Share issues	1,398,697	2,000,000	788
Cost of share issue	(69,935)	(239,598)	–
Interest paid	(17,264)	(11,579)	(11,120)
Issue of convertible debt	50,000	274,500	185,399
Issue of finance leases	153,003	–	–
Proceeds from bank borrowings	150,000	200,000	76,934
Repayment of borrowings	(198,604)	(180,045)	(22,617)
Net cash generated from financing activities	1,465,897	2,043,278	229,384
Net increase in cash and cash equivalents	(998,919)	1,116,005	23,991
Cash and cash equivalents at beginning of year	1,149,758	33,753	9,762
Effect of foreign exchange rate changes	(32,798)	–	–
Cash and cash equivalents at end of year	118,041	1,149,758	33,753

		<p>There have been significant changes in the financial condition, trading position and operating results of the Group subsequent to 31 December 2017 (being the date to which the most recent audited Historical Financial Information for the Company was prepared) and these are listed below:</p> <p>(a) as at 8 June 2018, the latest practicable date when preparing this document, the Group had a net bank overdraft, after offsetting positive cash balances, of £614,533 against an overdraft facility of £624,500 which is due to be reviewed on 29 June 2018;</p> <p>(b) should the Placing not complete in accordance with its terms by 30 June 2018, or alternative funding found, the Group would not be able to continue trading as a going concern and would be obliged to cease operations which could include administration, receivership, liquidation or other insolvency proceedings.</p> <p>The significant change during the period covered by the key Historical Financial Information has been the utilisation of the placing proceeds. This has been due to the company focussing on building an integrated stem cell services offering rather than generating revenues. Accordingly the Company has been consuming cash during the period covered by the Historical Financial Information.</p> <p>Since 1 January 2018 the Company has borrowed a total of £120,000 from its Directors. Certain Directors have applied some loan amounts to subscribe for Placing Shares, and to the extent that Directors have not done so, the remaining loans are repayable on demand after 1 July 2019. This has enabled the Group to continue operations to date. Should the Placing not complete in accordance with its terms, the Directors consider the Group will not be able to continue to trade as a going concern from 30 June 2018.</p>
<p>B.8</p>	<p>Key pro forma financial information</p>	<p>The unaudited consolidated pro forma financial information has been prepared to illustrate the effect of the Placing on the net assets statement and income statement of the Group as if it had taken place on 31 December 2017, and has been prepared for illustrative purposes only, in accordance with the accounting policies adopted by the Company in preparing the historical financial information.</p> <p>The unaudited consolidated pro forma financial information, because of its nature, addresses a hypothetical situation and, therefore, does not represent the Group's actual financial position and does not purport to represent the results of operations for any future period or the financial condition at any future date.</p>

Unaudited consolidated pro forma net asset statement				
	Net Assets of WideCells Group Plc 31 December 2017 Note 2 £	Adjustments		Unaudited Pro Forma £
		Net proceeds of placing Note 3 (*) £	Settlement of borrowings Note 4 (*) £	
Assets				
Non-current assets				
Tangible fixed assets	466,591	–	–	466,591
Intangible fixed assets	139,106	–	–	139,106
Total non-current assets	605,697	–	–	605,697
Current assets				
Inventories	27,850	–	–	27,850
Trade and other receivables	9,551	–	–	9,551
VAT recoverable	173,703	–	–	173,703
Cash and cash equivalents	615,219	1,641,111	–	2,256,330
Total current assets	826,323	–	–	2,467,434
Total assets	1,432,020	–	–	3,073,131
Liabilities				
Non-current liabilities				
Borrowings	207,551	–	–	207,551
Total non-current liabilities	207,551	–	–	207,551
Current liabilities				
Trade and other payables	935,536	–	–	935,536
Borrowings	857,709	–	(150,000)	707,709
Total current liabilities	1,793,245	–	–	1,643,245
Net Assets	(568,776)	–	–	1,222,335

		Unaudited Pro forma Income Statement			
			Adjustments		
		WideCells Group Plc results for the year ended 31 December 2017 Note 2 £	Cost of placing Note 3 (*) £	Total unaudited pro forma £	
		Revenue	50,765	–	50,765
		Gross Profit	50,765	–	50,765
		Administrative costs	(2,840,228)	(152,412)	(2,992,640)
		Loss from operations	(2,789,463)	–	(2,941,875)
		Finance expense	(17,264)	–	(17,364)
		Loss before tax	(2,806,727)	–	(2,959,139)
		Taxation	(2,126)	–	(2,126)
		Loss after tax	(2,808,853)	–	(2,961,265)
		Other comprehensive expense – forex translation	(32,798)	–	(32,798)
		Total comprehensive loss for the year	(2,841,651)	–	(2,994,063)
		(*) These adjustments are not expected to have a continuing impact.			
		1. The unaudited consolidated pro forma financial information has been prepared in a manner consistent with the accounting policies applied in the preparation of the WideCells Group Plc consolidated historical financial information for the periods to 31 December 2017.			
		2. The WideCells Group Plc consolidated financial information has been extracted, without material adjustment, from the Historical Financial Information of the Group for the period ended 31 December 2017 as presented in “Part VI: <i>Historical Financial Information</i> ” in this document.			
		3. The Net Proceeds of the Placing of approximately £1,641,111 are calculated on the basis that the Company issues 67,865,022 Placing Shares each at a price of 3 pence per share, net of estimated expenses in connection with the Placing and Admission of approximately £244,840 of which £152,412 relates to expenses taken to the Income Statement. See note 4 regarding settlement of borrowings.			
		4. The movement on borrowings relate to conversion of directors’ loans of £100,000 and £50,000 loan conversion to Rolf Gerritsen.			
		5. No adjustment has been made to reflect the trading results of the WideCells Group Plc since 31 December 2017.			
		6. This unaudited consolidated pro forma financial information does not constitute financial statements within the meaning of section 434 of the CA 2006.			
		7. Shareholders should read the whole of this document and not solely rely on the financial information contained in this section.			
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. The audit report does not include a qualification.			

B.11	Working capital qualifications	<p>The Company is of the opinion that the Group does not currently have sufficient working capital for the Group's present requirements; that is for at least twelve months following the date of this document.</p> <p>The Directors have calculated that the Company and the Group needed to raise a minimum gross proceeds of £1.5 million to enable the Group to continue to operate as a going concern until the date falling 12 months from the publication of this document. It is intended that gross proceeds in excess of this amount will be provided to the Company pursuant to the Placing.</p> <p>As at 8 June 2018, the latest practicable date when preparing this document, the Group had a net bank overdraft, after offsetting positive cash balances, of £614,533 against an overdraft facility of £624,500, which is due to be reviewed on 29 June 2018.</p> <p>In order to assist it with managing its current working capital requirements, the Group has:</p> <ul style="list-style-type: none"> • since 1 January 2018, arranged interest free loans of approximately £120,000, representing £30,000 from Director David Bridgland, £50,000 from Director Peter Presland, approximately £35,000 from Director Lopes Gil and £5,000 from Director Marilyn Orcharton. To the extent that these Directors are not utilising these loan amounts to subscribe for Placing Shares pursuant to the Placing, the remaining loans are repayable on demand after 1 July 2019; • negotiated payment terms with existing trade creditors • negotiated terms with its banks to extend its facilities; and • cut back on all discretionary expenditure and revised its current growth plans downwards to conserve cash. <p>In the event that the Placing fails to complete, the Directors do not consider that the Company will be able to continue as a going concern beyond 30 June 2018. The success of the Placing is beyond the control of the Directors. If the Placing does not complete in accordance with its terms, or alternative financing found for the Group, the Directors would be obliged to cease operations, the consequence of which could include administration or receivership or liquidation or other insolvency proceedings. Given the potential variables and alternative courses of action, the Company is not able to ascertain an exact date on which it would need to enter into administration or receivership or liquidation or other insolvency proceedings.</p> <p>The Company is of the opinion that the working capital available to the Group following Admission, 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.</p>
Section C – Securities		
Element	Disclosure requirement	Disclosure
C.1	Description of type and class of securities being offered	<p>The Company has conditionally raised gross proceeds of approximately £2.036 million through the issue of the 67,865,022 Placing Shares at the Issue Price of 3 pence pursuant to the Placing.</p>

		<p>The issue of the Placing Shares is accompanied by the issue of 833,333 Fee Shares, also at the Issue Price of 3 pence.</p> <p>The New Ordinary Shares are ordinary shares of £0.0025 each.</p> <p>The Ordinary Shares are 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 Issue Price is payable in pounds sterling.
C.3	Shares issued/value per share	<p>The Company has 64,821,010 Existing Ordinary Shares of £0.0025 each in issue and fully paid as at the date of this document, with the 67,865,022 Placing Shares and 833,333 Fee Shares to be issued conditional on Admission taking place.</p> <p>There are no shares in issue that are not fully paid.</p>
C.4	Rights attaching to the Ordinary Shares	<p>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.</p> <p>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 shareholders 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, the Articles and the Insolvency Act 1986 (as amended), divide amongst the shareholders 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 will, subject to the passing of the Resolutions at the General Meeting, be waived: (i) for the purposes of, or in connection with, the Placing and the issue of the Fee 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 not exceeding 30% of the aggregate nominal value of the Enlarged Share Capital; 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	Subject to satisfaction of the conditions (except Admission), including the passing of Resolutions 1 and 3, application will be made for all of the New Ordinary Shares (being the Placing Shares and the Fee Shares) to be admitted to the standard listing segment 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 29 June 2018.
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 Group and its industry	<p>Risks relating to the Placing</p> <ul style="list-style-type: none"> The Group currently has insufficient working capital. In the event that the Placing does not complete, the Group will have insufficient working capital to carry out its business strategy, and, unless additional financing is obtained, will be unable to continue as a going concern. The Directors have considered and will continue to consider all options available to the Group in order to avoid the Group being unable to operate as a going concern. This has included and includes negotiating with banks, cost cutting and other forms of financing. However, if the Placing does not complete, there is no guarantee that the Group would be able to take such steps within the necessary timeframe and therefore, if it were unable to do so it would cease to be a going concern at 30 June 2018. <p>Risks relating to the Group 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 the future growth of the Group and its 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. Dependence on key executives and personnel – Although the Directors have entered 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 Group.

		<ul style="list-style-type: none"> • Reliance on the stem cell and cord blood banking market. • Reliance on key agreements and third parties – A substantial part of the Group’s business is dependent on the CellPlan insurance product and therefore the business’ relationship with Best Doctors and their reinsurance company. The Directors’ growth plans for the business are also heavily dependent upon relationships with third parties. Should the agreement with Best Doctors be terminated and the business unable to replace it quickly or at all, it could have a significantly adverse impact on the business. The WideCells division of the business depends substantially on the lease in relation to the laboratory premises at the University of Manchester Innovation Centre. Should the lease be terminated or fail to be renewed at the end of its three year term this could have a significantly adverse impact on the business and its prospects. • Risks relating to compliance and licensing – The Group is reliant upon certain key licenses. Any difficulties in maintaining such licenses could significantly damage the prospects of such group and business. • Liability and insurance – It is not possible for the Board to ensure that the business is insured against all possible or potential risks. • Failure of the Group’s premises, staff performance, quality management system or procedures. <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 is subject to a variety of regulatory regimes, and changes in law and regulation, or in its interpretation and application by regulators, which could impose operational restrictions on the business, increase its expenses relating to ongoing compliance and/or otherwise have a material adverse effect on such business. • Licensing requirements – The Group is dependent upon holding valid licences to enable the business to carry out its work, including the HTA Licence. Maintenance of such licences may present a damaging or insurmountable barrier to its business development and growth if the necessary licences cannot be obtained or maintained in a financially and commercially viable manner. • The threat of competition and new technology – There is a risk that the science underpinning the business will reveal alternative, more effective solutions to the issues the business seeks to address. This would decrease demand for the business’ products and services. In addition, technologies in alternative solutions may advance more rapidly than that which the business relies on, making those alternative solutions more attractive to end users. • Limitations to the application of medical treatments – There are currently 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,
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		therefore, 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. This would result in a decreased demand for the business' products.														
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 Options) 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	<p>The Company has conditionally raised gross proceeds of £1.871 million through the Placing, and estimated Net Proceeds of approximately £1,641,111.</p> <p>The total costs of the Placing, issue of all New Ordinary Shares and Admission payable by the Company are estimated to be £244,480 (inclusive of irrecoverable VAT).</p>														
E.2a	Reasons for the Offer and use of proceeds	<p>Under the Placing, gross proceeds of £1.871 million, before expenses, have been conditionally raised and the Net Proceeds will be approximately £1,641,111.</p> <p>The Company intends to use the proceeds of the Placing as set out below. The priority for the Company is, having paid the Placing costs, to provide general working capital for the Group and the expansion and development of the WideCells, CellPlan and Wideacademy brands and products.</p> <table> <tr> <td>Costs of Placing and Admission</td> <td style="text-align: right;">£244,840</td> </tr> <tr> <td>Repayment of bank debt</td> <td style="text-align: right;">£656,500</td> </tr> <tr> <td>WideCells product development</td> <td style="text-align: right;">£150,000</td> </tr> <tr> <td>CellPlan platform and product development</td> <td style="text-align: right;">£110,000</td> </tr> <tr> <td>WideAcademy platform and courseware and roll-out</td> <td style="text-align: right;">£33,000</td> </tr> <tr> <td>General working capital</td> <td style="text-align: right;">£676,660</td> </tr> <tr> <td>Total</td> <td style="text-align: right;"><u>£1,871,000</u></td> </tr> </table> <p>Additionally, pursuant to the Placing, the Company has conditionally agreed to convert existing debt of £164,951 in aggregate into equity by the issue of 5,498,357 Placing Shares at the Issue Price as follows:</p> <ul style="list-style-type: none"> • the Directors have applied in aggregate £113,000 of outstanding loan amounts in subscribing for in aggregate 3,766,668 Placing Shares; and • Mr Rolf Gerritsen has agreed to convert a loan of £50,000 (plus interest) (being £51,951 in aggregate) into 1,731,689 Placing Shares. 	Costs of Placing and Admission	£244,840	Repayment of bank debt	£656,500	WideCells product development	£150,000	CellPlan platform and product development	£110,000	WideAcademy platform and courseware and roll-out	£33,000	General working capital	£676,660	Total	<u>£1,871,000</u>
Costs of Placing and Admission	£244,840															
Repayment of bank debt	£656,500															
WideCells product development	£150,000															
CellPlan platform and product development	£110,000															
WideAcademy platform and courseware and roll-out	£33,000															
General working capital	£676,660															
Total	<u>£1,871,000</u>															

		<p>The Company intends to seek bank funding to assist in the further expansion of the Company but the Directors have taken no account of these potential sources in making their statement on working capital on page 127 of this document.</p>
E.3	Terms and conditions of the Offer	<p>The Placing is for 67,865,022 Placing Shares (which include those placed via the Live Market Bookbuild). The Placing Shares are being issued at the Issue Price of 3 pence per share. Placing letters in respect of the subscription for 66,133,333 of such Placing Shares have been received by the Joint Brokers, and the Company has received a subscription for the remaining 1,731,689 Placing Shares. An investor who has applied for Ordinary Shares under the Placing agrees to become a member of the Company and agrees to subscribe for those Ordinary Shares at the Issue Price of 3 pence per share.</p> <p>The Placing is conditional upon, <i>inter alia</i>,</p> <p>(i) the passing of Resolutions 1 and 3;</p> <p>(ii) Admission occurring and becoming effective by 8.00 a.m. London time on or prior to 29 June 2018.</p> <p>The rights attaching to all of the New Ordinary Shares will be uniform in all respects and all of the New Ordinary Shares will form a single class for all purposes. Each investor undertakes to pay the Issue Price for the Placing Shares issued to such investor.</p> <p>The Placing will not be underwritten.</p> <p>The Placing will not take place if Resolutions 1 and 3 are not passed.</p>
E.4	Material interests	<p>The interests of the Directors together represent approximately 25.77% of the total Existing Ordinary Shares as at 11 June 2018 (being the latest practicable date prior to the publication of this document), and are expected to represent approximately 17.08% of the Enlarged Share Capital at Admission.</p> <p>As at 11 June 2018 the Company has issued Options over a total of 3,610,870 Ordinary Shares to its Directors.</p> <p>There are no other interests material to the Placing.</p>
E.5	Selling shareholder and lock-up agreements (if any)	<p>No person or entity is offering to sell any of the Ordinary Shares.</p> <p>Each of the Directors has entered into a lock-in agreement in respect of their Ordinary Shares for a period of 12 months following Admission.</p> <p>The directors of the Company at the time of the Initial Listing continue to be bound by the lock in agreements entered into at such time.</p>
E.6	Dilution	<p>The issue of the New Ordinary Shares pursuant to the Placing, and the issue of the Fee Shares will result in existing Shareholders suffering dilution of approximately 51.45% to their interests in the Company.</p>
E.7	Expenses charged to investors	<p>Not applicable; no expenses will be 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 New 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 and the Group that are not currently known to the Directors, or that are currently deemed immaterial, may also have an adverse effect on the business of the Group. 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, the Group, their 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 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 PLACING

Working capital and importance of the Vote

The Group currently has insufficient working capital. In the event that the Placing does not complete in accordance with its terms, the Group would be unable to continue as a going concern unless alternative financing were obtained.

The Directors have calculated that the Company and the Group needed to raise minimum gross proceeds of £1.5 million to enable the Group to continue to operate as a going concern until the date falling 12 months from the publication of this document. It is intended that gross proceeds in excess of this amount will be provided to the Company pursuant to the Placing.

The Directors have, and will continue to consider all options available to the Group in order to avoid the Group being unable to operate as a going concern. To date, this has included, and will continue to include negotiating with banks, cost cutting and other forms of financing. However, if the Placing does not complete there is no guarantee that the Group would be able to take any such necessary steps at all, or within the necessary timeframe, and therefore if it were unable to do so, it would cease to be a going concern at 30 June 2018.

The outcome of the Placing, or, in its absence, other methods of funding the Directors might seek, lies outside the full control of the Company.

If the Placing does not complete, and the Company were to be unsuccessful in pursuing alternative courses of action by 30 June 2018, the Directors would be obliged to cease operations, the consequence of which could include administration or receivership or liquidation or other insolvency proceedings.

If Resolutions 1 and 3 are not passed at the General Meeting, the Placing cannot proceed.

Accordingly, it is very important that Shareholders vote in favour of the Resolutions in order that the Placing can proceed.

Dilution

The New Ordinary Shares, being the Placing Shares and the Fee Shares will represent 51.45% of the Enlarged Share Capital. Specifically:

- the Placing Shares will represent 50.83% of the Enlarged Share Capital; and
- the Fee Shares will represent 0.62% of the Enlarged Share Capital.

Shareholders will suffer a dilution of 51.45% to their interests in the Company.

The Placing is subject to a number of conditions which, if not satisfied or waived within a specified timeframe may prevent or delay its completion

The successful completion of the Placing is conditional upon (*inter alia*) Admission taking place on or before 29 June 2018. If Admission does not occur before such time, the Placing may not take place, or may take place at a later time. The Company will have incurred significant irrecoverable costs in connection with the Placing and failure to satisfy the condition in this manner will result in significant costs for the Group which may harm its business and financial condition.

RISKS RELATING TO THE GROUP'S BUSINESS

Early stage companies

The Group faces risks frequently encountered by early stage companies. In particular, 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 business' growth could have a material adverse effect on the Group's business, financial condition and results of operations. The Group has only a limited trading history to date, and the Company has very limited revenues. Investors therefore have a limited basis on which to evaluate the business' ability to achieve the objectives set out in this document.

The actual performance of the Group may differ materially from the expectations of both the Directors and Shareholders.

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

Dependence on key executives and personnel

Although the Directors have entered 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 Group. Future performance will depend heavily on its ability to retain the services, personal connections and 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.

The Directors consider that this risk is mitigated as the Company offers such persons long term incentive plans, and bonuses to try to ensure their continuing employment.

Loss of revenue owing to relationships with sources of revenue

The Group relies heavily on relationships with cord blood banks, insurance companies and its CellPlan e-commerce platform to promote the business' products to potential customers globally.

It is anticipated that the majority of the business' key relationships would comprise a simple referral or introduction from a cord blood bank to the business, although in some cases the business may enter into formal licensing, agency or distribution agreements to sell the business' services. If the business is unable to establish an effective 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 business to sell its services, prospects could be adversely affected or the Group could 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 introduction or referral networks 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 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, and through them the insurance providers, 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 Directors also consider that the business has access to appropriate alternative sources of insurance and reinsurance products by virtue of the connections it has made or will make through Best Doctors and those of the Directors, including particularly Dr Marilyn Orcharton, João Andrade and Peter Presland. However, the business 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.

The Group's reliance on this agreement means that the business is also reliant upon Best Doctors' own ongoing operations, licensing and regulation within the medical consultation and insurance sectors. This is out of the control of the Group. However, for the reasons stated above, the Directors consider that the impact of any termination of Best Doctors' operations on the Group could be mitigated.

Reliance on the UMIC Lease

The Group depends substantially on the UMIC Lease in relation to the laboratory premises at the University of Manchester Innovation Centre. The UMIC Lease expires on 30 June 2019. 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's business. The Group considers that in circumstances where the business is in operation and as such the business wishes to extend the UMIC Lease, that there would be little incentive for the landlord 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 business, financial condition and results of operations at that time. The HTA Licence relates to the premises occupied by the Company under the UMIC Lease. Therefore, any termination of the UMIC Lease would require the cessation of the Company's operations which are governed by the HTA Licence. Operations recommencing would be dependent upon the Company finding a new laboratory, and obtaining a new licence from the HTA.

The Group has in place arrangements which satisfy the HTA's requirements, in terms of an emergency contingency plan and standard operating policies for the termination of licensable activities. In addition, the Group has an agreement in place with Bio Dock to transfer all stored stem cell products and related documentation to them in an event where the Company's operations cease.

Reliance on MedBone licensing agreements

The Group is licensed by MedBone to sell MedBone products, including INDUS. INDUS is an advanced synthetic bone graft product for implantologists, periodontologists and healthcare professionals. MedBone also produce other synthetic bone graft products used as a bone substitute in medical surgeries. Sales have not yet commenced.

In order for the Group to continue to be entitled to sell MedBone products, this licence must remain in force. If the licence agreement is terminated or the licensing party MedBone ceases to do business, the Group may no longer be able to, or find it beneficial to, offer these products and a similar product may not be available at all, or on terms acceptable to the Company.

The loss of this business area may have a negative impact on the business, prospects and financial condition of the group.

The Group is reliant upon the CellPlan insurance product, and upon the stem cell and cord blood banking services sector

The Group is reliant upon the performance of the CellPlan insurance product for its financial success. In turn, the CellPlan insurance product is heavily reliant upon the success of the stem cell and cord blood banking services sector, including the business' own bank network, and processing, storage and distribution services.

Whilst the Directors are optimistic and highly invested in the success of stem cells technology, there is no guarantee that the sector will continue to be considered clinically important or viable. This would be materially prejudicial to the future progress and financial successes of the Group.

Risks related to reliance on third parties

The Group has entered into certain agreements with third parties which result in the Group being, reliant upon certain third parties for the continued success of the business. Whilst this risk relates to a variety of contracts, the failure of third parties to honour these contracts for any reason may be of material detriment to the business. The Directors believe that any of these contracts could be replaced, or alternative arrangements made within a reasonable period of time, but there is no certainty that this would be possible on equally favourable terms, in compliance with all regulatory requirements, and without any damage being caused to the business.

The Group's CellPlan business is currently partially reliant upon third parties for referrals, and expects to be reliant upon third parties for producing collection kits for stem cell samples, transport of such samples and processing. However, the Directors expect that such agreements will be on standard commercial terms and will be possible to replace if required.

Risks relating to compliance and licensing

The WideCells business sector is reliant upon the maintenance of the HTA Licence. In addition, WideCells Ltd and its group will be subject to ongoing compliance requirements, including costs of licensing and accreditation. There is no guarantee that the Group will continue to be eligible for, the HTA Licence, or that it will be able to obtain any additional ones in the future.

The Group may apply for the issue of additional licences to allow for the expansion, growth and development of the business. There is no guarantee that such licences will be available to the business at that time, within any particular time frame, on commercially acceptable terms, or at all. This includes licences to expand the business into the processing, storage and distribution of dental pulp stem cells and adipose tissue stem cells.

Any failure to retain the current licences, obtain necessary renewals, or such additional licences as the Board may consider desirable may negatively impact the prospects, operations and financial condition of the business.

Failure of the Group's premises, staff performance, quality management system or procedures

Any improperly or poorly performed procedures carried out on behalf of or by the Group, risks damaging the prospects of the business, and attracting negative publicity which might harm future business prospects. The Group's Scientific Advisory Committee was established in order to assist the

Board in remaining current with the latest developments in the business' operational spheres, and to ensure that best practice is known and can therefore be implemented within the business' operations.

In addition, another company's failure in relation to stem cell products risks attracting negative publicity for the sector as a whole. Such incidents might result in a reduced consumer appetite for the business' products or services, and this could therefore have a material adverse effect on the business' prospects. In addition, such improperly carried out procedures would risk exposing the Group to claims.

The Directors consider that the following are specific risks in relation to this overall area of risk. Steps have been taken within the Group to mitigate such areas of risk.

Premises

If the premises do not meet the required standards (e.g. air quality, emergency back-up, liquid nitrogen safety, fire, flood etc.) then the quality and safety of the resultant stem cell products will be reduced to the point where harm may be caused by the clinical use of the stem cell products.

The Group's premises currently have measures in place to mitigate this risk, including industry standard (or better) equipment, including constant monitoring systems and alarms to ensure the correct storage conditions for stem cell products.

Staff

Staff must be highly trained and competent to carry out their tasks in this highly specialised area or the risk is a reduction in the quality and safety of stem cell products, and a decreased level of success in obtaining viable samples of stem cells. This reduction in quality and service could result in various negative impacts for the Group and this could result in negative publicity for the business as well as the sector as a whole. In addition, this could lead to the business incurring liabilities including potential litigation. This may also risk the licensing rights of the Group.

The Group's employees are required (and it is intended that future employees will be required) to undergo mandatory training, including specific in-house courses, and must all have clearly defined training plans and job descriptions. Scientific staff must also undergo continual professional development, including writing articles and attending or presenting at conferences.

Procurement, processing, storage and distribution of stem cell products

The procurement, processing, storage and distribution of stem cell products must be correctly and safely carried out. This ensures the utmost care is taken of the samples, and therefore the highest possible recovery rates, and the greatest success for the business.

Failure to carry out these actions properly (including in accordance with all regulatory requirements) could have a negative effect on the Group.

Risk relating to liability and insurance

The Group operates in a market which attracts exposure to potentially substantial damages in the event of a failure to offer satisfactory services, or in the event of a failure to satisfy all regulatory requirements. This includes actions and omissions which may or may not be within the control of the Group. A liability of this nature could have a significant adverse effect on the business and its financial condition. It may not be possible to, or the Directors may not consider it commercially viable to obtain insurance in respect of such risks.

Risks relating to the Wideacademy Platform

The Wideacademy platform is a key part of the Directors' future plans for the success of the business. The risks below are those specifically identified by the Directors as being linked to the Wideacademy platform. Any loss of business, or cessation of the business of the Wideacademy platform may have an adverse effect on the Group.

Use of cloud technology

There is a risk with the Wideacademy software and platform that it could fail to sustain service and accessibility, either for some isolated users, or across the system. A failure of the system in either

case could result in a loss of business for Wideacademy, particular if such outages are frequent or recurring, or could result in liabilities for the Group.

The Directors believe this risk is mitigated through the provision of redundancy, and fact that the technology is built out on current standards and best practice. They will continue to ensure that this is kept under continual review and provide updates and developments as necessary.

Right of use of content

The content on the Wideacademy platform originates from multiple sources, such as academic research, information already in the public domain, and information which is shared with Wideacademy from partner institutions, universities and publishers. Copyright and author acknowledgements are built into the Wideacademy platform, and designed to be compliant with the laws pertaining in each region. All content in each geography or region remains in the ownership of the originator, author or publishing organisation. All rights defer to these entities.

However, the risk remains that the Group will be accused of breaching such regulations, despite these steps. This could result in costly litigation which the business would be required to defend. This could result in a loss of a substantial part of, or all of, the Wideacademy business, a significant amount of management time, and costs. This could have a materially adverse impact on the business.

The Directors consider that this risk is mitigated due to its relationship with professional editors, writers and the production of its content with the protection and respect of copyright and similar intellectual property rights in mind.

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 or that, if they depart against the business' wishes, the business would 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 business' financial condition or results of operations.

The Group'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 Group'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 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. This 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 business' products, as they 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.

The Directors believe that this will in part be mitigated by the introduction of the more readily affordable CellPlan insurance product.

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 for the UK's exit from the EU has yet to be determined, and the economic impact of the decision is not yet clear. The UK is still experiencing a period of political and economic volatility arising from the results of the referendum. Continuing political and economic uncertainty and instability could materially and adversely affect the operational, licensing, regulatory, currency, insurance and tax regime to which the Group is 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 business 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.

Insurance may not fully cover all potential exposures

The Group has arranged and intends to continue to arrange insurance through its insurance brokers to cover risks associated with its business as the Directors think fit, which may include medical malpractice and negligence, property damage, terrorism, business interruption, cyber security and directors' and officers' liability. However, such insurance may not cover the cost of all potential losses.

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 acceptable terms or at all

Whilst the Company anticipates that the further development of its CellPlan, WideCells and Wideacademy businesses will be funded principally in the near term by the Net Proceeds and the proceeds of sales from each of these business lines, the Group may in the future 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 business 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 acceptable terms or at all.

Where the Company issues Ordinary Shares in the future (including on exercise of any options) 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 IX: *Additional Information* of this document.

The cost and impact of disputes and/or litigation

Although no Group Company is currently engaged in any material disputes or (so far as the Directors are aware) subject to any litigation, the Group may become involved in disputes and litigation in the future. Managing disputes and/or litigation can be expensive and disruptive to normal business operations, due to the management time and business resources required to respond to and address such matters. 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 business' financial condition and results of operations.

Foreign exchange currency risk

The Group's revenues earned may be exposed to currency fluctuations between the other currencies in which the business may operate, including GBP and the Euro. These risks will increase as the business expands into other territories.

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 business, increase its expenses and/or otherwise have a material adverse effect on the 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 or in general could have a major impact on the stem cell and cord blood banking and services sector and therefore the business.

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. As at the date of this document the Group does not currently operate in these countries, and it is not currently anticipated that the Group will do so in the near future.

Risks relating to obtaining business accreditations and licences

Cord blood banks are subject to a number of accreditation requirements (both mandatory and discretionary) which must be obtained and maintained if a cord blood bank is to 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 and operational limitations on cord blood banks. These costs and operational limitations will impact directly and indirectly on the Group.

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 may not be able to commence or carry on its business. In addition, the business may in the future seek to obtain additional licences, and it cannot currently be known what ongoing or future compliance obligations may affect the business.

Compliance with licensing requirements places a cost burden on the Group, a time burden on the management and ultimately may present an insurmountable barrier to business development and growth. This could have a material adverse effect on the Group's business, financial condition and results of operations. Failure of the Group to obtain and then maintain the HTA Licence, or other licences may negatively impact the future plans of the Directors in relation to the business.

See also the risk factor above entitled *Risks relating to compliance and licensing*. For further information on the regulatory regime to which the Group is subject, see Part III: *Information on the Group*.

WideCells Ltd currently holds the HTA Licence (Research) which enables the group companies to carry out research at the UMIC laboratory. This licence enables WideCells Ltd to proceed with its research at UMIC. The HTA Licence also encompasses a human application authority which enables the Group to procure, process, store or distribute stem cell products commercially.

On 20 March 2018 WideCells España obtained the necessary authorisation from SERMAS to operate in the public healthcare system in Madrid. Operations in Madrid have not yet commenced.

WideCells Portugal is not currently licensed to operate (and does not currently operate) in Portugal but previously did have a licence from regulator DGS.

In order for the business to expand as intended, it will need to apply for licences. There is no guarantee that such licences would be granted. In addition, the Directors intend to apply for licences for WideCells España and WideCells Portugal to allow for these subsidiaries to take advantage of the HTA Licence. There is no guarantee such variations would be granted.

The Company has obtained approval for the intermediation of insurance in respect of the distribution of the CellPlan product within the EU via a passport received on 11 May 2017. Loss of this approval could have a material adverse effect on the Group's business, financial condition and result of operations. The Directors consider that if necessary alternative arrangements for the offering of CellPlan insurance could be put in place.

The threat of competition and new technology

The stem cell, cord blood banking and related services sector is relatively new and the science and technology underpinning this area progress at a fast pace. There is a risk that the research in this area might uncover solutions which are more effective than those offered by the Group. This would decrease demand for the business' products and services. 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. In addition, new research in this area might bring to light risks in the business' products or services which are not currently fully appreciated, or which are not currently known at all.

The business has to date looked to mitigate this risk by putting the Scientific Advisory Committee into place, to ensure that relevant material research findings are reported to the Board.

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 improved 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, and plans to grow and expand.

The Directors consider that they are taking steps to increase public awareness of this market, for example, through the courses offered by Wideacademy.

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 has 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, 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, and it is not yet known if stem cells can be stored and maintained for over 15 years. These drawbacks may have a negative impact on the public's perception of the sector and decrease demand for its products and services. This in turn could have a material adverse effect on the Group's business, financial condition and results of operations.

RISKS RELATING TO THE NEW ORDINARY SHARES

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

The Admission of the New Ordinary Shares will result in the New Ordinary Shares being listed on the Official List alongside the Existing Ordinary Shares.

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 New 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 30 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 to which it would be subject 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 30 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 of 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 New Ordinary Shares within a period that they would consider to be reasonable

Investments in Ordinary Shares (including the New 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 New Ordinary Shares at all, or within a period that they would regard as reasonable. Accordingly, the New 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 price for the New Ordinary Shares may fall below the Issue Price.

A market for the Ordinary Shares may not develop, which would adversely affect the liquidity and price of the Ordinary Shares

The price of the New Ordinary Shares after issue can vary due to a number of factors, including but not limited to, general economic conditions and forecasts, the Company and its group’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 investors 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 New 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 6, (Dividend policy) in Part I: *Letter from the Chairman of the Company* 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 (including the New Ordinary Shares). The market price of the Ordinary Shares may be subject to 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 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 its 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 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 Group's business, financial condition, results or future operations could be materially adversely affected. In such case, the price of the Ordinary Shares, including the New Ordinary Shares, could decline and investors may lose all or part of their investment.

CONSEQUENCES OF A STANDARD LISTING

Application will be made for the New 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 Existing Ordinary Shares are, and the New 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 continue to comply with Listing Principles 1 and 2 as set out in Chapter 7 of the Listing Rules, as required by the UKLA, and intends to comply continue to 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 is not 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 DOES NOT AND WILL NOT HAVE THE AUTHORITY TO 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 New 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 New 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 New Ordinary Shares;
- any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the New 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 New 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 New 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 New 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 New Ordinary Shares and the distribution of this document under, the laws and regulations of any territory in connection with any applications for New 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 New 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 New 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 New 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 New Ordinary Shares, and any income from such New Ordinary Shares, can go down as well as up.

This document should be read in its entirety before making any investment in the New 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.

PRESENTATION OF FINANCIAL INFORMATION

The historical consolidated financial information relating to the Company included in Part VI of this document has been prepared in accordance with IFRS. The significant accounting policies are set out in the notes of the Company's historical consolidated financial information included in Part VI of this document.

FORWARD-LOOKING STATEMENTS

Some of the statements under "*Summary*", "*Risk Factors*", "*Part I: Letter from the Chairman*" and elsewhere in this document include forward-looking statements which reflect the Directors' current views, interpretations, beliefs or expectations with respect to the financial performance, business strategy and plans and objectives of management for future operations of the Group. These statements include forward-looking statements with respect to the Group and the sector and industry in which the business currently operates. 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 actual results, prospects and performance of the Group to differ materially from those indicated in these statements. In addition, even if the actual results, prospects and performance of the Group 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, including licensing matters;
- 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 any 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 Directors’ current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the future business, results of operations, financial conditions and growth strategy of the Group. For the avoidance of doubt, nothing in this paragraph qualifies the working capital statement set out in paragraph 10 of Part IX: *Additional Information* of this document.

These forward-looking statements speak only as of the date of this document. Subject to any obligations under MAR, 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, neither the Company (nor any company within the Group) nor the Directors undertake any 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, the Directors or any other such person, including persons acting on behalf of any of them 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 New 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 New Ordinary Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the US.

The New 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 any other Excluded Territory. Subject to certain exceptions, the New 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 or any other Excluded Territory or to for the account of any national, resident or citizen of the United States or any person resident in any other Excluded Territory. The New 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 New Ordinary Shares may not offer to sell, pledge or otherwise transfer the New 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 New 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 New 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 New 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 New 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 New 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 New 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 New 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 New Ordinary and any New Ordinary Shares to be offered so as to enable an investor to decide to purchase any New 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 New 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 New Ordinary Shares acquired by it in the New Ordinary 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 New 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 following information is provided to investors in accordance with Article 13 of the EU Regulation 2016/679 (General Data Protection Regulation) (**GDPR**). For the purposes of this section, an investor is deemed to include the legal or natural person making the investment in the Company and any beneficial owner.

1. The Company is the controller of any personal data that may be supplied by investors, and its contact details can be found at paragraph 2.4 of Part IX “*Additional Information*” of this document.
2. Investors will be asked to provide information to the Company, including personal data, as part of their applications for New Ordinary Shares. If an investor does not provide all of the information requested, the Company will not be able to process the application and the investor will not receive any New Ordinary Shares.
3. The personal data provided by investors will be processed for the following purposes:
 - 3.1. processing the investor’s application for New Ordinary Shares, collecting funds and communications regarding this listing;
 - 3.2. verifying the identity of the investor to comply with statutory and regulatory requirements including but not limited to in relation to anti-money laundering procedures;
 - 3.3. meeting the legal, regulatory, reporting and/or financial obligations of the Company in the United Kingdom or elsewhere;
 - 3.4. administering the Company’s shareholder records, including sending notices and information about the Company to its shareholders;
 - 3.5. administering the payment of dividends and any tax liabilities that may arise from the same
 - 3.6. disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company.
4. The legal basis on which such personal data is provided is:
 - 4.1. processing is necessary for the performance of a contract to which the investor is party or in order to take steps at the request of the investor prior to entering into a contract (in each case the contract concerned being the contract to purchase shares in the Company); and/or
 - 4.2. processing is necessary for compliance with legal obligations to which the Company is subject, particularly those set out in paragraphs 3.2 and 3.3 above; and/or
 - 4.3. the processing is necessary for the purposes of the legitimate interests pursued by the Company, namely the issue of shares and the effective administration of its shareholder records.
5. The Company may provide personal data regarding investors to third parties in the following circumstances:
 - 5.1. it will be required to disclose information about investors to government and regulatory and tax authorities in order to comply with applicable law;
 - 5.2. it may delegate certain administrative functions to third parties including its brokers, share registrars, solicitors and accountants and, to enable such parties to perform their

functions, it may be necessary for the Company to disclose investor information for that purpose; and

- 5.3. it may also need to disclose information about its shareholders to potential lenders or potential purchasers of the share capital of the Company.
6. In some cases, the disclosure of information in accordance with paragraph 5 will necessitate the transfer of personal data about the investor 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. The Company will take steps to ensure that any such transfer complies with Chapter V of the GDPR.
7. If the Company (or any third party, functionary or agent appointed by the Company) discloses personal data to a third party, agent or functionary and/or makes such a transfer of personal data it will, where required by law, ensure that any third party, agent or functionary to whom the relevant personal data is disclosed or transferred is obliged to provide an adequate level of protection in respect of such personal data.
8. The processing of the investor's personal data will not be subject to automated decision-making by the Company, including profiling, which has any legal or significant effect on him or her.
9. Personal data provided by investors will be retained as follows:
 - 9.1. if the investor's application is wholly unsuccessful and it is not issued shares, any personal data regarding the investor will be deleted by the Company and its providers in accordance with any data retention policies;
 - 9.2. if the investor's application is successful and shares are issued to him or her by the Company, the Company will retain the name and contact details of the investor for as long as it is obliged to maintain records of its shareholders under law, and any other details will be deleted in accordance with data retention policies, after the investor ceases to be a shareholder.
10. An investor has the rights, in relation to his or her personal data held by the Company, to:
 - 10.1. request access to such personal data;
 - 10.2. require the Company to rectify any inaccurate personal data;
 - 10.3. in some cases, to require the Company to:
 - 10.3.1. restrict processing the personal data;
 - 10.3.2. erase the personal data; and/or
 - 10.3.3. transfer the personal data to another controller.
 - 10.4. lodge a complaint with the Company's supervisory authority, being the Information Commissioner's Office.
11. Investors are responsible for informing any third party individual to whom the personal data relates (including but not limited to any beneficial owner) of the disclosure and use of such data in accordance with these provisions.

INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**Directive 2014/65/EU**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing Directive 2014/65/EU; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the New Ordinary Shares have been subject to a product approval process, which has determined that the New Ordinary Shares to be issued are: (i) compatible with

an end target market of investors who meet the criteria of professional clients and eligible counterparties, each as defined in Directive 2014/65/EU; and (ii) eligible for distribution through all distribution channels as are permitted by Directive 2014/65/EU (the “**Target Market Assessment**”).

Notwithstanding the Target Market Assessment, distributors should note that: the price of the New Ordinary Shares may decline and investors could lose all or part of their investment; the New Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the New Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Brokers will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Directive 2014/65/EU; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the New Ordinary Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the New Ordinary Shares and determining appropriate distribution channels.

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 X: *Definitions*, starting on page 132 of this document and technical terms are defined or explained in Part XI: *Glossary*, starting on page 138 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; 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

Despatch of Prospectus, Notice of General Meeting and Form of Proxy	12 June 2018
Latest time and date for receipt of Forms of Proxy or not less than 48 hours before any adjournment of the General Meeting	9.00 a.m. on 26 June 2018
General Meeting	9.00 a.m. on 28 June 2018
Admission and commencement of unconditional dealings in New Ordinary Shares	8.00 a.m. on 29 June 2018
Crediting of New Ordinary Shares to CREST accounts (uncertificated holders)	no later than 29 June 2018
Despatch of definitive share certificates for New Ordinary Shares in certificated form	As soon as practicable after Admission

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.

STATISTICS

Number of Existing Ordinary Shares	64,821,010
Issue Price	3 pence per New Ordinary Share
Total number of New Ordinary Shares	68,698,355
<i>Number of Placing Shares</i>	67,865,022
<i>Number of Fee Shares</i>	833,333
Enlarged Share Capital in issue on Admission immediately following the issue of the New Ordinary Shares	133,519,365
New Ordinary Shares as a percentage of the Enlarged Share Capital	51.45%
Gross proceeds of the Placing	£1,871,000
Amount of debt converted to equity pursuant to the Placing	£164,951
Net Proceeds	£1,641,111

DIRECTORS, AGENTS AND ADVISERS

Directors	<p>Peter Eric Presland (<i>Non-Executive Director and Chairman</i>) João Goncalves Andrade (<i>Group Chief Executive Officer</i>) David Vernon Bridgland (<i>Group Chief Financial Officer</i>) João Carlos Martins Loureiro Lopes (“Lopes”) Gil (<i>Group Chief Operating Officer</i>) Professor Peter Hollands (<i>Group Chief Scientific Officer</i>) Alan Samuel Greenberg (<i>Group Chief Business Development Officer and Senior Vice President Wideacademy</i>) Dr Marilyn Margaret Orcharton (<i>Non-Executive Director</i>) Malcolm Glaister (<i>Non-Executive Director</i>) David Henriques (<i>Non-Executive Director</i>)</p> <p>(All c/o the Company’s registered office)</p>
Company Secretary	David Vernon Bridgland
Registered Office	Core Technology Facility 46 Grafton Street Manchester M13 9NT
Joint Brokers	<p>Smaller Company Capital Limited 3rd Floor 15 Eldon Street London EC2M 7LD</p> <p>Shard Capital Partners LLP 23rd Floor 20 Fenchurch Street London EC3M 3BY</p>
Solicitors to the Company	Fladgate LLP 16 Great Queen Street London WC2B 5DG
Solicitors to Shard	Fieldfisher Riverbank House 2 Swan Lane London EC4R 3TT
Auditors	BDO LLP 3 Hardman Street Spinningfields Manchester M3 3AT
Reporting Accountants	haysmacintyre 10 Queen Street Place London EC4R 1AG

Public Relations and Investor Relations	St Brides Partners Limited 3 St Michael's Alley London EC3V 9DS
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

LETTER FROM THE CHAIRMAN OF THE COMPANY

WideCells Group plc

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

Directors

Peter Eric Presland (*Non-Executive Director and Chairman*)
João Goncalves Andrade (*Group Chief Executive Officer*)
David Vernon Bridgland (*Group Chief Financial Officer*)
João Carlos Martins Loureiro Lopes (“Lopes”) Gil
(*Group Chief Operating Officer*)
Professor Peter Hollands (*Group Chief Scientific Officer*)
Alan Greenberg (*Group Chief Business Development Officer and
Senior Vice President Wideacademy*)
Dr Marilyn Orcharton (*Non-Executive Director*)
Malcolm Glaister (*Non-Executive Director*)
David Henriques (*Non-Executive Director*)

Registered Office

Core Technology Facility
46 Grafton Street
Manchester
M13 9NT
England

12 June 2018

Dear Shareholder,

**Placing of 67,865,022 Ordinary Shares and issue of 833,333 Fee Shares
at the Issue Price of 3 pence per New Ordinary Share**

**Admission of the New Ordinary Shares to the standard listing segment of the Official List
and to trading on the London Stock Exchange’s Main Market for listed securities**

and

Notice of General Meeting

1. Introduction

The Placing

I am writing to you as the Chairman of WideCells Group Plc.

On 1 May 2018 the Company announced that it was in discussion with its financial advisers with a view to a fundraising, in the absence of which the Group was at risk of not being able to continue as a going concern.

On 10 May 2018 the Company announced that it had received commitments representing gross proceeds of approximately £1.47 million in support of the Placing (including £200,000 committed under the Live Market Bookbuild), and the commencement of a Live Market Bookbuild for up to an additional £450,000 (subject to increase in the Company’s discretion). The Placing (including the Live Market Bookbuild) closed on 11 June 2018, conditionally raising aggregate gross proceeds of £1.871 million, which provides the Group with Net Proceeds of approximately £1,641,111. Additionally, pursuant to the Placing, the Company has conditionally agreed to convert in aggregate £164,951 of outstanding debt into equity by the issue of 5,498,357 Placing Shares at the Issue Price.

The purpose of this letter is to set out the background and reasons for the Placing, and recommend that you vote in favour of the Resolutions to be proposed at the General Meeting. In this respect, this document should be read in its entirety and you should not rely solely on the information in this Part I. Your attention, in particular, is drawn to the risk factors set out in the section titled *Risk Factors*.

As described in more detail in this document, in the event that the Placing does not complete, the Group would not have sufficient working capital for its present requirements, that is, for a period of twelve months from the date of this document. The Directors consider that the Group has facilities in place which would enable it to continue to trade as a going concern only to 30 June 2018.

Shareholder approval

The Placing requires shareholder approval. If Resolutions 1 and 3 are not passed, the Placing will not proceed.

If the Placing does not proceed the Directors believe that the Company has sufficient financial resources to fund the business only until 30 June 2018. In the absence of alternative financing, the Company would then cease to be able to continue trading as a going concern and the Directors would be obliged to cease operations, the consequence of which could include administration or receivership or liquidation or other insolvency proceedings.

Accordingly it is very important that the Shareholders vote in favour of the Resolutions.

2. Terms and conditions of the Placing and the Fee Shares

The Placing

The Company has conditionally raised gross proceeds of approximately £1.871 million and converted £164,651 of debt to equity by way of the Placing. The Net Proceeds are expected to amount to approximately £1,641,111.

Full details of the Placing (including conditions to which the Placing is subject) are set out in Part II of this document. If these conditions are not met, and the Placing does not complete, the Group does not have sufficient working capital for its current purposes, that is for the twelve months following publication of this document. Please see paragraph 10 of Part IX of this document.

The Fee Shares

The Company has also issued the Fee Shares to Align Research as described in paragraph 9.5 of Part IX.

2. Use of proceeds, sensitivity analysis and assumptions

Details of the use of proceeds, sensitivity analysis and assumptions are set out in paragraph 8 of Part II of this document.

3. Risk factors

The risk factors which the Directors consider material in relation to the Group and the Placing are set out in the section of this document headed "*Risk Factors*".

4. Summary information on the Group and current trading

Overview and current prospects

The Group is an international specialised provider of stem cell services. The Group has recently established revenue generative operations, with the following three primary divisions, and multiple revenue streams.

The WideCells brand provides stem cell procurement, processing, storage and distribution services (under the "BabyCells" brand). Its research arm holds the HTA Licence (Research) and is now revenue generative, as it has entered into two research agreements, described more fully below. The Directors believe that this research work will increase awareness of, and drive development in stem cell therapies. WideCells intends to work towards building a portfolio of global stem cell storage facilities to build upon its current facility in Manchester. In addition, the Directors have identified a strategic opportunity to target complementary growth opportunities within regenerative medicine by becoming a licensed provider of novel synthetic bone graft INDUS.

The CellPlan stem cell insurance product is currently generating initial revenues, as the Group successfully executed the landmark launch of the world's first global stem cell insurance product pilot, and secured a referral agreement with the UK's leading cord blood storage facility, Biovault, to capitalise on their existing database of cord blood samples. The CellPlan offering has been further bolstered by the establishment of an e-commerce platform, which the Directors believe will facilitate a rapid global rollout of CellPlan. To further expand the CellPlan offering, the Group Companies have signed certain agreements with third parties, under which they offer CellPlan insurance products to their clients, which is a new and rapidly growing area. The Group has a strong growth pipeline for

CellPlan, and is current assessing a number of opportunities to work with other cord blood storage facilities, including re-starting operations in Spain following the grant of the SERMAS licence.

The business' research and education arm, Wideacademy, is developing its "software as a service" platform to deliver training to medical professionals. The Directors hope that Wideacademy's commercial launch will take place in 2018. The former Director of Education at Apple, Alan Greenberg, has been appointed to drive development.

Shareholders and investors should note that the Group does not have sufficient working capital for its current purposes, being the twelve months from the date of this document, unless the Placing completes in accordance with its terms, or alternative funding is rapidly found. The Directors have put certain facilities in place which they consider will allow the Group to continue to trade as a going concern only until 30 June 2018. At such time, if funding is not in place, the Directors would be obliged to cease operations, the consequence of which could include administration or receivership or liquidation or other insolvency proceedings.

Further detailed information on the Group is provided in subsequent parts of this document, specifically Part III: *Information on the Group*, Part V: *Operating and financial review of the Group*, and Part VI: *Historical financial information of the Group*.

Summary historical financial information

The historical financial information of the Group is set out in full in Part VI of this document.

5. Board and management team

The Board attaches great importance to the skill and experience of the management of the Group, and believes that they will be an important factor in the future success of the Group.

6. 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 Group's operations, financial position, cash requirements, prospects, profits available for distribution and other factors deemed to be relevant at the time.

7. Further information and risk factors

Your attention is drawn to the further information set out in Part IX of this document. Shareholders should read the whole of this document and not rely solely on the information set out in this Part I.

In addition, Shareholders should consider fully and carefully the risk factors which could have a material adverse effect on the Group's business, financial condition, operating results and prospects. Investors' attention is drawn to the risk factors set out in the section of this document entitled "*Risk Factors*".

8. Taxation

Certain information about UK taxation in relation to the Placing is set out in Part VIII: *Taxation*. This information is intended only as a general guide to the current UK tax position.

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

9. General Meeting

On the basis of the Company's audited financial statements for the year ended 31 December 2017, the value of the Company's net assets is now less than half of its called-up share capital. In such circumstances, the Directors are required under section 656 CA 2006 to convene a general meeting

of the Company for the purposes of considering whether any, and if so, what, steps should be taken to deal with the situation.

However, the Board has taken action that it believes is appropriate to address the current circumstances of the Group which has resulted in the proposals contained in this document, being the Placing and the convening of the General Meeting. As such, the Board does not see a need for further steps to be proposed at the General Meeting.

The Notice of General Meeting to be held at 9.00 a.m. on 28 June 2018 at the offices of Fladgate LLP, 16 Great Queen Street, London WC2B 5DG, is set out at the end of this document. The purpose of this meeting is to seek Shareholders' approval to the resolutions set out in the Notice of General Meeting (collectively, the **Resolutions**). The Resolutions to be proposed are as follows:

- Resolution 1 is an ordinary resolution requiring a simple majority of votes in favour, and authorises the Directors to issue Placing Shares and the Fee Shares.
- Resolution 2 is an ordinary resolution requiring a simple majority of votes in favour and, conditional on Admission, authorises the Directors to issue up to £166,899 in nominal value of Ordinary Shares (representing, in aggregate, 66,759,600 Ordinary Shares) following Admission, representing approximately 50 per cent. of the Enlarged Share Capital;
- Resolution 3 is a special resolution requiring 75 per cent. of votes in favour, and grants the Directors power to issue the Placing Shares and the Fee Shares free of any right of pre-emption; and
- Resolution 4 is a special resolution requiring 75 per cent. of votes in favour and, conditional on Admission, grants the Directors power to issue up to £100,140 in nominal value of Ordinary Shares (representing, in aggregate, 40,056,000 Ordinary Shares) following Admission free of any right of pre-emption, representing approximately 30 per cent. of the Enlarged Share Capital.

Resolutions 2 and 4 would, if passed, replace the Company's existing powers and authorities to issue and allot Ordinary Shares approved by Shareholders at the Company's annual general meeting held on 22 June 2017.

If Resolutions 1 and 3 are not passed the Placing will not proceed. Resolutions 1 and 3 are inter-conditional so if one does not pass, neither of them will pass.

The Company has now convened its Annual General Meeting for 29 June 2018. If Resolutions 2 and 4 are passed at the General Meeting, the Directors do not intend to put resolutions regarding its power and authority to issue and allot Ordinary Shares to the Shareholders at its annual general meeting.

10. Action to be taken

You will find enclosed with this document a Form of Proxy for use in connection with the General Meeting. Whether or not you intend to be present at the General Meeting, you are asked to complete the Form of Proxy in accordance with the instructions printed on it so as to be received by the Company's registrars, SLC Registrars, 42-50 Hersham Road, Walton-on-Thames, Surrey, KT12 1RZ, as soon as possible but in any event not later than 9.00 a.m. on 26 June 2018. The completion and return of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you so wish.

11. Importance of the vote

The Company is of the opinion that the Group does not have sufficient working capital for its present requirements, that is for at least twelve months following the date of this document.

The Directors have calculated that the Company and the Group requires minimum gross proceeds of £1.5 million to fund the business (assuming the Placing does not complete) until the date falling 12 months from the publication of this document.

There have been significant changes in the financial condition or trading position and operating results of the Group subsequent to 31 December 2017 (being the date to which the most recent audited Historical Financial Information for the Company was prepared) and these are listed below:

- (a) as at 8 June 2018, the latest practicable date when preparing this document, the Group had a net bank overdraft, after offsetting positive cash balances, of £614,533 against an overdraft facility of £624,500, which is due to be reviewed on 29 June 2018;
- (b) should the Placing not complete in accordance with its terms by 30 June 2018, or alternative funding found, the Group would be unable to continue trading as a going concern and would be obliged to cease operations which could include administration, receivership, liquidation or other insolvency proceedings.

Additionally, the Group has arranged, since 1 January 2018, interest free loans of approximately £120,000, representing £30,000 from Director David Bridgland, £50,000 from Director Peter Presland, approximately £35,000 from Director Lopes Gil and £5,000 from Director Marilyn Orcharton. David Bridgland has also made a loan of £100,000 to the Company on 30 November 2017. Some of these loan amounts will be applied by certain Directors to subscribe for Placing Shares pursuant to the Placing. To the extent that these loans remain outstanding following Admission, they are repayable on demand after 1 July 2019.

The Directors consider the above measures will allow the Group to continue to trade as a going concern only until 30 June 2018.

It is intended that the funds the Company requires to continue to operate the Group will be provided by the Placing. However, the outcome lies outside the full control of the Company.

If Resolutions 1 and 3 set out in the Notice of General Meeting are not approved, the Placing will not proceed. Given that the Group will only have sufficient financial resources to fund its business until 30 June 2018, in the event that the Placing fails to proceed, the Directors will need to obtain additional funding for the Company immediately. If the Placing does not complete and the Directors are not able to obtain alternative funding by 30 June 2018, the Directors would be obliged to cease operations, the consequence of which could include administration or receivership or liquidation or other insolvency proceedings. Given the potential variables and alternative courses of action, the Company is not able to ascertain an exact date on which it would need to enter into administration or receivership or liquidation or other insolvency proceedings.

Accordingly, it is very important that Shareholders vote in favour of the Resolutions in order that the Placing can proceed.

12. Recommendation

The Directors consider that the terms of the Placing are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors unanimously recommend that you vote in favour of the Resolutions necessary to implement the Placing as they intend to do in respect of their own beneficial holdings of Ordinary Shares, representing approximately 25.8% of the Existing Ordinary Shares.

Yours sincerely

Peter Presland

Chairman

WideCells Group Plc

PART II

THE PLACING

1. Description of the Placing

The Group does not have sufficient working capital for its current purposes, being the twelve months from the date of this document, unless the Placing completes in accordance with its terms or alternative funding is found.

The Placing has been offered, pursuant to the Placing Agreement, by the Joint Brokers to investors (including the Directors) in the United Kingdom and the EEA by way of placing letters between the Joint Broker(s) and also by way of the Teathers App. Investments by way of the Teathers App will also be supported by a placing letter. The Placing has also been offered by the Company to Mr Rolf Gerritsen who has conditionally agreed to convert his outstanding loan and interest into equity.

The Live Market Bookbuild forms a part of the Placing. It is a mechanism by which placees are identified and can invest. Shard, one of the Company's brokers, supports the Teathers App by providing regulatory compliance oversight and client identification and classification. By completing the onboarding process through Shard, users of the Teathers App are provided with an execution only brokerage account with Shard. Only users onboarded in accordance with Shard's policies are given access to the Teathers App. It provides companies with an opportunity to invest in announced placings.

Conditional on, amongst other things, Admission occurring on or prior to 29 June 2018 and any other conditions relating to the completion of the Placing being satisfied, each investor under the Placing (including those investing as part of the Live Market Bookbuild and Mr Rolf Gerritsen) has irrevocably agreed to acquire those Placing Shares allocated to it under its placing letter or, in the case of Mr Gerritsen, directly with the Company on like terms. Further details of the Placing Agreement are set out in paragraph 9.1 of Part IX.

Under the Placing, gross proceeds of £1.871 million before expenses have been conditionally raised, an aggregate of £164,951 of debt has conditionally been converted to equity and 67,865,022 Placing Shares have been subscribed for by, and will be issued to, investors at the Issue Price of 3 pence per Placing Share. Net of the cash expenses of the Placing (expected to be approximately £244,840, including irrevocable VAT), this will be approximately £1,641,111.

The Company intends to apply the Net Proceeds as set out in paragraph 8 of this Part II: *The Placing* of this document.

The completion of the Placing is subject, *inter alia*, to Admission taking place. If Admission does not occur for any reason, the Placing will not take 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.

The Placing Shares have been made available to institutional and certain non-institutional investors in the UK and the EEA. 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 Enlarged Share Capital held at Admission
Peter Presland	Director	1,666,667	2.46%	1.25%
João Andrade	Director	333,333	0.49%	6.28%
Lopes Gil	Director	266,667	0.39%	6.23%
David Bridgland	Director	1,666,667	2.46%	1.55%
Peter Hollands	Director	166,667	0.25%	0.12%
Alan Greenberg	Director	–	–	0.03%
Marilyn Orcharton	Director	166,667	0.25%	0.24%
Malcolm Glaister	Director	500,000	0.74%	0.37%
David Henriques	Director	1,333,333	1.96%	1.00%
Miton Group	Significant shareholder	8,333,333	12.28%	11.06%

3. Admission, dealings and CREST

The Existing Ordinary Shares are listed on the standard segment of the Official List and traded on the London Stock Exchange's Main Market for listed securities. Application will be made to the FCA for the New Ordinary Shares, being the Placing Shares and the Fee Shares, 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 New Ordinary Shares are expected to commence on the London Stock Exchange at 8.00 a.m. on 29 June 2018. Dealings on the London Stock Exchange before Admission will only be settled if Admission takes place. All dealings in New Ordinary Shares prior to commencement of unconditional dealings will be at the sole risk of the parties concerned.

Settlement of transactions in the New 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. CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.

4. Conditions of the Placing

The Placing is conditional upon the Placing Agreement becoming or being declared unconditional in all respects by 8.00 a.m. on 29 June 2018 and the Placing Agreement not being terminated in accordance with its terms. The Placing Agreement is subject to the satisfaction of the following material conditions: (a) the passing of Resolutions 1 and 3 (without material amendment) at the General Meeting; and (b) Admission becoming effective by not later than 8.00 a.m. on 29 June 2018 or such agreed later date.

It is expected that all these conditions will be satisfied by 8.00 a.m. on 29 June 2018 and that Admission will become effective at 8.00 a.m. on 29 June 2018, and that dealings in the New Ordinary Shares (including the Placing Shares and the Fee Shares) will commence at 8.00 a.m. on 29 June 2018. Definitive certificates in respect of New Ordinary Shares will be prepared and are expected to be posted to those allottees who have validly elected to hold their shares in certificated form within seven days of Admission. In respect of those allottees who have validly elected to hold their shares in uncertificated form, the New Ordinary Shares are expected to be credited to their accounts maintained in the CREST system at 8.00 a.m. on 29 June 2018.

Further details of the Placing Agreement are set out in paragraph 9.1 of Part IX: *Further Information* of this document.

If the Placing Agreement is not declared or does not become unconditional in all respects, or if it is terminated in accordance with its terms, the Placing will not complete. In such event, no New Ordinary Shares will be issued, and all monies received by, or on behalf of, the Company will be returned to applicants without interest and at their risk as soon as practicable.

5. 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 34 to 35 under the headings “Notice to US shareholders and shareholders in certain restricted jurisdictions” “Notice to EEA shareholders” and “Notice to overseas shareholders”.

6. 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 such New Ordinary Shares in its entirety. The right to withdraw an application to subscribe for or acquire such New Ordinary Shares in these circumstances will be available to all investors. If an application to acquire such New Ordinary Shares 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.

7. Rights

The New Ordinary Shares will rank *pari passu* in all respects with the Existing Ordinary Shares of the Company (including as to the right to receive dividends and other distributions, if any) declared, made or paid by the Company after the date of issue of the New Ordinary Shares.

8. Use of proceeds, sensitivity analysis and assumptions

Placing

The Company has conditionally raised gross proceeds of approximately £1.871 million and Net Proceeds of approximately £1,641,111 from the Placing. This total includes an amount raised by the Company via the Live Market Bookbuild.

Additionally, pursuant to the Placing, the Company has conditionally agreed to convert existing debt of £164,951 in aggregate into equity by the issue 5,498,357 Placing Shares at the Issue Price as follows:

- The Directors have applied in aggregate £113,000 of outstanding loan amounts in subscribing for in aggregate 3,766,668 Placing Shares; and
- Mr Rolf Gerritsen has agreed to convert a loan of £50,000 (plus interest) (being £51,951 in aggregate) into 1,731,689 Placing Shares.

The Net Proceeds will be used principally for general working capital for the Group. The Directors will also consider using such funds to expand and develop the Group's products and brands.

The Directors anticipate that the gross proceeds of the Placing will be applied as follows.

Costs of Placing and Admission	£244,840
Repayment of bank debt	£656,500
WideCells product development	£150,000
CellPlan platform and product development and roll-out	£110,000
Wideacademy platform and courseware and roll-out	£33,000
General working capital	£676,660
Total	<u>£1,871,000</u>

These plans may include:

- developing the next generation of the e-commerce platform for CellPlan insurance product;
- expanding operations of CellPlan, as the Directors intend to enter into further agreements with major cord blood banks to offer the product to their existing and new customers;
- preparing the WideCells stem cell processing and storage facility at UMIC to process dental pulp and adipose tissue stem cells, so it will be able to accept more contract research projects;

- developing a quality management system as well as the infrastructure for international accreditations and quality standards; and
- identifying and accelerating other growth opportunities, possibly including geographical expansion, acquisitions or new product developments.

The Company intends to seek bank funding to assist in the further expansion of the Company but the Directors have taken no account of these potential sources in making their statement on working capital on page 127 of this document.

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:

WideCells

- the facilities at UMIC are now licensed to start processing and storing samples from cord blood and cord tissue;
- the Group will add adipose tissue and dental pulp in the following 12 months;
- staff will be employed to develop the WideCells business in the UK and abroad. Headcount is projected to grow in the UK and Europe from 25 employees in the first year following Admission, to 36 employees in the second year following Admission;
- competition will come from existing private cord blood banks servicing the same geographical markets. WideCells will offer a wider range of services than most competitors, adding cord tissue, adipose tissue, dental pulp to standard cord blood collection, and will include the CellPlan insurance product in its standard product offering;

Cellplan

- sales of the CellPlan insurance product have started in the UK and are expected to grow following Admission as the Group intends to enter other markets such as Spain and other European countries, Middle East and Asia-Pacific;
- the team for CellPlan provides customer support and works closely with cord blood banks, insurers and Best Doctors (which manages the administration of policies and claims management under the terms of the agreement) is increased to face the growing number of contracts and geographical expansion; the Group will also improve compliance and other regulatory aspects to meet the market needs and support rapid global rollout;
- headcount is projected to grow from five employees currently, to eight in the first year following Admission;
- there is no known equivalent global insurance product offered by competitors, and the few insurance products that are available do not offer the same range of services;

Wideacademy

- the Wideacademy division will be scaling up its capacity to deliver stem cell course content and scientific publications via the construction of a bespoke cloud-based web application platform;
- training courses and premium access to the professional development platform will be accelerated in the first three months following Admission and marketed toward the second half of 2018;
- developing learning programmes, platform development, content generation and to support the marketing activities and collaborations with universities and commercial partners; and
- the Wideacademy division is the first educational and training company focussing on the stem cell industry and expects to build on this competitive advantage as it becomes more established.

The business is not dependent on a limited number of customers or suppliers, nor upon any key individuals, though it is recognised that the executive management team do have directly relevant skills and experience related to the stem cell industry, including training, education and research. In particular, the CEO, João Andrade has been, and is expected to continue to be, central to the establishment, growth and strategic aims of the Company and its business.

The assumptions referred to above in the three divisions and associated expenditures referred to in the above table constitute the maximum anticipated expenditures based on current plans.

The net revenues from 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 the Group's operations.

The Group has the capacity to vary its expenditure in line with its performance.

9. Sensitivity analysis

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

The CellPlan policy has been developed with Best Doctors and a specialist medical reinsurer over the last three years and a pilot trial was launched in the UK with our first CellPlan Excel cord blood bank Biovault in July 2017. The Directors consider that feedback has been positive and signed four additional contracts with Hemocord in Brazil in 2017, Stem Cell Spain in 2017 and WideCells in Brazil and Cryoviva in the Far East in 2018. Accordingly, the Board has begun discussions with further cord blood banks, with a view to putting in place implementation plans to promote CellPlan and increase revenues.

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 will be likely to offer the CellPlan product to their clients as an add-on service, and that by being a member of the CellPlan Excel membership programme they will be able to attract more clients with the added assurance of the CellPlan insurance scheme. 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.

PART III

INFORMATION ON THE GROUP

1. Introduction

1.1 *The WideCells Group Plc*

The Company 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. Its current operations are based in the UK and Portugal, with historical operations having taken place in Portugal. Its business is separated into three key divisions each of which is operated under a separate brand: WideCells, CellPlan and Wideacademy.

The WideCells brand provides stem cell procurement, processing, storage and distribution services, as well as stem cell research facilities in England and abroad.

The CellPlan stem cell insurance product is currently generating initial revenues.

The business' research and education arm, Wideacademy, is developing its "software as a service" platform to deliver training to medical professionals.

1.2 *WideCells*

The WideCells branch of the Group (through the Subsidiary, WideCells Ltd) predominantly operates the business' core stem cells services brand. WideCells completed the set up of its stem cell processing, storage and research and development facility in Manchester in the first half of 2017, and received its HTA Licence (Research) in July 2017 and the HTA Licence (Human Application) in February 2018.

It has now entered into three research projects, the first of which started in 2016 and will complete in 2018, generating an expected £100,000 of income. The second is funded by a £50,000 grant over 12 months from November 2017. The third is a government backed (Innovate UK) Knowledge Transfer Partnership with Manchester Metropolitan University, which is funded as to two thirds funded by Innovate UK, and one third to be funded by the Group to a total project cost of £234,000. These research projects are summarised in paragraphs 9.20 of Part IX.

Under its HTA Licence (Human Application), WideCells Ltd is able to import, export, process, store and distribute for treatment umbilical cord blood and umbilical cord tissue from the UK and Europe. WideCells operates the Group's "BabyCells" brand which was licenced and operation in respect of cord blood and cord tissue on 26 February 2018.

In addition to this, the WideCells brand also offers INDUS bone graft products, and intends to further develop this product to take advantage of additional benefits of stem cells in the future.

1.3 *CellPlan*

CellPlan provides a specialist insurance product for the stem cell and cord blood banking services sector. This provides cover for expenses relating to use of stored stem cells in certain medical procedures, following specified diagnoses and is complementary in nature to the services offered by the WideCells division of the business.

The CellPlan insurance product was developed with Best Doctors during 2016 and early 2017. It was officially launched in July 2017 and was trialled with a UK cord blood bank initially. The Directors are currently planning to roll out this product across the UK. It is also expected to launch in Spain in early 2018, and expand across additional territories such as Brazil, and Asia-Pacific later in 2018 and beginning of 2019, as partner cord blood banks are identified and policies adapted for local requirements.

1.4 *Wideacademy*

The Wideacademy division offers market sector insights and continual professional development 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 provides online training courses in collaboration with the university. It is the intention of the Directors that the modular courses being developed by Wideacademy will be supported by leading universities and medical schools worldwide.

The Wideacademy platform has been built to provide a leading resource in stem cell innovation and knowledge sharing. It is expected to launch in the first half of 2018 and the Directors believe that it will play a significant role in the development of the stem cell sector by building awareness.

1.5 ***The Board of WideCells Group Plc***

The Group has built an experienced senior management team that has been integral to the development of its growth and business to date. The Company's non-executive Chairman, Peter Presland, has a strong City background in finance and insurance with a track record in leading, growing and successfully exiting companies, including public companies. The Company's executive management team, consisting of CEO, João Andrade, COO Lopes Gil and CSO Professor Peter Hollands, brings over 50 years' senior level experience in the stem cell market. In addition, CFO David Bridgland has over 20 years' experience leading companies ranging from privately owned and venture capital backed companies to major listed groups and Alan Greenberg, the Group Chief Business Development Office and Senior Vice President of Wideacademy, is a former Director of Education at Apple and has a wealth of experience with education, technology and healthcare start-ups. He leads the Group's research, development and training division.

The executive team is supported by the non-executive directors of the Company, being: Dr Marilyn Orcharton, a qualified dentist and co-founder of Denplan, the UK's dental payment plan specialist; Malcolm Glaister, who has leadership experience across a broad spectrum of investment and trading businesses including as founder and CEO of Farm Street LLP, delivering financial advice to UK entrepreneurs; and David Henriques, co-founder and director of Cairn Capital Ltd, a full-service credit asset management firm, with expertise in digital insurance products.

2. History

2.1 ***The Group***

Since its Initial Listing, the Company has continued to expand, grow and build its strengths. It has won the following awards and accolades:

- named 21st in Global DISRUPT 100 list, showing potential to influence, change and create new global markets;
- won Power Business of the Year at The Manchester Awards 2017;
- won CorporateLiveWire – Healthcare and Life Sciences Awards 2017, showing excellence in stem cell research services; and
- nominated for the UK Life Science IPO of the year.

Having raised private financing to establish its initial operations, the Company's shares were admitted to the standard segment of the Official List and to trading on the Main Market on 27 July 2016 with a contemporaneous financing to raise gross proceeds of approximately £2 million, to build an integrated stem cell services company, focused on promoting stem cell treatments by making them accessible and affordable. The Directors believed and continue to 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 Company has raised aggregate gross proceeds of approximately £1.4 million in two separate private placings since the Initial Listing.

2.2 **WideCells**

WideCells Ltd received the HTA Licence (Human Application) on 26 February 2018, it has licence number 22665. This enables the Group to procure, import/export, process, store and distribute cord blood stem cells and cord tissue cells. The Group has established procurement, processing and storage facilities at its laboratory at UMIC, which are designed to apply industry-leading techniques to optimise the quality and safety of stem cells. WideCells España has obtained a licence from SERMAS, and WideCells Portugal may seek to apply to obtain licences from the relevant authorities 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.

The Group's focus since mid-2017 in respect of its WideCells business has primarily been on the development of its facilities at the University of Manchester Innovation Centre and securing appropriate HTA Licences. Therefore, its historical operations in Spain and Portugal have been suspended.

WideCells Ltd has a three-year lease from 1 July 2016 over a laboratory unit at the Core Technology Facility of the UMIC which houses two clean rooms and a tissue storage facility, and has acquired certain key pieces of laboratory equipment which enable it to carry out all steps necessary to process and store the stem cells received in cord blood from customers. This includes a Biosafe Sepax processing system, a controlled rate freezer and Stemsoft software which is specially produced for the stem cell and cord blood banking service sector, as well as a quality management system.

WideCells continues to carry out research, and currently has a number of research projects, including:

- a contract research project with Qigenix California to assess the properties of laser activated stem cells. This project will be completed by the end of 2018;
- a programme to assess the use of laser activated stem cells in neurodegenerative disease, specifically in multisystem atrophy. This project is anticipated to run for a period of one year from December 2017;
- in-house research and development, funded by the Company, to develop a stem cell product for use by dentists, based on the INDUS products currently offered; and
- a knowledge transfer partnership with Manchester Metropolitan University aiming to develop a bank of clinical grade induced pluripotent stem cells for use in pharma, clinical trials and eventually in routine therapy.

WideCells offers an additional complementary product, INDUS, which is a bone replacement product, designed to encourage vascularisation and bone growth, stimulating the body to heal faster. One key selling point for INDUS is that it will be completely replaced by natural bone within 3-6 months or 6-24 months (depending on the type used), thereby giving a better result to the patient. As INDUS is entirely synthetic, it is safer and more flexible than animal derived alternatives. In addition, there are no ethical concerns with its use, and no contra-indications or known negative interactions. Its use can lead to a lower risk of infection due to quicker healing times.

2.3 **CellPlan**

CellPlan insurance

CellPlan Ltd has developed the "CellPlan" insurance product with partners Best Doctors as a specialist insurance programme to cover individuals' and families' costs in the event of certain specific diagnoses, and for the costs of certain treatments using the stored stem cells. Further details of the agreement between the Group and Best Doctors are set out in paragraph 9.12 of Part IX: *Additional Information* of this document. CellPlan was designed to 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.

The CellPlan insurance product provides:

- 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.

Best Doctors are 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.

On 18 December 2016, the Company signed a five-year referral agreement with Biovault, the UK's largest private tissue bank, under which the CellPlan policy would be offered to Biovault's customers. Further details of the agreement between the Group and Biovault are set out in paragraph 9.17 of Part IX: *Additional Information* of this document.

On 6 June 2017 received a licence from the Portuguese financial regulator, the Autoridade de Supervisão de Seguros e Fundos de Pensões authorising it to sell the CellPlan policy in the UK, Portugal and Spain.

On 30 June 2017, the business signed an agreement with Hemocord under which Hemocord would promote the CellPlan product to certain customers of Hemocord in Brazil, a significant potential market. Further details of this agreement are set out in paragraph 9.17 of Part IX: *Additional Information* of this document.

On 21 July 2017, the Company announced that its e-commerce platform had become fully live in the UK, such that the CellPlan policy was available for purchase nationally from that date. Initial UK sales were to customers of BioVault.

On 21 October 2017, certain Group companies entered into a referral agent agreement with established Spanish cord blood bank Stem Cell, S.A., to promote the CellPlan product to customers of Stem Cell Banco. Further details of this agreement are set out in paragraph 9.17 of Part IX: *Additional information* of this document.

On 19 March 2018 the Company announced it had been granted a government backed Innovate UK Knowledge Transfer Partnership with Manchester Metropolitan University to undertake research on a new form of stem cell technology. Funding of this three-year research project will be a total of £234,000, of which, Innovate UK will contribute £156,000. The Company will provide the remainder.

On 26 March 2018, the Company announced that certain Group companies entered into a referral agent agreement with Cryoviva Thailand Ltd, to promote the CellPlan product to its customers. Further details of this agreement are set out in paragraph 9.17 of Part IX: *Additional Information*.

As at the date of this document, the Company is focussed on the global roll-out of its stem cell services. New commercial opportunities have been identified, particularly in the Asia-Pacific region where the stem cell industry is rapidly growing, and stem cell regulation is well advanced meaning there is a clear framework to work in and with. Discussions are underway with a number of stem cell banks and insurance companies with a view to securing commercial agreements in the Asia-Pacific region.

CellPlan Excel Membership Programme

Under this programme, agreements are in place between cord blood banks and CellPlan, under the terms of which the Excel member agrees to promote exclusively the marketing of CellPlan to its existing and future members, for which it receives commission payments. Subject to these agreements, CellPlan provides Excel members with market roll out plans,

which provide development and implementation guidance on the marketing strategies between CellPlan and the member.

In order to implement this strategy, the Company has developed a user-friendly e-commerce website which allows potential policyholders to purchase CellPlan insurance online. It delivers a comprehensive overview of the benefits of the coverage. The online platform is supported by call centres, live chat and tracking features to help convey highly personalised messaging. Additionally, CellPlan has created direct sales materials that introduce, promote and remarket CellPlan online and offline.

The e-commerce platform at www.cellplan.com complies with and is fully authorised in the UK by the Financial Conduct Authority.

2.4 **Wideacademy**

The Group's research arm is represented by the Wideacademy brand, which was initially established alongside the WideCells brand, with the intention of Wideacademy driving sales through education of the benefits of stem cell storage.

The Wideacademy platform has been built as a resource in stem cell innovation and knowledge sharing. The platform can be personalised by users, so the experience of each individual is tailored to their interests in stem cell technology, and also so the information presented is a useful depth and level for that user. As the individual identifies their interest and their individual depth of knowledge, the platform can help identify relevance and subsequently adaptive recommendations for the individual. Therefore, the platform can support a medic in his or her interests in this sector, and can equally support the learning journey for an insurance agent or broker, or support the interests of a parent researching stem cell storage options for their unborn child.

3. **Strategy**

3.1 **The Group**

The strategy of the Board is to continue to develop and expand the business segments noted above. In addition, it will work to develop the existing Group's business. The Directors believe that the growth of the global cord blood banking industry, and the trends within the industry referred to below, will create opportunities for the growth of the Group's services and products.

As described in more detail in paragraph 10 of Part IX the Group does not have sufficient working capital for its current purposes, being the twelve months from the date of this document, unless the Placing completes in accordance with its terms or alternative funding is found. The Directors have put certain facilities in place which they consider will allow the Group to continue to trade as a going concern only until 30 June 2018; however, if the Company were to be unsuccessful in pursuing these alternative courses of action by such time, the Directors would be obliged to cease operations, the consequence of which could include administration or receivership or liquidation or other insolvency proceedings.

3.2 **WideCells**

The Directors' intention is to continue developing WideCells' products to support and enhance its existing offerings.

In Spain, WideCells obtained on 20 March 2018 the licence to enable it to offer its services within public hospitals in Madrid. Operations in Spain have not yet commenced.

WideCells Ltd has received the HTA Licence. This licence is a human application licence which enables WideCells Ltd to procure, import/export, process, store and distribute cord blood stem cells and cord tissue cells. The Group intends is currently working towards offering its "BabyCells" stem cell retrieval, processing, storage and distribution services in the UK through its laboratory facilities, which are designed to apply industry-leading techniques to optimise the quality and safety of stem cells. WideCells España has obtained a licence from SERMAS, and WideCells Portugal may seek to apply to obtain licences from the relevant authorities 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.

The initial processing capacity of the facility is expected to be approximately 1,000 cord blood and 1,000 cord tissue samples per year when launched. 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 at least 2 years' operation. The storage area has capacity of at least another 4 storage tanks and additional storage space is potentially available at UMIC. The use of an additional clean room, plus an investment in additional equipment and staff, could increase capacity to allow 30 cord blood and cord tissue samples to be processed per day. It can store up to 30,000 cord blood and 50,000 cord tissue samples, with the capacity to increase this to a total of 480,000 samples. In addition, there is an option to further expand capacity on the current site if required. 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 Company's Chief Scientific Officer, Professor Hollands, oversees the Group's operations at the laboratory. He is the Designated Individual under the HTA Licence. Further applications are expected to be made in the future to the HTA to enable the processing of dental pulp stem cells and adipose tissue. WideCells "BabyCells" brand was launched on 19 March 2018 and is now fully operational. Cord blood storage (including the first years' storage costs, collection kit, testing and CellPlan insurance for the first year) is priced at £1,995. Cord blood and tissue storage is priced at £2,390.

WideCells intends to further develop its research facilities to take on additional products from its existing two, referred to in paragraph 1.2 of Part III, above. The University of Manchester has its Faculty of Biology, Medicine and Health and Division of Cardiovascular Research located in or near to the UMIC Core Technology Facility building, which may enable further academic and research collaboration with WideCells. In addition, the University of Manchester is adjacent to Manchester Royal Infirmary, which may enable collaboration with clinical teams in the future.

Additional products

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

- TeethCells: dental pulp stem cells processing and storage.
- LipoCells: adipose tissue stem cells processing and storage.

3.2 **CellPlan**

CellPlan insurance

CellPlan provides a specialist insurance product for the stem cell and cord blood banking services sector, which provides cover for expenses relating to use of stored stem cells in certain medical procedures, following specified diagnoses. This product is complementary in nature to the services offered by the WideCells division of the business.

The CellPlan insurance product was launched in July 2017 and has so far been trialled with a UK cord blood bank initially, and the future strategy is for this to be rolled out across the UK. It is expected to launch in Spain in early 2018, and expand across additional territories later in 2018 as partner cord blood banks are identified and policies adapted for local insurance requirements.

The Company has an active growth strategy to further build CellPlan's global reach and increase sales, which is in part via the e-commerce platform, which facilitates low-cost global rollout. To this end, CellPlan is currently in discussions with additional stem cell storage facilities to widen its existing networks.

The CellPlan insurance product is, and will continue to be, available for selected potential customers via its e-commerce platform. Through an extended provider network, CellPlan insurance will be offered to families which store their child's stem cells in cord blood storage facilities which are of high quality in terms of licensing and accreditation. The Group, together with its insurance providers, intend to make the premiums payable as affordable as possible. This approach was undertaken to widen the Group's reach and make the product available to more families, in line with CellPlan's mission to make stem cell treatment accessible and affordable for families globally. Persons with stem cells banked elsewhere than banks either with CellPlan Excel accreditation, or in the extended provider network, will not be eligible to purchase the CellPlan insurance product.

In order to implement this strategy, the Company has developed a user-friendly e-commerce website which allows potential policyholders to purchase CellPlan online. It delivers a comprehensive overview of the benefits of the coverage, and is planned to be supported by call centres, live chat and tracking features. The Company intends to use social media and advertising to promote its services and will distribute materials at group events and activities attended by expectant parents, new parents and parents of school-aged children who have, or are looking to have, their children's stem cells stored. The business may also approach insurance companies and brokers to encourage a larger distribution of the CellPlan product, for example, as an addition to existing private healthcare insurance policies.

CellPlan Excel

CellPlan Ltd is in the process of developing an accreditation programme "CellPlan Excel"; a membership program which seeks to promote best practice within the marketplace. Accredited cord blood banks sign up to a prescriptive set of requirements, and also agrees to exclusively promote the marketing of CellPlan to its existing and future members. The cord blood bank receives commission payments for policies sold. Members of the CellPlan Excel membership programme will be the primary focus of the CellPlan product launches, due to the comprehensive cover of CellPlan products. The proposed plan includes a mix of marketing channels and tools, and focuses on engaging with an Excel accredited cord blood bank customer at strategic points throughout the parent's journey, as well as commercial activities such as sponsorships, training, social media and trade fair participation. The existing customers of an Excel accredited cord blood bank will be offered CellPlan. Agreements are already in place with Hemocord, Biovault and Stem Cell S.A., and the Directors are in discussions with a number of other cord blood banks.

Once a referral agreement is in place with a cord blood bank, CellPlan International 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 establishment of a detailed marketing roll-out plan across the key jurisdictions in which the cord blood bank conducts operations;
- the launch of the CellPlan website, which will be directed at both retail customers and cord blood banks; and
- the formal launch of the CellPlan product in the market.

3.3 **Wideacademy**

The Wideacademy division is currently preparing and developing modular courses and associated accreditation 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, and intends to further this offering, including in collaboration with the University of Westminster. In the future, Wideacademy expects to collaborate with other universities in the UK, and internationally.

The Wideacademy platform has been built to provide the leading resource in stem cell innovation and knowledge sharing. It is expected to launch in the first half of 2018 and the Directors believe that it will play a significant role in the development of the stem cell sector by building awareness.

4. Market and Competitive Environment

Background to stem cell procurement, processing, storage, distribution and clinical applications

Stem cell treatments

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 certain blood disorders. Since 2005 there has been a 300% increase in the number of illnesses that can be treated using stem cells, and there are now approximately 80 different treatable diseases including leukaemia, sickle cell anaemia and thalassaemia. One of the major issues in the transplant of bone marrow is tissue incompatibility which is entirely avoided by the use of autologous stem cells. 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. 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.

Cord blood

Cord blood is blood from the placenta drawn through a newly cut umbilical cord, shortly after birth. It may be collected for either research purposes or for transfusion at a later time, as a form of cellular therapy. Cord tissue may also be collected and stored, as it is rich in mesenchymal stem cells, which are currently used in clinical trials around the world. Once frozen, stem cells are theoretically stable indefinitely, but are usually retained for approximately 25 years.

Cord blood banking and private services

A variety of cord blood banks have been created worldwide, some of which are run by governments, hospitals or non-profit institutions, in order to appropriately preserve donated cord blood or tissue units for public medical purposes. There are also private storage options, in which there is a significant variation in pricing, as well as in the quality and guarantees offered by cord blood banks.

The main reasons to privately bank cord blood stem cells include:

- cells are not publicly available, so it ensures that there will be cord blood stem cells available if the donor or relatives require transplantation;
- 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.

The market and recent trends

Over 4,000,000 people have stored cord blood with over 500 cord blood bank companies that exist world wide.

The global stem cell market was valued at approximately \$96 billion in 2017, and is expected to grow at a compound annual growth rate of 13.8% to 2025, to reach an estimated value of

US\$270 billion (*Source: Transparency Market Insight 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, 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 otherwise discarded materials associated with living new-borns. 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;
- the industry serves expectant parents, who are generally open-minded about options that could provide protection to their families;
- public awareness is improving and perception toward cellular therapy is becoming increasingly favourable due to news coverage about stem cells being used to treat serious medical conditions, as well as to heal traumatic injuries for sports icons;
- clinical trial data support applications for hematopoietic stem cells from cord blood and mesenchymal stem cells from cord tissue;
- there is substantial potential for consolidation and cooperation within the industry, including mergers, acquisitions and funding rounds and industry associations; 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.

5. Key strengths

The Directors believe that the Group is 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 Part III, and in Part IV: *Directors and Corporate Governance*.

The Directors believe that the CellPlan insurance product is the most attractive product suite on the market, owing to: the 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; complementary services for the umbilical cord blood industry such as the establishment of CellPlan Excel, a membership programme where membership is dependent upon positive assessment against rigorous technical and regulatory criteria, and the cooperation with large, well known banks, such as Biovault.

The arrangements with Best Doctors allows 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 the take-up of the CellPlan insurance product, which in turn has increased the take-up of storage and processing services.

Taken on a standalone basis, the WideCells business has a number of competitors offering accredited storage and processing services for cord blood in the UK, Europe and other jurisdictions. However, the Directors believe that the integration of the WideCells business with the CellPlan business, including the association with Best Doctors and with high-quality service providers through CellPlan Excel, 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 complement and promote the WideCells business.

6. Employees

For the last three years the Group has had the following numbers of employees:

	Average for year ended 31 December 2017	Average for year ended 31 December 2016	Average for year ended 31 December 2015
Full-time	17	7	7
Part-time	4	1	–
Total	21	8	7

7. Regulatory Regime

The stem cell and cord blood banking sector is subject to regulation by the governments of the countries in which such 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, and has been since 5 July 2008, overseen by the HTA, the competent body and an executive body of the Department of Health. Since 5 July 2008 the HTA has regulated the collection, testing, processing, storage, distribution, import and export of cord blood, and these activities are 'licensable activities' in the UK. This means that these activities can only take place under a valid licence granted by the HTA. The HTA operates a dual regime: in part, it registers and records companies operating within this sphere; and also investigates complaints and inspects companies. With these roles, it is responsible for overseeing and ensuring compliance with relevant laws and regulations, predominantly being the European Union Tissue and Cells Directive, and the Tissue Act.

When considering whether to grant a licence, the HTA considers whether three broad key messages are met: consent, to ensure a mother understands the options, benefits and any risks; safety, to ensure the activities are carried out by properly trained professionals on appropriate premises that minimises any risks; and quality, to ensure that minimum standards are met.

WideCells Ltd's HTA Licence was granted on the basis of an extensive process validation procedure in the laboratory, submission of process validation data to the HTA for review and approval, and an inspection of the facilities at UMIC. Once the business has processed and stored some cord blood, the HTA are expected to inspect again (and at other such intervals as the HTA decide) to ensure that all policies and procedures are in place and are operating to their satisfaction. If any improvements or changes are required, the business will ensure that the necessary changes are made. Following inspections, the HTA may publish their findings as inspection reports.

The licence relates to the UMIC premises only, so if the business were to relocate, it would need to apply for a new licence, and its new premises would be subject to inspection.

Regulatory oversight also exists in the Group's other countries of operation: the DGS in Portugal, the ONT and SERMAS in Spain.

As referred to in the Risk Factors, the Group will apply to have its licences varied so as to allow exports of human tissue to the WideCells business operated from the UMIC. As is the case for all

licensees, all authorised entities and the groups they sit within, including the Group, will be subject to regular inspections and renewal processes.

Director Professor Peter Hollands, who is based in Manchester, will oversee the development of the WideCells facilities and HTA compliance, as the designated individual. The licensing application process (which the Group intends to undertake in the future 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 operational, the HTA will inspect the laboratory and issue the full licence.

In order to retain control of the distribution of the CellPlan insurance product in the EU, the Company has obtained a licence in Portugal to offer insurance intermediation, because it felt that following Brexit, it would be more advantageous for CellPlan to be based in Portugal and seek approval from the local regulator, and then obtain approval in other European countries including the UK which has since happened. The Directors believe that an insurance licence issued by the FCA in the UK may not be valid in the EU post-Brexit, due to passporting rights. However the insurance licence issued by the ASF in Portugal allows the Company to seek approval in other EU countries.

8. Facilities

In July 2016 UMIC granted a lease for an initial term of three years over two laboratory units to WideCells Ltd, which also acquired the equipment and furniture located at the laboratory from the previous tenant.

Since taking on the lease at UMIC, the business has carried out a total renovation of the clean room and the air handling facility to provide two grade B air quality clean rooms for processing and research activities. In addition, it has fully equipped the clean room and cryogenics area with state of the art equipment for stem cell processing, storage and research.

PART IV

DIRECTORS AND CORPORATE GOVERNANCE

1. The Board and the Directors

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

Peter Eric Presland, *Non-Executive Director and Chairman (age 68)*

Peter is a law graduate from King's College, London, a Chartered Accountant and has over 40 years' experience in the City. Peter has extensive knowledge in restructuring and refinancing company operations and, as CFO and then CEO, has successfully defended international insurance claims during his time at C.E. Heath Plc. In 1996, Peter created Rebus Group Plc by combining the IT businesses within Heath and demerging the combined entity as a separate listed company, with a turnover of £60 million and operating profits of £6.1 million. Over a three-year period between 1996 to 1999, Rebus Group's turnover grew to £110 million with profits of about £11 million, and in that period, Peter devised and was responsible for a series of transactions, which led to the original Heath shareholders' investment value increasing by more than double their investment in 1996. In 2003, Peter was appointed the first outside Chairman of Link Interchange Network Limited, well known for providing cash through ATMs within the UK economy. Peter played a key role in the restructure of the company and led a substantial change in corporate governance by adopting a more conventional governance structure based on the then Model Code. By 2007, Peter was asked by the largest bank shareholder of the company to supervise and deliver the merger with Voca, to create Vocalink, and was offered the Chairmanship of the merged entity.

In addition, Peter has been a Non-Executive Director, often Chairman, of a number of private entities in the fields of insurance, IT and healthcare, including a role as Chairman of the Audit and Governance Committee at East Kent Hospitals University Foundation NHS Trust. He is currently Chairman of the Audit, Risk and Disclosure Committee of Redx Pharma plc, a company pioneering transformational drug discovery and development in the areas of cancer and fibrosis, Chairman of Beautiful Information Ltd, a company providing information services to the NHS, and Chairman of R & B Underwriting, an MGA specialising in liability insurance.

João Gonçalves de Andrade, *Group Chief Executive Officer (age 36)*

João Andrade, one of the co-founders of the WideCells business, has a strong background in marketing and international business development, and insurance (as a certified insurance broker) 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 has dual nationality of Portugal and Brazil.

João Carlos Martins Loureiro Lopes Gil, *Group Chief Operating Officer (age 57)*

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 is a certified insurance broker and also 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.

Professor Peter Hollands, *Group Chief Scientific Officer (age 59)*

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. Recently, Peter was Chief Scientific Officer of Smart Cells Information Ltd., a UK cord blood bank, and Cells for Life Ltd. in Canada. Most recently, in November 2017, Professor Hollands was awarded Visiting Chair in Regenerative Medicine by Calcutta School of Tropical Medicine.

David Vernon Bridgland, Group Chief Financial Officer (age 52)

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.

Alan Greenberg, Group Chief Business Development Officer and Senior Vice President of Wideacademy (age 67)

Alan brings a wealth of experience within the education technology and healthcare start-up space, globally, and is well-placed to lead the development of Wideacademy and contribute to the expansion of the Company. On becoming Head of Higher Education of Apple Education, EMEA in early 2005, Alan was responsible for the deployment of a number of flagship projects, including the evolution and project development of Education Podcasting in collaboration with HEC Business School in Paris, and University of Lyon. This in turn led to the development of iTunes University ('iTunes U') throughout EMEA, and the Beyond Campus initiative. This lighthouse university programme and the launch of iTunes U in EMEA included collaborations with the University of Cambridge, University of Oxford, University College London, Royal Academy of Music, Trinity Colleague Dublin, and the Open University, representing some of the highest achieving relationships within iTunes U globally.

His success within this role led to Alan's appointment as Director of Education at Apple, in Asia in 2008. Based in Beijing, Alan managed the roll-out of the podcasting and iTunes U strategies within the Asia Pacific region. This included the launch of the iPhone Developer University Programme (iDUP), where SDK code was being taught in universities throughout Asia and the Asia Pacific region, leading to the first generation of Education Apps for the App Store. Whilst in China, Alan was also invited to lead and project manage a major corporate social responsibility project for Apple Inc, Pearson and Foxconn; the development and launch of professional development and educational programme for Foxconn factory workers which remain core to Apple Inc CSR program today.

Dr Marilyn Margaret Orcharton, Non-Executive Director (age 76)

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.

Malcolm Glaister, Non-Executive Director (age 49)

A former Navy Commanding Officer, Malcolm has over 20 years of experience in financial services. As a natural entrepreneur, Malcolm founded Farm Street LLP in 2012. Farm Street LLP is an independent financial services firm in London, offering financial advice to mainly UK entrepreneurs and businesses, covering corporate finance, treasury, debt, and asset management. Malcolm is a founding partner of the Eight Great Technologies Investment Fund LLP, a venture capital fund focusing on investing in emerging UK technology companies. He is the non-executive director at the Corporation of Trinity House, one of the UK's largest maritime charities, and chair of the Investment Committee and Risk and Audit committees. Prior to founding Farm Street LLP, Malcolm held leadership positions at Lloyds Banking Group, AIG Investments and JPMorgan, developing key knowledge and relationships in private equity, real estate and hedge funds.

David Henriques, Non-Executive Director (age 53)

David is a co-Founder and Director of Cairn Capital Ltd and a member of the Executive Management Committee. He has overall responsibility for Cairn Capital's corporate advisory business. He was formerly co-Global Head of Structured Credit Products with the Royal Bank of Scotland and has extensive experience in real estate and credit products. Prior to that, he held various senior positions in corporate finance and insurance companies. He is a Non-Executive Director of Azur Group Holdings Limited, an Insurance Managing Digital Agency which partners with carriers and brokers to build, underwrite and distribute digital Insurance products.

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

2. Independence of the Board

Peter Presland, Malcolm Glaister and David Henriques 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. Senior Managers

There are no senior managers of the WideCells Group.

4. Strategic decisions

The Board is responsible for the Group'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.

5. 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 three committees: an Audit and Risk Committee, a Remuneration Committee, and, in order to ensure the Group complies with all best practice and keeps abreast of relevant developments within its sphere of operations, it has also established a Scientific Advisory Committee.

5.1 ***Audit and Risk Committee***

The Audit and Risk Committee comprises David Henriques, Peter Presland, Malcolm Glaister and Dr Marilyn Orcharton, with David Henriques 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 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 relationship with its external auditors, reviewing the effectiveness of the external audit process and reviewing the effectiveness of 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, including 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.

5.2 ***Remuneration Committee***

The Remuneration Committee comprises Malcolm Glaister, Peter Presland and David Henriques, with Malcolm Glaister 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, including bonus payments. It is also responsible for approving the rules and basis for participation in any performance related pay-schemes, share or share option 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.

5.3 ***Scientific Advisory Committee***

The Scientific Advisory Committee comprises Professor Tristan Mckay as Chairman, Dr Ahmed Al-Alawi as Deputy Chairman, Dr Niranjana Bhattacharya, Dr Richard Edward Shaffer and Professor Peter Hollands.

On or around 15 December 2017 the Company entered into agreements with the members of its Scientific Advisory Committee, except Professor Hollands who has entered into a directors' service agreement with the Company. The appointments can be terminated on three months' notice from either the committee member or the Company, or by the Company in certain limited circumstances such as the committee member's material breach. Consultancy fees payable to the committee members range from £4,000 to £5,000 per annum.

The Scientific Advisory Committee was established on 21 December 2017, to advise the Board and assist the company in its ongoing focus on offering pioneering and innovative products, as well as undertaking research. In particular, the Scientific Advisory Committee will provide strategic advice and updates to the board on new developments within the stem cell sector. The Scientific Advisory Committee will meet at least twice a year, and the quorum for any meeting is five members, including either the chairman or the deputy chairman.

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.

5.4 **MAR**

The Company has adopted procedures ensuring compliance with MAR and the Board will be responsible for taking all proper and reasonable steps to ensure compliance with the MAR by the Directors.

5.5 **Anti-Bribery Policy**

The Group has an anti-bribery policy in place, which applies to all employees. This seeks to ensure that the Group complies with the Bribery Act 2010 and all other applicable regulations.

5.6 **Lock-in agreements**

In connection with the Initial Listing, each director at such time undertook to the Company that, other than in certain limited circumstances, they would not, and would procure that any associated party would not, dispose of any interest they held in the Ordinary Shares held by them on the Initial Listing (representing approximately 36.12% of the Ordinary Shares in issue at such time in aggregate) for a period of 12 months from the date of Initial Listing (which period has now expired) and, for the following 12 months (which expires on 26 July 2018), that they will only dispose of interests with the consent of the Company's broker(s) for the time being in order to ensure an orderly market in the Ordinary Shares, in each case subject to certain limited exceptions.

The current Directors of the Company have each entered into lock-in agreements with the Company in which they undertake that, other than in certain circumstances, they will not dispose of their Ordinary Shares for a period of one year from Admission. Further details of the lock-in agreements are set out in paragraph 9.4 of Part IX: *Additional Information* of this document.

5.7 **Share option schemes**

The Company recognises the need to provide appropriate incentive packages in order to attract and retain individuals key to the business including both directors and employees. Accordingly, the Company has granted the Options to certain Directors. Full details of the Options granted are set out in paragraph 8.2 of Part IX: *Additional Information* of this document.

PART V

OPERATING AND FINANCIAL REVIEW OF THE GROUP

The overview of financial results below provides information which the Directors consider 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 the Group's audited financial information for the period from incorporation to 31 December 2017.

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. In particular, the Group currently has insufficient working capital and the Group's ability to continue as a going concern is highly dependent upon the completion of the Placing in accordance with its terms.

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.

Overview

WideCells Group Plc was incorporated on 24 May 2016. The Group was formed on 16 June 2016 when the Company acquired the entire issued share capital of WideCells International which had been originally incorporated in 2012 under the name of Wide Universal Ltd and its wholly owned subsidiaries based in the United Kingdom, Portugal and Spain.

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 third 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 approximately £173,000.

On 27 July 2016, WideCells Group Plc was admitted to the London Stock Exchange's Main Market, raising £2,000,000 gross (£1,720,000 net of costs) by way of a placing of 18,181,819 new ordinary shares at a price of £0.11.

Capitalisation and Indebtedness

The table below sets out the Group's capitalisation and indebtedness as at 31 December 2017 and has been extracted without material adjustment from Part VI: *Historical Financial Information* of the Group and the management accounts as at 30 April 2018.

	31 December 2017	30 April 2018
	£	£
Total current debt		
Guaranteed	–	–
Secured	682,709	694,555
Unguaranteed/unsecured	175,000	273,333
	<u>857,709</u>	<u>967,888</u>
Total non-current debt (excluding current portion of the long term debt)		
Guaranteed	–	–
Secured	207,551	188,514
Unguaranteed/unsecured	–	–
	<u>207,551</u>	<u>188,514</u>

	31 December 2017 £	30 April 2018 £
Shareholders' equity		
Share capital	162,053	162,053
Share premium	3,460,854	3,460,854
Translation reserve	(32,798)	(32,798)
Share-based payment reserve	331,975	331,975
Merger reserve	(185,728)	(185,728)
Total	<u>3,736,356</u>	<u>3,738,356</u>

There has been no material change to the Group's capitalisation since 30 April 2018.

Capitalisation does not include accumulated deficit.

Net indebtedness

The following table sets out the net indebtedness of the Group as at 31 December 2017. This statement of indebtedness has been extracted without material adjustment from the Group's financial statements as at 31 December 2017 and the latest management accounts as at 30 April 2018.

	31 December 2017 £	30 April 2018 £
Cash and cash equivalents	615,219	146,610
Total liquidity	<u>615,219</u>	<u>146,610</u>
Current financial debt	(857,709)	(967,888)
Net current financial liquidity	<u>(242,490)</u>	<u>(821,279)</u>
Non-current bank loans	(207,551)	(188,514)
Other non-current loans	–	–
Non-current financial indebtedness	<u>(207,551)</u>	<u>(188,514)</u>
Net financial indebtedness	<u>(450,041)</u>	<u>(1,009,793)</u>

Capital Resources

WideCells Group Plc sources of liquidity consist of its cash balances. During the financial years ended 31 December 2017, 31 December 2016 and 31 December 2015, the most significant cash inflows were from the issue of shares and convertible debts.

Strategy

The strategy of the Group is to use the Net Proceeds for the following:

- Develop the next generation of the e-commerce platform for CellPlan insurance product.
- Expand the operations of CellPlan, as the Directors intend to enter into agreements with major cord blood banks to offer the product to their existing and new customers.
- Prepare the WideCells stem cell processing and storage facility at UMIC to process dental pulp and adipose tissue stem cells, so it will be able to accept more contract research projects.
- Develop the quality management system as well as the infrastructure for international accreditations and quality standards.
- Identify and accelerate other growth opportunities, possibly including geographical expansion, acquisitions or new product developments.

Results for the period

The tables below set out summary financial information for the Group for the years ending 31 December 2015, 2016 and 2017 as extracted from the historical financial information of the Group set out in Part VI of this document.

Summary consolidated income statements

	31 December 2017 £	31 December 2016 £	31 December 2015 £
Revenue	50,765	25,000	50,644
Administrative costs	<u>(2,840,228)</u>	<u>(1,261,719)</u>	<u>(326,080)</u>
Loss from operations	(2,789,463)	(1,236,719)	(275,436)
Finance expense	<u>(17,264)</u>	<u>(30,710)</u>	<u>(11,120)</u>
Loss before tax	(2,806,727)	(1,267,429)	(286,556)
Taxation	<u>(2,126)</u>	<u>(7,517)</u>	<u>(1,250)</u>
Loss after tax attributable to the owners of the parent	(2,808,853)	(1,274,946)	(287,806)
Other comprehensive expenses – foreign exchange translation	<u>(32,798)</u>	<u>–</u>	<u>–</u>
Total comprehensive loss for the year	(2,841,651)	(1,274,946)	(287,806)
Loss per share			
Basic and diluted loss per ordinary share – £	<u>(0.05)</u>	<u>(0.03)</u>	<u>(0.02)</u>

The consolidated statement of financial position for the Group as at 31 December 2015, 2016 and 2017 is set out below:

	31 December 2017 £	31 December 2016 £	31 December 2015 £
Assets			
Non-current assets			
Tangible fixed assets	466,591	394,898	30,454
Intangible fixed assets	139,106	–	–
	<u>605,697</u>	<u>394,898</u>	<u>30,454</u>
Current assets			
Inventories	27,850	2,887	2,887
Trade and other receivables	9,551	22,554	40,033
VAT recoverable	173,703	59,567	24,002
Cash and cash equivalents	615,219	1,149,758	33,753
	<u>826,323</u>	<u>1,234,766</u>	<u>100,675</u>
Total assets	<u>1,432,020</u>	<u>1,629,664</u>	<u>131,129</u>
Liabilities			
Non-current liabilities			
Borrowings	207,551	247,803	–
	<u>207,551</u>	<u>247,803</u>	<u>–</u>
Current liabilities			
Trade and other payables	935,536	392,331	103,500
Borrowings	857,709	165,879	714,490
	<u>1,793,245</u>	<u>558,210</u>	<u>817,990</u>
Total liabilities	<u>2,000,796</u>	<u>806,013</u>	<u>817,990</u>
Issued capital and reserves attributable to owners of the parent			
Share capital	162,053	135,145	48
Share premium	3,460,854	2,159,000	742
Merger reserve	(185,728)	(185,728)	(466,318)
Translation reserve	(32,798)	–	–
Share-based payment reserve	331,975	211,513	–
Accumulated deficit	(4,305,132)	(1,496,279)	(221,333)
Total equity	<u>(568,776)</u>	<u>823,651</u>	<u>(686,861)</u>
Total equity and liabilities	<u>1,432,020</u>	<u>1,629,664</u>	<u>131,129</u>

The consolidated cash flow statement for the Group for the twelve months ending 31 December 2015, 2016 and 2017 is set out below:

	31 December 2017 £	31 December 2016 £	31 December 2015 £
Cash flows from operating activities			
Loss for the year	(2,808,853)	(1,274,946)	(287,806)
Adjustments for:			
Deprecation of tangible fixed assets	113,191	16,143	10,050
Amortisation of intangible fixed assets	–	–	1,473
Share-based payment expense	120,462	186,626	–
Net Interest expense	17,264	30,710	11,120
Taxation expense	2,126	7,517	1,250
	<u>(2,555,810)</u>	<u>(1,033,950)</u>	<u>(263,913)</u>
Cash flows from operating activities before changes in working capital			
Increase in stock	(24,963)	–	810
(Increase)/Decrease in trade and other receivables	(101,133)	56,665	(30,337)
Increase in trade and other payables	543,205	238,129	81,535
	<u>(2,138,701)</u>	<u>(739,156)</u>	<u>(211,905)</u>
Cash generated from operations			
Taxes paid	(2,126)	(7,517)	(1,250)
	<u>(2,140,827)</u>	<u>(746,673)</u>	<u>(213,155)</u>
Net cash used in operating activities			
Investing activities			
Purchases of property, plant and equipment	(323,989)	(205,531)	–
Sale of property, plant and equipment	–	24,931	7,762
	<u>(323,989)</u>	<u>(180,600)</u>	<u>7,762</u>
Net cash generated (used) in investing activities			
Financing activities			
Share issues	1,398,697	2,000,000	788
Cost of share issue	(69,935)	(239,598)	–
Interest paid	(17,264)	(11,579)	(11,120)
Issue of convertible debt	50,000	274,500	185,399
Issue of finance leases	153,003	–	–
Proceeds from bank borrowings	150,000	200,000	76,934
Repayment of borrowings	(198,604)	(180,045)	(22,617)
	<u>1,465,897</u>	<u>2,043,278</u>	<u>229,384</u>
Net cash generated from financing activities			
Net increase in cash and cash equivalents	(998,919)	1,116,005	23,991
Cash and cash equivalents at beginning of year	1,149,758	33,753	9,762
Effect of foreign exchange rate changes	(32,798)	–	–
	<u>118,041</u>	<u>1,149,758</u>	<u>33,753</u>
Cash and cash equivalents at end of year			

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 and Spain during 2013 and 2014. Total sales to the end of 2015 amounted to £173,000.

Early in 2015, the directors at such time 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, the group took out bank loans and issued convertible loan notes to its existing and new angel investors in the summer of 2015. By the end of 2015 £185,000 of convertible loan notes had been issued and, when completed at the end of April 2016, a total of £460,000 had been raised in this way. In January 2016, the minority shareholders in

WideCells Portugal and WideCells España agreed to exchange their shares in such companies for shares in the 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.

On 27 July 2016, WideCells Group Plc was admitted to the London Stock Exchange's Main Market, raising £2,000,000 gross, £1,720,000 net of costs, by way of the placing of 18,181,819 new ordinary shares at a price of £0.11. Subsequently on 28 April 2017 the Company issued and allotted 5,405,806 Ordinary Shares to investors at a price of 12p per share in a private placement, and on 18 August 2017 the Company issued and allotted 5,357,143 Ordinary Shares to investors at a price of 14p per share in a second private placement.

Following the IPO in July 2016 the Company set up into the three divisions, as described more fully in Part III of this document.

The CellPlan policy was launched as a pilot trial in the UK with its first CellPlan Excel cord blood bank member, Biovault Technical, in July 2017. The Directors consider that feedback has been positive and signed two additional contracts with Hemocord and Stem Cell Spain in 2017. Accordingly, the Directors have begun discussions with further cord blood banks, with a view to putting in place implementation plans to promote CellPlan and increase revenues.

New contracts obtained

Details of new contracts obtained are set out in paragraph 9 of Part IX: *Additional Information* of this document.

Revenues

Revenues in 2015 were from the processing and storage of cord blood and tissue in Portugal and Spain (operations which have now ceased). Following the IPO in 2016, revenues were from research contracts. In 2017 the income from research continued, alongside the start of product sales of Cellplan policies and INDUS product, and signing an agency agreement with White Apex.

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 £100 balance will be shared 50:50 between CellPlan Limited and Best Doctors.

Operating costs

Over the last three years the Group has had a maximum of 25 employees including the executive directors. Annual overhead costs have grown to £2.86 million in 2017 to support the development of the three divisions of the business.

Fixed assets

The main fixed asset expenditure has been to set up the WideCells Institute of Stem Cell Technology in Manchester.

Significant debtors and creditors

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

The Group has temporarily extended payment terms with its trade creditors while completing the Placing. These will return to normal over the second half of 2018, as overdue balances are paid post-Placing.

Cash and loan notes

The Group has lending facilities in place with HSBC which include asset finance for capital equipment and a loan and overdraft facility to fund business growth.

Additionally, the Group has arranged, since 1 January 2018, arranged interest free loans of approximately £120,000, representing £30,000 from Director David Bridgland, £50,000 from Director Peter Presland, approximately £35,000 from Director Lopes Gil and £5,000 from Director Marilyn Orcharton, in order to assist it with managing its current working capital requirement. Some of these loan amounts are being applied by such Directors to subscribe for Placing Shares pursuant to the Placing. To the extent the loans will remain outstanding at Admission, the loans will be repayable on demand after 1 July 2019.

Director David Bridgland also loaned the Company £100,000 on 30 November 2017. Rolf Gerritsen (a commercial adviser to the Company) loaned the Company £50,000 on 15 December 2017. Mr Gerritsen has subscribed for a total of 1,731,689 Placing Shares at the Issue Price, which will be deemed to repay that loan.

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.

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. The Group will work with larger cord blood banks to offer the product to their customers, thereby focussing our route to market. 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.

WideCells cord blood storage is expected to commence in 2018 and is expected by the Directors to grow steadily, focussing on clients in the UK, Europe and Middle East.

Corporate Governance

The Company has a non-executive chairman and non-executive directors with relevant healthcare and insurance backgrounds. The Company has remuneration and audit committees, and board meetings are held as and when required and at least monthly.

PART VI

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

SECTION A: ACCOUNTANTS' REPORT ON WIDECELLS GROUP PLC

haysmacintyre
chartered accountants & tax advisers

10 Queen Street Place, London, EC4R 1AG

T 020 7969 5500 F 020 7969 5600

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

12 June 2018

Dear Sirs

WideCells Group Plc

We report on the financial information set out in Part VI below (the "**WideCells Financial Information Table**"). The WideCells Financial Information Table has been prepared for inclusion in the prospectus dated 12 June 2018 (the "**Prospectus**") of WideCells Group plc (the "**Company**") on the basis of the accounting policies set out in note 2 to the WideCells Financial Information Table. This report is required by item 20.1 of Annex I to the PD Regulation and is given for the purpose of complying with that item and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the WideCells Financial Information Table in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion as to whether the WideCells Financial Information Table gives a true and fair view, for the purposes of the Prospectus and to report our opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and for any responsibility arising under item 5.5.3R(2)(f) of the Prospectus Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 23.1 of Annex I to the PD Regulation, consenting to its inclusion in the Prospectus.

Basis of opinion

We conducted our work in accordance with the Standards for 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 judgments made by those responsible for the preparation of the financial

information and whether the accounting policies are appropriate to the Company'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 sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America 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 WideCells Financial Information Table gives, for the purposes of the Prospectus dated 12 June 2018 a true and fair view of the state of affairs of the Company as at 31 December 2015, 31 December 2016 and 31 December 2017 and of its losses, cash flows and changes in equity for the periods then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Declaration

For the purposes of Prospectus Rule 5.5.3R(2)(f) 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 Prospectus in compliance with item 1.2 of Annex I to the PD Regulation.

Yours faithfully

haysmacintyre

Chartered Accountants
10 Queen Street Place
London
EC4R 1AG

HISTORICAL FINANCIAL INFORMATION ON WIDECELLS GROUP PLC FOR THE THREE YEARS ENDED 31 DECEMBER 2015, 31 DECEMBER 2016 AND 31 DECEMBER 2017

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		31 December 2017 £	31 December 2016 £	31 December 2015 £
Revenue	3	50,765	25,000	50,644
Administrative costs	5	<u>(2,840,228)</u>	<u>(1,261,719)</u>	<u>(326,080)</u>
Loss from operations		<u>(2,789,463)</u>	<u>(1,236,719)</u>	<u>(275,436)</u>
Finance expense	7	<u>(17,264)</u>	<u>(30,710)</u>	<u>(11,120)</u>
Loss before tax		<u>(2,806,727)</u>	<u>(1,267,429)</u>	<u>(286,556)</u>
Taxation	8	<u>(2,126)</u>	<u>(7,517)</u>	<u>(1,250)</u>
Loss after tax attributable to the owners of the parent		<u>(2,808,853)</u>	<u>(1,274,946)</u>	<u>(287,806)</u>
Other comprehensive expense – foreign exchange translation		<u>(32,798)</u>	<u>–</u>	<u>–</u>
Total comprehensive loss for the year		<u>(2,841,651)</u>	<u>(1,274,946)</u>	<u>(239,915)</u>
Total comprehensive loss attributable to:				
– owners of the parent		<u>(2,841,651)</u>	<u>(1,274,946)</u>	<u>(239,915)</u>
– non-controlling interest		<u>–</u>	<u>–</u>	<u>(47,891)</u>
Loss for the year		<u>(2,841,651)</u>	<u>(1,274,946)</u>	<u>(287,806)</u>
Loss per share				
Basic and diluted loss per ordinary share – £	9	<u>(0.05)</u>	<u>(0.03)</u>	<u>(0.02)</u>

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing activities.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – COMPANY NO: 10197256

	Note	31 December 2017 £	31 December 2016 £	31 December 2015 £
Assets				
Non-current assets				
Tangible fixed assets	10	466,591	394,898	30,454
Intangible fixed assets	10	139,106	–	–
		<u>605,697</u>	<u>394,898</u>	<u>30,454</u>
Current assets				
Inventories	13	27,850	2,887	2,887
Trade and other receivables	14	9,551	22,554	40,033
VAT recoverable	14	173,703	59,567	24,002
Cash and cash equivalents	15	615,219	1,149,758	33,753
		<u>826,323</u>	<u>1,234,766</u>	<u>100,675</u>
Total assets		<u>1,432,020</u>	<u>1,629,664</u>	<u>131,129</u>
Liabilities				
Non-current liabilities				
Borrowings	17	207,551	247,803	–
		<u>207,551</u>	<u>247,803</u>	<u>–</u>
Current liabilities				
Trade and other payables	16	935,536	392,331	103,500
Borrowings	17	857,709	165,879	714,490
		<u>1,793,245</u>	<u>558,210</u>	<u>817,990</u>
Total liabilities		<u>2,000,796</u>	<u>806,013</u>	<u>817,990</u>
Issued capital and reserves attributable to owners of the parent				
Share capital	19	162,053	135,145	48
Share premium	20	3,460,854	2,159,000	742
Merger reserve	20	(185,728)	(185,728)	(466,318)
Translation reserve	20	(32,798)	–	–
Share-based payment reserve	20	331,975	211,513	–
Accumulated deficit	20	(4,305,132)	(1,496,279)	(221,333)
		<u>(568,776)</u>	<u>823,651</u>	<u>(686,861)</u>
Total equity		<u>(568,776)</u>	<u>823,651</u>	<u>(686,861)</u>
Total equity and liabilities		<u>1,432,020</u>	<u>1,629,664</u>	<u>131,129</u>

STATEMENT OF CASH FLOWS

	Note	31 December 2017 £	31 December 2016 £	31 December 2015 £
Cash flows from operating activities				
Loss for the year		(2,808,853)	(1,274,946)	(287,806)
Adjustments for:				
Depreciation of tangible fixed assets	10	113,191	16,143	10,050
Amortisation of intangible fixed assets	11	–	–	1,473
Share-based payment expense		120,462	186,626	–
Net Interest expense		17,264	30,710	11,120
Taxation expense		2,126	7,517	1,250
Cash flows from operating activities before changes in working capital		(2,555,810)	(1,033,950)	(263,913)
Increase in stock		(24,963)	–	810
(Increase)/Decrease in trade and other receivables		(101,133)	56,665	(30,337)
Increase in trade and other payables		543,205	238,129	81,535
Cash (used in)/generated from operations		(2,138,701)	(739,156)	(211,905)
Taxes paid		(2,126)	(7,517)	(1,250)
Net cash used in operating activities		(2,140,827)	(746,673)	(213,155)
Investing activities				
Purchases of property, plant and equipment		(323,989)	(205,531)	–
Sale of property, plant and equipment		–	24,931	7,762
Net cash generated (used) in investing activities		(323,989)	(180,600)	7,762
Financing activities				
Share issues		1,398,697	2,000,000	788
Cost of share issue		(69,935)	(239,598)	–
Interest paid		(17,264)	(11,579)	(11,120)
Issue of convertible debt		50,000	274,500	185,399
Issue of finance leases		153,003	–	–
Proceeds from bank borrowings		150,000	200,000	76,934
Repayment of borrowings		(198,604)	(180,045)	(22,617)
Net cash generated from financing activities		1,465,897	2,043,278	229,384
Net increase in cash and cash equivalents		(998,919)	1,116,005	23,991
Cash and cash equivalents at beginning of year		1,149,758	33,753	9,762
Effect of foreign exchange rate changes		(32,798)	–	–
Cash and cash equivalents at end of year		118,041	1,149,758	33,753

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2017

	Share capital £	Share premium £	Merger reserve £	Translation reserve £	Share-based payments reserve £	Accumulated deficit £	Total equity £
At 1 January 2017	135,145	2,159,000	(185,728)	–	211,513	(1,496,279)	823,651
Loss for the year	–	–	–	–	–	(2,808,853)	(2,808,853)
Foreign exchange translation	–	–	–	(32,798)	–	–	(32,798)
Total comprehensive loss	–	–	–	(32,798)	–	(2,808,853)	(2,841,651)
Transactions with owners							
Share based payment charge	–	–	–	–	120,462	–	120,462
Issue of shares on placings	26,908	1,371,789	–	–	–	–	1,398,697
Cost of placings	–	(69,935)	–	–	–	–	(69,935)
Total contributions by and distributions to owners	26,908	1,301,854	–	–	120,462	–	1,449,224
At 31 December 2017	162,053	3,460,854	(185,728)	(32,798)	331,975	(4,305,132)	(568,776)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2016

	Share capital £	Share premium £	Merger reserve £	Share-based payments reserve £	Accumulated deficit £	Total equity £
At 1 January 2016	48	742	(466,318)	–	(221,333)	(686,861)
Loss for the year	–	–	–	–	(1,274,946)	(1,274,946)
Foreign exchange translation	–	–	–	–	–	–
Total comprehensive loss	–	–	–	–	(1,274,946)	(1,274,946)
Transactions with owners						
Conversion of loan capital to share capital	28	355,772	–	–	–	355,800
Share exchange	75,924	(356,514)	280,590	–	–	–
Share based payment charge	–	–	–	186,626	–	186,626
Issue of shares on IPO – 27 July 2016	45,454	1,954,546	–	–	–	2,000,000
Conversion of convertible loan notes	13,609	465,421	–	–	–	479,030
Fee shares	82	3,518	–	–	–	3,600
Broker warrants	–	(24,887)	–	24,887	–	–
Costs of IPO	–	(239,598)	–	–	–	(239,598)
Total contribution by and distributions to owners	135,097	2,158,258	280,590	211,513	–	2,785,458
At 31 December 2016	135,145	2,159,000	(185,728)	211,513	(1,496,279)	823,651

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2015

	Share capital £	Share premium £	Merger reserve £	Non- controlling interest £	Accumulated deficit £	Total equity £
At 1 January 2015	2	–	–	(180,589)	(154,464)	(335,051)
Loss for the year	–	–	–	(47,891)	(239,915)	(287,806)
Total comprehensive loss	–	–	–	(47,891)	(239,915)	(287,806)
Issue of shares	46	742	–	–	–	788
Capital contribution	–	–	–	–	173,046	173,046
Acquisition of non-controlling interests	–	–	(466,318)	228,480	–	(237,838)
Total contribution by and distributions to owners	46	742	(466,318)	228,480	173,046	(64,004)
At 31 December 2015	48	742	(466,318)	–	(221,333)	(686,861)

NOTES TO THE FINANCIAL INFORMATION

1. ACCOUNTING POLICIES

The accounting policies, applied on a consistent basis in the preparation of the financial information, are as follows:

General information

WideCells Group PLC the company is a public company (the 'Company') is a company domiciled in England. The Company was incorporated on 24 May 2016 and this is the first set of financial information prepared by the Company.

The Group was formed when WideCells Group PLC entered into an agreement to acquire the entire share capital of WideCells International Limited and its wholly owned subsidiaries through the issue of shares in the Company which took place on 16 June 2016.

The capital structure for the 2015 Historical Financial Information reflects the former holding company, WideCells International Limited. Following the Group reconstruction, the capital structure reflects that of WideCells Group PLC.

Accordingly, the results to 31 December 2015 comprise the results of the subsidiary companies as if the Group had been in existence throughout the entire period.

The Directors have prepared cashflow forecasts for the purposes of the fund raising. The cash flow forecasts show that the Group will have sufficient funds to continue in operational existence and therefore that the going concern basis of preparation of these Historical Financial Information is appropriate. However, a key assumption within these forecasts is the successful equity placing to raise £2.036 million. The Directors are confident that following the successful equity placing, the group will have sufficient available funds to support the cash requirements of the business.

The Historical Financial Information of WideCells Group PLC 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 extracted from the audited financial statements, audited by BDO LLP for the years ended 31 December 2017 and 31 December 2016 and Critchleys for the year ended 31 December 2015. The Historical Financial Information has been prepared primarily under the historical cost convention and are presented in £ Sterling.

WideCells Group PLC adopted IFRS for the first time in its Historical Financial Information for the three years ended 31 December 2015 as presented in the placing and Admission to Listing document dated 22 July 2016, WideCells Group PLC is a continuation of WideCells Group Limited as reflected in the merger accounting principle adopted and therefore the Group is not considered to be a first time adopter of IFRS in these financial statements.

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the periods presented.

NEWLY ISSUED ACCOUNTING STANDARDS

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

- IFRS 9 in respect of Financial Instruments which will be effective for the accounting periods beginning on or after 1 January 2018.
- IFRS 15 in respect of Revenue from Contracts with Customers which will be effective for accounting periods beginning on or after 1 January 2018
- IFRS 16 in respect of Leases which will be effective for accounting periods beginning on or after 1 January 2019.
- IAS 40 in respect of transfers of investment property. – Effective 1 January 2018.

- IFRIC 22 in respect of foreign currency transactions and advance considerations. – Effective 1 January 2018.

The Directors anticipate that the adoption of the above Standards and Interpretations in future periods will have no material impact on the financial statements of the Group, except as follows:

- IFRS 9 Simplifies financial instrument classifications and hedge accounting rules as well as amending the impairment requirement for loans.
- IFRS 15 is effective for annual periods beginning on or after 1 January 2018 and replaces all existing revenue requirements in IFRS. The core principle is that revenue will be recognised at an amount reflecting the consideration to which the Company expects to be entitled in exchange for transferring goods and services to a customer. It may have an impact on revenue recognition and related disclosures.
- IFRS 16 is effective for annual periods beginning on or after 1 January 2019 and it removes the current distinction between an operating and finance lease, introducing consistent requirements for all leases similar to the current finance lease accounting. The lease value for leased premises as well as other smaller trade related operating leases will be brought onto the Statement of Financial Position at the fair value of the future minimum lease payments.

Beyond the information above, it is not practicable to provide a reasonable estimate as to the effect of these standards until a detailed review has been completed.

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 consolidated financial statements consist of the results of the following entities ("Group")

Entity	Summary description
WideCells Group PLC	Ultimate holding company
WideCells International Limited	Holding company of subsidiaries
WideCells Limited	Trading company
WideCells Portugal SA	Trading company
WideCells España SL	Trading company
WideAcademy Limited	Trading company
CellPlan Limited	Holding company
CellPlan International Lda	Trading company

KEY ACCOUNTING POLICIES

Revenue

Revenue represents the fair value of the consideration received or receivable in the year, net of discounts and sales taxes. Sales income derives from the procurement and marketing of cord blood stem cell storage. 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.

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;

- WideCells trademark – Fully amortised.

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

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 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.

Leasing

Leases are classified as finance leases wherever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

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

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
3. 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 years to 31 December 2017.

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:

Plant & Machinery	–	33% straight line basis
Leasehold Improvements	–	33% straight line basis
Computer equipment	–	33% straight line basis
Motor vehicles	–	33% straight line basis

Intangible fixed assets

Intangible assets comprise capitalised computer software and are initially recognised at cost.

Amortisation is provided so as to write off their carrying value over their expected useful economic lives. It is provided at the following rates:

Computer software	–	33% straight line basis
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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.

Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the period, using tax rates and laws that have been enacted or substantively enacted at the Statement of Financial Position date, and any adjustment to tax payable in respect of previous years. Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary differences is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying value amount of assets and liabilities, using tax rates enacted or substantively enacted at the Statement of Financial Position date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Share based payments

Where equity settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the consolidated statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the consolidated statement of comprehensive income over the remaining vesting period.

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. There are no 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.

The valuation of share options and warrants are directors' estimates and details are disclosed in note 22.

3. REVENUE

Revenue in all periods principally arises from the provision of services. In 2016 this was from the planning phase of an R&D contract with Qiginex, which will run through 2017 and 2018 in the UK. The revenues from 2015 were the conclusion of stem cell storage contracts in Portugal before the company began fundraising activities in 2016.

4. SEGMENTAL INFORMATION

Operating segments are components of the entity 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.

Until sales begin in the new operating divisions of CellPlan and WideAcademy, the Group has three main operating segments, all of which have the same intended sources of revenue from the WideCells division:

- UK
- Portugal
- Spain

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

The Group's reportable segments are geographical business units that offer WideCells 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.

	UK £	Portugal £	Spain £	Total £
2017				
Sales and services provided	49,501	1,264	–	44,765
Total revenue from external customers	49,501	1,264	–	50,765
Total gross profit	49,501	1,264	–	50,765
Segment EBITDA	(2,311,794)	(352,110)	(12,368)	(2,676,273)
Depreciation and amortisation	(107,555)	(5,636)	–	(113,191)
Segment loss	(2,419,349)	(357,746)	(12,368)	(2,789,463)
Finance expense	(17,185)	(80)	1	(17,264)
Tax	–	(2,126)	–	(2,126)
Group loss after tax	(2,436,534)	(359,952)	(12,367)	(2,808,853)
Non-current assets	442,339	163,358	–	605,697
	UK £	Portugal £	Spain £	Total £
2016				
Sales and services provided	25,000	–	–	25,000
Total revenue from external customers	25,000	–	–	25,000
Total gross profit	25,000	–	–	25,000
Segment EBITDA	(1,083,290)	(112,668)	(24,618)	(1,220,576)
Depreciation and amortisation	(10,389)	(2,436)	(3,318)	(16,143)
Segment loss	(1,093,679)	(115,104)	(27,936)	(1,236,719)
Finance expense	(19,139)	(10,297)	(1,274)	(30,710)
Tax	–	(7,517)	–	(7,517)
Group loss after tax	(1,112,818)	(132,918)	(29,210)	(1,274,946)
Non-current assets	370,542	24,356	–	394,898

2016	UK £	Portugal £	Spain £	Total £
Sales and services provided	–	50,644	–	50,644
Total revenue from external customers	–	50,644	–	50,644
Total gross profit	–	50,543	–	50,543
Segment EBITDA	(233,531)	(4,524)	(25,858)	(263,913)
Depreciation and amortisation	(1,473)	(6,733)	(3,317)	(11,523)
Segment loss	(235,004)	(11,257)	(29,175)	(275,436)
Finance expense	(26)	(11,153)	59	(11,120)
Tax	–	(1,250)	–	(1,250)
Group loss after tax	(235,030)	(23,660)	(29,116)	(287,806)
Non-current assets	–	14,543	15,911	30,454

5. OPERATING LOSS FOR THE YEAR

	31 December 2017 £	31 December 2016 £	31 December 2015 £
The loss for the period is stated after charging:-			
Depreciation	113,191	16,143	10,050
Amortisation	–	–	1,473
Auditor's Remuneration	40,000	34,500	–
Operating lease – Property	87,069	33,320	–
Share-based payments	120,462	186,626	–

6. STAFF COSTS

	31 December 2017 £	31 December 2016 £	31 December 2015 £
Staff costs (including directors) comprise: Wages and salaries	1,040,112	400,135	70,280
Defined contribution pension cost	44,427	18,330	–
Share-based payment expense	120,462	186,626	–
	1,205,001	454,646	605,091
Employee numbers			
The average number of staff employed by the Group during the financial year amounted to:			
General and administration	17	8	7

7. FINANCE INCOME AND EXPENSE

	31 December 2017 £	31 December 2016 £	31 December 2015 £
Finance expense			
Bank loans	17,264	11,579	11,120
Convertible loan notes	–	19,131	–
Total finance expense	17,264	30,710	11,120

8. TAXATION

	31 December 2017 £	31 December 2016 £	31 December 2015 £
Current tax			
Overseas taxation payable on profits for the year	2,126	7,517	1,250
Total current tax and tax credit	<u>2,126</u>	<u>7,517</u>	<u>1,250</u>

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

	31 December 2017 £	31 December 2016 £	31 December 2015 £
Loss before tax	(2,806,727)	(1,267,429)	(286,556)
Tax using the Company's domestic tax rate of 20% (2016: 20%)	(540,295)	(253,486)	(57,311)
Unrelieved tax losses and other deductions arising in the period	463,295	253,486	57,311
Expenses not deductible for tax purposes	77,000		
Local overseas taxes	(2,126)	(7,517)	(1,250)
Total tax charged in the income statement	<u>2,126</u>	<u>7,517</u>	<u>1,250</u>

9. LOSS PER SHARE

	31 December 2017 £	31 December 2016 £	31 December 2015 £
Numerator			
Loss used in basic EPS	(2,808,853)	(1,274,946)	(287,806)
Denominator			
Weighted average number of ordinary shares used in basic EPS	59,993,454	39,769,715	16,928,767
Effects of:			
Employee share options	3,485,518	2,200,000	2,200,000
Conversion share warrants	205,479	2,721,757	–
Broker share warrants	727,272	727,272	–
Weighted average number of shares used in diluted EPS	<u>64,411,723</u>	<u>45,418,744</u>	<u>19,128,767</u>
Basic and diluted loss per share – £	<u>(0.05)</u>	<u>(0.03)</u>	<u>(0.02)</u>

10. TANGIBLE AND INTANGIBLE ASSETS

	Plant & machinery £	Leasehold improvements £	Computer equipment £	Motor vehicles £	Tangible asset total £	Computer Software £	Intangible Asset Total
Cost							
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	–	–
At 1 January 2016	–	–	21,629	20,735	42,364	–	–
Additions	225,708	154,620	25,191	–	405,519	–	–
Disposals	–	–	(19,105)	(20,735)	(39,840)	–	–
At 31 December 2016	225,708	154,620	27,715	–	408,043	–	–
At 1 January 2017	225,708	154,620	27,715	–	408,043	–	–
Additions	119,782	29,130	32,788	–	181,700	139,106	139,106
Disposals	–	–	–	–	–	–	–
Effect of foreign exchange	–	2,099	1,445	–	3,544	–	–
At 31 December 2017	345,490	185,848	61,949	–	593,287	139,106	139,106
Accumulated depreciation							
At 1 January 2015	–	–	2,143	1,507	3,650	–	–
Charge for the year	–	–	6,732	3,318	10,050	–	–
Disposals	–	–	(1,790)	–	(1,790)	–	–
At 31 December 2015	–	–	7,085	4,825	11,910	–	–
At 1 January 2016	–	–	7,085	4,825	11,910	–	–
Charge for the year	–	10,077	2,748	3,318	16,143	–	–
Disposals	–	–	(6,765)	(8,143)	(14,908)	–	–
At 31 December 2016	–	10,077	3,068	–	13,145	–	–
At 1 January 2017	–	10,077	3,068	–	13,145	–	–
Charge for the year	43,868	53,103	16,220	–	113,191	–	–
Disposals	–	–	–	–	–	–	–
Effect of foreign exchange	–	21	339	–	360	–	–
At 31 December 2017	43,868	63,202	19,627	–	126,696	–	–
Net Book Values							
At 31 December 2017	301,623	122,646	42,322	–	466,591	139,106	139,106
At 31 December 2016	225,708	144,543	24,647	–	394,898	–	–
At 31 December 2015	–	–	14,544	15,910	30,454	–	–

The net book value of assets held under finance leases is £242,434 (2016: £187,008), and had £64,308 depreciation charged as at 31 December 2017.

11. OTHER INTANGIBLE ASSETS

	Trademark £'000	Total £'000
Cost		
At 1 January 2015	–	–
Additions	1,473	1,473
At 31 December 2015	1,473	1,473
At 1 January 2016	1,473	1,473
Acquired in business combinations	–	–
At 31 December 2016	1,473	1,473
At 1 January 2017	1,473	1,473
Acquired in business combinations	–	–
At 31 December 2017	1,473	1,473
Accumulated amortisation		
At 1 January 2015	–	–
Amortisation charge for the year	1,473	1,473
At 31 December 2015	1,473	1,473
At 1 January 2016	1,473	1,473
Amortisation charge for the year	–	–
At 31 December 2016	1,473	1,473
At 1 January 2016	1,473	1,473
Amortisation charge for the year	–	–
At 31 December 2016	1,473	1,473
At 31 December 2017	–	–
At 31 December 2016	–	–
At 31 December 2015	–	–

The carrying value of the trademark was amortised in full in the year ended 31 December 2015.

12. SUBSIDIARIES

The principal subsidiaries of WideCells Group PLC, all of which are 100% owned and have been included in these financial statements in accordance with the details set out in the basis of preparation and basis of consolidation note 1, are as follows:

Name	Country of incorporation	Nature of business	Notes	Registered office
Widecells International Limited	United Kingdom	Holding company		46 Grafton Street, Manchester, M13 9NT
WideCells Limited	United Kingdom	Trading company	(a)	46 Grafton Street, Manchester, M13 9NT
WideCells Portugal SA	Portugal	Trading company	(a)	Av. Fernão Magalhães, no. 429 A 4ºE – Coimbra 3000-117, Portugal
WideCells España SL	Spain	Trading company	(a)	Calle Castillo de Fuensaldaña, Las Rozas, Madrid, Spain
WideAcademy Limited	United Kingdom	Trading company	(a)	46 Grafton Street, Manchester, M13 9NT
CellPlan Limited	United Kingdom	Holding company	(a)	42-50 Hersham Road, Thames, KT12 1RZ
CellPlan International Lda	Portugal	Trading company	(b)	Edifício Tower Plaza, Rotunda Engº, Cardoso, nº 23, 11º F, 4400-676 Vila Nova de Gaia, Portugal

Notes: (a) 100% owned by WideCells International Limited (b) 100% owned by CellPlan Limited

13. INVENTORIES

	31 December 2017 £	31 December 2016 £	31 December 2015 £
Raw materials and consumables	27,850	2,887	2,887

14. TRADE AND OTHER RECEIVABLES

	31 December 2017 £	31 December 2016 £	31 December 2015 £
Trade receivables	2,029	126	126
Other receivables	7,522	22,428	39,907
VAT recoverable	173,703	59,567	24,002
	183,254	82,121	64,035

Book values approximate to fair values at 31 December 2017, 31 December 2016 and 31 December 2015.

Trade and other receivables do not contain any impaired assets. The Group does not hold any collateral as security and the maximum exposure to credit risk at the Consolidated Statement of Financial Position date is the fair value of each class of receivable.

Book values approximate to fair value at 31 December 2016, 31 December 2015 and 31 December 2014.

15. CASH AND CASH EQUIVALENTS

	31 December 2017 £	31 December 2016 £	31 December 2015 £
Cash at bank available on demand	615,219	1,149,758	33,753
Bank overdraft	(497,219)	–	–
Total cash and cash equivalents	<u>118,041</u>	<u>1,149,758</u>	<u>33,753</u>

16. TRADE AND OTHER PAYABLE

	31 December 2017 £	31 December 2016 £	31 December 2015 £
Current			
Trade payables	634,310	172,060	54,225
Other payables	234,713	144,678	40,408
	<u>869,023</u>	<u>316,738</u>	<u>94,633</u>
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost			
Tax and social security	66,434	75,195	8,867
Deferred revenue	79	398	–
Total trade and other payables	<u>935,536</u>	<u>392,331</u>	<u>103,500</u>

Book values approximate to fair values at 31 December 2017, 31 December 2016 and 31 December 2015.

17. BORROWINGS

	31 December 2017 £	31 December 2016 £	31 December 2015 £
Non-Current			
Bank loans	66,667	133,333	–
Finance leases	140,884	114,470	–
Total	<u>207,551</u>	<u>247,803</u>	<u>–</u>
Current			
Bank loans	72,210	66,667	144,617
Bank overdraft	497,178	–	–
Commercial loans	25,000	–	–
Finance leases	113,321	72,538	–
Directors' loans	100,000	26,674	26,674
Convertible loans	50,000	–	543,199
Total	<u>857,709</u>	<u>165,879</u>	<u>714,490</u>

Book values approximate to fair value at 31 December 2017, 31 December 2016 and 31 December 2015. The fair value hierarchy for these items is level 2.

The bank loans are repayable over three years at a fixed interest rate of 3.98% and secured over the assets held by the group.

The 2015 convertible loans converted to equity at the Initial IPO on 27 July 2016.

The 2017 convertible loans will be converted to equity at the share placing in June 2018. Finance leases are secured over the relevant assets. Directors' loans are unsecured and interest free. The highest balance on the directors' loans in the year was £100,000 (2016 and 2015: £26,674).

18. FINANCIAL INSTRUMENTS – RISK MANAGEMENT

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

- Credit risk.
- Market 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.

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.
Loans and borrowings.

Credit Risk

Credit risk is the risk of financial loss to the Group if a development partner 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 into contracts.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with high credit status are accepted.

The Group does not enter into derivatives to manage credit risk.

Market risk

Cash flow interest rate risk

The Group has no exposure to cash flow interest rate risk from borrowings at variable rates.

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 appropriate balance of exposure to these risks.

Exchange risk

Foreign exchange risk arises because the Group has operations in Portugal and Spain, whose functional currency is not the same as the functional currency of the Group. The Group's net assets arising from such overseas operations are exposed to currency risk resulting in gains or losses on retranslation into sterling. Given the levels of materiality, the Group does not 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 and a regular supplier who are invoiced in currency other than sterling. These transactions are not hedged because the cost of doing so is disproportionate to the risk.

As of 31 December 2017, 31 December 2016 and 31 December 2015, the Group's exposure to foreign exchange risk was not material.

Liquidity risk

Liquidity risk arises from the Group's management of working capital. 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.

19. SHARE CAPITAL

	31 December 2017		31 December 2016		31 December 2015	
	Number	£	Number	£	Number	£
Authorised, allotted and fully paid – classified as equity						
Ordinary shares of £0.0001 each	–	–	–	–	475,000	48
Ordinary shares of £0.0025 each	64,821,010	162,053	54,058,061	135,145	–	–
Total	64,821,010	162,053	54,058,061	135,145	475,000	48

In accordance with CA 2006, the Company has no limit on its authorised share capital, though as part of the listing process a resolution was passed on 16 July 2016 authorising the directors to grant rights to subscribe for, or convert any security into Ordinary Shares, up to a maximum aggregate nominal value of £67,572.57.

On incorporation of the Company on 24 May 2016, two ordinary shares of £0.0025 each were subscribed for and issued and allotted in equal number to João Andrade and Lopes Gil.

The parent company at 31 December 2015 was WideCells International and had 475,000 ordinary shares of £0.0001 in issue. On 25 January 2016 285,000 ordinary shares were issued to minority interest shareholders who had transferred their stakes to the Group in December 2015.

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, and making the Company the new parent company.

On 27 July 2016, the Company issued 18,181,819 ordinary shares at a price of £0.11 per ordinary share. On the same date the Company issued 5,443,515 conversion shares in exchange for the cancellation of convertible debt and 32,727 fee shares.

On 28 April 2017 the Company issued 5,405,806 ordinary shares at a price of £0.12 per ordinary share.

On 18 August 2017 the Company issued 5,357,143 ordinary shares at a price of £0.14 per ordinary share.

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.
Merger reserve	Amount arising on acquisition of non-controlling interest and share for share exchange
Share-based payment reserve	Reserve related to share options
Accumulated deficit	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

21. RETIREMENT BENEFITS

The Group plans to operate a defined contribution pension scheme for the benefit of its employees. The assets of the scheme are to be administered by trustees in funds independent from those of the Group. The pension costs charged for each year are 10% for directors and 5% for staff and included in the staff costs.

22. SHARE BASED PAYMENTS

The Group has issued options over ordinary shares under the WideCells Group Limited 2015 approved Enterprise Incentive scheme. Exercise of an option is subject to continued employment.

WideCells International granted the Directors Professor 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 modified and replacement options, in respect of the Option Shares, were granted by the Company on the basis set out below.

2016

Under the terms of his option grant, Professor 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.

2017

David Bridgland has been further awarded 600,000 Ordinary Shares at an exercise price of £0.11 per Ordinary Share, these options vest in three tranches: 200,000 Ordinary Shares on 24 January 2017, 200,000 Ordinary Shares on 24 January 2018 and 200,000 Ordinary Shares on 24 January 2019. Marilyn Orcharton has been granted options to subscribe for 270,290 Ordinary Shares at an exercise price of £0.11 per Ordinary Share, these options are fully vested. Alan Greenberg has been granted options to subscribe for a total of 540,580 Ordinary Shares at an exercise price of £0.14 per Ordinary Share, these options vest in three tranches: 180,193 on 15 February 2018, 180,193 Ordinary Shares on 15 February 2019 and 180,194 Ordinary Shares on 15 February 2020.

	31 December 2017 weighted average exercise Price(£)	31 December 2017 number	31 December 2016 weighted average exercise Price (£)	31 December 2016 number	31 December 2015 weighted average exercise Price (£)	31 December 2015 number
Outstanding at 1 January	0.0025	2,200,000	0.01	55,000	n/a	–
Options in WideCells International	–	–	0.01	(55,000)	0.01	55,000
Replacement options in WideCells Group Plc	0.1215	1,410,870	0.0025	2,200,000	n/a	–
Outstanding at 31 December	0.0490	3,610,870	0.0025	2,200,000	0.01	55,000

Warrants

In 2016 the company issued 727,272 Broker warrants that allowed for the conversion of these warrants into ordinary shares in the company at any time within two years of the date of the placing at the placing price of £0.11. Given the early stage of the company's development and the limited active market in its shares, the Directors considered that the IPO placing price at £0.11 represented the most recent, reliable benchmark of share/warrant valuation.

23. OPERATING LEASES

The Group had commitments under non-cancellable operating leases as set out below.

	31 December 2017	31 December 2017	31 December 2016	31 December 2016	31 December 2015	31 December 2015
	Property £	Equipment £	Property £	Equipment £	Property £	Equipment £
Not later than one year	82,882	587	73,119	519	–	–
Later than one year and not later than five years	41,261	587	139,432	1,038	–	–
Later than five years	–	–	–	–	–	–
	<u>124,144</u>	<u>1,174</u>	<u>212,551</u>	<u>1,557</u>	<u>–</u>	<u>–</u>

24. CAPITAL COMMITMENTS

The Group had no capital commitments at 31 December 2017, 31 December 2016 and 31 December 2015.

25. RELATED PARTY TRANSACTIONS

Director's loans of £26,674 made to the group by João Andrade and Lopes Gil in 2014 were repaid in 2017.

A loan of £100,000 was made by David Bridgland to the group in November 2017 and was outstanding at the year end.

€45,000 was loaned to the group in 2013 by Luis Gil, a founder shareholder and brother of Lopes Gil. This was repaid in full in 2016, along with €4,755 of interest.

Pre IPO, Directors' loan notes of £355,800 converted into ordinary share capital with a nominal value of £28.

As part of the IPO process in the year to 31 December 2016, Directors' loan notes and interest of £46,394 converted to shares at 8.8p.

Vivian Andrade, Joao Andrade's wife, received £2,655 of professional fees during 2017 for providing the services of Quality Manager to WideCells Portugal SA. No amounts were due to Vivian Andrade at the year end.

Luis Andrade, Joao Andrade's brother, received £6,049 of professional fees during 2017 for providing the services of Group IT Manager to WideCells Group PLC. No amounts were due to Luis Andrade at the year end.

26. CONTINGENT LIABILITIES

The Group had no contingent liabilities at 31 December 2017, 31 December 2016 or 31 December 2015.

27. ULTIMATE CONTROLLING PARTY

The Directors do not consider that there is an ultimate controlling party.

PART VII

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

haysmacintyre
chartered accountants & tax advisers

10 Queen Street Place, London, EC4R 1AG

T 020 7969 5500 F 020 7969 5600

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

12 June 2018

Dear Sirs

WideCells Group Plc (the “Company”)

We report on the unaudited pro forma information, comprising the proforma statement of net assets and income statement, (“the **Pro Forma Financial Information**”) set out in Part VII which has been prepared for inclusion in the Prospectus issued by the Company and dated 12 June 2018 (the “**Prospectus**”) relating to the proposed placing of 67,865,022 Ordinary Shares of £0.0025 each at 3 pence per Ordinary Share (the “**Placing**”).

The statements have been prepared on the basis described in note 1 for illustrative purposes only, to provide information about how the placing might have affected the financial information presented on the Company, on the basis of the accounting policies adopted by the Company in preparing its published financial statements for the year ended 31 December 2017.

This report is required by item 7 of Annex II to Commission Regulation (EC) No 809/2004 (the “Prospectus Directive”) 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 II to the Prospectus Directive.

It is our responsibility to form an opinion, as required by item 7 of Annex II to the Prospectus Directive, as to the proper compilation of the Pro Forma Financial Information and to report that opinion to you.

Save for any responsibility arising under Prospectus Rule 5.5.3R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 23.1 of Annex I to the Prospectus Directive, consenting to its inclusion in the Prospectus.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with Standards for 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 of the Company.

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

Opinion

In our opinion:

- (a) the Pro Forma Financial Information has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Company.

Declaration

For the purposes of Prospectus Rule 5.5.3R(2)(f) 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 Prospectus in compliance with item 1.2 of Annex I to the Prospectus Directive.

Yours faithfully

haysmacintyre

Chartered Accountants
10 Queen Street Place
London
EC4R 1AG

The unaudited consolidated pro forma financial information set out below has been prepared to illustrate the effect of the Placing on the net assets statement and income statement of the Group if it had taken place on 31 December 2017. The unaudited consolidated pro forma financial information, which has been produced for illustrative purposes only, by its nature addresses a hypothetical situation and, therefore, does not represent the Group's actual financial position or results. It may not, therefore, give a true picture of the Group's financial position or results nor is it indicative of the results that may, or may not, be expected to be achieved in the future. The unaudited consolidated pro forma financial information has been prepared, for illustrative purposes only, in accordance with item 20.2 of Annex I and items 1 to 6 of Annex II of the Prospectus Rules.

The unaudited consolidated pro forma financial information has been compiled on the basis set out in the notes below.

Unaudited consolidated pro forma net asset statement

	Net Assets of WideCells Group Plc	Adjustments		Unaudited Pro Forma £
	31 December 2017 Note 2 £	Net proceeds of placing Note 3 (*) £	Settlement of borrowings Note 4 (*) £	
Assets				
Non-current assets				
Tangible fixed assets	466,591	–	–	605,697
Intangible fixed assets	139,106	–	–	139,106
Total non-current assets	<u>605,697</u>	<u>–</u>	<u>–</u>	<u>605,697</u>
Current assets				
Inventories	27,850	–	–	27,850
Trade and other receivables	9,551	–	–	9,551
VAT recoverable	173,703	–	–	173,703
Cash and cash equivalents	615,219	1,641,111	–	2,256,330
Total current assets	<u>826,323</u>	<u>–</u>	<u>–</u>	<u>2,467,434</u>
Total assets	<u>1,432,020</u>	<u>–</u>	<u>–</u>	<u>3,073,131</u>
Liabilities				
Non-current liabilities				
Borrowings	207,551	–	–	207,551
Total non-current liabilities	<u>207,551</u>	<u>–</u>	<u>–</u>	<u>207,551</u>
Current liabilities				
Trade and other payables	935,536	–	–	935,536
Borrowings	857,709	–	(150,000)	707,709
Total current liabilities	<u>1,793,245</u>	<u>–</u>	<u>–</u>	<u>1,643,245</u>
Net Assets	<u>(568,776)</u>	<u>–</u>	<u>–</u>	<u>1,222,335</u>

Unaudited consolidated pro forma income statement

	WideCells Group Plc results for the year ended 31 December 2017 Note 2 £	Adjustments	
		Cost of placing Note 3 (*) £	Total unaudited pro forma £
Revenue	50,765	–	50,765
Gross Profit	50,765	–	50,765
Administrative costs	(2,840,228)	(152,412)	(2,992,640)
Loss from operations	(2,789,463)	–	(2,941,875)
Finance expense	(17,264)	–	(17,264)
Loss before tax	(2,806,727)	–	(2,959,139)
Taxation	(2,126)	–	(2,126)
Loss after tax	(2,808,853)	–	(2,961,265)
Other comprehensive expense – forex translation	(32,798)	–	(32,798)
Total comprehensive loss for the year	(2,841,651)	–	(2,994,063)

(*) These adjustments are not expected to have a continuing impact.

1. The unaudited consolidated pro forma financial information has been prepared in a manner consistent with the accounting policies applied in the preparation of the WideCells Group Plc consolidated historical financial information for the periods to 31 December 2017.
2. The WideCells Group Plc consolidated financial information has been extracted, without material adjustment, from the Historical Financial Information of the Current Group for the period ended 31 December 2017 as presented in “Historical Financial Information” in this Prospectus.
3. The Net Proceeds of the Placing of approximately £1,641,111 are calculated on the basis that the Company issues 67,865,022 Placing Shares each at a price of 3 pence per share, net of estimated expenses in connection with the Placing and Admission estimated at £244,840, of which £152,412 relates to expenses taken to the Income Statement. See note 4 regarding settlement of borrowings.
4. The movement on borrowings relate to conversion of directors’ loans of £100,000 and £50,000 loan conversion by Rolf Gerritsen.
5. No adjustment has been made to reflect the trading results of the WideCells Group Plc since 31 December 2017.
6. This unaudited consolidated pro forma financial information does not constitute financial statements within the meaning of section 434 of the Companies Act 2006. Shareholders should read the whole of this Prospectus and not solely rely on the financial information contained in this section.

PART VIII

TAXATION

United Kingdom Taxation

The comments set out below are based on 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).

Each individual has an annual Dividend Allowance of £2,000 which provides for a nil rate of income tax with respect to the dividend income received. Dividends received in excess of the Dividend Allowance are subject to income tax at the individual Investor's marginal rate of income tax. Dividends falling within the individual Shareholder's basic rate band will be taxed at 7.5% (the "dividend ordinary rate") those falling within the higher rate band at 32.5% (the "dividend upper rate") and those falling within the additional rate band at 38.1% (the "dividend additional rate").

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. The trustees of such a trust do not benefit from the Dividend Allowance.

UK pension funds and charities are generally exempt from tax on the 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 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 IX
ADDITIONAL INFORMATION

1. Responsibility

The Company and each of the Directors whose names appear on page 40 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 and principal place of business is at Core Technology Facility, 46 Grafton Street, Manchester and the telephone number is 0161 920 7953.
- 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 Ltd), providing insurance cover should such products need to be used (CellPlan Ltd), and providing training for healthcare professionals (Wideacademy Ltd). 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 or another Group Company			
CellPlan Ltd	100% held by WideCells International	09962594 (UK)	Stem cell health insurance
Wideacademy Ltd	100% held by WideCells International	09963544 (UK)	Research and development and training
WideCells Ltd	100% held by WideCells International	08202804 (UK)	Stem cell processing and storage
WideCells Portugal Serços de Saúde S.A.	100% held by WideCells International	Identified by VAT No. 510 467 229 (Portugal)	Stem cell processing and storage
WideCells Espana SL	100% held by WideCells International	Identified by VAT No. B 85905 750 (Spain)	Stem cell processing and storage
CellPlan International Lda	100% held by CellPlan Ltd	Registration number 6523-0123-6400 (Portugal)	Trading company

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.
- 3.4 On 27 July 2017, the Company issued and allotted:
- 3.4.1 18,181,819 Ordinary Shares to certain placees pursuant to a placing of Ordinary Shares in the Company at the placing price of the Initial Listing, being of 11 pence per Ordinary Share, pursuant to the Initial Listing; and
- 3.4.2 5,443,515 Ordinary Shares, pursuant to £350,000 worth of convertible loan notes created by the Company on 22 October 2015 and £110,000 worth of convertible loan notes created by the Company on 18 March 2016. These convertible loan notes converted at Initial Listing into Ordinary Shares at a discount of 20 per cent. to the placing price at the Initial Listing. In addition, on the Initial Listing each noteholder was issued with warrants which have now lapsed; and
- 3.4.3 32,727 Ordinary Shares to St Brides to satisfy an invoice, at the placing price at the Initial Placing.

The Company's entire issued share capital at that time (being 54,058,061 Ordinary Shares) were then admitted to the standard listing segment of the Official List, pursuant to the Initial Listing.

- 3.5 On 28 April 2017, the Company issued and allotted 5,405,806 Ordinary Shares to investors at a price of 12p per share in a private placement.
- 3.6 On 18 August 2017, the Company issued and allotted 5,357,143 Ordinary Shares to investors at a price of 14p per share in a private placement.
- 3.7 The issued and fully paid up share capital of the Company at the date of this document is 64,821,010 Ordinary Shares.
- 3.8 The aggregate number of Options outstanding is 3,990,870. The Options were granted to certain Directors, as set out in paragraph 8.2 of this Part IX.
- 3.9 The aggregate number of Broker Warrants outstanding is 727,272. The Broker Warrants were granted to Shard and SCC, being the Company's brokers at the time of the Initial Listing. The full terms of the Broker Warrants are set out in paragraph 9.5 of this Part IX.
- 3.10 The issued share capital of the Company at 11 June 2018 (being the latest practicable date before the publication of this document) is, and on Admission is expected to be, as follows:

	Number of Ordinary Shares allotted and fully paid	Nominal value of Ordinary Shares
Current	64,821,010	£162,052.53
On Admission	133,519,365	£333,798.41

- 3.11 At the General Meeting of the Company to be held on 28 June 2018, Resolutions to the following effect will be proposed:
- 3.11.1 an ordinary resolution authorising the Directors generally in accordance with the Articles to exercise all the powers of the Company to issue and allot the Placing Shares and the Fee Shares provided always that such authority conferred on the directors shall (unless previously renewed, varied or revoked prior to that time) expire

on 30 September 2019 or, if earlier, at the conclusion of the Company's annual general meeting to be held in 2019. The Company may make an offer or agreement which would or might require Ordinary Shares to be allotted pursuant to this Resolution 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;

- 3.11.2 an ordinary resolution authorising the Directors, conditional on Admission, to issue up to £166,899 in nominal value of Ordinary Shares (representing, in aggregate, 66,759,600 Ordinary Shares), representing approximately 50 per cent. of the Enlarged Share Capital as at Admission, or grant rights to subscribe for, or convert any security into, Ordinary Shares, up to such amount, provided always that such authority conferred on the directors shall (unless previously renewed, varied or revoked prior to that time) expire on 30 September 2019 or, if earlier, at the conclusion of the Company's annual general meeting to be held in 2019. The Company may make an offer or agreement which would or might require Ordinary Shares to be allotted pursuant to this Resolution 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;
- 3.11.3 a special resolution to disapply all pre-emption rights in the Articles in connection with the Placing and Fee Shares provided that the authorities conferred under this Resolution shall (unless previously renewed, varied or revoked prior to that time) expire on 30 September 2019 or, if earlier, at the conclusion of the Company's annual general meeting to be held in 2019. 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; and
- 3.11.4 a special resolution to disapply all pre-emption rights in the Articles, conditional on Admission (i) 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 £100,140 (representing in aggregate 40,056,000 Ordinary Shares), representing approximately 30 per cent. of the Company's Enlarged Share Capital as at Admission, and (ii) 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, provided that the authorities conferred under this Resolution shall (unless previously renewed, varied or revoked prior to that time) expire on 30 September 2019 or, if earlier, at the conclusion of the Company's annual general meeting to be held in 2019. 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.

If passed, resolutions 2 and 4 will replace the Company's existing powers and authorities to issue and allot Ordinary Shares approved by Shareholders at the Company's annual general meeting held on 22 June 2017.

If Resolutions 1 and 3 are not passed the Placing cannot proceed.

The Company has now convened its annual general meeting for 29 June 2018. If Resolutions 2 and 4 are passed at the General Meeting, the Directors do not intend to put resolutions regarding its power and authority to issue and allot Ordinary Shares to the Shareholders at its annual general meeting.

- 3.12 The provisions of section 561(1) 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 resolutions approved by Shareholders at the Company's annual general meeting held on 22 June 2017 or by the Resolutions (if passed) referred to above.

- 3.13 The Ordinary Shares are, and the New Ordinary Shares will be, listed on the Official List and traded on the Main Market. The Ordinary Shares are not listed or traded, and no application has been or is being made for the admission of the New Ordinary Shares to listing or trading, on any other stock exchange or securities market.
- 3.14 Each New Ordinary 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).
- 3.15 Except for the Company's obligations to issue and allot the New Ordinary Shares pursuant to the Placing and issue of the Fee Shares and the Broker Warrants and 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.
- 3.16 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.
- 3.17 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.
- 3.18 On Admission, Existing Shareholders will suffer a dilution of approximately 51.45% in their aggregate interests in the Company
- 3.19 The Ordinary Shares may be held in either certificated form or under the CREST system.
- 3.20 Except as disclosed in this Part IX: *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.
- 3.21 To the best of the Directors' knowledge, no-one, directly or indirectly, acting jointly or separately, exercises or could exercise control over the Company.
- 3.22 The ISIN number in respect of the Ordinary Shares is GB00BD060S65. The Existing Ordinary Shares are and the New Ordinary Shares will be created and issued under CA 2006 and are denominated in pounds sterling.
- 3.23 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 (including the New 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 of 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 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
Miton Group	6,431,169	9.9%	14,764,502	11.06%
Dominus Investments Limited	4,311,386	6.7%	4,311,386	3.73%
Joseph Ferreira	3,836,292	5.9%	3,836,292	2.87%
Luis Gil	3,776,000	5.9%	3,776,000	2.82%
Graham Hine	3,258,157	5.0%	3,258,157	2.44%

- 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
João Andrade	8,055,000	12.4%	8,388,333	6.28%
Lopes Gil	8,050,000	12.4%	8,316,667	6.23%
Dominus Investments Limited	4,311,386	6.7%	4,311,386	3.23%
Joseph Ferreira	3,836,292	5.9%	3,836,292	2.87%
Luis Gil	3,776,000	5.9%	3,776,000	2.82%
Graham Hine	3,178,698	4.9%	3,178,698	2.38%
Alvaro Jimenez/Salas	181,663	0.3%	181,663	0.14%

- 6.3 No major holder of Ordinary Shares, either as listed above, or as set out in paragraph 8 of this Part IX: *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:

Peter Eric Presland (*Non-Executive Director and Chairman*)

João Goncalves Andrade (*Group Chief Executive Officer*)

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

Professor Peter Hollands (*Group Chief Scientific Officer*)

David Vernon Bridgland (*Group Chief Financial Officer*)

Alan Greenberg (*Group Chief Business Development Officer and Senior Vice President, Wideacademy*)

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

Malcolm Glaister (*Non-Executive Director*)

David Henriques (*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 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
João Andrade	8,055,000	12.4%	8,388,333	6.28%
Lopes Gil	8,050,000	12.4%	8,316,667	6.23%
David Bridgland	403,981	0.6%	2,070,648	1.55%
Marilyn Orcharton	158,095	0.2%	324,762	0.24%
Alan Greenberg	35,714	0.1%	35,714	0.03%
Peter Presland	–	–	1,666,667	1.25%
David Henriques	–	–	1,333,333	1.00%
Malcolm Glaister	–	–	500,000	0.37%
Peter Hollands	–	–	166,667	0.12%

8.2 The Company has granted a number of options to employees of the Group, and the following Options to the Directors:

Name	Aggregate Number of Ordinary Shares subject to the Options	Exercise Price £	Expiry Date
Peter Hollands	1,600,000	0.0025	July 2026
David Bridgland	600,000	0.0025	July 2026
	600,000	0.11	January 2027
Marilyn Orcharton	270,290	0.11	January 2027
Alan Greenberg	540,580	0.14	15 February 2027

8.3 Except as disclosed in paragraph 8.1 and 8.2, 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 As at 11 June 2018 (being the latest practicable date prior to the 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 except:

- the following loans to the Company from David Bridgland:
 - £100,000 outstanding since 30 November 2017; and
 - £30,000 outstanding since 29 March 2018;
- five executive directors have given personal guarantees to support the Company's overdraft with HSBC;
- a loan of £50,000 to the Company from Peter Presland, outstanding since 11 April 2018;
- a loan of £5,000 to the Company from Marilyn Orcharton, outstanding since 14 May 2018; and
- a loan of approximately £35,000 from Lopes Gil outstanding since 17 April 2018.

The following Directors have applied the following outstanding loan amounts to subscribe for the following numbers of Placing Shares pursuant to the Placing.

Director	Loan amount applied	Number of Placing Shares subscribed for
Peter Presland	£50,000	1,666,667
Lopes Gil	£8,000	266,667
David Bridgland	£50,000	1,666,667
Marilyn Orcharton	£5,000	166,667

Therefore, following the Placing, it is expected that there will be the following outstanding loans granted, and guarantees provided, to members of the Group by Directors:

- from David Bridgland, a total of £80,000 outstanding, which is repayable on demand after 1 July 2019;
- five executive directors have given personal guarantees to support the Company's overdraft with HSBC; and
- a loan of approximately £27,000 from Lopes Gil, which is repayable on demand after 1 July 2019.

The Directors intend for the overdraft with HSBC to be repaid shortly following Admission from the Net Proceeds.

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 Peter Presland dated on or around 21 December 2017, pursuant to which Mr Presland was appointed as non-executive Director and chairman of the Company for an annual fee of £20,000, plus an additional £32,000 whilst chairman until Admission. Following Admission, Mr Presland is entitled to an annual fee of £30,000, an additional payment of £32,000 per annum whilst chairman, and £5,000 whilst chairman of the Audit and Risk Committee (a position Mr Presland held until 19 February 2018), all payable monthly in arrears. However, Mr Presland has agreed to delay this increase. Mr Presland 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 6 months' notice on either side. The appointment may be terminated immediately if, among other things, Peter Presland is in material breach of the terms of the appointment;

- 8.5.2 an agreement with João Andrade dated on or around 21 July 2016, 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 or car allowance, private family 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;
- 8.5.3 an agreement with Lopes Gil dated on or around 21 July 2016, 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 twelve 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 or car allowance, private family 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 20% 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 Professor Peter Hollands dated on or around 21 July 2016, pursuant to which Prof. 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, Prof. Hollands is in material breach of the terms of the appointment. Prof. Hollands is entitled to a company car or car allowance, private family medical insurance and pension contributions. Subject to the approval of the Remuneration Committee, Prof. Hollands is eligible to receive an annual bonus which shall not exceed 20% of his annual salary, and he is eligible to participate in the Company's long term incentive plan from time to time;
- 8.5.5 an agreement with David Bridgland dated on or around 21 July 2016, 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. It was agreed at a board meeting on 18 May 2017 that from 1 July 2017 he would work full time and his annual fee be increased to £96,000. 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 a company car or car allowance, 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 long term incentive plan from time to time;
- 8.5.6 a letter of appointment with Alan Greenberg dated on or around 16 February 2017, pursuant to which Mr Greenberg was appointed as non-executive Director of the Company and Vice President, Wideacademy. On or around 18 December 2017 Mr Greenberg entered into a second agreement, pursuant to which he was appointed as Group Chief Business Development Officer and Senior vice President of Wideacademy for an annual fee of £80,000. Mr Greenberg is also eligible for a bonus of up to 50% of his basic salary. The appointment can be terminated on six months' notice on either side. The appointment may be terminated immediately if, among other

things, Mr Greenberg is in material breach of the terms of the appointment. Mr Greenberg is entitled to certain additional benefits such as a company car or car allowance, private medical insurance and is eligible to participate in the Company's long term incentive plan. Mr Greenberg's annual salary is to be increased to £80,000 from Admission;

- 8.5.7 a letter of appointment with Malcolm Glaister dated on or around 18 December 2017, pursuant to which Mr Glaister was appointed as non-executive Director of the Company for an annual fee of £20,000 until Admission, and thereafter £30,000, plus an additional £5,000 per annum whilst chairman of the Remuneration Committee, payable monthly in arrears. Mr Glaister has agreed to waive this fee increase at the moment. Mr Glaister 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 6 months' notice on either side. The appointment may be terminated immediately if, among other things Mr Glaister is in material breach of the terms of the appointment;
- 8.5.8 a letter of appointment with Dr Marilyn Orcharton dated on or around 21 July 2016, 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 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 long term incentive plan; and
- 8.5.9 a letter of appointment with David Henriques dated on or around 16 February 2018, pursuant to which Mr Henriques was appointed as non-executive Director of the Company for an annual fee of £20,000 until Admission and thereafter £30,000, and £5,000 whilst chairman of the Audit and Risk Committee, payable monthly in arrears. Mr Henriques has agreed to waive this increase at the moment. Mr Henriques 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 6 months' notice on either side. The appointment may be terminated immediately if, among other things, Mr Henriques is in material breach of the terms of the appointment.
- 8.6 The aggregate remuneration payable to and benefits in kind granted to the Directors for the period from 1 January 2018 to Admission, under the arrangements in force at the date of this document, amount to £304,120. It is estimated that the aggregate remuneration payable to the Directors from the date of Admission to 31 December 2018 under arrangements that are in force and that will come into effect on Admission will amount to £318,120.
- 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 Each executive director is entitled to pension contributions under their service agreements referred to in paragraph 8.5 above.
- 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:

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

Geon Energy Limited

Geothermal Engineering Limited

United Downs Geothermal plc

Wizdish Limited

Past

BizEsp Limited

Rayspec Limited

Sentec Limited

SGX Sensortech Limited

MC 498 Limited

MC 497 Limited

SGX Sensortech (IS) Limited

Marilyn Orcharton

Current

The Genesis Initiative Limited

Past

Global Hearts for Children

Student Templine Limited

The Small Business Bureau Limited

Alan Greenberg

Current

Tinybop Inc (*incorporated in USA*)

Eight Great Technologies Ltd

Tallstick Ltd

Learn Lab Limited

Veloscient Limited

WizeNoze (*incorporated in Holland*)

Creative Business Cup/Media (*incorporated in Denmark*)

StuComm (*incorporated in Holland*)

Past

BloomBoard Inc (*incorporated in USA*)

EDIA (*incorporated in Holland*)

Peter Presland

Current

Redx Pharma Plc
Beautiful Information Limited
GBR Advisory Ltd
Mainvalley Limited
Rookhill Limited
Clausegate Limited

Past

SCH 2014 Limited
Safe Emcom Services Limited
Saber Analytics Limited
Intersoftware Recruitment Solutions Limited
AHL Management Limited
Topaz Support and Maintenance Limited
Topaz Computer Systems Limited
Safe Computing Holdings Limited
Safe Computing Limited
Xuper Limited
East Kent Hospitals University Foundation NHS Trust
John Holman & Sons Limited

Malcolm Glaister

Current

Farm Street LLP
Sirius Constellation Ltd
Trinitas Services Limited
Trinity House Events Limited
Eight Great Technologies GP Limited
Base Security Solutions Limited
The Maiden CT Company
Farm Street Partners Ltd
Deer Creek Services Limited
Willant Trust Limited
Ramster Smokehouse Limited

Past

None

David Henriques

Current

Azur Group Holdings Limited
The Cruwys Morchard Sporting Society Limited
Sard Limited
Cairn Capital Investments Limited
Cairn Capital Limited
Cairn Investment Managers Limited
Cairn Financial Guarantee limited
Cairn Capital Group Limited

Past

None

8.12 No Director has in the last five years:

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 Except as otherwise set out in this Part IX, 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.
- 8.15 Save as disclosed in this sub-paragraphs 8.1, 8.2, 8.4, 8.5, 8.10, 8.11 and 8.14, there are no potential conflicts of interest between any duties owed (or to be owed) by the Directors to the Company and their private interests and/or other duties.
- 8.16 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, or will following Admission have, the appropriate expertise and experience for the management of the Company's business.

9. Material Contracts

The following material contracts (being contracts entered into other than in the ordinary course of business) have been entered into by Group Companies in the two years immediately preceding the date of this document 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. The agreements are governed by English law unless otherwise stated.

Material contracts of the Group

Material contracts relating to the Initial Listing, Placing and Admission

9.1 Placing Agreement

The Company and each of the Joint Brokers have entered into the Placing Agreement pursuant to which they agreed and used (in each case as agents of the Company) their reasonable endeavours to procure placees to subscribe for 66,133,333 of the Placing Shares at the Issue Price.

The Placing shall not become unconditional unless and until the following conditions, amongst others, have been satisfied: a) Admission taking place no later than 8.00 a.m. on 29 June 2018; and b) the Placing Agreement becoming unconditional in all other respects on or before 29 June 2018. The Placing Agreement, shall not become unconditional unless and until the following material conditions have been satisfied: (a) this document has been approved by the FCA (which is now satisfied); and (b) certain documents in relation to the Placing being delivered to the Joint Brokers.

The Company has agreed to pay the Joint Brokers an advisory fee and commission on the gross proceeds raised pursuant to the Placing. The Placing Agreement also contains customary warranties, *inter alia*, as to the accuracy of information contained in this document and an indemnity given by the Company in favour of the Joint Brokers.

The Joint Brokers may terminate the Placing Agreement in specified circumstances prior to Admission, including (a) in the event of a breach of the Placing Agreement the consequences of which are material in the context of the Placing or of any of the warranties contained therein, or (b) where, in the opinion of the Joint Brokers acting in good faith there is a material adverse change (whether or not foreseeable at the date of the Placing Agreement) in the financial or trading position or prospects of the Group, or (c) where any material adverse change in the financial markets occurs or certain other force majeure events take place, the effect of which make it, in the opinion of the Joint Brokers acting in good faith, impractical or inadvisable to proceed with the Placing.

The Company will also bear all costs and expenses of the Placing, including fees due to the FCA, the London Stock Exchange, the costs of printing, advertising and circulating this document and related documents, accounting fees and expenses, the Company's legal fees and expenses, the Joint Brokers' legal fees and expenses stamp duty and stamp duty reserve tax (if any).

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 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.

9.3 **Convertible Loan Note Instruments**

On 22 October 2015 and 18 March 2016 WideCells International created a total of £950,000 convertible loan notes on the terms of two loan note instruments (the **Convertible Loan Note Instrument**). Each note issued under the Convertible Loan Note Instrument had a nominal value of £1.00, accrued interest at 8% per annum and if not converted into shares was required to be repaid in cash on or before the first anniversary of the date of the Loan Note Instrument. The loan notes converted into Ordinary Shares on Initial Listing at a conversion price which was a 20% discount to the Initial Placing Price. On Initial Listing each holder of

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

Those warrants have now all expired without being exercised.

9.4 **Lock-in agreements**

Under lock-in agreements dated on or around 21 July 2016 (being the date of the Initial Listing), each of the directors at that time 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 one year from the date of Initial Listing, subject to certain limited exceptions (such as disposals pursuant to a takeover of the Company, a court order or the death of a Director) and for a further 12 months to only dispose of Ordinary Shares with the consent of the Company and the Company's Broker from time to time.

Under new lock-in agreements dated on or around 11 June 2018, the Directors each undertook 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 one year following Admission, subject to certain limited exceptions (such as disposals pursuant to a takeover of the Company, a court order or the death of a Director).

9.5 **Agreement with Align Research**

The Company has agreed to satisfy an invoice from Align Research in the amount of £25,000 (excluding VAT) by the issue, conditional on Admission, of 833,333 new Ordinary Shares in aggregate at the Issue Price, comprising the Fee Shares.

9.6 **Broker agreements**

In March 2018 the Company entered into an engagement letter with Shard, under which Shard agreed to act as Joint Broker for a corporate finance fee of up to £15,000, plus sales commission at 5% of the gross proceeds of funds raised by Shard, plus 0.5% of total funds raised by others but settled through Shard. The agreement includes market standard other terms.

Shard and SCC, in their capacity as brokers to the Company, were issued on Initial Listing 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 the Initial Listing, at the Initial Placing Price of 11p per share.

The Group's banking and loan agreements

9.7 **Director financing**

The following loan agreements have been entered into by the Company and Directors, on the terms noted below. Certain amounts will be repaid through the issue of Placing Shares to certain Directors, as noted in paragraph 8.4 of this Part IX, above. The outstanding loans as at the date of this document are on an interest free basis:

- 9.7.1 on 30 November 2017 David Bridgland loaned the Company £100,000;
- 9.7.2 on 29 March 2018 David Bridgland loaned the Company an additional £30,000 (the aggregate outstanding amount owing to Mr Bridgland, following completion of the Placing, will be £80,000);
- 9.7.3 on 11 April 2018 Peter Presland loaned the Company £50,000 (of which £0 will be outstanding following completion of the Placing);
- 9.7.4 on 17 April Lopes Gil loaned the Company approximately £35,000 (which was paid in Euros) (of which £27,000 will remain outstanding following completion of the Placing); and
- 9.7.5 on 14 May 2018 Marilyn Orcharton loaned the Company £5,000 (of which £0 will be outstanding following completion of the Placing).

The executive directors gave certain personal guarantees to HSBC to support the Company's current overdraft facility, of up to £621,500.

9.8 ***HSBC corporate loan***

WideCells International entered into a corporate loan with HSBC for £200,000 in December 2016, secured against the trading assets of the company on the standard terms, and to be repaid over 3 years ending December 2019. Of this, it is expected that £100,000 will remain outstanding as at 30 June 2018.

9.9 ***HSBC equipment finance loan***

WideCells International has an equipment finance loan of £123,000, for a term of three years from approximately 3 August 2017. This is on the standard terms of HSBC Equipment Finance (UK) Limited.

9.10 ***Loan from LDF Finance No.3 Limited***

The Company has a loan of £50,000 from LDF Finance No.3 Limited, for a term of 12 months from 22 June 2017. This is on the lender's standard terms. The loan will be repaid by the end of June 2018 and is not forecast to be extended or renewed.

9.11 ***Gerritsen agreements***

On 16 November 2017, the Company entered into an agreement with Rolf Gerritsen, under the terms of which Mr Gerritsen lent £50,000 to the Company for a period of 12 months, with interest payable at 8%.

On 3 November 2017 the Company entered into an agreement regarding services to be provided by Rolf Gerritsen as consultant. Under the terms of this agreement, Mr Gerritsen provides consultancy services to the Company, with the support of a researcher based in Italy. The agreement is for a term of three months, for a total fee of £25,000.

Mr Gerritsen has subscribed for 1,731,689 Placing Shares in satisfaction of the loan, at the Issue Price.

The Group's commercial agreements

9.12 ***Best Doctors agreement***

Best Doctors and CellPlan Ltd 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 Ltd 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 Ltd 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 Ltd in complying with their contractual obligations under the agreement). Best Doctors have granted CellPlan Ltd a royalty-free, non-exclusive worldwide licence to use their trademarks (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 trademark is used. CellPlan Ltd has granted Best Doctors the same form of licence over its trademarks (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.

9.13 **Agreements regarding the University of Manchester**

UMIC Limited has granted WideCells Ltd 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 agreement is dated 6 June 2016. The rent payable by WideCells Ltd 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 Ltd 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.

WideCells Ltd entered into an agreement on 15 November 2016 with the University of Manchester to provide quality management services for the cleanroom. The university can terminate the agreement on three months' notice, or either party can terminate it immediately in certain circumstances, including material breach.

9.14 **Wideacademy agreement**

On 4 May 2016, Wideacademy Ltd entered into a consultancy agreement with UoWT pursuant to which UoWT will provide consultancy services to Wideacademy Ltd in connection with its development of the Wideacademy programme. Between 1 September 2016 and 1 September 2017, UoWT provided consultancy services for up to a maximum of two days per month. During this time, UoWT reviewed and provided advice on 10 Wideacademy learning modules prepared by Wideacademy Ltd. 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.

9.15 **WideCells Brasil Licensing Agreement**

Pursuant to an agreement dated 3 March 2016, WideCells International appointed WideCells Brasil as its agent to sell the BabyCells, LipoCells and TeethCells products and the 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 WideCells 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. WideCells Brasil 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 WideCells Brasil setting out, amongst other matters, WideCells International's pre-emptive right to purchase any portion of the share capital of WideCells Brasil, the entirety of WideCells Brasil's business or the elements of WideCells Brasil's business to which the WideCells Brasil agreement relates, should an acquisition offer be made in this respect by a third party.

The parties are negotiating an extension of this agreement,

9.16 **Agreements with White Apex**

The Group Companies have entered into a series of agreements with White Apex, on or around 31 October 2017, which govern their relationship. Under each agreement noted below, certain warranties and indemnities are given by and to each party. These agreements are governed by an overarching agreement between White Apex and the Company. This agreement includes confidentiality and non-solicitation terms.

As at the date of this document, the agreement with White Apex is being re-negotiated, due to the shift in the Company's focus toward Asia. Therefore, the terms of the agreements with White Apex are not currently being performed. The Company has received a total of £15,000 from White Apex and payment schedules for additional payments are currently being negotiated.

Introduction agreement

CellPlan Ltd entered into an introduction agreement with White Apex, under the terms of which White Apex is granted an exclusive right to introduce clients within the MENA and Asia Pacific (excluding China) territories. CellPlan Ltd will then pay certain commissions to White Apex if the identified clients enter into a CellPlan policy. The agreement can be terminated on three months' notice from either party.

Development agreement

Under the terms of a development agreement entered into by the Company and White Apex, White Apex agrees to sponsor access to the Wideacademy platform, to encourage the expansion of Wideacademy into the MENA and Asia Pacific (excluding China) territories. The terms of this agreement included an initial payment of £255,000 payable to the Group, and subscriptions for 2,000 doctors per year for three years, at the rate of £120 per year per subscriber.

Representation and agency agreement for cryopreservation services

White Apex is appointed exclusive agent for promotion and sale of the Group's stem cell services within the MENA and Asia Pacific (excluding China) territories for an initial term of five years. During the initial term, the agreement can be terminated in certain limited circumstances, or otherwise on three months, and afterwards, on six months. If White Apex does not achieve certain minimum sales targets (which are subject to negotiations between the parties), the Company is entitled to supply directly to end users, or appoint other agents within the relevant territories. White Apex is responsible for obtaining the licensing and regulatory consents that enable it to offer the Group's stem cells services and to collect samples and send them to the Company. Under the terms of this agreement, White Apex pays certain maintenance fees to WideCells, as well as a fee per user contract entered into. White Apex retains the balance of sums paid by end users.

INDUS agreement

White Apex are appointed exclusive distributor for INDUS products within the MENA and Asia Pacific (excluding China) territories. The agreement is for an initial term of five years. During the initial term, the agreement can be terminated in certain limited circumstances, or otherwise on three months, and afterwards, on six months. If White Apex fails to achieve certain minimum sales levels, the Company may supply products to end users itself, or appoint additional agents within the territories.

As part of the arrangements surrounding this agreement, the Group also uses the offices of White Apex (as their representative) in Dubai, which enables WideCells to maintain a presence in that area.

9.17 Referral agent agreements

Companies within the Group have entered into certain referral agent agreements, with the parties listed below. These agreements are on broadly similar terms. Under the terms of this agreement, the parties agree the terms of the marketing of the CellPlan insurance product by the referral agent on behalf of CellPlan, and that such third party will become a member of, and comply with the requirements of, the CellPlan Excel accreditation scheme. The referral agent is appointed non-exclusive agent, and CellPlan agrees not to appoint another cord blood bank as an exclusive agent in any territory. Commission payments are payable by companies in the Group to the referral agent for CellPlan insurance policies sold as a result of Biovault's referrals under the agreement.

Biovault, CellPlan Ltd and CellPlan International entered into a referral agent agreement on 18 December 2016. The agreement is for a five-year term, and thereafter on successive periods of 12 months. Either party may terminate the agreement in certain limited circumstances, or on 12 months' notice for the first year of the agreement, and after the second anniversary, on three months' notice.

Hemocord, CellPlan Ltd and CellPlan International entered into a referral agent agreement on 30 June 2017. The agreements are for a five-year term, and thereafter on successive periods of 12 months. Either party may terminate the agreement in certain limited circumstances, or on three months' notice on the first anniversary of the date of the agreement, or after the second.

Stem Cell S.A., CellPlan Ltd and CellPlan International entered into a referral agent agreement on 12 October 2017. The agreement can be terminated by either party on three months' notice, either on the first anniversary of the date of the agreement, or after the second.

CellPlan Limited, CellPlan International and Cryoviva Thailand Ltd entered into a referral agent agreement on 26 March 2018. The agreement is for a Cryoviva are appointed as agent within Thailand, Singapore and India, with Cryoviva enjoying exclusivity for a period of 12 months. The agreement is for an initial term of five years and thereafter on successive periods of 12 months. Each party may terminate the agreement on six months' notice. The agreement is governed by the laws of Thailand.

9.18 ***Distribution agreement with WideCells Brasil***

Pursuant to an agreement dated 3 March 2016, WideCells International appointed Widecells 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 WideCells 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. WideCells Brasil 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 was entered into between WideCells International and WideCells Brasil setting out amongst other matters WideCells International's pre-emptive right to purchase any portion of the share capital of WideCells Brasil.

The parties are currently negotiating an extension of this agreement.

To date no royalties have been paid.

9.19 ***MedBone agreement regarding INDUS***

Under the terms of an agreement dated 7 February 2017, between MedBone and the Company, the Company is granted the exclusive right to the Company to distribute certain INDUS dental and orthopaedic products worldwide. There are minimum sales targets and obligations which the Company is obliged to meet. Failure to reach the minimum sales targets will result in termination of the agreement. The agreement is for a two year initial term, which is automatically renewed until terminated on 60 days' notice by either party.

9.20 ***Research agreements***

9.20.1 Under a stem cell research programme funding agreement dated 20 November 2017, WideCells Ltd and Zak Mir agreed to establish the Dr Razia Mir Research Programme. This research programme seeks to find a stem cell related therapy for multiple system atrophy. Under the terms of this agreement the funder provides a grant of £50,000 in total.

9.20.2 The Company (trading as “The WideCells Institute of Stem Cell Technology”) entered into an agreement with Dr Todd Ovokaitys of Qigenix, which governs a research project aiming to assess the biological properties of stem cells exposed to low energy medical laser light. The fees payable for this research totals £100,000, and it is due to complete at the end of 2018.

9.20.3 In March 2018 the Group entered into an Innovate UK Knowledge Transfer Partnership with Manchester Metropolitan University to undertake research on a new form of stem cell technology. As part of this three-year research project, Innovate UK will provide £156,000 worth of funding, and the Company will pay the remainder of the costs, being £78,000. There is a total project cost of £234,000.

9.21 **Binding authority agreement**

Under the terms of a binding authority agreement dated 28 June 2017 entered into between CellPlan International and AMTrust Europe Limited (**AEL**), AEL is authorised to bind and manage insurance policies. This is subject to a maximum net premium income limit of £500,000 and certain other restrictions. It governs the management of claims. In addition, this agreement required CellPlan International to maintain certain accounts, including an account on trust for AEL in certain circumstances. The agreement is for an initial term of 1 year.

10. **Working capital**

10.1 The Company is of the opinion that the Group does not have sufficient working capital for its present requirements, that is, for at least twelve months following the date of this document.

In the event that the Placing fails to complete, the Directors do not consider that the Company will be able to continue as a going concern beyond 30 June 2018.

It is intended that the funds the Company requires to continue to operate the Group will be provided by the Placing. However, the outcome lies outside the full control of the Company. If the Placing fails to proceed, the Directors will need to obtain additional funding for the Company immediately. If the Company were to be unsuccessful in pursuing these alternative courses of action by 30 June 2018, the Directors would be obliged to cease operations, the consequence of which could include administration or receivership or liquidation or other insolvency proceedings.

The Directors have calculated that the Company and the Group needed to raise minimum gross proceeds of £1.5 million to fund the business until the date falling 12 months from the publication of this document. It is intended that gross proceeds in excess of that amount will be provided to the Company pursuant to the Placing.

As at 8 June 2018, the latest practicable date when preparing this document, the Group had a net bank overdraft, after offsetting positive cash balances, of £614,533 against an overdraft facility of £624,500 which is due to be reviewed on 29 June 2018.

Additionally, the Group has arranged, since 1 January 2018, interest free loans of approximately £120,000, representing £30,000 from Director David Bridgland, £50,000 from Director Peter Presland, approximately £35,000 from Director Lopes Gil and £5,000 from Director Marilyn Orcharton in order to assist it with managing its current working capital requirement.

The following Directors have applied the following outstanding loan amounts to subscribe for the following numbers of Placing Shares pursuant to the Placing.

Director	Loan amount applied	Number of Placing Shares subscribed for
Peter Presland	£50,000	1,666,667
Lopes Gil	£8,000	266,667
David Bridgland	£50,000	1,666,667
Marilyn Orcharton	£5,000	166,667

Therefore, following the Placing, it is expected that there will be the following outstanding loans and guarantees given to members of the Group by Directors:

- from David Bridgland, a total of £80,000 outstanding, which is repayable on demand after 1 July 2019;
- five executive directors have given personal guarantees to support the Company's overdraft with HSBC; and
- a loan of approximately £27,000 from Lopes Gil, which is repayable on demand after 1 July 2019.

The Directors intend for the overdraft with HSBC to be repaid shortly following Admission from the Net Proceeds.

The Directors consider that they have taken all steps available to it to date, which includes cutting back on all discretionary expenditure and revised the Group's current growth plans downwards to conserve cash.

The Group has also:

- negotiated payment terms with existing trade creditors; and
- negotiated with its banks to extend or increase overdraft and other facilities.

The Directors consider the above measures will allow the Group to continue to trade as a going concern only until 30 June 2018.

Given the potential variables and alternative courses of action, the Company is not able to ascertain an exact date on which it would need to enter into administration or receivership or liquidation or other insolvency proceedings.

10.2 The Company is of the opinion that the working capital available to the Group following completion of the Placing, 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. 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 in the recent past, significant effects on the Company's and/or the Group's financial position or profitability.

On 3 May 2018, the Company's Ordinary Shares were suspended from trading on the Official List to protect investors and maintain the smooth operation of the markets for the following reasons: (1) WideCells failed to publish its financial information within the required timeframe; (2) the FCA has been carrying out enquiries into the Company's financial position but has been unable to obtain adequate information from the Company; and (3) the Company has been unable to satisfy the FCA that it has complied with all its disclosure obligations under MAR.

On 11 June 2018 this suspension was lifted.

12. Intellectual property

Except as described in this document, the Group 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 Group's business or profitability.

13. Premises

The Company does not own any premises or hold any leasehold interests in any properties except for the UMIC Lease as described in paragraph 9.13 of Part IX: *Additional Information* of this document.

14. Related Party Transactions

Director's loans of £26,674 were made to the group by João Andrade and Lopes Gil in 2014. These were repaid in 2017.

See paragraph 9.7 of this Part IX for summaries of certain loans and guarantees given by the Directors to the Company.

Except as set out above, neither the Company nor its Subsidiaries are a party to any transactions with related parties other than as set out in this document, for the period covered by the historical financial information up to the date of this document.

15. Significant changes

There have been significant changes in the financial condition, trading position and operating results of the Group subsequent to 31 December 2017 (being the date to which the most recent audited Historical Financial Information for the Company was prepared) and these are listed below:

- (a) as at 8 June 2018, the latest practicable date when preparing this document, the Group had a net bank overdraft, after offsetting positive cash balances, of £614,533 against an overdraft facility of £624,500 which is due to be reviewed on 29 June 2018;
- (b) should the Placing not complete in accordance with its terms by 30 June 2018, or alternative funding found, the Group would not be able to continue trading as a going concern and would be obliged to cease operations which could include administration, receivership, liquidation or other insolvency proceedings.

The significant change during the period covered by the key Historical Financial Information has been the utilisation of the placing proceeds. This has been due to the company focussing on building an integrated stem cell services offering rather than generating revenues. Accordingly, the Company has been consuming cash during the period covered by the Historical Financial Information.

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

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.

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

The City Code applies to Company and the Shareholders are entitled to the protection afforded by the City Code.

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

Mandatory bid provisions

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.

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

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

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

Following the Initial Listing, certain shareholders, being the members of the Concert Party, have been 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 a share for share agreement. Immediately following the Initial Listing, their aggregate holding in the entire issued share capital of the Company at that time was 57.76% and immediately following Admission it will be 23.95% of the Enlarged Share Capital. Further details of the interests of the Concert Party are set out in paragraph 6.2 of Part IX: *Additional Information*.

17. General

- 17.1 BDO were appointed as the auditors of the Company on 8 December 2016. BDO are registered to carry out audit work by the Institute of Chartered Accountants in England and Wales at the address of 55 Baker Street, London W1U 7EU.
- 17.2 Haysmacintyre 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 VI: *Historical Financial Information on the Group*, and Part VII: *Unaudited Pro Forma Financial Information of the Group*, of this document of its accountants' reports 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.
- 17.3 The total costs and expenses of or incidental to the Placing and Admission payable by the Company are expected to be approximately £244,840 (including irrevocable VAT).
- 17.4 The Directors are not aware of any environmental issues which may affect the Company's utilisation of its tangible fixed assets.
- 17.5 The Company's accounting reference date is 31 December.
- 17.6 The financial information relating to the Company contained in this document does not constitute statutory accounts for the purposes of section 434 CA 2006.

17.7 The Placing Shares and the Fee Shares will be issued and allotted under the laws of England and their currency will be pounds sterling.

17.8 The Issue Price represents a premium of £0.0275 above the nominal value of an Ordinary Share which is £0.0025.

18. 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:

18.1 the Articles;

18.2 the consent letter of haysmacintyre LLP;

18.3 this document;

18.4 the service contracts and letters of appointment of the Directors referred to above in paragraph 8.5 of this part; and

18.5 the material contracts referred to above in paragraph 9.

PART X
DEFINITIONS

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

Admission	the admission of the New Ordinary Shares to listing on the Official List and trading on the Main Market becoming effective in accordance with Listing Rule 3.2.7G.
Articles	the articles of association of the Company.
BDO	BDO LLP, the auditors of the Company.
BDUE	Best Doctors Underwriting Europe Mediacao De Seguros Unipessoal LDA, a company incorporated in Portugal with registered address Rua Tierno Galvan - Amoreiras, Torre 3, 8.ºAndar, in Lisbon, Portugal.
BDUI	Best Doctors Underwriting Iberia SLU, a company incorporated in Spain with registered address Calle Almagro, 36, 28010, Madrid, Spain.
Best Doctors	the counterparties (being BDUI and BDUE) to the CellPlan insurance collaboration agreement (further details of which are set out in paragraph 9.12 of Part IX: <i>Additional Information</i> of this document) form part.
Bio Dock	the trading name of Future Health Technologies Ltd (company number 04431145).
BioInformant Report	the “Complete 2015-16 Global Cord Blood Banking Industry Report” published by BioInformant Worldwide, LLC.
Biovault	Biovault Technical Ltd, a company registered in England and Wales with company number 08323531 and registered office 24 Brest Road, Plymouth, Devon PL6 5XP.
Board or Directors	the directors of the Company whose names are set out on page 40 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 issued in connection with the Initial Listing, details of which are set out in paragraph 9.6 of Part IX: <i>Additional Information</i> of this document.
Brokers or Joint Brokers	Shard and SCC, and where the context requires, any or all of them.
CA 2006	the Companies Act 2006.
CellPlan Ltd	CellPlan Ltd, incorporated in England and Wales with company number 09962594 and registered address 42-50 Hersham Road, Walton On Thames, Surrey KT12 1RZ, being one of the Subsidiaries.
CellPlan International	CellPlan International Lda, incorporated in Portugal with registration number 6523-0123-6400, being one of the Subsidiaries.
Certificated	where a share or other security is not in uncertificated form.
City Code	the City Code on Takeovers and Mergers published by the Takeover Panel.

Company	WideCells Group plc, incorporated in England and Wales with registered number 10197256 and registered address 46 Grafton Street, Manchester, M13 9NT.
Concert Party	Dominus Investments Limited, Luis Gil, Joseph Ferreira, Alvaro Jimenez, João Andrade, Lopes Gil and Graham Hine as set out in paragraph 16 of Part IX: <i>Additional Information</i> of this document.
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 Participant	a person who is, in relation to CREST, a system participant (as defined in the CREST Regulations).
CREST personal member	a CREST member who holds their securities in dematerialised electronic form in CREST in their own name.
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended.
CREST sponsor	a CREST participant admitted to CREST as a CREST sponsor.
CREST sponsored member	a CREST member admitted to CREST as a sponsored member (which includes all CREST personal members).
Disclosure and Transparency Rules	the disclosure and transparency rules of the FCA.
Enlarged Share Capital	together, the Existing Ordinary Shares and the New Ordinary Shares, immediately following Admission.
Euroclear	Euroclear UK & Ireland Limited, the operator of CREST.
European Economic Area or EEA	territories comprising the European Union together with Norway, Iceland and Liechtenstein.
Excluded Territories	Australia, Canada, Dubai International Financial Centre, Guernsey, Jersey, Japan, Malaysia, New Zealand, Singapore, Switzerland, The Republic of South Africa and the United States and any province or territory thereof, and any jurisdiction where the availability of the Placing would breach any applicable laws or regulations and Excluded Territory shall mean any of them.
Existing Ordinary Shares	the 64,821,010 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 833,333 new Ordinary Shares to be issued to Align Research by way of satisfaction of £25,000 fees owed.
Form of Proxy	the form of proxy for use at the General Meeting, accompanying this document.
FSMA	the Financial Services and Markets Act 2000.
Group	the Company and the Subsidiaries.
Group Company	any member of the Group.

General Meeting	the general meeting of the Company to be held at the offices of Fladgate LLP, 16 Great Queen Street, London WC2B 5DG at 9.00 a.m. on 28 June 2018, notice of which is set out at the end of this document.
HMRC	HM Revenue & Customs.
HTA Licence	the Company's composite HTA Licence, encompassing both the HTA Licence (Research) and the HTA Licence (Human Application).
HTA Licence (Research)	the previous licence from the HTA granted to WideCells Ltd covering only research activities, with licence number 12669.
HTA Licence (Human Application)	the HTA licence granted to WideCells Ltd on or around 27 February 2018, to procure, process, store, and distribute umbilical cord blood, and umbilical cord tissue, with licence number 22665.
Initial Listing	the admission of 54,058,061 Ordinary Shares (which included the placing of 18,181,819 shares) to the standard segment of the Official List and to trading on the Main Market, which became effective on 27 July 2016.
Issue Price	3 pence per New Ordinary Share.
Listing Rules	the Listing Rules of the FCA.
Live Market Bookbuild	the placing of Placing Shares carried out via the Teathers App, pursuant to an announcement of the Company made on 10 May 2018.
London Stock Exchange	London Stock Exchange plc.
Main Market	the London Stock Exchange's main market for listed securities.
MAR	the Market Abuse Regulation (Regulation 596/2014).
MedBone	MedBone – Medical Devices Lda., of Centro Empresarial Luscoworld II, Rua Pe de Muuro no 26 – Lingo, 2710-335 Sintra, Portugal.
MENA	Middle East and North Africa
Net Proceeds	the funds received by the Company under the Placing less any expenses paid or payable in connection with Admission, and the Placing, being approximately £600,000.
New Ordinary Shares	together, the Placing Shares and the Fee Shares.
Notice of General Meeting or Notice of GM	the notice of General Meeting which forms part of this document.
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 and employees of the Company, those issued to the Directors being referred to in paragraph 8.2 of Part IX: <i>Additional Information</i> of this document.
Ordinary Shares	ordinary shares of £0.0025 each in the capital of the Company.

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 at the Issue Price and on the terms and subject to the conditions set out in this document.
Placing Agreement	the placing agreement dated 12 June 2018 between the Joint Brokers and the Company relating to the Placing of 66,133,333 of the Placing Shares as summarised in paragraph 9.1 of Part IX of this document.
Placing Shares	the 67,865,022 new Ordinary Shares which are proposed to be issued pursuant to the Placing, of which, 66,133,333 Placing Shares (including those to be issued pursuant to the Live Market Bookbuild) have been placed by the Joint Brokers on behalf of the Company pursuant to the Placing Agreement and 1,731,689 Placing Shares have been placed by the Company with Mr Rolf Gerritsen.
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, the Company's registrars.
Regulation S	Regulation S promulgated under the Securities Act.
Regulatory Information Service or RIS	one of the regulatory information services authorised by the RIS or UKLA to receive, process and disseminate regulator information in respect of listed companies.
Resolutions	the resolutions to be proposed at the General Meeting set out in the Notice of General Meeting.
Second Convertible Loan Note Instrument	the instrument entered into by WideCells International on 18 March 2016 and described in paragraph 9.3 of Part IX: <i>Additional Information</i> of this document.
Securities Act	the United States Securities Act of 1933, as amended.
Shard Capital Partners or Shard	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.
St Brides	St Brides Partners Limited, the public relations advisers of the Company as at the Initial Listing.
Stem Cell Banco	Stem Cell Banco Celulas Madre, S.A., a company incorporated in Spain
Stem Cell S.A.	a private limited company incorporated under the laws of Spain with registered number ESA34226506 and office at C/El Soto2, 34100 Saldaña, Palencia, Spain.
Subsidiaries	the subsidiaries of the Company, being WideCells International, CellPlan Ltd, CellPlan International, WideCells Ltd, WideCells Portugal, WideCells España and Wideacademy Ltd, as detailed in paragraph 2.6 of Part IX: <i>Additional Information</i> of this document.
Subsidiary	has the meaning given to it by section 1159 CA 2006.
Takeover Panel	the Panel on Takeovers and Mergers.
Teathers	Teathers Financial Plc, a company incorporated in England and Wales with company number 00092343.
Teathers App	a mobile app produced by Teathers and supported by Shard, described more fully in paragraph 1 of Part II: <i>The Placing</i> of this document.
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 Ltd (2) and described in paragraph 9.13 of Part IX: <i>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.
uncertificated	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations may be transferred by means of CREST.
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.
White Apex	White Apex General Trading, a company registered in the United Arab Emirates with registered office Roda Almorouj, Downtown Dubai, PO Box 413151 UAE and company number 719642.
Wideacademy Ltd	a company incorporated in England with registered address Core Technology Facility, 46 Grafton Street, Manchester M13 9NT and

registered company number 09963544, being one of the Subsidiaries.

WideCells Brasil

PJS Centro de Tecnologia Celulare e Criopreservação Ltda, a Brazilian company with registered number CNPJ/MF 16.468.423/0001-01.

WideCells España

WideCells España S. L., incorporated in Spain identified by VAT no. B 85905 750 (Spain), being one of the Subsidiaries.

WideCells International

WideCells International Limited, a company incorporated in England and registered address Core Technology Facility, 46 Grafton Street, Manchester M13 9NT and registered company number 08150010, being one of the Subsidiaries and the original holding company for the Group prior to the incorporation of the Company.

WideCells Ltd

a company incorporated in England with registered address Core Technology Facility, 46 Grafton Street, Manchester M13 9NT and registered company number 08202804, being one of the Subsidiaries.

WideCells Portugal

WideCells Portugal – Serviços de Saúde, S.A. incorporated in Portugal identified by VAT no. 510 467 229, being one of the Subsidiaries.

PART XI

GLOSSARY

allogeneic	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.
DGS	Direção-Geral da Saúde (Directorate-General of Health), a Portuguese regulatory body forming part of the Ministry of Health.
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 or 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 or 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.

NOTICE OF GENERAL MEETING

WideCells Group plc

(company number 10197256) (Company)

NOTICE OF GENERAL MEETING

Notice is given that a general meeting of the members of the Company will be held at the offices of Fladgate LLP, 16 Great Queen Street, London WC2B 5DG at 9.00 am on 28 June 2018 to consider and if thought fit pass the following resolutions, of which 1 and 2 will be proposed as ordinary resolutions and 3 and 4 will be proposed as special resolutions.

Unless otherwise defined in this notice, capitalised terms used in this notice will have the same meanings given to them in the prospectus and circular dated 12 June 2018 as circulated to the shareholders of the Company to which this notice is attached.

Ordinary Resolutions

Directors' authority to allot shares

1. That the directors be generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the **Act**) to issue and allot ordinary shares of £0.0025 each in the share capital of the Company (**Ordinary Shares**) or to grant rights to subscribe for or to convert any security into Ordinary Shares (**Rights**) (such ordinary Shares and Rights being **Relevant Securities**) up to:

- 1.1. an aggregate nominal value of £169,662.56, pursuant to the Placing;

- 1.2. an aggregate nominal value of £2,083.34, in connection with the issue and allotment of the Fee Shares,

provided that this authority will, unless previously renewed, varied or revoked, expire immediately following Admission, except that the Company may, before such expiry, make offers or agreements which would or might require Relevant Securities to be allotted or granted after such expiry and the directors may allot or grant Relevant Securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this Resolution has expired.

This authority granted by this Resolution is in addition to, and does not revoke, any existing authorities previously granted to the directors to issue, allot or grant Relevant Securities.

2. That, conditional upon Admission occurring, the directors be generally authorised pursuant to section 551 of the Act to issue and allot Relevant Securities up to an aggregate nominal value of £166,899 (being equal to approximately 50% of the Company's issued share capital immediately following Admission) provided that this authority will, unless previously renewed, varied or revoked, expire on 30 September 2019 or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2019, except that the Company may, before such expiry, make offers or agreements which would or might require Relevant Securities to be allotted or granted after such expiry and the directors may issue, allot or grant Relevant Securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this Resolution has expired.

This Resolution revokes and replaces all unexercised authorities previously granted to the directors to issue, allot or grant Relevant Securities under section 551 of the Act (except for Resolution 1), but without prejudice to any issue or allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

Special Resolutions

Dis-application of statutory pre-emption rights

3. That, subject to the passing of Resolution 1, the directors be given the general power pursuant to section 570 of the Act to allot equity securities (as defined in section 560 of the Act) for cash

pursuant to the authority conferred by Resolution 1, as if section 561(1) of the Act did not apply to any such allotment, provided that the power conferred by this Resolution is limited to:

- 3.1 an aggregate nominal value of £169,662.56, pursuant to the Placing; and
- 3.2 an aggregate nominal value of £2,083.34, in connection with the issue and allotment of the Fee Shares.

provided that the power granted by this Resolution will, unless previously renewed, varied or revoked, expire immediately following Admission, except that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities pursuant to any such offer or agreement notwithstanding that the power conferred by this Resolution has expired.

The power granted by this Resolution is in addition to, and does not revoke, any existing power previously granted to the directors to issue, allot or grant equity securities as if section 561(1) of the Act did not apply.

4. That, conditional on Admission occurring, and subject to the passing of Resolution 2, the directors be given the general power to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the authority conferred by Resolution 2, as if section 561(1) of the Act did not apply to any such allotment, provided that the power conferred by this Resolution is limited to:

- 4.1 the allotment of equity securities in connection with an offer of equity securities:

- 4.1.1 to the holders of Ordinary Shares in proportion (as nearly as may be practicable) to their respective holdings; and

- 4.1.2 holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

but subject to any limits, restrictions or arrangements which the Directors consider necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and

- 4.2 the issue and allotment (other than pursuant to paragraph 4.1) of equity securities up to an aggregate nominal value of £100,140 (being equal to approximately 30% of the Company's issued share capital immediately following Admission,

provided that the power conferred by this Resolution will, unless previously renewed, varied or revoked, expire on 30 September 2019 or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2019, except that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be issued and allotted after such expiry and the directors may issue and allot equity securities (as defined in section 560 of the Act) pursuant to any such offer or agreement notwithstanding that the power conferred by this Resolution has expired.

This Resolution revokes and replaces all unexercised powers previously granted to the directors (except for Resolution 3) to issue, allot or grant equity securities as if section 561(1) of the Act did not apply, but without prejudice to any issue or allotment of shares or equity securities already made, offered or agreed to be made pursuant to such powers.

David Bridgland

SECRETARY

Registered office: 46 Grafton Street, Manchester, England, M13 9NT

Date: 12 June 2018

Notes to the notice of general meeting:

Entitlement to attend and vote

1. The only members entitled to attend and vote at the meeting are those who are registered on the Company's register of members at:
 - 1.1 6 p.m. on 26 June 2018; or
 - 1.2 if the meeting is adjourned, at the time which is 48 hours prior to the time of the adjourned meeting.
2. Changes to entries on the register of members after 6 p.m. on 26 June or, in the event the meeting is adjourned, on the register of members 48 hours before the time of any adjourned meeting (excluding any part of a day which is not a working day), shall be disregarded in determining the right of any person to attend and/or vote at the meeting.

Website giving information regarding the meeting

3. Information regarding the meeting, including the information required by section 311A of the Act, is available from www.widecellsgroup.com.

Appointment of proxies

4. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
5. A proxy does not need to be a member of the Company but must attend the meeting to represent you. To appoint as your proxy a person other than the Chairman of the meeting, insert their full name in the box. If you sign and return this proxy form with no name inserted in the box, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the Chairman and give them the relevant instructions directly.
6. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you must complete a separate proxy form (which you may photocopy) for each proxy and specify against the proxy's name the number of shares over which the proxy has rights.
7. To direct your proxy how to vote on the resolutions mark the appropriate box with an 'X'. To abstain from voting on a resolution, select the relevant "withheld" box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

Appointment of proxy using hard copy proxy form

8. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote. To appoint a proxy using the proxy form, it must be:
 - 8.1 completed and signed;
 - 8.2 sent or delivered to SLC Registrars at Ashley Park House, 42-50 Hersham Road, Walton-on-Thames, Surrey, KT12 1RZ; and
 - 8.3 received by SLC Registrars no later than 9.00 am on 26 June 2018 (or not less than 48 hours before the time of any adjourned meeting (excluding any part of a day which is not a working day)).

9. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
10. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of proxies through CREST

11. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) of it by using the procedures described in the CREST Manual (available from <https://www.euroclear.com/site/public/EUI>). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (**CREST Proxy Instruction**) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (**EUI**) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by SLC Registrars (CREST participant number 7RA01) by 9.00 am on 26 June 2018 (or not less than 48 hours before the time of any adjourned meeting (excluding any part of a day which is not a working day)). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as is necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Appointment of proxy by joint members

12. In the case of joint holders of shares, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder (being the first named holder in respect of the shares in the Company's register of members) will be accepted.

Changing proxy instructions

13. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut off time for receipt of proxy appointments specified in those notes also applies in relation to amended instructions. Any amended proxy appointment received after the specified cut off time will be disregarded.
14. Where you have appointed a proxy using the hard copy proxy form and would like to change the instructions using another hard copy proxy form, please contact SLC Registrars at Ashley Park House, 42-50 Hersham Road, Walton-on-Thames, Surrey, KT12 1RZ. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

15. In order to revoke a proxy instruction you will need to send a signed hard copy notice clearly stating your intention to revoke your proxy appointment SLC Registrars at Ashley Park House, 42-50 Hersham Road, Walton-on-Thames, Surrey, KT12 1RZ. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

16. The revocation notice must be received by SLC Registrars no later than 9.00 am on 26 June 2018 or if the meeting is adjourned no later than 48 hours prior to the adjourned meeting (excluding any part of a day which is not a working day).
17. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then your proxy appointment will remain valid.
18. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

Corporate representatives

19. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

Issued shares and total voting rights

20. As at 6.00 pm on 11 June 2018, the Company's issued share capital comprised 64,821,010 ordinary shares of £0.0025 each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 11 June 2018 is 64,821,010.

Questions at the meeting

21. Under section 319A Companies Act 2006, the Company must answer any question you ask relating to the business being dealt with at the meeting unless:
 - 21.1 answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
 - 21.2 the answer has already been given on a website in the form of an answer to a question; or
 - 21.3 it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Nominated persons

22. If you are a person who has been nominated under section 146 of the Act to enjoy information rights (**Nominated Person**) you may have a right under an agreement between you and the member of the Company who has nominated you to have information rights (**Relevant Member**) to be appointed or to have someone else appointed as a proxy for the meeting.
23. If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights.
24. Your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.

Communication

25. Members who have general queries about the meeting should contact SLC Registrars by telephone on +44 (0)1903 706150 or by email at SLC@davidvenus.com (no other methods of communication will be accepted).
26. You may not use any electronic address set out in this notice of general meeting or in any related documents (including the proxy form) to communicate with the Company for any purposes other than those expressly stated.



widecells
GROUP



WIDECELLS GROUP PLC
CORE TECHNOLOGY FACILITY
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