

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to what action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are a resident of the United Kingdom or, if not, another appropriately authorised independent professional adviser.

If you sell or have sold or otherwise transferred all of your registered holding of Ordinary Shares before 15 October 2020 (being the date from which the Company's shares will be marked ex-entitlement to the Open Offer), please send this document, and, if relevant, the Application Form (having completed Box 10 on the Application Form), at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom or by whom the sale or transfer was made, for delivery to the purchaser or transferee. If your Ordinary Shares which were sold or transferred were held in uncertificated form and were sold or transferred before that date, a claim transaction will automatically be generated by Euroclear UK & Ireland which, on settlement, will transfer the appropriate number of Basic Open Offer Entitlements to the purchaser or transferee. Subject to certain exceptions, the distribution of this document and/or the accompanying documents, and/or the transfer of Basic Open Offer Entitlements through CREST, in jurisdictions other than the UK, including the United States, Australia, Canada, Japan, New Zealand, the Republic of Ireland or South Africa may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any of those restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction. Application Forms are not being posted to and no Open Offer Entitlements or Excess Open Offer Entitlements will be credited to a stock account of any person in the United States, Canada, Australia, Japan or the Republic of South Africa. The attention of Overseas Shareholders and other recipients of this document who are residents or citizens of any country other than the United Kingdom is drawn to the section entitled "Overseas Shareholders" at paragraph 6 of Part IV of this document.

The maximum amount to be raised under the Open Offer shall be less than €8 million (or an equivalent amount in pounds sterling). Neither the Placing nor the Open Offer constitutes an offer to the public requiring an approved prospectus under section 85 of FSMA and accordingly this document does not constitute a prospectus for the purposes of the Prospectus Regulation together with the Prospectus Regulation Rules made by the Financial Conduct Authority of the United Kingdom ("FCA") pursuant to sections 73A(1) and (4) of FSMA and has not been approved by the FCA, the London Stock Exchange, any securities commission or any other authority or regulatory body nor has it been approved for the purposes of section 21 of FSMA. In addition, this document does not constitute an admission document drawn up in accordance with the AIM Rules.

Application has been made to the London Stock Exchange for the Firm Placing Shares to be admitted to trading on AIM and will be made (subject to the passing of the Resolutions) in respect of the Conditional Placing Shares and the Open Offer Shares. It is expected that Admission of the Firm Placing Shares will become effective and that dealings in them will commence on AIM on or around 19 October 2020, and that Admission of the Conditional Placing Shares and Open Offer Shares will become effective and that dealings in them will commence on AIM on or around 4 November 2020. The New Ordinary Shares will, when issued, rank *pari passu* in all respects with the existing Ordinary Shares, including the right to receive all dividends or other distributions declared, made or paid on or after the date that they are issued.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the FCA. Neither the FCA nor the London Stock Exchange has examined or approved the contents of this document. Neither the Existing Shares nor the New Ordinary Shares are or will be traded on any other recognised investment exchange and no application has been or will be made for the Existing Shares or New Ordinary Shares to be admitted to trading on any such exchange. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration, and if appropriate, consultation with a financial adviser.

Synairgen plc

(Incorporated and registered in England and Wales with registered no: 5233429)

**Placing of 14,943,300 Firm Placing Shares and
30,770,985 Conditional Placing Shares**

**Open Offer of up to 4,038,741 Open Offer Shares
each at a price of 175 pence per Ordinary Share
and**

Notice of General Meeting

finnCap Ltd, which is authorised and regulated by the FCA for the conduct of regulated activities in the United Kingdom, is acting as nominated adviser and joint bookrunner to the Company and no one else in connection with the Fundraising and is not acting for and will not be responsible to any person other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Fundraising. finnCap's responsibilities as the Company's nominated adviser under the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of his decision to acquire shares in the Company in reliance on any part of this document.

Each of Numis Securities Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, and Numis Securities Inc. ("**Numis US**"), which is authorised in the US by the Financial Industry Regulatory Authority, is acting exclusively for the Company and no one else in connection with the Fundraising. None of Numis or Numis US will regard any other person as a client or will be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Fundraising.

This document should be read in its entirety and in conjunction with the Application Form (if applicable) and Notice of General Meeting. Your attention is drawn to the letter from Simon Shaw, the Chairman of the Company, set out on pages 14 to 25 of this document, and which recommends that you vote in favour of the Resolutions to be proposed at the General Meeting.

THE GENERAL MEETING

Notice of a General Meeting of Synairgen plc to be held at The Blueprint Design Company Limited, Martins Barn, Birdham Road, Chichester, West Sussex PO20 7BX at 11.00 a.m. on 2 November 2020 is set out at the end of this document.

It is important that you submit your proxy vote electronically. Proxies may be submitted electronically using Link Group's Signal Shares share portal service at www.signalshares.com or in hard copy form if you request a hard copy Form of Proxy from the Company's registrar, Link Group. In order to be valid, proxy appointments must be submitted using Link Group's Signal Shares share portal service or in hard copy form to Link Group at PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF, in each case, by no later than 11.00 a.m. on 29 October 2020 or 48 hours (excluding any part of a day that is not a working day) before any adjourned meeting.

Qualifying CREST Shareholders, being Shareholders who hold their Existing Shares in uncertificated form in CREST, may alternatively use the CREST Proxy Voting Service in accordance with the procedures set out in the CREST Manual as explained in the notes accompanying the Notice of General Meeting at the end of this document. Proxies submitted via CREST must be received by Link Group (CREST ID RA10) by no later than 11.00 a.m. on 29 October 2020 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting).

Please note that all Shareholders who wish to vote should appoint the Chairman of the meeting as their proxy for the reasons set out below.

IMPORTANT NOTICE RE COVID-19

In light of current laws and the Government's current guidance regarding the COVID-19 pandemic, which includes the enforcement of social distancing, Shareholders will not be permitted to attend the General Meeting.

The General Meeting will be convened in accordance with the Company's Articles of Association and in line with the UK Government's guidance. Voting on the Resolutions to be proposed at the General Meeting shall be held on a poll rather than on a show of hands. The Company believes that this is the best and fairest way to ensure that the votes of all Shareholders can be taken into account, whilst also preventing the Company and Shareholders breaching the Government's guidance. Accordingly, the Company encourages all Shareholders to vote electronically, by using the CREST Proxy Voting Service or voting at www.signalshares.com (as applicable) as soon as possible, in each case electing the Chairman of the meeting as their proxy as no other proxy will be permitted to attend the General Meeting.

The health and well-being of our Shareholders and colleagues remains our priority and the steps set out above are necessary and appropriate during the COVID-19 pandemic. We trust that Shareholders will understand the need for these precautions in line with Government public health guidelines.

THE OPEN OFFER

The latest time and date for acceptance and payment in full under the Open Offer is 11.00 a.m. on 30 October 2020. The procedure for acceptance and payment is set out in Part IV of this document and, where relevant, in the Application Form.

Qualifying non-CREST Shareholders will find an Application Form accompanying this document. Qualifying CREST Shareholders (none of whom will receive an Application Form) will receive a credit to their stock accounts in CREST in respect of the Basic Open Offer Entitlements which will be enabled for settlement on 16 October 2020. Applications under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim arising out of a sale or transfer of Existing Ordinary Shares prior to the date on which the Existing Ordinary Shares were marked "ex-entitlement" by the London Stock Exchange. If the Basic Open Offer Entitlements are for any reason not enabled by 3.00 p.m. on 16 October 2020 or such later time as the Company may decide, an Application

Form will be sent to each Qualifying CREST Shareholder in substitution for the Basic Open Offer Entitlements credited to its stock account in CREST. Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Open Offer. Applications for Excess Shares pursuant to the Excess Application Facility may be made by the Qualifying Shareholder provided that their Basic Open Offer Entitlement has been taken up in full and subject to being scaled back in accordance with the provisions of this document.

Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer.

FORWARD-LOOKING STATEMENTS

This document includes statements that are, or may be deemed to be, forward-looking statements that are based on current expectations or beliefs, as well as assumptions about future events. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “anticipates”, “targets”, “aims”, “continues”, “expects”, “intends”, “hopes”, “may”, “will”, “would”, “could” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not facts. They appear in a number of places through this document and include statements regarding the Directors’ intentions, beliefs or current expectations concerning, amongst other things, the Company’s results of operations, financial condition, liquidity, prospects, growth and strategies. By their nature, forward-looking statements contained in this document based on past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Subject to any requirement under the AIM Rules or other applicable legislation or regulation, neither the Company, finnCap, Numis US nor Numis undertakes any obligation to update or revise any forward- looking statements, whether as a result of new information, future events or otherwise. Undue reliance should not be placed on forward-looking statements, which speak only as of the date of this document. There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in expectations and assumptions used and changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions.

NOTICE TO OVERSEAS PERSONS

The distribution of this document and/or any accompanying documents in certain jurisdictions may be restricted by law and therefore persons into whose possession these documents comes should inform themselves about and observe any such restrictions. No action has been taken by the Company, finnCap or Numis that would permit possession or distribution of this document in any jurisdiction where action for that purpose is required. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. In addition, the transfer of Open Offer Entitlements or Excess Open Offer Entitlements through CREST, in jurisdictions other than the UK, including the Restricted Jurisdictions (as defined below), may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any of those restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction.

The Existing Ordinary Shares, New Ordinary Shares and the Basic Open Offer Entitlements and Excess Open Offer Entitlements have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, (the “**US Securities Act**”) and may not be offered, sold or delivered in, into or from the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. Subject to certain exemptions, this document and the Application Form does not constitute an offer of any Ordinary Shares to any person with a registered address, or who is resident in, the United States. There will be no public offer in the United States. The Open Offer Shares will not qualify for distribution under the relevant securities laws of the United States, Australia, Canada, the Republic of South Africa, New Zealand or Japan, nor has any prospectus in relation to the Open Offer Shares been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance. Accordingly, subject to certain exemptions, the Open Offer Shares may not be offered, sold, taken up, delivered or transferred in, into or from the United States, Australia, Canada, the Republic of South Africa, New Zealand, Japan or any other jurisdiction where to do so would constitute a breach of

local securities laws or regulations (each a “**Restricted Jurisdiction**”) or to or for the account or benefit of any national, resident or citizen of a Restricted Jurisdiction. This document does not constitute an offer to issue or sell, or the solicitation of an offer to subscribe for or purchase, any Ordinary Shares to any person in a Restricted Jurisdiction and is not for distribution in, into or from a Restricted Jurisdiction.

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

In addition, Application Forms are not being posted to and no Open Offer Entitlements or Excess Open Offer Entitlements will be credited to a stock account of any person in the United States, Canada, Australia, Japan or the Republic of South Africa. The attention of Overseas Shareholders and other recipients of this document who are residents or citizens of any country other than the United Kingdom is drawn to the section entitled “Overseas Shareholders” at paragraph 6 of Part IV of this document.

PRESENTATION OF FINANCIAL INFORMATION

Certain data in this document, including financial, statistical and operational information has been rounded. As a result of the rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data. Percentages in tables have been rounded and, accordingly, may not add up to 100 per cent. In this document, references to “pounds sterling”, “£”, “pence” and “p” are to the lawful currency of the United Kingdom, references to “US dollar”, “dollar”, “US\$” or “\$” are to the lawful currency of the United States and references to “Euros” and “€” are to a lawful currency of the European Union.

PRESENTATION OF MARKET, ECONOMIC AND INDUSTRY DATA

Where information contained in this document originates from a third party source, it is identified where it appears in this document together with the name of its source. Such third party information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

NO INCORPORATION OF WEBSITE INFORMATION

Copies of this document can be downloaded from the Company’s website www.synairgen.com. However, the contents of the Company’s website or any hyperlinks accessible from the Company’s website do not form part of this document and Shareholders should not rely on them.

INTERPRETATION

Certain terms used in this document are defined and certain technical and other terms used in this document are explained at the section of this document under the heading “Definitions”.

All times referred to in this document and the Application Form are, unless otherwise stated, references to London time.

All references to legislation in this document and the Application Form are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of any legislation or regulation shall include any amendment, modification, re-enactment or extension thereof.

Words importing the singular shall include the plural and *vice versa*, and words importing the masculine gender shall include the feminine or neutral gender.

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DIRECTORS, SECRETARY AND ADVISERS

Directors

Simon Shaw (*Non-executive Chairman*)
Richard Marsden (*Chief Executive Officer*)
John Ward (*Finance Director*)
Dr. Phillip Monk (*Chief Scientific Officer*)
Iain Buchanan (*Non-executive Director*)
Dr. Bruce Campbell (*Non-executive Director*)
Prof. Sir Stephen Holgate CBE (*Non-executive Director*)

all of whose business address is at the Company's registered office

Registered Office

Mailpoint 810, Level F, South Block
Southampton General Hospital
Tremona Road
Southampton
SO16 6YD

Company website

www.synairgen.com

Company Secretary

John Ward

Nominated Adviser and Joint Bookrunner

finnCap Ltd
1 Bartholomew Close
London
EC1A 7BL

Joint Bookrunner

Numis Securities Limited
10 Paternoster Square
London
EC4M 7LT

Legal advisers to the Company

Fieldfisher LLP
Riverbank House
2 Swan Lane
London
EC4R 3TT

Legal advisers to the Joint Bookrunners

CMS Cameron McKenna Nabarro Olswang LLP
78 Cannon Street
London
EC4N 6AF

Auditors

BDO LLP
Level 12
Thames Tower
Station Road
Reading
RG1 1LX

Registrar and Receiving Agent

Link Group
Corporate Actions
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

FUNDRAISING STATISTICS

Issue Price	175 pence
Number of Existing Ordinary Shares in issue as at the date of this document	149,433,442
Number of Firm Placing Shares being issued by the Company pursuant to the Firm Placing	14,943,300
Number of Conditional Placing Shares proposed to be issued by the Company pursuant to the Conditional Placing	30,770,985
Number of Option Shares to be issued by the Company following the net settlement of certain options	534,172
Basic Open Offer Entitlement	1 Open Offer Share for every 37 Existing Ordinary Shares held
Number of Open Offer Shares (in aggregate)*	up to 4,038,741
Number of Placing Shares and Open Offer Shares to be issued pursuant to the Fundraising *	up to 49,753,026
Number of New Ordinary Shares (comprising the Placing Shares, Open Offer Shares and Option Shares) to be issued	up to 50,287,198
Number of Ordinary Shares in issue following Conditional Admission*	up to 199,720,640
New Ordinary Shares as a percentage of the Enlarged Share Capital*	25.2 per cent.
Gross proceeds of the Placing	£80 million
Gross proceeds of the Open Offer*	up to c. £7 million
Estimated net proceeds of the Fundraising receivable by the Company*	£84.6 million
Ordinary Share ISIN	GB00B0381Z20
Basic Open Offer Entitlement ISIN	GB00BLPJPC57
Open Offer Excess Entitlement ISIN	GB00BLPJPD64

**Assuming take-up in full of the Open Offer by Qualifying Shareholders*

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record Date for the Open Offer	6.00 p.m. on 13 October 2020
Announcement of the Open Offer	7.00 a.m. on 15 October 2020
Existing Ordinary Shares marked “ex” by the London Stock Exchange	8.00 a.m. on 15 October 2020
Publication and despatch of this document and, to Qualifying Non-Crest Shareholders, the Application Form	15 October 2020
Basic Open Offer Entitlements and Excess Open Offer Entitlements credited to CREST stock accounts of Qualifying CREST Shareholders	16 October 2020
Admission of the Firm Placing Shares and Option Shares to trading on AIM and commencement of dealings	8.00 a.m. on 19 October 2020
Latest recommended time and date for requesting withdrawal of Basic Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST	4.30 p.m. on 26 October 2020
Latest time and date for depositing Basic Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST	3.00 p.m. on 27 October 2020
Latest time and date for splitting of Application Forms under the Open Offer (to satisfy <i>bona fide</i> market claims)	3.00 p.m. on 28 October 2020
Latest time and date for receipt of electronic voting instructions via www.signalshares.com or via CREST instructions or Forms of Proxy (if requested)	11.00 a.m. on 29 October 2020
Latest time and date for receipt of Application Forms and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate)	11.00 a.m. on 30 October 2020
General Meeting	11.00 a.m. on 2 November 2020
Results of the General Meeting and the Open Offer announced	2 November 2020
Admission of the Conditional Placing Shares and the Open Offer Shares to trading on AIM and commencement of dealings	8.00 a.m. on 4 November 2020
Where applicable, expected date for CREST accounts to be credited in respect of Conditional Placing Shares and Open Offer Shares in uncertificated form	4 November 2020
Where applicable, expected date for despatch of definitive share certificates for Conditional Placing Shares and Open Offer Shares in certificated form	11 November 2020

Notes:

- Each of the above times and/or dates is subject to change at the absolute discretion of the Company, finnCap and Numis. If any of the above times and/or dates should change, the revised times and/or dates will be announced through a Regulatory Information Service.
- All of the above times refer to London time unless otherwise stated.
- All events listed in the above timetable following the General Meeting are conditional on the passing of the Resolutions at the General Meeting.

DEFINITIONS

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

“Act”	the Companies Act 2006 (as amended)
“Admission”	Firm Admission and/or Conditional Admission, as the context may require
“AIM”	the AIM market operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange from time to time
“AIM Rules for Nominated Advisers”	the AIM rules for nominated advisers published by the London Stock Exchange from time to time
“Application Form”	the application form accompanying this document to be used by Qualifying Non-CREST Shareholders in connection with the Open Offer
“Articles”	the articles of association of the Company
“Basic Open Offer Entitlement”	the individual entitlements of Qualifying Shareholders to subscribe for Open Offer Shares allocated to Qualifying Shareholders pursuant to the Open Offer
“Business Day”	a day (other than a Saturday, a Sunday or a public holiday) on which clearing banks are open for all normal banking business in the city of London
“certificated form” or “in certificated form”	an Ordinary Share recorded on a company’s share register as being held in certificated form (namely, not in CREST)
“Company” or “Synairgen”	Synairgen plc, a company incorporated under the laws of England and Wales with company number 05233429
“Conditional Admission”	admission of the Conditional Placing Shares and the Open Offer Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules
“Conditional Placing”	the conditional placing by finnCap and Numis (each as agent of the Company) of the Conditional Placing Shares at the Issue Price subject to, <i>inter alia</i> , the passing of the Resolutions and Conditional Admission
“Conditional Placing Shares”	the 30,770,985 new Ordinary Shares, to be allotted and issued pursuant to the Conditional Placing
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in those regulations)
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (S.I. 2001 No. 3755) (as amended)
“Directors” or “Board”	the directors of the Company whose names are set out on page 6 of this document, or any duly authorised committee thereof

“Document” or “Circular”	this document which for the avoidance of doubt does not comprise a prospectus (under the Prospectus Regulation Rules) or an admission document (under the AIM Rules)
“Enlarged Share Capital”	the issued share capital of the Company following Conditional Admission, comprising the Existing Ordinary Shares and the New Ordinary Shares, assuming the take up in full of the Open Offer
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“Excess Application Facility”	the arrangement pursuant to which Qualifying Shareholders may apply for additional Open Offer Shares in excess of their Basic Open Offer Entitlement in accordance with the terms and conditions of the Open Offer
“Excess Open Offer Entitlements”	an entitlement for each Qualifying Shareholder to apply to subscribe for Open Offer Shares in addition to his Basic Open Offer Entitlement pursuant to the Excess Application Facility which is conditional on him taking up his Basic Open Offer Entitlement in full and which may be subject to scaling back in accordance with the provisions of this document
“Excess CREST Open Offer Entitlements”	in respect of each Qualifying CREST Shareholder, the entitlement (in addition to his Basic Open Offer Entitlement) to apply for Open Offer Shares pursuant to the Excess Application Facility, which is conditional on him taking up his Basic Open Offer Entitlement in full and which may be subject to scaling back in accordance with the provisions of this document
“Excess Shares”	Open Offer Shares which are not taken up by Qualifying Shareholders pursuant their Basic Open Offer Entitlement and which are offered to Qualifying Shareholders under the Excess Application facility
“Ex-entitlement Date”	the date on which the Existing Ordinary Shares are marked “ex” for entitlement under the Open Offer, being 08.00 a.m. on 15 October 2020
“Existing Ordinary Shares”	the 149,433,442 Ordinary Shares in issue at the date of this document, all of which are admitted to trading on AIM
“FCA”	the UK Financial Conduct Authority
“finnCap” or “Nominated Adviser”	finnCap Ltd, the Company’s nominated adviser and Joint Bookrunner
“Firm Admission”	admission of the Firm Placing Shares and the Option Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules
“Firm Placing”	the placing by finnCap and Numis (each as agent of the Company) of the Firm Placing Shares at the Issue Price
“Firm Placing Shares”	the 14,943,300 new Ordinary Shares, to be issued pursuant to the Firm Placing
“Form of Proxy”	a hard copy form of proxy for use at the General Meeting, which is not included with this document but which can be requested from the Registrar in accordance with the notes to the Notice of General Meeting

“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“Fundraising”	the Placing and the Open Offer
“General Meeting”	the general meeting of the Company to be held at The Blueprint Design Company Limited, Martins Barn, Birdham Road, Chichester, West Sussex PO20 7BX at 11.00 a.m. on 2 November 2020, notice of which is set out at the end of this document
“Group”	the Company, its subsidiaries and its subsidiary undertakings
“Issue Price”	175 pence per New Ordinary Share
“Joint Bookrunners”	together, Numis and finnCap
“Link Group”	a trading name of Link Market Services Limited
“London Stock Exchange”	London Stock Exchange plc
“Money Laundering Regulations”	the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended)
“New Ordinary Shares”	the Placing Shares, the Open Offer Shares and the Option Shares
“Notice of General Meeting”	the notice convening the General Meeting which is set out at the end of this document
“Numis”	Numis Securities Limited, the Company’s Joint Bookrunner
“Open Offer”	the conditional invitation by the Company to Qualifying Shareholders to apply to subscribe for the Open Offer Shares at the Issue Price on the terms and subject to the conditions set out in this document and, in the case of Qualifying Non-CREST Shareholders, in the Application Form
“Open Offer Shares”	up to, in aggregate, 4,038,741 new Ordinary Shares to be offered by the Company to Qualifying Shareholders pursuant to the Open Offer
“Option Holders”	Richard Marsden (Chief Executive Officer) and John Ward (Finance Director)
“Option Shares”	the, in aggregate, 534,172 new Ordinary Shares to be issued by the Company to the Option Holders in accordance with the net settlement arrangements, details of which are set out in paragraph 5 of this document
“Ordinary Shares”	ordinary shares of 1 penny each in the capital of the Company
“Overseas Shareholders”	Shareholders with a registered address outside the United Kingdom
“Placees”	subscribers for the Placing Shares
“Placing”	the Firm Placing and the Conditional Placing
“Placing Agreement”	the conditional placing and open offer agreement dated 14 October 2020 made between each of the Joint Bookrunners and the Company in relation to the Placing and Open Offer, further details of which are set out in this document
“Placing Shares”	the Firm Placing Shares and the Conditional Placing Shares

"Prospectus Regulation Rules"	regulation (EU) No 2017/1129 of the European Parliament and of the Council
"Qualifying CREST Shareholders"	Qualifying Shareholders holding Existing Ordinary Shares in uncertificated form
"Qualifying Non-CREST Shareholders"	Qualifying Shareholders holding Existing Ordinary Shares in certificated form
"Qualifying Shareholders"	holders of Existing Ordinary Shares on the register of members of the Company at the Record Date but excluding any Overseas Shareholder who has a registered address in any Restricted Jurisdiction
"Record Date"	13 October 2020
"Registrars" and "Receiving Agent"	Link Group, 34 Beckenham Road, Beckenham, Kent BR3 4TU
"Regulatory Information Service"	a service approved by the FCA for the distribution to the public of regulatory announcements and included within the list maintained on the FCA's website
"Resolutions"	the resolutions set out in the Notice of General Meeting
"Restricted Jurisdiction"	means the United States of America, Australia, Canada, the Republic of South Africa, New Zealand, Japan or any other jurisdiction where the Open Offer Shares may not be offered, sold, taken up, delivered or transferred into or from
"Shareholders"	holders of Ordinary Shares
"UK"	the United Kingdom of Great Britain and Northern Ireland
"uncertificated" or "in uncertificated form"	an Ordinary Share recorded on a company's share register 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
"£", "pounds sterling", "pence" or "p"	are references to the lawful currency of the United Kingdom

GLOSSARY

The following terms are used throughout this document and have the following meanings:

"BioBank platform"	the Company's BioBank comprised of blood, sputum, nasal lavage, biopsies, bronchial epithelial cells and fibroblasts from well-characterised volunteers with asthma or COPD (and relevant controls)
"cGMP"	the Current Good Manufacturing Practice regulations enforced by the FDA. cGMPs provide for systems that assure proper design, monitoring, and control of manufacturing processes and facilities
"COPD"	chronic obstructive pulmonary disease
"COVID-19"	coronavirus disease 2019, an infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)
"FDA"	the U.S. Food and Drug Administration
"IFN-beta"	Interferon-beta, a naturally occurring protein, which orchestrates the body's antiviral responses
"IND"	the FDA's Investigational New Drug program, which is the means by which a pharmaceutical company obtains permission to start human clinical trials and to ship an experimental drug across state lines
"<i>in vitro</i>"	carried out in the laboratory, e.g. in a test tube or culture plate
"<i>in vivo</i>"	performed or taking in place in a living organism
"nebulisation"	a method of converting a medicine or solution into an aerosol, which is inhaled directly into the patient's lungs

PART I

LETTER FROM THE CHAIRMAN

Synairgen plc

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered no: 5233429)

Directors

Simon Shaw, *Non-Executive Chairman*
Richard Marsden, *Chief Executive Officer*
Dr. Phillip Monk, *Chief Scientific Officer*
John Ward, *Finance Director*
Iain Buchanan, *Non-Executive Director*
Dr. Bruce Campbell, *Non-Executive Director*
Prof. Sir Stephen Holgate CBE, *Non-Executive Director*

Registered Address

Mailpoint 810, Level F, South Block
Southampton General Hospital
Tremona Road
Southampton
SO16 6YD

15 October 2020

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

Dear Shareholder,

**Placing of 14,943,300 Firm Placing Shares and
30,770,985 Conditional Placing Shares and
Open Offer of up to 4,038,741 Open Offer Shares each at a price of
175 pence per Ordinary Share and
Notice of General Meeting**

1. INTRODUCTION

On 14 October 2020, the Company announced that it had conditionally raised £80.0 million (before fees and expenses) by the Placing of 14,943,300 Firm Placing Shares and 30,770,985 Conditional Placing Shares at a price of 175 pence per share.

In order to provide Shareholders who have not taken part in the Placing with an opportunity to participate in the Fundraising on a pre-emptive basis, the Company is making the Open Offer to Qualifying Shareholders on the terms and conditions set out in this document. The Open Offer provides all Qualifying Shareholders with the opportunity to subscribe at the Issue Price for an aggregate of up to 4,038,741 Open Offer Shares, to raise up to c.£7.0 million (before fees and expenses) for the Company, on the basis of:

**1 Open Offer Share for every 37 Existing Ordinary Shares
held on the Record Date**

The Firm Placing is being made pursuant to existing authorities to allot shares for cash and disapply pre-emption rights under section 551 and section 570 of the Act, which were granted to the Directors at the Annual General Meeting of the Company held on 29 June 2020. Accordingly, completion of the Firm Placing and Firm Admission is expected to occur at 8.00 a.m. on 19 October 2020 or such later time and/or date as finnCap, Numis and the Company may agree, not being later than 8.30 a.m. on 25 November 2020.

The Company will require further share authorities to allot the Conditional Placing Shares and the Open Offer Shares. Accordingly, the Conditional Placing and the Open Offer are conditional, *inter alia*, upon Shareholders approving the respective Resolutions at the General Meeting, notice of which is set out at the end of this document. The Resolutions will be held on a poll. Subject to the passing of the Resolutions, Admission of the Conditional Placing Shares and the Open Offer Shares is expected to occur at 8.00 a.m. on 4 November 2020 or such later time and/or date as finnCap, Numis and the Company may agree, not being later than 8.30 a.m. on 25 November 2020.

No element of the Fundraising is being underwritten.

The purpose of this document is, amongst other things, to provide you with more information about the background to and reasons for the Fundraising and to explain why the Board considers the Fundraising to be in the best interests of the Company and its Shareholders as a whole.

Shareholders are reminded that should the relevant Resolutions not be passed, the proceeds of the Conditional Placing and/or the Open Offer will not be received by the Company, which would materially adversely affect the Company's business plans and severely impact its ability to develop SNG001 as currently intended. Should the Resolutions not be passed, the Company would not be able to commence the proposed Phase III clinical trial in COVID-19 patients as detailed in this document and it would materially adversely affect its manufacturing and device scale-up activities and potentially its other balance sheet strengthening and partnering activities. Accordingly, the Directors unanimously recommend that you vote in favour of the Resolutions to be proposed at the General Meeting, as they intend to do in respect of their own holdings.

2. BACKGROUND TO AND REASONS FOR FUNDRAISING AND USE OF PROCEEDS

OVERVIEW

Synairgen leverages its deep understanding of respiratory biology to discover and develop novel therapies in areas of high unmet respiratory medical need. The Company, focused primarily on lung viral defence in asthma, COPD, and COVID-19, uses its differentiated human biology BioBank platform and world renowned international academic Key Opinion Leader network to discover and develop novel therapies for respiratory disease.

During the first half of the year, Synairgen made significant clinical progress with its inhaled formulation of interferon beta, SNG001. Most importantly, Synairgen's results from its Phase II trial of SNG001 in 101¹ hospitalised COVID-19 patients in July 2020 indicated that its inhaled interferon beta could provide a valuable treatment option in the face of the global pandemic. Furthermore, the safety, biomarker, and efficacy data for SNG001 provided from the interim analysis of Synairgen's Phase II COPD trial in September 2020 is supportive of the on-going development of SNG001 in COVID-19 patients. The Company is currently focused on working with governments, regulators, and other key stakeholders to progress SNG001 as a treatment for COVID-19.

Following a positive pre-Investigational New Drug (IND) Application meeting with the U.S. Food and Drug Administration (FDA) regarding the design of a Phase III randomised placebo-controlled trial of SNG001 in hospitalised COVID-19 patients, and with manufacturing scale-up activity underway, the Company is pleased to announce the proposed Fundraising of up to £87.0 million to support the Phase III clinical development and supply chain scale-up of SNG001 for COVID-19 patients.

COVID-19

COVID-19, caused by the SARS-CoV-2 virus, is a global threat and there is an urgent need to assess new treatments to prevent and effectively treat the severe lower respiratory tract illness that can occur with this disease. Older people and those with co-morbidities such as heart and lung complications or diabetes are at greatest risk of developing severe or fatal disease.

Interferon beta applicability to COVID-19

Interferon beta ("IFN-beta") is a naturally-occurring protein, which orchestrates the body's antiviral responses. There is growing evidence that deficiency in IFN-beta production by the lung could explain the enhanced susceptibility in 'at-risk' patient groups to developing severe lower respiratory tract (lung) disease during respiratory viral infections. Furthermore, viruses, including coronaviruses such as SARS-CoV-2, have evolved mechanisms which suppress endogenous IFN-beta production, helping the virus to evade the innate immune system. The addition of exogenous IFN-beta before or during viral infection of lung cells *in vitro* either prevents or greatly reduces viral replication. Synairgen's SNG001 is a formulation of IFN-beta-1a for

¹ Throughout this document, where reference is made to "101 patients", 101 patients were randomised to this study, of which, 98 were dosed.

direct delivery to the lungs via nebulisation. It is pH neutral, and is free of mannitol, arginine and human serum albumin, making it suitable for inhaled delivery direct to the site of action.

Phase I and II trial data have shown that SNG001 activates lung antiviral defences as measured in sputum cells, and that SNG001 has been well tolerated in approximately 280 asthma/COPD/COVID-19 patients to-date.

The COVID-19 trial – SG016

Synaigen's clinical trial in COVID-19 patients, SG016, is a double-blind, placebo-controlled trial. The two-part 221 patient trial comprises 101 patients initiated in the hospital setting (top-line results announced 20 July 2020, details of which are below), and a further 120 patients in the home setting (currently ongoing).

Hospital trial

Synaigen's Phase II trial of SNG001 in hospitalised COVID-19 patients was awarded Urgent Public Health status. It was conducted across nine NHS trusts in the UK and was adopted by the NIHR Respiratory Translational Research Collaboration. These sites are leading centres in respiratory medicine in the UK, whose internationally-recognised experts are working together to accelerate development and discovery of treatments for COVID-19.

Results of SG016 trial in hospital patients

On 20 July 2020, the Company announced positive top-line results from the trial with more detailed results of primary endpoint analyses disclosed in the Company's 2020 Interim Results on 29 September 2020.

The design of this trial, which began dosing patients in March 2020, was based on the recommendations contained within the World Health Organization (WHO) R&D Blueprint Novel Coronavirus COVID-19 Therapeutic Trial Synopsis issued in February 2020.

The primary endpoint was the change in condition assessed using the WHO Ordinal Scale for Clinical Improvement (OSCI; see table below) during the dosing period in the Intention-to-Treat population (ITT).

WHO Ordinal Scale for Clinical Improvement (Feb 2020)

<i>Patient State</i>	<i>Descriptor</i>	<i>OSCI Score</i>
Uninfected Ambulatory	No clinical or virological evidence of infection	0
	No limitation of activities	1
	Limitation of activities	2
Hospitalised – Mild disease	Hospitalised, no oxygen therapy	3
	Oxygen by mask or nasal prongs	4
Hospitalised – Severe disease	Non-invasive ventilation or high-flow oxygen	5
	Intubation and mechanical ventilation	6
	Ventilation + additional organ support	7
Dead	Death	8

As no clinical data had been collected using the OSCI in the study population at the time, multiple pre-specified analyses were conducted at fixed time points and over the whole dosing period, with the aim of learning about SNG001 as a potential treatment for COVID-19 patients, and to inform future trial design. There was no hierarchy within the analyses or adjustments made for multiplicity.

101 patients were randomised; 48 received SNG001 and 50 received placebo (ITT population; patients who took at least one dose of study medication). Of these 98 patients, 86 patients, 43 in each arm, met the criteria for the per-protocol population (PP population; positive PCR test, had taken at least two out of their first three scheduled doses and had no protocol deviations impacting on efficacy).

Results of primary endpoint analyses are shown in the tables below (where an Odds Ratio (OR) or Hazard Ratio (HR) of 1 would indicate no difference between SNG001 and placebo):

A ratio above 1 signifies a greater likelihood of (for HR), or odds of (for OR), the effect occurring on SNG001 compared to placebo

Analysis	ITT population (n = 98)		PP population (n = 86)	
	Ratio (95% CI)	p-value	Ratio (95% CI)	p-value
Odds of improvement across the OSCI (any improvement at day 15/16 compared to baseline)	OR 2.32 (1.07, 5.04)	0.033	OR 2.80 (1.21, 6.52)	0.017
Time to Recovery ^a (time from first dose to no limitation of activities without subsequent relapse)	HR 2.19 (1.03, 4.69)	0.043	HR 2.29 (1.07, 4.91)	0.033
Odds of Recovery (no limitation of activities recorded at day 15/16 without subsequent relapse)	OR 3.19 (1.24, 8.24)	0.017	OR 3.18 (1.21, 8.39)	0.019
Time to Hospital Discharge ^b (time from first dose to hospital discharge with no subsequent hospital re-admission)	HR 1.37 (0.85, 2.20)	0.196	HR 1.53 (0.96, 2.42)	0.072
Odds of Hospital Discharge (discharged from hospital at day 15/16 without subsequent hospital re-admission)	OR 1.63 (0.61, 4.35)	0.330	OR 2.14 (0.64, 7.12)	0.215

^a Recovery was defined as a post baseline OSCI score of 0 or 1 which does not rise above 1 at any subsequent visits.

^b Hospital Discharge was defined as a post baseline OSCI score of 2 or less which does not rise above 2 at any subsequent visits.

A ratio below 1 signifies a lower likelihood of (for HR), or odds of (for OR), the effect occurring on SNG001 compared to placebo

Analysis	ITT population (n = 98)		PP population (n = 86)	
	Ratio (95% CI)	p-value	Ratio (95% CI)	p-value
Time to severe disease or death (time from first dose until first incidence of OSCI \geq 5)	HR 0.50 (0.18, 1.38)	0.179	Not calculated as not part of statistical analysis plan	
Odds of severe disease or death (OSCI \geq 5 at any time in the first 16 days after first dose)	OR 0.28 (0.07, 1.08)	0.064 ^a	OR 0.18 (0.04, 0.93)	0.041 ^b
Time to intubation or death (time from first dose until first incidence of OSCI \geq 6)	HR 0.38 (0.09, 1.65)	0.198	Not calculated as not part of statistical analysis plan	
Odds of intubation or death (OSCI \geq 6 at any time in the first 16 days after first dose)	OR 0.42 (0.09, 1.83)	0.246 ^b	OR 0.31 (0.05, 1.79)	0.189 ^b

^a Using the pre-specified logistic regression analysis, SNG001 reduced the odds of developing severe disease or dying in the ITT population by 79 per cent. (OR 0.21; 95 per cent. CI: 0.04, 0.97; p=0.046). As quasi-complete separation of data occurred in some model covariates, an additional post-hoc, Firth logistic regression analysis was conducted. This showed there was a trend towards reduced odds of progression to severe disease or death in the ITT population (72 per cent. reduction; OR 0.28; 95 per cent. CI: 0.07, 1.08; p=0.064) that became significant in the per protocol population (82 per cent. reduction; OR 0.18; 95 per cent. CI: 0.04, 0.93; p=0.041).

^b Post hoc analysis using the Firth logistic regression analysis.

Key findings

- SNG001 treatment, when compared to placebo, was associated with greater odds of improvement across the WHO OSCI and with more rapid recovery to a point where patients were no longer limited in their activity, with a greater proportion of patients recovering during the study period. There was a trend towards reduced odds of progression to severe disease or death in the ITT population that became significant in the per-protocol population.
- Over the treatment period, patient-reported Breathlessness Cough and Sputum Scale (BCSS), and in particular breathlessness scores, were markedly reduced in patients who received SNG001 compared to those receiving placebo ($p=0.026$ and $p=0.007$, respectively).

Other findings

- The median duration of COVID-19 symptoms at the point dosing commenced was 10 days, suggesting that there is a wide window for effective treatment.
- Odds ratios for improvement, recovery and hospital discharge were in favour of SNG001 at day 28 suggesting that the treatment effect extends beyond the end of the dosing period. A treatment that accelerates full recovery may be especially relevant to the c. 1 in 20 patients with COVID-19 who experience wide-ranging long-term symptoms for at least a month and sometimes longer (known as long, long-haul or long-tail COVID-19).
- Three patients died during the study; all deaths occurred in patients randomised to placebo, therefore, no modelling analysis was undertaken.
- SNG001 was well-tolerated.

Regulatory pathway for Phase III study

Synairgen has had a positive pre-IND meeting with the U.S. FDA for SNG001 for a Phase III study for the treatment of COVID-19. A pre-IND meeting provides an opportunity for an open communication between the sponsor and the FDA to discuss the IND development plan and to obtain the FDA's guidance on clinical studies for the sponsor's new drug candidate.

The FDA has reviewed the SNG001 pre-IND materials including preclinical and Chemistry and Manufacturing Control (CMC) data, the results of the Phase II study in COVID-19 patients and the proposed Phase III protocol. The FDA has provided Synairgen with guidance on the Phase III clinical study to support the potential registration of SNG001 for the treatment of COVID-19. The Company plans to file an IND application as soon as possible to allow the Phase III study to be initiated. Synairgen will continue to work closely with the FDA as development continues.

Interactions with the European Medicines Agency (EMA) are ongoing.

Phase III trial (SG018) and appointment of Parexel Biotech

Synairgen intends to commence a Phase III randomised placebo-controlled trial of SNG001 in hospitalised COVID-19 patients, named SG018, with an anticipated start date during Q4 2020.

The trial will enrol 900 patients with an OSCI score of 4 to be randomised:

- 300 patients with one syringe of SNG001;
- 300 patients with two syringes of SNG001; and
- 300 patients with placebo.

The trial will use the Aerogen® Solo/Ultra aerosol delivery system (discussed below), and patients will be dosed once daily for 14 days in all arms.

The primary endpoint of the SG018 Phase III trial will be time to recovery to 'no limitation of activities' up to Day 28. In addition, there will be secondary endpoints relating to two based on the OSCI score, worsening disease and discharge from hospital, and a further secondary endpoint on breathlessness. There will also be a safety assessment.

Synaigen has appointed Parexel Biotech, a division of leading global clinical research organisation (CRO) Parexel, to conduct the SG018 Phase III trial. It expects to enrol patients across approximately 20 countries, with the time to completion subject to country trial approval timelines, enrolment at trial sites and the prevalence of hospitalised COVID-19 patients.

On 14 October 2020, the Company was informed by the National Institute for Health Research (NIHR) that the Phase III trial (SG018) has been badged in the UK as Urgent Public Health and will be recognised as a National Priority study. Notwithstanding this, the commencement of the trial will still be subject to normal regulatory and ethical approvals.

Manufacturing scale up – agreement with Akron Biotechnology

Synaigen has signed an agreement with Akron Biotechnology, a leading provider of cGMP-compliant solutions to support the development of advanced therapies, to supply SNG001 drug substance in order to meet expected clinical and commercial demand for the drug. Akron have the capacity to scale up production of SNG001, with the aim of producing approximately 100,000 treatment courses per month in 2021. Lead times mean that the investment for this scale-up is required now. The SGO018 Phase III trial will commence using Rentschler-derived drug substance, with the Akron-derived drug substance intended to be introduced during the trial in preparation for commercial supply.

Agreement with Catalent Biologics

Synaigen has also partnered with Catalent Biologics to support the drug product fill/finish of SNG001 at its Brussels, Belgium facility where it will conduct manufacturing scale-up of the drug candidate into pre-filled syringes. Catalent is well-positioned to support SNG001 given its deep expertise in sterile injectables for late-stage clinical and commercial products with ongoing collaborations on multiple COVID-19 programs.

Drug device delivery system – Aerogen

In addition, the Company has selected Aerogen, a leader in high-performance aerosol drug delivery in the acute care setting, to provide the Aerogen® Solo/Ultra aerosol delivery system, which is widely-used in hospitals in the EU and US, for delivery of SNG001 directly into the lungs of patients.

Home Trial and other trials

In April 2020, Synaigen received approvals to extend the SG016 trial into the home environment, to include a further 120 patients with confirmed COVID-19. The trial is ongoing. Trial completion will depend on the ongoing incidence of Covid-19 in the UK, and governmental support with patient recruitment to succeed.

The Company is also discussing with a number of other research organisations and trial delivery groups in the UK and internationally as to how it could either commence trials of SNG001 or otherwise integrate SNG001 with existing trials.

3. USE OF PROCEEDS

The gross cash proceeds of the Placing are expected to be approximately £80.0 million. It is intended that the proceeds of the Placing will be used for:

- **Phase III clinical trial in COVID-19 patients** **c.£30 million**
 - Anticipated start date Q4 2020
 - Enrolling patients across c.20 countries
 - 900 patients
- **SNG001 manufacturing and device scale up activities** **c.£33 million**
 - Aim of producing c.100,000 treatment courses per month in 2021
 - Investment required now due to lead times
- **Generating further data to support SNG001 clinical development, manufacturing processes and regulatory activities** **c.£6 million**

- **Strengthened balance sheet for potential partnering discussions with regards to SNG001 opportunity, working capital and fees** **c.£10 million**
- **Net settlement of options (details of which are in paragraph 5 below)** **c.£1 million**

The net cash proceeds of the Open Offer (assuming the Open Offer is taken up in full) are expected to be approximately £84.6 million. It is intended that the net proceeds of the Open Offer will be used to further support the Company's working capital requirements.

4. CURRENT TRADING AND OUTLOOK

The Company is continuing its strategy of progressing inhaled IFN-beta for the treatment of severe viral lung infections. SNG001 shows great promise as a treatment for COVID-19 patients, as shown by the announcement of positive results from the hospital-based trial, with the data further supplemented by the positive interim analysis of SNG001 in COPD patients in September 2020. The Company is now fully-focused on expediting the next steps with SNG001 as a treatment for COVID-19, including discussions with regulatory agencies to set out a route to a potential approval, and separately working with its manufacturing partners to achieve meaningful supply scale up.

In March 2020, Synairgen raised £14.0 million (before expenses) in an equity issue to fund its initial COVID-19 related activities and strengthen its balance sheet. Research and development expenditure for the six months ended 30 June 2020 was £4.47 million (30 June 2019: £1.69 million) as the Company advanced its clinical trial of SNG001 in COVID-19 patients and scale-up activities. The loss from operations for the six months ended 30 June 2020 was £5.08 million (30 June 2019: £2.21 million loss). The Company held cash balances of £10.9 million at 30 June 2020 (30 June 2019: £3.52 million).

5. NET SETTLEMENT OF OPTIONS AND DIRECTORS' DEALINGS

Following the announcement of the Fundraising, two Directors, Richard Marsden (Chief Executive Officer) and John Ward (Finance Director) conditionally exercised certain of the options they hold, as follows:

Name	Status	Number of Ordinary Shares over which options have been exercised	Number of new Ordinary Shares to be issued following exercise of options and net settlement	Total number of Ordinary Shares held on Firm Admission	Percentage of Enlarged Share Capital held on Firm Admission	Total number of Ordinary Shares held on Conditional Admission	Percentage of Enlarged Share Capital* held on Conditional Admission
Richard Marsden	Director	851,889	386,842	754,667 ¹	0.46%	754,677 ¹	0.38%
John Ward	Director	324,445	147,330	514,907	0.31%	514,907	0.26%

* Assuming take up in full of the Open Offer by Qualifying Shareholders

¹ This number includes 184,821 Ordinary Shares which are held in a pension fund to which Richard Marsden is beneficially entitled

The Company has agreed to net-settle the above options on behalf of the Option Holders. This is a process whereby the Company settles the relevant options by delivering such number of Ordinary Shares to the relevant Option Holder as is equivalent to the notional gain on exercise with the income tax and National Insurance Contributions (NICs) due on such gain paid by the Company to HMRC on behalf of the relevant Option Holder. The Company afforded them this opportunity as the relevant options were shortly due to expire. For the avoidance of doubt, the Option Holders are not receiving any cash proceeds from the exercise of these options.

Accordingly, whilst the Option Holders exercised options over, in aggregate, 1,176,334 Ordinary Shares, following the net settlement by the Company and the payment by the Company of both the income tax and NICs on the Option Holders' behalf as described above, the Company will issue, in aggregate, 534,172 Option Shares to the Option Holders.

The Directors do not require Shareholders to grant them any additional share authorities in order to allot the Option Shares as they will be allotted pursuant to an employees' share scheme in accordance with sections 549(2) and 566 of the Act. Admission of the Option Shares shall take place on Firm Admission, which is expected to occur at 8.00 a.m. on 19 October 2020 or such later time and/or date as finnCap, Numis and the Company may agree, not being later than 8.30 a.m. on 25 November 2020.

6. DETAILS OF THE PLACING

The Company has raised £26.2 million (before fees and expenses) by way of the Firm Placing and conditionally raised £53.8 million (before fees and expenses) by way of the Conditional Placing by the proposed issue of, in aggregate, 45,714,285 Placing Shares at the Issue Price.

The Firm Placing is being made pursuant to existing authorities to allot shares for cash and disapply pre-emption rights under section 551 and section 570 of the Act, which were granted to the Directors at the Annual General Meeting of the Company held on 29 June 2020. Accordingly, completion of the Firm Placing and Firm Admission is expected to occur at 8.00 a.m. on 19 October 2020 or such later time and/or date as finnCap, Numis and the Company may agree, not being later than 8.30 a.m. on 25 November 2020.

The Company will require further share authorities to allot the Conditional Placing Shares and the Open Offer Shares. Accordingly, the Conditional Placing is conditional, *inter alia*, upon the passing of Resolution 1 and the Open Offer is conditional, *inter alia*, on the passing of both Resolution 1 and Resolution 2 by Shareholders at the General Meeting. This means that whilst the Conditional Placing can go ahead if the Open Offer resolution (Resolution 2) is not passed (subject to the conditions below being met or waived, where possible, by the Joint Bookrunners), the Open Offer will only go ahead if the Conditional Placing also goes ahead.

The Resolutions are contained in the Notice of General Meeting at the end of this Document. Conditional Admission is expected to occur at 8.00 a.m. on 4 November 2020 or such later time and/or date as finnCap, Numis and the Company may agree, not being later than 8.30 a.m. on 25 November 2020.

The Conditional Placing is conditional, *inter alia*, on the following:

- (a) Firm Admission having occurred;
- (b) the Resolutions being passed at the General Meeting;
- (c) the Placing Agreement not having been terminated prior to Conditional Admission and becoming unconditional in all respects; and
- (d) Admission of the Conditional Placing Shares having become effective on or before 8.00 a.m. on 4 November 2020 (or such later date and/or time as the Company and the Joint Bookrunners may agree, being no later than 8.30 a.m. 25 November 2020).

The Issue Price represents a discount of approximately 4.1 per cent. to the volume-weighted average price of the Ordinary Shares for the ten day period up to and including 14 October 2020 (being the last practicable dealing day prior to the release of the opening announcement in relation to the Placing). The New Ordinary Shares (assuming take up of the Open Offer in full) will represent approximately 25.2 per cent. of the Enlarged Issued Share Capital and will, when issued, rank *pari passu* in all respects with the other Existing Shares in issue.

The Placing Shares will be issued free of all liens, charges and encumbrances and will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of their issue.

The Placing Shares are not subject to clawback and are not part of the Open Offer.

No element of the Placing has been underwritten.

7. THE PLACING AGREEMENT

Pursuant to the terms of the Placing Agreement, each of finnCap and Numis, as agent of the Company, has conditionally agreed to use its respective reasonable endeavours to procure subscribers for the Placing Shares at the Issue Price.

The terms and conditions of the Placing were set out in the announcement issued by the Company in connection with the Fundraising on 14 October 2020.

The Placing Agreement contains customary warranties from the Company in favour of the Joint Bookrunners in relation to, *inter alia*, the accuracy of the information in this document and other matters relating to the Group and its business. In addition, the Company has agreed to indemnify each of the Joint Bookrunners in relation to certain defined liabilities that it may incur in respect of the Fundraising.

The Joint Bookrunners have the right to terminate the Placing Agreement in certain circumstances prior to Admission, in particular, in the event of a material breach of the warranties given to the Joint Bookrunners in the Placing Agreement or a material adverse change affecting the business, financial trading position or prospects of the Company or the Group as a whole.

The Placing Agreement also provides for the Company to pay all costs, charges and expenses of, or incidental to, the Fundraising and Admission including all legal and other professional fees and expenses.

The Placing Shares have not been made available to the public and have not been offered or sold in any jurisdiction where it would be unlawful to do so.

8. THE OPEN OFFER

The Company considers it important that Qualifying Shareholders have an opportunity (where it is practicable for them to do so) to participate in the Fundraising and accordingly the Company is making the Open Offer to Qualifying Shareholders. The Company is proposing to raise up to approximately £7 million (before expenses) (assuming full take up of the Open Offer) through the issue of up to 4,038,741 Open Offer Shares.

The Open Offer Shares are available to Qualifying Shareholders pursuant to the Open Offer at the Issue Price of 175 pence per Open Offer Share, payable in full on acceptance. Any Open Offer Shares not subscribed for by Qualifying Shareholders will be available to Qualifying Shareholders under the Excess Application Facility.

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

1 Open Offer Share for every 37 Existing Ordinary Shares held on the Record Date

Entitlements of Qualifying Shareholders will be rounded down to the nearest whole number of Open Offer Shares. Fractional entitlements which would otherwise arise will not be issued to Qualifying Shareholders but will be aggregated and be made available under the Excess Application Facility. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Basic Open Offer Entitlement. Not all Shareholders will be Qualifying Shareholders. Shareholders who are located in, or are citizens of, or have a registered office in certain overseas, including the Restricted Jurisdictions, will not qualify to participate in the Open Offer. The attention of Overseas Shareholders is drawn to paragraph 6 of Part IV of this document.

Valid applications by Qualifying Shareholders will be satisfied in full up to their Basic Open Offer Entitlements as shown on the Application Form. Applicants can apply for less or more than their entitlements under the Open Offer but the Company cannot guarantee that any application for Excess Shares under the Excess Application Facility will be satisfied as this will depend in part on the extent to which other Qualifying Shareholders apply for less than or more than their own Basic Open Offer Entitlements. The Company may satisfy valid applications for Excess Shares of applicants in whole or in part but reserves the right not to satisfy any excess above any Basic Open Offer Entitlement. Applications made under the Excess Application Facility will be scaled back at the Company's discretion if applications are received from Qualifying Shareholders for more than the available number of Excess Shares. If Qualifying Shareholders do not take up all of the Open Offer Shares, the Company and the Joint Bookrunners may agree that the Joint Bookrunners should use their reasonable efforts to procure subscribers for such Open Offer Shares at the Issue Price. There is no guarantee that this will occur or that the Joint Bookrunners would be successful in so procuring any subscribers for such shares.

Application has been made for the Basic Open Offer Entitlements to be admitted to CREST. It is expected that such Basic Open Offer Entitlements will be credited to CREST on 16 October 2020. The Basic Open Offer Entitlements will be enabled for settlement in CREST until 11.00 a.m. on 30 October 2020. Applications through the CREST system may only be made by the Qualifying CREST Shareholder originally entitled or by a person entitled by virtue of *bona fide* market claims. The Open Offer Shares must be paid in full on application. The latest time and date for receipt of completed Application Forms or CREST applications and payment in respect of the Open Offer is 11.00 a.m. on 30 October 2020. The Open Offer is not being made to certain Overseas Shareholders, as set out in paragraph 6 of Part IV of this document.

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

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

The Open Offer is conditional on the Placing becoming or being declared unconditional in all respects and not being terminated before Admission. Accordingly, if the conditions to the Placing (including the passing of the Resolutions) are not satisfied or waived (where capable of waiver), the Open Offer will not proceed and the Open Offer Shares will not be issued and all monies received by the Receiving Agent will be returned to the applicants (at the applicant's risk and without interest) as soon as possible thereafter. Any Basic Open Offer Entitlements admitted to CREST will thereafter be disabled.

The Open Offer Shares will be issued free of all liens, charges and encumbrances and will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of their issue.

Settlement and dealings

Application will be made to the London Stock Exchange for the Conditional Placing Shares and the Open Offer Shares to be admitted to trading on AIM. It is expected that Conditional Admission will become effective at 8.00 a.m. on 4 November 2020.

9. THE GENERAL MEETING

A notice convening the General Meeting, to be held at The Blueprint Design Company Limited, Martins Barn, Birdham Road, Chichester, West Sussex PO20 7BX at 11.00 a.m. on 2 November 2020 is set out at the end of this document. At the General Meeting, the Resolutions will be proposed to grant the Directors the authority to allot the Conditional Placing Shares and Open Offer Shares.

Resolution 1 – Authority to allot the Conditional Placing Shares for cash free of pre-emption rights

The Directors require the authority of Shareholders to allot the Conditional Placing Shares for cash free of the statutory pre-emption rights contained in section 561 of the Act.

Accordingly, Resolution 1 as set out in the Notice of General Meeting authorises the Directors to allot new Ordinary Shares or grant rights to subscribe for or convert any securities into Ordinary Shares up to an aggregate nominal amount of £307,709.85 in connection solely with the allotment of the Conditional Placing Shares and to do so for cash free of statutory pre-emption rights.

Resolution 1 will be proposed as a special resolution and will therefore require not less than 75 per cent. of the votes cast to be in favour. This authority, if granted, will be in addition to any existing authorities to allot new Ordinary Shares free of pre-emption rights granted to the Directors prior to the date of this document which will continue in full force and effect whether or not the Placing is effected. This authority will expire on the date falling six months from the passing of the Resolution and cannot be used for any other purpose.

Resolution 2 – Authority to allot the Open Offer Shares for cash free of pre-emption rights

The Directors also require the authority of Shareholders to allot the maximum number of Open Offer Shares for cash free of the statutory pre-emption rights contained in section 561 of the Act.

Accordingly, Resolution 2 as set out in the Notice of General Meeting authorises the Directors to allot new Ordinary Shares or grant rights to subscribe for or convert any securities into Ordinary Shares up to an aggregate nominal amount of £40,387.41 in connection solely with the allotment of the Open Offer Shares and to do so for cash free of statutory pre-emption rights.

Resolution 2 will be proposed as a special resolution and will therefore require not less than 75 per cent. of the votes cast to be in favour. This authority, if granted, will be in addition to any existing authorities to allot new Ordinary Shares free of pre-emption rights granted to the Directors prior to the date of this document which will continue in full force and effect whether or not the Placing is effected. This authority will expire on the date falling six months from the passing of the Resolution and cannot be used for any other purpose.

Voting will be by way of a poll

For the reasons set out in the paragraph below, the Chairman and the Board have decided that the fairest way for the General Meeting to proceed would be by way of poll. This means that every Shareholder present in person or by proxy has one vote for every Ordinary Share held.

Conducting a meeting by way of a poll ensures that all Shareholders are given the opportunity to participate in the decision-making of the Company and have their votes recorded even if they do not attend the meeting in person.

10. ACTION TO BE TAKEN

In respect of the General Meeting

In light of current laws and the Government's current guidance regarding the COVID-19 pandemic, which includes enforcement of social distancing, Shareholders will not be permitted to attend the General Meeting.

The General Meeting will be convened in accordance with the Company's Articles of Association and in line with the UK Government's guidance. Voting on the Resolutions to be proposed at the General Meeting shall be held on a poll rather than on a show of hands. The Company believes that this is the best and fairest way to ensure that the votes of all Shareholders can be taken into account, whilst also preventing the Company and Shareholders breaching the Government's guidance. Accordingly, the Company encourages all Shareholders to vote electronically using the CREST Proxy Voting Service or by going to www.signalshares.com (as applicable) as soon as possible, **in each case electing the Chairman of the meeting as their proxy as no other proxy will be permitted to attend the General Meeting.**

The health and well-being of our Shareholders and colleagues remains our priority and the steps set out above are necessary and appropriate during the COVID-19 pandemic. We trust that Shareholders will understand the need for these precautions in line with Government public health guidelines.

Please submit your vote by proxy electronically.

If you hold your Existing Shares in uncertificated form in CREST, you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual. Further details are also set out in the notes accompanying the Notice of General Meeting at the end of this document. Proxies submitted via CREST must be received by Link Group (CREST ID RA10) by no later than 11.00 a.m. on 29 October 2020 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting).

Shareholders can also vote electronically by using Link Group's Signal Shares share portal service at www.signalshares.com.

A Form of Proxy does not accompany this document. If you require a hard copy Form of Proxy (or assistance with how to complete, sign and return it) or assistance in submitting your proxy appointment electronically, please call Link Group on +44 (0)371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the UK will be charged at the applicable international rate. Lines are open 9.00 a.m. to 5.30 p.m., Monday to Friday, excluding public holidays in England and Wales.

In order to be valid, proxy appointments must be submitted whether electronically or in hard copy form by no later than 11.00 a.m. on 29 October 2020 or 48 hours (excluding any part of a day that is not a working day) before the time fixed for any adjourned meeting.

In respect of the Open Offer

Qualifying Non-CREST Shareholders wishing to apply for Open Offer Shares or the Excess Shares must complete the enclosed Application Form in accordance with the instructions set out in paragraph 3 of Part IV of this document and on the accompanying Application Form and return it to Link Group by post to Link Group, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or by hand (during normal office hours only) to, Link Group, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, so as to arrive no later than 11.00 a.m. on 30 October 2020.

If you do not wish to apply for any Open Offer Shares under the Open Offer, you should not complete or return the Application Form. Shareholders are nevertheless requested to submit their votes in respect of the General Meeting electronically.

If you are a Qualifying CREST Shareholder, no Application Form will be sent to you. Qualifying CREST Shareholders will have Basic Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to their stock accounts in CREST. You should refer to the procedure for application set out in paragraph 3 of Part IV of this document. The relevant CREST instructions must have settled in accordance with the instructions in paragraph 3.2 of Part IV of this document by no later than 11.00 a.m. on 30 October 2020.

Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Open Offer.

11. OVERSEAS SHAREHOLDERS

Information for Overseas Shareholders who have registered addresses outside the United Kingdom or who are citizens or residents of countries other than the United Kingdom appears in paragraph 6 of Part IV of this document, which sets out the restrictions applicable to such persons. If you are an Overseas Shareholder, it is important that you pay particular attention to that paragraph of this document.

12. RISK FACTORS

Your attention is drawn to the risk factors in Part II of this document which are important and which should be read in full.

13. RECOMMENDATION

Shareholders are reminded that should the relevant Resolutions not be passed, the proceeds of the Conditional Placing and/or the Open Offer will not be received by the Company, which would materially adversely affect the Company's business plans and severely impact its ability to develop SNG001 as currently intended. Should the Resolutions not be passed, the Company would not be able to commence the proposed Phase III clinical trial in COVID-19 patients as detailed in this document and it would materially adversely affect its manufacturing and device scale up activities and potentially its other balance sheet strengthening and partnering activities.

Accordingly, the Directors confirm that they consider the Fundraising to be in the best interests of the Company and its Shareholders as a whole and accordingly unanimously recommend that you vote in favour of the Resolutions to be proposed at the General Meeting, as they intend to do in respect of their own holdings which amount, in aggregate, to 3,833,743 Existing Ordinary Shares, representing approximately 2.6 per cent. of the existing issued ordinary share capital of the Company.

Yours faithfully

Simon Shaw

Non-executive Chairman

PART II

RISK FACTORS

Any investment in the Company is subject to a number of risks. Accordingly, prospective investors should carefully consider the risk factors set out below as well as the other information contained in this document before making a decision whether to invest in the Company by way of the Open Offer or otherwise. The risks described below are not the only risks that the Group faces. Additional risks and uncertainties that the Directors are not aware of or that the Directors currently believe are immaterial may also impair the Group's operations. Any of these risks may have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects. In that case, the price of the Ordinary Shares could decline and investors may lose all or part of their investment. Prospective investors should consider carefully whether an investment in the Company is suitable for them in light of the information in this document and their personal circumstances.

Before making an investment, prospective investors are strongly advised to consult an investment adviser authorised under FSMA who specialises in investments of this kind. A prospective investor should consider carefully whether an investment in the Company is suitable in the light of his or her personal circumstances, the financial resources available to him or her and his or her ability to bear any loss which might result from such investment.

The following factors do not purport to be a complete list or explanation of all the risk factors involved in investing in the Company and are not set out in any order of priority. In particular, the Company's performance may be affected by changes in the market and/or economic conditions and in legal, regulatory and tax requirements.

RISKS RELATING SPECIFICALLY TO THE GROUP AND ITS BUSINESS

The development of SNG001 is inherently uncertain and pharmaceuticals have high failure rates. The Phase III trial (SG018) may be unable to reproduce the encouraging data from the Phase II trial (SG016)

There is a high failure rate in the development of pharmaceuticals and there is a substantial risk of adverse, undesirable, unintended or inconclusive results from testing or clinical trials, which may substantially delay, or halt entirely, or make uneconomic, any further development of SNG001, whether that be in the indication of COVID-19 solely or in all therapeutic indications, and may prevent or limit its commercial use.

It is possible that the Phase III trial is unable to replicate the encouraging data which resulted from the Company's Phase II trial (SG016). As is normal for any clinical trial, there are a number of circumstances and uncertainties which could adversely affect the results. In addition, there are a number of known circumstances where the Phase III trial will differ from the Phase II trial, which include:

- the standard of care for COVID-19 has improved or changed since the Phase II trial (SG016), with the introduction of new (or existing) therapeutics, such as dexamethasone and remdesivir. This increased standard of care may make it more challenging to differentiate the effects of SNG001 versus the placebo;
- in addition, the standard of care for COVID-19 varies from country to country;
- it is proposed that, (for scalability reasons) the Phase III trial utilises a different nebuliser (the Aerogen® Solo/Ultra aerosol delivery system) to that used in the Phase II trial;
- the intention is that drug product derived from drug substance manufactured by a second supplier be used in the Phase III trial, alongside drug substance manufactured by the original manufacturer Rentschler.

Whilst the Directors believe that the occurrence of a "chance finding" in the Phase II trial is low, as a number of endpoints all pointed in the same direction, the above variations from the Phase II trial may make reproducing the results of SGO16 more uncertain.

The Phase III trial (SG018) may be challenging to complete within the proposed timelines

There are inherent uncertainties in running any large scale clinical trial and risks exist that may impact the Company's ability to complete the Phase III trial (SG018) within the proposed timelines. These may include, but are not limited to:

- delays to receiving the necessary regulatory approvals in order to begin the trial – the requirements for and the speed of regulatory approval may vary from country to country;
- the proper labelling of SNG001 and placebo in accordance with applicable law and regulation may vary from country to country and any delay in such labelling may delay the start of the trial in that particular country;
- the running of any clinical trial is a heavily regulated activity – any amendments or changes to the protocol will require consideration, review and implementation that may introduce delays;
- the fact that many clinical trial sites are already busy on COVID-19 studies may make it harder for the Company to find suitable sites to participate in the Phase III trial. Similarly, there may also be competition from other clinical trials as to the recruitment of suitable patients (i.e. with OSCI scores of 4 or more) suffering from COVID-19. These issues themselves may cause delays and may also require the trial to be conducted in additional countries;
- the possibility that, while no evidence exists of yet, COVID-19 may resolve naturally (see risk factor below ("COVID-19 pandemic resolves (e.g. as a result of vaccines(s) or therapeutics)”).

If any of the above circumstances or events occur then significant delays may impact the proposed Phase III timetable which in turn may also have cost and/or ultimately commercial implications.

The Company is dependent on third party supply, manufacturing and clinical service relationships

The Company utilises the expertise and resources of third parties in a number of areas including the conduct of clinical trials and the manufacture and supply of SNG001. This strategy creates risks for the Company by placing critical aspects of the Company's business in the hands of third parties whom the Company may not be able to manage or control adequately.

In addition, regulatory requirements for pharmaceutical products tend to make the substitution of suppliers and contractors costly and time-consuming. Alternative suppliers may not be able to manufacture products effectively, on time or obtain the necessary manufacturing licences from applicable regulatory authorities.

In particular, the Company's plans to scale up manufacturing of SNG001 include a number of measures that are at present uncertain and subject to risk, which may endanger the ability to achieve scaled-up product volumes when the Phase III trial (SG018) completes. These risks include, but are not limited to:

- specific risks relating to the scale-up of manufacture of SNG001:
 - the Company is dependent on third parties to manufacture and supply the drug substance of SNG001. As the manufacture is in the hands of third parties, the Company cannot guarantee that the drug substance will be manufactured in a manner which complies with regulatory requirements nor that they will deliver the product on a timely basis in accordance with the Company's plans;
 - the local economies and work forces of the jurisdiction in which the active ingredient is manufactured may be adversely affected by any worsening of the COVID-19 pandemic in that country such as local lock down restrictions;
 - the IFN-beta drug molecule used in the original Rentschler product and that of the new manufacturer's IFN-beta product while very similar, there remains a risk that a switch from one manufacturer to another may have an adverse effect on some of the product's critical quality attributes (CQAs) that potentially could impact safety or efficacy. Consequently the new manufacturer will be required to satisfactorily complete both QC method and process validation as well as formal comparability studies upon Rentschler versus new supplier materials the results of which will be presented to national regulatory bodies for review prior to obtaining a product licence.

- specific risks relating to the scale up of the drug product production:
 - the Company is dependent on Catalent to perform the process of filling syringes with SNG001 and finishing the process of packaging and releasing the product for distribution. As a process is in the hands of a third party, the Company cannot guarantee that it will perform this activity on a timely basis or in accordance with regulatory requirements. Catalent will also have to satisfactorily complete process and QC test validation;
 - there is a very high demand for glass syringes at present (along with stoppers) which is being managed by the various suppliers both in support of the increased demand due to Covid-19 but also to continue to support existing products. This high demand could adversely affect production.
- specific risks relating to the production of the nebuliser:
 - the Company cannot guarantee that Aerogen will be able to manufacture or meet the Company's demand for the devices on time. In particular, the Company understands that there is a long lead time for some of the componentry. Any delay in procuring these materials may delay proceedings.

If any of the above events occur, then they may adversely affect the Company's ability to conduct or complete its proposed Phase III trial or deliver production in a timely and cost effective manner, which would adversely affect the Group's business plans and prospects.

The COVID-19 pandemic resolves (e.g. as a result of effective vaccine(s) or therapeutics), which may result in a different approach to regulatory approval

The COVID-19 pandemic may resolve, whether due to the development of vaccination(s) that can be rolled-out on a widespread basis globally or the development of better therapeutics or by some other means. In the event of these resolutions, the potential demand for SNG001 as a therapeutic for COVID-19 will likely fall. In addition, in light of any resolution, regulators including the FDA and EMA may take a different approach to regulatory approval for any new therapeutics, which may increase the regulatory burden on the Company and have both time and cost implications.

There are a number of competing COVID-19 therapeutics at different stages of regulatory approval

There are a number of competing therapeutics for COVID-19 at varying stages of regulatory approval, including but not limited to: Remdesivir, Dexamethasone, REGN-COV2, an Eli Lilly product (LY-CoV555) and injected forms of interferon-beta. Any of these therapeutics and others which are currently less well known may prove to be more effective or desirable or cheaper than SNG001 and as such SNG001 may have limited clinical use even if it were approved.

Many of the Company's competitors have substantially greater financial technical and other resources than the Company, such as a larger research and development team and proven marketing and manufacturing organisations and well-established sales forces. The Company's competitors may succeed in developing, acquiring or licensing, drug products that are more effective or less costly than products which the Company is currently developing or which it may develop.

Established pharmaceutical companies may invest heavily to accelerate the discovery and development of products that could make the Company's products less competitive. In addition, any new product that competes with an approved product must demonstrate compelling advantages in efficacy convenience, tolerability or safety in order to overcome price competition and to be commercially successful. Accordingly, its competitors may succeed in obtaining patent protection, receiving FDA and EMA approval or discovering, developing and commercialising their pharmaceutical product before the Company does, which would have a material adverse impact on the Company's business.

Synaigen is a relatively small company and is dependent on a small team of key personnel and scientific and clinical collaborators

The Company's success is highly dependent on the expertise and experience of a small team of key personnel and scientific and clinical advisers/contractors. Whilst the Company has entered into employment

and other agreements with each of these key personnel, the retention of such personnel cannot be guaranteed. Should key personnel leave or no longer be party to agreements or collaborations with the Company, the Company's business prospects, financial condition and/or results of operations could be adversely affected. The loss of certain key personnel may make the running of a large clinical study such as the proposed Phase III trial for SNG001 very challenging for the Company. To mitigate this risk, the Company has contracted with certain key partners to provide services to the Company, including CRO services, regulatory affairs consultants and clinical management services. As a result of this small scale, in the event of positive Phase III trial results, it is likely that the Company will have to consider partnering with other organisations in order to effectively scale up its operations. There can be no guarantee that the Company will find suitable partners or on commercially advantageous terms.

The Group is dependent solely on SNG001 for its short and medium term success

The Group is dependent solely on SNG001 for its short and medium term success. If the Phase III trial of SNG001 for COVID-19 is ultimately unsuccessful or inconclusive, whilst SNG001 has potential other applications, for example COPD, it will have a material adverse effect on the financial condition and prospects of the Group.

The regulatory approval processes of the EMA, FDA and other comparable regulatory agencies may be lengthy, time-consuming and unpredictable

The Group's future success is dependent upon its ability to develop successfully, obtain regulatory approval for and then successfully commercialise SNG001. There can be no assurance that SNG001 will be successful in clinical trials or receive regulatory approval. SNG001 could take a significantly longer time to gain regulatory approvals than expected or may never gain regulatory approvals. A drug which has received approval in one territory may not succeed in getting approval in other territories and different regulators in different jurisdictions may also have different criteria and endpoints in order for regulatory approval and marketing authorisations to be granted.

The United Kingdom's withdrawal from the European Union may lead to uncertainty in the continued applicability of the regulations that govern the Group (both within the UK and the EU). Any uncertainty regarding the status of the Group's business within the EU, or regulatory change following the end of the transition period, could have a material adverse effect on the Group's business.

Intellectual property

The Group has existing granted patents and additionally has filed two patent applications with regards to the SNG001 COVID-19 and COPD programmes respectively in progress in addition to trade secrets and confidentiality agreements to protect the intellectual property related to SNG001 and its technologies and candidates. The Group's success depends in large part on its ability to obtain and maintain patent and other intellectual property protection in the United Kingdom, Europe, the United States and in other countries with respect to its proprietary technology and product candidates.

Further, there can be no assurance that others have not developed or will not develop similar pharmaceuticals, duplicate any of the Group's products or design around any patents which may be granted to the Group. Others may hold or receive patents which contain claims having a scope that covers products developed by the Group. No assurance can be given that others will not independently develop or otherwise acquire substantial equivalent techniques or otherwise gain access to the Group's unpatented proprietary technology or disclose such technology or that the Group can ultimately protect meaningful rights to such unpatented proprietary technology.

The Company's products could infringe patents and other intellectual property rights of third parties

SNG001 may infringe or may be alleged to infringe existing patents or patents that may be granted in the future which may result in costly litigation and could result in the Company having to pay substantial damages or limit the Company's ability to commercialise its products.

Because some patent applications in Europe and the United States may be maintained in secrecy until the patents are issued, patent applications in Europe, the United States and many foreign jurisdictions are typically not published until 18 months after filing and publications in the scientific literature often lag behind actual discoveries the Company cannot be certain that others have not filed patents that may cover its technologies its products or the use of its products. Additionally, pending patent applications which have been published can, subject to certain limitations, be later amended in a manner that could cover the Company's technologies, its products or the use of its products, including SNG001. As a result, the Company may become party to, or threatened with, future adversarial proceedings or litigation regarding patents with respect to its products and technology.

In the event that a company is sued for patent infringement, it would need to demonstrate that its products or methods either do not infringe the patent claims of the relevant patent or that the patent claims are invalid. If a company is found to infringe a third party's patent, the infringing party could be required to obtain a licence from such third party to continue developing and marketing its products and technology or a company might elect to enter into such a licence in order to settle litigation or in order to resolve disputes prior to litigation. However, a company may not be able to obtain any required licence on commercially reasonable terms or at all. Even if a company is able to obtain a licence, it could be non-exclusive, thereby giving its competitors access to the same technologies licensed to the company, and could require the company to make substantial royalty payments. The infringing party could also be forced, including by court order, to cease commercialising the infringing technology or products. A finding of infringement could prevent the infringing party from commercialising its products or force it to cease some of its business operations, which could materially harm its business.

Any such claims are likely to be expensive to defend, and some of its competitors may be able to sustain the costs of complex patent litigation more effectively because they have substantially greater resources. Moreover, even if a company is successful in defending any infringement proceedings, it may incur substantial costs and divert management's time and attention in doing so, which could materially adversely affect the company's business, results of operations or financial condition.

United Kingdom exit from the European Union

Following the United Kingdom's exit from the European Union on 31 January 2020 ("**Brexit**") and entrance into the transition period, there are still many uncertainties regarding the United Kingdom's future relationship with the EU which could have significant negative impact on the Group. The extent of the impact will depend in part on the nature of the arrangements if any that are put in place between the UK and the EU at the end of the transition period and, the extent to which the UK continues to apply laws that are based on EU legislation from 1 January 2021. In addition, the macroeconomic effect of Brexit on the Group's business is unknown. As such, it is not possible to state the impact that Brexit would have on the Group. It could also potentially make it more difficult for the Group to operate its business in the EU as a result of any increase in tariffs or taxes and/or more burdensome regulations being imposed on UK companies (such as changes in applicable legislation affecting the regulatory pathway of the Group's products, both in Europe and in the UK). This could restrict the Group's future prospects and adversely impact its financial condition.

GENERAL RISKS RELATING TO AN INVESTMENT IN THE ORDINARY SHARES

General

An investment in Ordinary Shares is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such an investment, or other investors who have been professionally advised with regard to the investment, and who have sufficient resources to be able to bear any losses that may arise therefrom (which may be equal to the whole amount invested). Such an investment should be seen as complementary to existing investments in a wide spread of other financial assets and should not form a major part of an investment portfolio. Prospective investors should not consider investing in the Ordinary Shares unless they already have a diversified investment portfolio.

Prospective investors should be aware that the value of an investment in the Company may go down as well as up and investors may therefore not recover their original investment.

Share price volatility and liquidity

Following Admission, the market price of the Ordinary Shares may be subject to wide fluctuations in response to many factors which may or may not be outside of the control of the Company, including changes in the performance of the market as a whole, stock market fluctuations and general economic conditions or changes in political sentiment. This may substantially affect the market price of the Ordinary Shares irrespective of the progress the Company may make in terms of developing and expanding its products or its actual financial, trading or operational performance. These factors could include the performance of the Company, purchases or sales of the Ordinary Shares, legislative changes and market, economic, political or regulatory conditions or price distortions resulting from limited liquidity in the Company's shares.

Investment risk and AIM

The New Ordinary Shares will be admitted to AIM and it is emphasised that no application is being made for admission of the New Ordinary Shares to the Official List or to any other stock exchange. An investment in shares quoted on AIM may be less liquid and may carry a higher risk than an investment in shares quoted on the Official List. The rules of AIM are less demanding than those of the Official List. Further, London Stock Exchange has not itself examined or approved the contents of this Document. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

Issue of additional Ordinary Shares

Although the Company's current business plan does not involve the issue of Ordinary Shares other than in connection with the Fundraising and pursuant to the Company's share option schemes, it is possible that the Company may decide to issue, pursuant to a public offer, an acquisition or otherwise, additional Ordinary Shares in the future at a price or prices higher or lower than the Issue Price. An additional issue of Ordinary Shares by the Company, or the public perception that an issue may occur, could have an adverse effect on the market price of Ordinary Shares and could dilute the proportionate ownership interest, and hence the proportionate voting interest, of Shareholders. This will particularly be the case if and to the extent that such an issue of Ordinary Shares is not effected on a pre-emptive basis, or Shareholders do not take up their rights to subscribe for further Ordinary Shares structured as a pre-emptive offer.

Dilution

Regardless of whether a Qualifying Shareholder takes up his/her/its entitlements under the Open Offer, the effect of the Placing will be a reduction of his/her/its proportionate ownership and voting interests in the Company (unless a Shareholder applies for and obtains Excess Shares under the Open Offer to such an extent that his/her/its proportionate interest is not reduced). Shareholders will experience greater dilution in their ownership of, and voting interests in, the Company to the extent they do not subscribe in full for their Basic Open Offer Entitlement and/or Open Offer Excess Entitlement. Those Shareholders in a Restricted Jurisdiction, subject to certain exceptions, will, in any event, not be able to participate in the Open Offer.

Legislation and tax status

This Document has been prepared on the basis of current legislation, regulation, rules and practices and the Directors' interpretation thereof. Such interpretation may not be correct and it is always possible that legislation, rules and practice may change. Any change in legislation and in particular in tax status or tax residence of the Company or in tax legislation or practice may have an adverse effect on the returns available on an investment in the Company.

General economic climate

Factors such as inflation, currency fluctuation, interest rates, supply and demand of capital and industrial disruption have an impact on business costs and commodity prices and stock market prices. The Group's operations, business and profitability can be affected by these factors, which are beyond the control of the Group.

There is no guarantee that the Company's Ordinary Shares will continue to be traded on AIM

The Company cannot assure investors that the Ordinary Shares will always continue to be traded on AIM or on any other exchange. If such trading were to cease, certain investors may decide to sell their shares, which could have an adverse impact on the price of the Ordinary Shares. Additionally, if in the future the Company decides to obtain a listing on another exchange in addition or as an alternative to AIM, the level of liquidity of the Ordinary Shares traded on AIM could decline.

The risks above do not necessarily comprise all those faced by the Company or the Group and are not intended to be presented in any assumed order of priority. The investment offered in this Document may not be suitable for all of its recipients. Investors are accordingly advised to consult an investment adviser, who is authorised under the FSMA if you are resident in the United Kingdom or, if not, from another appropriate authorised independent financial adviser and who or which specialises in investments of this kind before making a decision to apply for or acquire New Ordinary Shares.

PART III

SOME QUESTIONS AND ANSWERS ABOUT THE OPEN OFFER

The questions and answers set out in this Part III: “Some Questions and Answers about the Open Offer” are intended to be in general terms only and, as such, you should read Part IV: “Terms and Conditions of the Open Offer” of this document for full details of what action to take. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other appropriate independent financial adviser duly authorised under the FSMA if you are in the United Kingdom, or if not, from another appropriately authorised independent financial adviser.

The Open Offer is not being extended into the United States or in any other Restricted Jurisdiction where such offer is not permitted pursuant to applicable securities laws.

This Part III deals with general questions relating to the Open Offer and more specific questions relating principally to persons resident in the United Kingdom who hold their Ordinary Shares in certificated form only. If you are an Overseas Shareholder, you should read paragraph 6 of Part IV: “Terms and Conditions of the Open Offer” of this document and you should take professional advice as to whether you are eligible and/or you need to observe any formalities to enable you to take up your Basic Open Offer Entitlement. If you hold your Existing Ordinary Shares in uncertificated form (that is, through CREST) you should read Part IV: “Terms and Conditions of the Open Offer” of this document for full details of what action you should take. If you are a CREST sponsored member, you should also consult your CREST sponsor. If you do not know whether your Existing Ordinary Shares are in certificated or uncertificated form, please contact Link Group, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, or you can contact them on Link Group on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

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

1. WHAT IS AN OPEN OFFER?

An open offer is a way for companies to raise money. Companies usually do this by giving their existing shareholders a right to acquire further shares at a fixed price in proportion to their existing shareholdings.

In this instance Shareholders will also be offered the opportunity to apply for additional shares in excess of their entitlement to the extent that other Qualifying Shareholders do not take up their entitlement in full. The Issue Price is a 22.6 per cent. discount to the closing middle market price of 226 pence per Ordinary Share on 14 October 2020.

This Open Offer is an invitation by the Company to Qualifying Shareholders to apply to acquire up to an aggregate of 4,038,741 new Ordinary Shares at a price of 175 pence per share. If you hold Ordinary Shares on the Record Date or have a *bona fide* market claim, other than where you are a Shareholder with a registered address or located in the United States or, subject to certain exceptions, any other Restricted Jurisdiction, you will be entitled to subscribe for Open Offer Shares under the Open Offer.

The Open Offer is being made on the basis of 1 Open Offer Share for every 37 Existing Ordinary Shares held by Qualifying Shareholders on the Record Date.

The Excess Application Facility allows Qualifying Shareholders to apply for Open Offer Shares in excess of their Basic Open Offer Entitlements. Applications made under the Excess Application Facility will be scaled back at the Company's discretion if applications are received from Qualifying Shareholders for

more than the available number of Excess Shares. Unlike in a rights issue, Application Forms are not negotiable documents and neither they nor the Basic Open Offer Entitlements can themselves be traded.

2. I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. HOW DO I KNOW I AM ELIGIBLE TO PARTICIPATE IN THE OPEN OFFER?

If you receive an Application Form and are neither a holder with a registered address nor located in the United States nor, subject to certain exceptions, any other Restricted Jurisdiction, then you should be eligible to participate in the Open Offer as long as you have not sold all of your Existing Ordinary Shares before 15 October 2020 (the time when the Existing Ordinary Shares are expected to be marked “ex-entitlement” by the London Stock Exchange).

3. I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. HOW DO I KNOW HOW MANY OPEN OFFER SHARES I AM ENTITLED TO TAKE UP?

If you hold your Existing Ordinary Shares in certificated form and do not have a registered address and are not located in the United States nor, subject to certain exceptions, any other Restricted Jurisdiction, you will be sent an Application Form that shows:

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

If you have a registered address in the United States and, subject to certain exceptions, any of the other Restricted Jurisdictions, you will not receive an Application Form.

If you would like to apply for any of or all of the Open Offer Shares comprised in your Basic Open Offer Entitlement or any Excess Open Offer Entitlement you should complete the Application Form in accordance with the instructions printed on it and the information provided in this document. Completed Application Forms should be posted, along with a cheque or banker's draft drawn in the appropriate form, in the accompanying pre-paid envelope or returned to Link Group (who will act as receiving agent in relation to the Open Offer), by post to Link Group, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or by hand (during normal office hours only) 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received by no later than 11.00 a.m. on 30 October 2020, after which time Application Forms will not be valid.

4. I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM AND AM ELIGIBLE TO RECEIVE AN APPLICATION FORM. WHAT ARE MY CHOICES IN RELATION TO THE OPEN OFFER?

4.1 *If you do not want to take up your Basic Open Offer Entitlement*

If you do not want to take up the Open Offer Shares to which you are entitled, you do not need to do anything. In these circumstances, you will not receive any Open Offer Shares. You will also not receive any money when the Open Offer Shares you could have taken up are sold, as would happen under a rights issue. You cannot sell your Application Form or your Basic Open Offer Entitlement to anyone else.

If you do not return your Application Form subscribing for the Open Offer Shares to which you are entitled by 11.00 a.m. on 30 October 2020, the Company has made arrangements under which the Company has agreed to issue the Open Offer Shares to other Qualifying Shareholders under the Excess Application Facility.

If you do not take up your Basic Open Offer Entitlement then following the issue of the Open Offer Shares pursuant to the Open Offer, your interest in the Company will be diluted.

4.2 If you want to take up some but not all of your Basic Open Offer Entitlement

If you want to take up some but not all of the Open Offer Shares to which you are entitled, you should write the number of Open Offer Shares you want to take up in Box 6 of your Application Form; for example, if you are entitled to take up 600 shares but you only want to take up 300 shares, then you should write '300' in Box 6. To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares you want (in this example, '300') by £1.75, which is the price in pounds of each Open Offer Share (giving you an amount of £525.00 in this example). You should write this amount in Box 9, rounding up to the nearest whole pence and this should be the amount your cheque or banker's draft is made out for. You should then return the completed Application Form, together with a cheque or banker's draft for that amount, in the accompanying pre-paid envelope (for use only by Shareholders with registered addresses in the United Kingdom) or return by post to Link Group, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, or by hand (during normal office hours only), to the Receiving Agent, Link Group, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received by the Receiving Agent by no later than 11.00 a.m. on 30 October 2020, after which time Application Forms will not be valid. If you post your Application Form by first-class post, you should allow at least four Business Days for delivery.

All payments must be in pounds sterling and made by cheque or banker's draft made payable to Link Market Services Limited re: Synairgen plc Open Offer A/C and crossed "A/C Payee Only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder and the number of an account held in the Applicant's name at the building society or bank by stamping or endorsing the back of the cheque or draft to such effect. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted.

Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be paid on payments made. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques and banker's drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.

A definitive share certificate will then be sent to you for the Open Offer Shares that you take up. Your definitive share certificate for Open Offer Shares is expected to be despatched to you by no later than 11 November 2020.

4.3 If you want to take up all of your Basic Open Offer Entitlement

If you want to take up all of the Open Offer Shares to which you are entitled, all you need to do is send the Application Form (ensuring that all joint holders sign (if applicable)), together with your cheque or banker's draft for the amount (as indicated in Box 5 of your Application Form), payable to Link Market Services Limited re: Synairgen plc Open Offer A/C and crossed "A/C Payee Only", in the accompanying pre-paid envelope or return to Link Group by post to Link Group, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or by hand (during normal office hours only) to Link Group, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received by no later than 11.00 a.m. on 30 October 2020, after which time Application Forms will not be valid. If you post your Application Form by first-class post, you should allow at least four Business Days for delivery.

4.4 If you want to apply for more than your Basic Open Offer Entitlement

Provided you have agreed to take up your Basic Open Offer Entitlement in full, you can apply for further Open Offer Shares under the Excess Application Facility. You should write the number of Open Offer Shares comprised in your Basic Open Offer Entitlement (as indicated in Box 4 of the Application Form)

in Box 6 and write the number of additional Open Offer Shares for which you would like to apply in Box 7. You should then add the totals in Boxes 6 and 7 and insert the total number of Open Offer Shares for which you would like to apply in Box 8.

For example, if you have a Basic Open Offer Entitlement for 600 Open Offer Shares but you want to apply for 900 Open Offer Shares in total, then you should write '600' in Box 6, '300' in Box 7 and '900' in Box 8. To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares you want (in this example, '900') by £1.75, which is the price in pounds sterling of each Open Offer Share (giving you an amount of £1,575 in this example). You should write this amount in Box 9, rounding up to the nearest whole penny and this should be the amount your cheque or banker's draft is made out for. You should then return the completed Application Form, together with a cheque or banker's draft for that amount, in the accompanying prepaid envelope (for use by Shareholders with registered addresses in the United Kingdom only) or return to Link Group by post to Link Group, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or by hand (during normal office hours only) to Link Group, Corporate Actions, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received by no later than 11.00 a.m. on 30 October 2020, after which time Application Forms will not be valid. If you post your Application Form by first-class post, you should allow at least four Business Days for delivery.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Basic Open Offer Entitlements, such applications will be scaled back at the Company's absolute discretion if applications are received from Qualifying Shareholders for more than the available number of Excess Shares. It should be noted that applications under the Excess Application Facility may not be satisfied in full. A definitive share certificate will then be sent to you for the Open Offer Shares that you take up and otherwise successfully apply for using the Excess Application Facility. Your definitive share certificate for Open Offer Shares is expected to be despatched to you by no later than 11 November 2020.

5. I HOLD MY INTEREST IN EXISTING ORDINARY SHARES IN CREST. WHAT DO I NEED TO DO IN RELATION TO THE OPEN OFFER?

Qualifying CREST Shareholders should follow the instructions set out in Part IV: "Terms and Conditions of the Open Offer" of this document. Persons who hold Existing Ordinary Shares through a CREST member should be informed by the CREST member through which they hold their shares of: (i) the number of Open Offer Shares which they are entitled to acquire under their Basic Open Offer Entitlement; and (ii) how to apply for Open Offer Shares in excess of their Basic Open Offer Entitlements under the Excess Application Facility provided they choose to take up their Basic Open Offer Entitlement in full and should contact them should they not receive this information.

6. I ACQUIRED MY EXISTING ORDINARY SHARES PRIOR TO THE RECORD DATE AND HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. WHAT IF I DO NOT RECEIVE AN APPLICATION FORM OR I HAVE LOST MY APPLICATION FORM?

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

- (a) Qualifying CREST Shareholders who held their Existing Ordinary Shares in uncertificated form on 13 October 2020 and who have converted them to certificated form;
- (b) Qualifying Non-CREST Shareholders who bought Existing Ordinary Shares before 15 October 2020 but were not registered as the holders of those shares at the close of business on 13 October 2020; and
- (c) certain Overseas Shareholders who are not resident in or subject to the laws of a Restricted Jurisdiction.

If you do not receive an Application Form but think that you should have received one or you have lost your Application Form, please contact the shareholder helpline of Link Group, on Link Group on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between

9 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

For legal reasons, the shareholder helpline of Link Group, will only be able to provide information contained in this document and information relating to the Company's register of members and will be unable to give advice on the merits of the Open Offer or to provide financial, tax or investment advice.

7. I AM A QUALIFYING SHAREHOLDER, DO I HAVE TO APPLY FOR ALL THE OPEN OFFER SHARES I AM ENTITLED TO APPLY FOR?

You can take up any number of the Open Offer Shares allocated to you under the Basic Open Offer Entitlement. Your Basic Open Offer Entitlement is shown on your Application Form. Any applications by a Qualifying Shareholder for a number of Open Offer Shares which is equal to or less than that person's Basic Open Offer Entitlement will be satisfied, subject to the Open Offer becoming unconditional.

8. CAN I TRADE MY BASIC OPEN OFFER ENTITLEMENT?

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

Open Offer Shares for which application has not been made under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Shareholders who do not apply to take up their Basic Open Offer Entitlement will have no rights under the Open Offer or receive any proceeds from it.

9. WHAT IF I CHANGE MY MIND?

If you are a Qualifying Shareholder, once you have sent your Application Form and payment to the Receiving Agent, you cannot withdraw your application or change the number of Open Offer Shares for which you have applied.

10. I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. WHAT SHOULD I DO IF I HAVE SOLD SOME OR ALL OF MY EXISTING ORDINARY SHARES?

If you hold shares in the Company directly and you sell some or all of your Existing Ordinary Shares before the ex-entitlement date of 15 October 2020, you should contact the buyer or the person/company through whom you sell your shares. The buyer may be entitled to apply for Open Offer Shares under the Open Offer as set out in the Application Form.

If you sell any of your Existing Ordinary Shares on or after ex-entitlement date of 15 October 2020, you may still take up and apply for the Open Offer Shares as set out on your Application Form.

11. I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. HOW DO I PAY?

Completed Application Forms should be returned with a cheque or banker's draft drawn in the appropriate form. All payments must be in Pounds Sterling written in black ink and made by cheque or banker's draft made payable to Link Market Services Limited re: Synairgen plc Open Offer A/C and crossed "A/C Payee Only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the

facilities provided by any of those companies and must bear the appropriate sort code in the top right-hand corner.

Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder and the number of an account held in the Applicant's name at the building society or bank by stamping or endorsing the back of the cheque or draft to such effect. The account name should be the same as that shown on the application.

Post-dated cheques will not be accepted.

12. WILL THE EXISTING ORDINARY SHARES THAT I HOLD NOW BE AFFECTED BY THE OPEN OFFER?

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

13. I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. WHERE DO I SEND MY APPLICATION FORM?

You should send your completed Application Form, together with the monies in the appropriate form, in the accompanying pre-paid envelope or return by post to Link Group, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, or by hand (during normal office hours only) to: Link Group, Corporate Actions The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU (who will act as receiving agent in relation to the Open Offer). If you post your Application Form by first-class post, you should allow at least four Business Days for delivery. If you do not want to take up or apply for Open Offer Shares then you need take no further action.

14. I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. WHEN DO I HAVE TO DECIDE IF I WANT TO APPLY FOR OPEN OFFER SHARES?

The Receiving Agent must receive the Application Form by no later than 11.00 a.m. on 30 October 2020, after which time Application Forms will not be valid. If an Application Form is being sent by first class post in the UK, Qualifying Shareholders are recommended to allow at least four Business Days for delivery.

15. HOW DO I TRANSFER MY ENTITLEMENTS INTO THE CREST SYSTEM?

If you are a Qualifying Shareholder, but are a CREST member and want your Open Offer Shares to be held through CREST in uncertificated form, you should complete the CREST deposit form (contained in the Application Form), and ensure it is delivered to Euroclear Courier and Sorting Service in accordance with the instructions in the Application Form. CREST sponsored members should arrange for their CREST sponsors to do this.

16. I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. WHEN WILL I RECEIVE MY NEW SHARE CERTIFICATE?

It is expected that Link Group will post all new share certificates by 11 November 2020.

17. IF I BUY ORDINARY SHARES AFTER THE RECORD DATE, WILL I BE ELIGIBLE TO PARTICIPATE IN THE OPEN OFFER?

If you bought your Ordinary Shares after the Record Date, but before the ex-date you are likely to be able to participate in the Open Offer in respect of such Ordinary Shares.

18. WILL I BE TAXED IF I TAKE UP MY ENTITLEMENTS?

Shareholders who are in any doubt as to their tax position in relation to taking up their entitlements under the Open Offer, or who are subject to tax in any jurisdiction other than the United Kingdom, should immediately consult a suitable professional adviser.

19. WHAT SHOULD I DO IF I LIVE OUTSIDE THE UNITED KINGDOM?

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

20. FURTHER ASSISTANCE

Qualifying Shareholders with fewer than 37 Existing Ordinary Shares will not be entitled to take up any Open Offer Shares, but can apply under the Excess Application Facility. Should you require further assistance please contact the Receiving Agent, Link Group on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

PART IV

TERMS AND CONDITIONS OF THE OPEN OFFER

INTRODUCTION

The purpose of this Part IV is to set out the terms and conditions of the Open Offer. Qualifying Shareholders are being offered the right to subscribe for, in aggregate, up to 4,038,741 Open Offer Shares in accordance with the terms of the Open Offer. The Open Offer has not been underwritten.

The Record Date for entitlements under the Open Offer for Qualifying CREST Shareholders and Qualifying Non-CREST Shareholders is 13 October 2020. Qualifying Non-CREST Shareholders will have received Application Forms with this document and Basic Open Offer Entitlements are expected to be credited to stock accounts of Qualifying CREST Shareholders in CREST by 16 October 2020.

Subject to availability, the Excess Application Facility will enable Qualifying Shareholders to apply for Excess Shares.

The latest time and date for receipt of a completed Application Form and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate) is 11.00 a.m. on 30 October 2020 with Admission and commencement of dealings in Open Offer Shares expected to take place at 8.00 a.m. on 4 November 2020.

This document and, for Qualifying Non-CREST Shareholders only, the Application Form contains the formal terms and conditions of the Open Offer. Your attention is drawn to paragraph 3 of this Part IV, which gives details of the procedure for application and payment for the Open Offer Shares and any Excess Shares applied for pursuant to the Excess Application Facility.

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

The Open Offer is an opportunity for Qualifying Shareholders to apply for up to 4,038,741 Open Offer Shares *pro rata* (excepting fractional entitlements) to their current holdings at the Issue Price in accordance with the terms of the Open Offer.

Qualifying Shareholders are also being offered the opportunity to apply for additional Open Offer Shares in excess of their Basic Open Offer Entitlement to the extent that other Qualifying Shareholders do not take up their Basic Open Offer Entitlement in full. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Basic Open Offer Entitlement as at the Record Date.

Any Qualifying Shareholder who has sold or transferred all or part of his/her registered holding(s) of Existing Ordinary Shares prior to the Ex-entitlement Date is advised to consult his or her stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for Open Offer Shares under the Open Offer may be a benefit which may be claimed from him/her by the purchasers under the rules of the London Stock Exchange.

1. THE OPEN OFFER

Subject to the terms and conditions set out below (and, in the case of Qualifying Non-CREST Shareholders, in the Application Form), Qualifying Shareholders are hereby invited to apply for Open Offer Shares at the Issue Price, payable in full in cash on application, free of all expenses, on the basis of:

- (a) 1 Open Offer Share for every 37 Existing Ordinary Shares held by Qualifying Shareholders at the Record Date and so in proportion for any other number of Ordinary Shares then held; and
- (b) further Open Offer Shares in excess of the Basic Open Offer Entitlement through the Excess Application Facility (although such Open Offer Shares will only be allotted to the extent that not all Qualifying Shareholders apply for their Basic Open Offer Entitlement in full).

Entitlements under the Open Offer will be rounded down to the nearest whole number of Open Offer Shares, with fractional entitlements being aggregated and made available under the Excess Application Facility.

Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer, as will holdings under different designations and in different accounts.

If you are a Qualifying Non-CREST Shareholder, the Application Form shows the number of Existing Ordinary Shares registered in your name on the Record Date (in Box 3) and your Basic Open Offer Entitlements (in Box 4).

If you are a Qualifying CREST Shareholder, application will be made for your Basic Open Offer Entitlement and Excess CREST Open Offer Entitlement to be credited to your CREST account. Basic Open Offer Entitlements and Excess CREST Open Offer Entitlements are expected to be credited to CREST accounts on 16 October 2020. The Existing Ordinary Shares are already admitted to CREST. Accordingly, no further application for admission to CREST is required for the Open Offer Shares. All such shares, when issued and fully paid, may be held and transferred by means of CREST.

Subject to availability, the Excess Application Facility will enable Qualifying Shareholders, provided they have taken up their Basic Open Offer Entitlement in full, to apply for further Open Offer Shares in excess of their Basic Open Offer Entitlement. Qualifying CREST Shareholders will have their Basic Open Offer Entitlement and Excess CREST Open Offer Entitlement credited to their stock accounts in CREST and should refer to paragraph 3.2 of this Part IV for information on the relevant CREST procedures and further details on the Excess Application Facility. Qualifying CREST Shareholders can also refer to the CREST Manual for further information on the relevant CREST procedures.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Basic Open Offer Entitlements, such applications will be scaled back at the Company's absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

Please refer to paragraphs 3.1(f) and 3.2(k) of this Part IV for further details of the Excess Application Facility.

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. Qualifying Non-CREST Shareholders should also note that their respective Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Basic Open Offer Entitlements and Excess CREST Open Offer Entitlements will be credited through CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. Open Offer Shares not applied for under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer. Any Open Offer Shares which are not applied for by Qualifying Shareholders under the Open Offer will not be issued by the Company as the Open Offer is not underwritten.

The attention of Overseas Shareholders is drawn to paragraph 6 of this Part IV.

The Open Offer Shares will, when issued and fully paid, rank in full for all dividends and other distributions declared, made or paid after the date of this document and otherwise *pari passu* in all respects with the Existing Ordinary Shares. The Open Offer Shares are not being made available in whole or in part to the public except under the terms of the Open Offer.

2. CONDITIONS AND FURTHER TERMS OF THE OPEN OFFER

The Open Offer is conditional on the Conditional Placing and the Firm Placing becoming or being declared unconditional in all respects (other than in respect of any condition relating to the Open Offer or Admission of the same).

Admission of the Firm Placing Shares and the Option Shares is expected to occur on 19 October 2020 at which point the Firm Placing shall be unconditional in all respects.

The principal conditions to the Conditional Placing are:

- (a) First Admission having occurred;
- (b) the passing of the Resolutions without amendment at the General Meeting;
- (c) the Placing Agreement having become unconditional (save for each respective Admission) and not having been terminated in accordance with its terms prior to Conditional Admission; and
- (d) Conditional Admission becoming effective by no later than 8.00 a.m. on 4 November 2020 (or such later date as finnCap, Numis and the Company may agree, being not later than 8.00 a.m. on 25 November 2020).

Accordingly, if these conditions are not satisfied or waived (where capable of waiver), the Open Offer will not proceed and any applications made by Qualifying Shareholders will be rejected. In such circumstances, application monies will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable thereafter.

Any Basic Open Offer Entitlements admitted to CREST will thereafter be disabled.

No temporary documents of title will be issued in respect of Open Offer Shares held in uncertificated form. Definitive certificates in respect of Open Offer Shares taken up are expected to be posted to those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in certificated form by 11 November 2020.

In respect of those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in uncertificated form, the Open Offer Shares are expected to be credited to their stock accounts maintained in CREST by 4 November 2020.

Applications will be made for the Open Offer Shares to be admitted to trading on AIM. Admission of the Open Offer Shares is expected to occur at 8.00 a.m. on 4 November 2020, when dealings in the Open Offer Shares are expected to begin.

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

3. PROCEDURE FOR APPLICATION AND PAYMENT

The action to be taken by you in respect of the Open Offer depends on whether, at the relevant time, you are sent an Application Form in respect of your Basic Open Offer Entitlement under the Open Offer or your Basic Open Offer Entitlement and Excess CREST Open Offer Entitlement is credited to your CREST stock account. Qualifying Shareholders who hold all or part of their Existing Ordinary Shares in certificated form should have received the Application Form, enclosed with this document. The Application Form shows the number of Existing Ordinary Shares held at the Record Date. It will also show Qualifying Shareholders their Basic Open Offer Entitlement that can be allotted in certificated form. Qualifying Shareholders who hold all their Existing Ordinary Shares in CREST will be allotted Open Offer Shares in CREST. Qualifying Shareholders who hold part of their Existing Ordinary Shares in uncertificated form will be allotted Open Offer Shares in uncertificated form to the extent that their entitlement to Open Offer Shares arises as a result of holding Existing Ordinary Shares in uncertificated form. However, it will be possible for Qualifying Shareholders to deposit Basic Open Offer Entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 3.2(f) of this Part IV.

CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Basic Open Offer Entitlements and Excess CREST Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Basic Open Offer

Entitlements and Excess CREST Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

Qualifying Shareholders who do not want to apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form, or send a USE message through CREST.

3.1 If you have received an Application Form in respect of your Basic Open Offer Entitlement under the Open Offer:

(a) General

Subject to paragraph 6 of this Part IV in relation to Overseas Shareholders, Qualifying Non-CREST Shareholders will receive an Application Form. The Application Form shows the number of Existing Ordinary Shares registered in their name on the Record Date in Box 3. It also shows the Basic Open Offer Entitlement allocated to them set out in Box 4. Entitlements to Open Offer Shares are rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will be aggregated and made available under the Excess Application Facility. Box 5 shows how much they would need to pay if they wish to take up their Basic Open Offer Entitlement in full. Qualifying Non-CREST Shareholders may apply for less than their entitlement should they wish to do so. Qualifying Non-CREST Shareholders may also hold such an Application Form by virtue of a *bona fide* market claim.

Under the Excess Application Facility, provided they have agreed to take up their Basic Open Offer Entitlement in full, Qualifying Non-CREST Shareholders may apply for more than the amount of their Basic Open Offer Entitlement should they wish to do so. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Basic Open Offer Entitlement at the Record Date. The Excess Shares will be scaled back at the Company's absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

The instructions and other terms set out in the Application Form form part of the terms of the Open Offer in relation to Qualifying Non-CREST Shareholders.

(b) Bona fide market claims

Applications to acquire Open Offer Shares may only be made on the Application Form and may only be made by the Qualifying Non-CREST Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Existing Ordinary Shares through the market prior to the date upon which the Existing Ordinary Shares were marked "ex" the entitlement to participate in the Open Offer. Application Forms may not be sold, assigned, transferred or split, except to satisfy *bona fide* market claims up to 3.00 p.m. on 28 October 2020. The Application Form is not a negotiable document and cannot be separately traded. A Qualifying Non-CREST Shareholder who has sold or otherwise transferred all or part of his holding of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked "ex" the entitlement to participate in the Open Offer, should contact his broker or other professional adviser authorised under FSMA through whom the sale or purchase was effected as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed by the purchaser(s) or transferee(s). Shareholders should note that Excess Entitlements will not be subject to Euroclear's market claims process. Qualifying CREST Shareholders claiming Excess Entitlements by virtue of a *bona fide* market claim are advised to contact the Receiving Agent to request a credit of the appropriate number of entitlements to their CREST account.

Qualifying Non-CREST Shareholders who have sold all or part of their registered holding should, if the market claim is to be settled outside CREST, complete Box 10 on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Application Form should not, however, be forwarded to or transmitted in or into or from the United States or any Restricted Jurisdiction, nor in or into or from any other jurisdiction where the extension of the Open Offer would breach any applicable law or regulation. If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application

Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedure set out in paragraph 3.2 of this Part IV below.

(c) *Application procedures*

Qualifying Non-CREST Shareholders wishing to apply to acquire Open Offer Shares (whether in respect of all or part of their Basic Open Offer Entitlement or in addition to their Basic Open Offer Entitlement under the Excess Application Facility) should complete the Application Form in accordance with the instructions printed on it. Qualifying Non-CREST Shareholders may only apply for Excess Shares if they have agreed to take up their Basic Open Offer Entitlements in full.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Basic Open Offer Entitlements, such applications will be scaled back at the Company's absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

Qualifying Shareholders with fewer than 37 Existing Ordinary Shares will not have a right to take up any Open Offer Shares, but can apply under the Excess Application Facility.

Completed Application Forms should be returned by post to Link Group, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or by hand to Link Group, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU by no later than 11.00 a.m. on 30 October 2020. The Company reserves the right to treat any application not strictly complying with the terms and conditions of application as nevertheless valid. The Company further reserves the right (but shall not be obliged) to accept either Application Forms or remittances received after 11.00 a.m. on 30 October 2020.

Qualifying Non-CREST Shareholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged. Multiple applications will not be accepted. If an Application Form is being sent by first-class post in the UK, Qualifying Shareholders are recommended to allow at least four Business Days for delivery. The Company may in its sole discretion, but shall not be obliged to, treat an Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. The Company further reserves the right (but shall not be obliged) to accept either:

- (i) Application Forms received after 11.00 a.m. on 30 October 2020; or
- (ii) Applications in respect of which remittances are received before 11.00 a.m. on 30 October 2020 from authorised persons (as defined in FSMA) specifying the Open Offer Shares applied for and undertaking to lodge the Application Form in due course but, in any event, within two Business Days.

All documents and remittances sent by post by, to, from or on behalf of an applicant (or as the applicant may direct) will be sent entirely at the applicant's own risk.

(d) *Payments*

All payments must be in pounds sterling and made by cheque written in black ink made payable to Link Market Services Limited re: Synairgen plc Open Offer A/C and crossed "A/C Payee Only". Cheques must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques to be cleared through the facilities provided by any of those companies and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has inserted details of the name of the account holder and have either added the building society or bank branch stamp on the back of the cheque or have provided a supporting letter confirming the source of funds. The name of the account holder should be the same as the name of the shareholder shown on page 1 of the Open Offer Application Form. Post-dated cheques will not be accepted.

Cheques will be presented for payment upon receipt. The Company reserves the right to instruct Link Group to seek special clearance of cheques to allow the Company to obtain value for remittances at the earliest opportunity (and withhold definitive share certificates (or crediting to the relevant member account, as applicable) pending clearance thereof). No interest will be paid on payments. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents and/or cheques sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted. If the Open Offer does not become unconditional, no Open Offer Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable following the lapse of the Open Offer by cheque or return funds direct to the account of the bank or building society on which the relevant cheque or banker's draft was drawn (at the applicant's sole risk), to applicants as soon as practicable following the lapse of the Open Offer. If Open Offer Shares have already been allotted to a Qualifying Non-Crest Shareholder and such Qualifying Non-Crest Shareholder's cheque is not honoured upon first presentation or such Qualifying Non-Crest Shareholder's application is subsequently otherwise deemed to be invalid, the Receiving Agent shall be authorised (in its absolute discretion as to manner, timing and terms) to make arrangements, on behalf of the Company, for the sale of such Qualifying Non-Crest Shareholder's Open Offer Shares and for the proceeds of sale (which for these purposes shall be deemed to be payments in respect of successful applications) to be paid to and retained by the Company. None of the Receiving Agent, either Bank or the Company nor any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying Non-Crest Shareholders.

(e) *Incorrect Sums*

If an Application Form encloses a payment for an incorrect sum, the Company through the Receiving Agent reserves the right:

- (i) to reject the application in full and return the cheque or refund the payment to the Qualifying Non-CREST Shareholder in question (without interest); or
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the Qualifying non-CREST Shareholder in question (without interest), save that any sums of less than £1.00 will be retained for the benefit of the Company; or
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all of the Open Offer Shares referred to in the Application Form, refunding any unutilised sums to the Qualifying Non-CREST Shareholder in question (without interest), save that any sums of less than £1.00 will be retained for the benefit of the Company.

(f) *The Excess Application Facility*

- (i) Provided they choose to take up their Basic Open Offer Entitlement in full, the Excess Application Facility enables a Qualifying Non-CREST Shareholder to apply for Excess Shares. Qualifying Non-CREST Shareholders wishing to apply for Excess Shares may do so by completing Box 7 of the Application Form.
- (ii) Qualifying Shareholders with fewer than 37 Existing Ordinary Shares do not have a right to take up any Open Offer Shares, but can apply under the Excess Application Facility.
- (iii) If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Basic Open Offer Entitlements, the Excess Shares will be scaled back at the Company's absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.
- (iv) Qualifying Non-CREST Shareholders who wish to apply for Excess Shares must complete the Application Form in accordance with the instructions set out on the Application Form.

- (v) Should the Open Offer become unconditional and applications for Open Offer Shares by Qualifying Shareholders under the Open Offer exceed 4,038,741 Open Offer Shares, resulting in a scale back of applications, each Qualifying Non-CREST Shareholder who has made a valid application for Excess Shares and from whom payment in full for the Excess Shares has been received will receive a pounds sterling amount equal to the number of Excess Shares applied and paid for but not allocated to the relevant Qualifying Non-CREST Shareholder multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable thereafter, without payment of interest and at the applicant's sole risk.
- (g) *Effect of valid application*
- All documents and remittances sent by post by, to, from, or on behalf of or to an applicant (or as the applicant may direct) will be sent entirely at the applicant's own risk. By completing and delivering an Application Form, the applicant:
- (i) represents and warrants to the Company that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
 - (ii) agrees with the Company that all applications under the Open Offer and contracts resulting therefrom, and any non-contractual obligations related thereto, shall be governed by and construed in accordance with the laws of England;
 - (iii) confirms to the Company that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all the information in relation to the Company contained in this document (including information incorporated by reference);
 - (iv) represents and warrants to the Company that he is the Qualifying Shareholder originally entitled to the Basic Open Offer Entitlement;
 - (v) represents and warrants to the Company that if he has received some or all of his Basic Open Offer Entitlement from a person other than the Company he is entitled to apply under the Open Offer in relation to such Basic Open Offer Entitlements by virtue of a *bona fide* market claim;
 - (vi) requests that the Open Offer Shares to which he will become entitled be issued to them on the terms set out in this document and the Application Form and subject to the Articles;
 - (vii) represents and warrants to the Company that he is not, nor is he applying on behalf of any person who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application in the United States or to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
 - (viii) represents and warrants to the Company that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986; and

- (ix) confirms that in making the application he is not relying and has not relied on the Company or any person affiliated with the Company in connection with any investigation of the accuracy of any information contained in this document or his investment decision.

All enquiries in connection with the procedure for application and completion of the Application Form should be addressed to Link Group, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, or you can contact them on Link Group on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Proxy

Qualifying Non-CREST Shareholders who do not want to take up or apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form. However, you are encouraged to vote at the General Meeting. Please submit your vote by proxy electronically and specify the Chairman of the meeting as your proxy using Link Group's Signal Shares share portal service at www.signalshares.com or in hard copy form if you request a hard copy Form of Proxy from the Company's registrar, Link Group.

A Qualifying Non-CREST Shareholder who is also a CREST member may elect to receive the Open Offer Shares to which he is entitled in uncertificated form in CREST. Please see paragraph 3.2(f) below for more information.

3.2 If you have a Basic Open Offer Entitlement and an Excess CREST Open Offer Entitlement credited to your stock account in CREST in respect of your entitlement under the Open Offer

(a) General

Subject to paragraph 6 of this Part IV in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his Basic Open Offer Entitlement equal to the maximum number of Open Offer Shares for which he is entitled to apply under the Open Offer together with a credit of Excess CREST Open Offer Entitlements.

Entitlements to Open Offer Shares will be rounded down to the nearest whole number and any Basic Open Offer Entitlements have therefore also been rounded down. Any fractional entitlements to Open Offer Shares arising will be aggregated and made available under the Excess Application Facility.

The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Ordinary Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Basic Open Offer Entitlements and Excess CREST Open Offer Entitlements have been allocated.

If for any reason Basic Open Offer Entitlements and/or the Excess CREST Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by, 3.00 p.m. on 27 October 2020, or such later time and/or date as the Company may decide, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Basic Open Offer Entitlement and Excess CREST Open Offer Entitlement which should have been credited to his stock account in CREST. In these circumstances the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying Non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive an Application Form.

CREST members who wish to apply to acquire some or all of their entitlements to Open Offer Shares and their Excess CREST Open Offer Entitlements should refer to the CREST Manual for further information on the CREST procedures referred to below. CREST sponsored members should consult their CREST sponsor if they wish to apply for Open Offer Shares as only their CREST sponsor will be able to take the necessary action to make this application in CREST.

(b) *Market claims*

Each of the Basic Open Offer Entitlements and Excess CREST Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Basic Open Offer Entitlements and Excess CREST Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Basic Open Offer Entitlements and Excess CREST Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Transactions identified by the CREST Claims Processing Unit as “cum” the Basic Open Offer Entitlement will generate an appropriate market claim transaction and the relevant Basic Open Offer Entitlement(s) will thereafter be transferred accordingly. Claims will not be raised on the Excess CREST Open Offer Entitlements. Qualifying CREST Shareholders claiming Excess Open Offer Entitlements by virtue of a *bona fide* market claim are advised to contact the Receiving Agent to request a credit of the appropriate number of entitlements to their CREST account.

(c) *Unmatched Stock Event (USE Instructions)*

Qualifying CREST Shareholders who are CREST members and who want to apply for Open Offer Shares in respect of all or some of their Basic Open Offer Entitlements and their Excess CREST Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) a USE Instruction to Euroclear which, on its settlement, will have the following effect:

- (i) the crediting of a stock account of the Receiving Agent under the participant ID and member account ID specified below, with a number of Basic Open Offer Entitlements or Excess CREST Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and
- (ii) the creation of a CREST payment, in accordance with the CREST payment arrangements in favour of the payment bank of the Receiving Agent in respect of the amount specified in the USE Instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in sub-paragraph (i) above.

(d) *Content of USE Instruction in respect of Basic Open Offer Entitlements*

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

- (i) the number of Open Offer Shares for which application is being made (and hence the number of the Basic Open Offer Entitlement(s) being delivered to the Receiving Agent);
- (ii) the ISIN of the Basic Open Offer Entitlement. This is GB00BLPJPC57;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Basic Open Offer Entitlements are to be debited;
- (v) the participant ID of Link Group in its capacity as a CREST receiving agent. This is 7RA33;
- (vi) the member account ID of Link Group in its capacity as a CREST receiving agent. This is 20940SYN;
- (vii) the amount payable by means of a CREST payment on settlement of the USE Instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 30 October 2020; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE Instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 30 October 2020.

In order to assist prompt settlement of the USE Instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE Instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE Instruction may settle on 30 October 2020 in order to be valid is 11.00 a.m. on that day.

In the event that the Conditional Placing and the Open Offer do not become unconditional by 8.00 a.m. on 4 November 2020 (or such later time and date as the Company, and the Joint Bookrunners may determine being no later than 8.30 a.m. on 25 November 2020), the Open Offer will lapse, the Basic Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

(e) *Content of USE Instruction in respect of Excess CREST Open Offer Entitlements*

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

- (i) the number of Excess Shares for which application is being made (and hence being delivered to the Receiving Agent);
- (ii) the ISIN of the Excess CREST Open Offer Entitlement. This is GB00BLPD64;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Excess CREST Open Offer Entitlements are to be debited;
- (v) the participant ID of Link Group Ltd in its capacity as a CREST receiving agent. This is 7RA33;
- (vi) the member account ID of Link Group in its capacity as a CREST receiving agent. This is 20940SYN;
- (vii) the amount payable by means of a CREST payment on settlement of the USE Instruction. This must be the full amount payable on application for the number of Excess Shares referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 30 October 2020; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application in respect of an Excess CREST Open Offer Entitlement under the Open Offer to be valid, the USE Instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 30 October 2020.

In order to assist prompt settlement of the USE Instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE Instruction:

- (i) a contract name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE Instruction may settle on 30 October 2020 in order to be valid is 11.00 a.m. on that day.

In the event that the Conditional Placing and the Open Offer do not become unconditional by 8.00 a.m. on 4 November 2020 (or such later time and date as the Company and the Joint Bookrunners may determine being no later than 8.30 a.m. on 25 November 2020), the Open

Offer will lapse, the Basic Open Offer Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

(f) *Deposit of Basic Open Offer Entitlements into, and withdrawal from, CREST*

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

A holder of an Application Form who is proposing to deposit the entitlement set out in such form into CREST is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Basic Open Offer Entitlements and the entitlement to apply under the Excess Application Facility following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 30 October 2020. After depositing their Basic Open Offer Entitlement into their CREST account, Qualifying CREST Shareholders will shortly thereafter receive a credit for their Excess CREST Open Offer Entitlement, which will be managed by the Receiving Agent.

In particular, having regard to normal processing times in CREST and on the part of the Receiving Agent, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Basic Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST, is 3.00 p.m. on 27 October 2020 and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Basic Open Offer Entitlements from CREST is 4.30 p.m. on 26 October 2020 in either case so as to enable the person acquiring or (as appropriate) holding the Basic Open Offer Entitlements and the entitlement to apply under the Excess Application Facility following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Basic Open Offer Entitlements and the entitlement to apply under the Excess Application Facility, as the case may be, prior to 11.00 a.m. on 30 October 2020.

Delivery of an Application Form with the CREST deposit form duly completed, whether in respect of a deposit into the account of the Qualifying Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to the Company and the Receiving Agent by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes under the paragraph headed "Instructions for depositing entitlements under the Open Offer into CREST" on page 3 of the Application Form, and a declaration to the Company and the Receiving Agent from the relevant CREST member(s) that it/they is/are not in the United States or citizen(s) or resident(s) of any Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

(g) *Validity of application*

A USE Instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 30 October 2020 will constitute a valid application under the Open Offer.

(h) *CREST procedures and timings*

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal

system timings and limitations will therefore apply in relation to the input of a USE Instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 30 October 2020. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(i) *Proxy*

If a Qualifying CREST Shareholder does not wish to apply for the Open Offer Shares under the Open Offer, they should take no action. They are however, encouraged to vote at the General Meeting by submitting your vote by proxy electronically and specifying the Chairman of the meeting as your proxy using Link Group' Signal Shares share portal service at www.signalshares.com or in hard copy form if you request a hard copy Form of Proxy from the Company's registrar, Link Group.

(j) *Incorrect or incomplete applications*

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

- (i) to reject the application in full and refund the payment to the CREST member in question (without interest);
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question (without interest); and
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all the Open Offer Shares referred to in the USE Instruction, refunding any unutilised sum to the CREST member in question (without interest).

(k) *The Excess Application Facility*

The Excess Application Facility enables Qualifying CREST Shareholders, who have taken up their Basic Open Offer Entitlement in full, to apply for Excess Shares in excess of their Basic Open Offer Entitlement as at the Record Date. If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Basic Open Offer Entitlements, the Excess Shares will be scaled back at the Company's absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all. Excess CREST Open Offer Entitlements may not be sold or otherwise transferred. Subject as provided in paragraph 6 of this Part IV in relation to Overseas Shareholders, the CREST accounts of Qualifying CREST Shareholders will be credited with Excess CREST Open Offer Entitlements to enable applications for Excess Shares to be settled through CREST. Qualifying CREST Shareholders should note that, although the Basic Open Offer Entitlement and the Excess CREST Open Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities. Neither the Basic Open Offer Entitlement nor the Excess CREST Open Offer Entitlements will be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

To apply for Excess Shares pursuant to the Open Offer, Qualifying CREST Shareholders should follow the instructions above and must not return a paper form and cheque.

Should a transaction be identified by the CREST Claims Processing Unit as "cum" the Basic Open Offer Entitlement and the relevant Basic Open Offer Entitlement(s) be transferred, the Excess CREST Open Offer Entitlements will not transfer with the Basic Open Offer Entitlement(s) claim. Please note that an additional USE Instruction must be sent in respect of any application under the Excess CREST Open Offer Entitlement.

Should the Open Offer become unconditional and applications for Open Offer Shares by Qualifying Shareholders under the Open Offer exceed, in aggregate, 4,038,741 Open Offer

Shares, resulting in a scale back of applications under the Excess Application Facility, each Qualifying CREST Shareholder who has made a valid application pursuant to his Excess CREST Open Offer Entitlement, and from whom payment in full for the excess Open Offer Shares has been received, will receive a pounds sterling amount equal to the number of Open Offer Shares validly applied and paid for but which are not allocated to the relevant Qualifying CREST Shareholder multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable following the completion of the scale back, without payment of interest and at the applicant's sole risk by way of cheque or CREST payment, as appropriate. Fractions of Open Offer Shares will be aggregated and made available under the Excess Application Facility.

All enquiries in connection with the procedure for applications under the Excess Application Facility and Excess CREST Open Offer Entitlements should be addressed to Link Group, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. Link Group can be contacted on 0371 664 0321 from within the UK. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Effect of valid application

A CREST member who makes or is treated as making a valid application for some or all of his *pro rata* entitlement to Open Offer Shares in accordance with the above procedures hereby:

- (i) represents and warrants to the Company that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations, under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Receiving Agents' payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);
- (iii) agrees with the Company that all applications under the Open Offer and contracts resulting therefrom, and any non-contractual obligations related thereto, shall be governed by, and construed in accordance with, the laws of England;
- (iv) confirms to the Company that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all the information in relation to the Company contained in this document (including information incorporated by reference);
- (v) represents and warrants to the Company that he is the Qualifying Shareholder originally entitled to the Basic Open Offer Entitlements;
- (vi) represents and warrants to the Company that if he has received some or all of his Basic Open Offer Entitlements from a person other than the Company, he is entitled to apply under the Open Offer in relation to such Basic Open Offer Entitlement by virtue of a *bona fide* market claim;
- (vii) requests that the Open Offer Shares to which he will become entitled be issued to them on the terms set out in this document and subject to the Articles; and
- (viii) represents and warrants to the Company that he is not, nor is he applying on behalf of any Shareholder who is, in the United States or is a citizen or resident, or which is a corporation,

partnership or other entity created or organised in or under any laws, of any Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application in the United States or to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;

- (ix) represents and warrants to the Company that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986; and confirms that in making the application he is not relying and has not relied on the Company or any person affiliated with the Company in connection with any investigation of the accuracy of any information contained in this document or his investment decision.
- (l) *Company's discretion as to the rejection and validity of applications*
The Company may in its sole discretion, but shall not be obliged to:
 - (i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part IV;
 - (ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
 - (iii) treat a properly authenticated dematerialised instruction (in this sub-paragraph the "first instruction") as not constituting a valid application if, at the time at which the Receiving Agent receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Receiving Agent has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
 - (iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE Instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Open Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

(m) *Lapse of the Open Offer*

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 4 November 2020 or such later time and date as the Company, finnCap and Numis determine (being no later than 8.30 a.m. on 25 November 2020), the Open Offer will lapse, the Basic Open Offer Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

4. MONEY LAUNDERING REGULATIONS

4.1 *Holders of Application Forms*

To ensure compliance with the Money Laundering Regulations, Link Group may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf the Application Form is lodged with payment (which requirements are referred to below as the “**verification of identity requirements**”). If the Application Form is submitted by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Receiving Agents. Link will require to see such documentation. In such case, the lodging agent’s stamp should be inserted on the Application Form.

The person lodging the Application Form with payment and in accordance with the other terms as described above (the “**acceptor**”), including any person who appears to Link Group to be acting on behalf of some other person, accepts the Open Offer in respect of such number of Open Offer Shares as is referred to therein (for the purposes of this paragraph 4 the “**relevant Open Offer Shares**”) and shall thereby be deemed to agree to provide Link Group with such information and other evidence as they may require to satisfy the verification of identity requirements.

If Link Group determines that the verification of identity requirements apply to any acceptor or application, the relevant Open Offer Shares (notwithstanding any other term of the Open Offer) will not be issued to the relevant acceptor unless and until the verification of identity requirements have been satisfied in respect of that acceptor or application. Link Group is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any acceptor or application and whether such requirements have been satisfied, and neither Link Group nor the Company will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays in the despatch of share certificates or in crediting CREST accounts. If, within a reasonable time following a request for verification of identity, Link Group has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant application as invalid, in which event the monies payable on acceptance of the Open Offer will be returned (at the acceptor’s risk) without interest to the account of the bank or building society on which the relevant cheque was drawn.

Submission of an Application Form with the appropriate remittance will constitute a warranty to each of the Company and Link Group from the applicant that the Money Laundering Regulations will not be breached by application of such remittance.

The verification of identity requirements will not usually apply:

- (a) if the applicant is an organisation required to comply with the Money Laundering Directive (the Council Directive on prevention of the use of the financial system for the purpose of money laundering or terrorist financing (no. 2015/849/EU));
- (b) if the acceptor is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations;
- (c) if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the applicant’s name; or
- (d) if the aggregate subscription price for the Open Offer Shares is less than the sterling equivalent of €15,000.

In other cases the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:

- (a) if payment is made by cheque in sterling drawn on a branch in the United Kingdom of a bank or building society which bears a UK bank sort code number in the top right hand corner the following applies. Cheques should be made payable to Link Market Services Limited re: Synairgen plc Open Offer A/C in respect of an application by a Qualifying Shareholder and crossed “A/C Payee Only”. Third party cheques may not be accepted with the exception of building society

cheques or banker's drafts where the building society or bank has inserted details of the name of the account holder on the back of the cheque and have either added the building society or bank branch stamp or have provided a supporting letter confirming the source of funds. The name of the account holder should be the same as the name of the shareholder shown on page 1 of the Open Offer Application Form; or

- (b) if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in paragraph 4.1(a) above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force, the agent should provide with the Application Form written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to the Receiving Agent. If the agent is not such an organisation, it should contact Link Group, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

To confirm the acceptability of any written assurance referred to in (b) above, or in any other case, the acceptor should contact Link Group on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

If the Application Form(s) is/are in respect of Open Offer Shares and is/are lodged by hand by the acceptor in person, or if the Application Form(s) in respect of Open Offer Shares is/are lodged by hand by the acceptor and the accompanying payment is not the acceptor's own cheque, he or she should ensure that he or she has with him or her evidence of identity bearing his or her photograph (for example, his or her passport) and separate evidence of his or her address.

If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 11.00 a.m. on 30 October 2020, Link Group has not received evidence satisfactory to it as aforesaid, Link Group may, at its discretion, as agent of the Company, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the account at the payee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

4.2 Basic Open Offer Entitlements in CREST

If you hold your Basic Open Offer Entitlement and Excess CREST Open Offer Entitlement in CREST and apply for Open Offer Shares in respect of some or all of your Basic Open Offer Entitlement and Excess CREST Open Offer Entitlement as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, Link Group is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact Link Group before sending any USE or other instruction so that appropriate measures may be taken.

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

5. ADMISSION, SETTLEMENT AND DEALINGS

The result of the Open Offer is expected to be announced on 2 November 2020. Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. Subject to the Open Offer becoming unconditional in all respects (save only as to Admission), it is

expected that Admission of the Open Offer Shares will become effective and that dealings in the Open Offer Shares, fully paid, will commence at 8.00 a.m. on 4 November 2020.

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the Open Offer Shares. All such shares, when issued and fully paid, may be held and transferred by means of CREST.

Basic Open Offer Entitlements and Excess CREST Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 30 October 2020 (the latest date for applications under the Open Offer). If the condition(s) to the Open Offer described above are satisfied, Open Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by the Company.

On 4 November 2020, the Receiving Agent will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Open Offer Shares with effect from Admission. The stock accounts to be credited will be accounts under the same CREST participant IDs and CREST member account IDs in respect of which the USE Instruction was given. Notwithstanding any other provision of this document, the Company reserves the right to send Qualifying CREST Shareholders an Application Form instead of crediting the relevant stock account with Basic Open Offer Entitlements and Excess CREST Open Offer Entitlements, and to allot and/or issue any Open Offer Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agents in connection with CREST.

No temporary documents of title will be issued, and transfers will be certified against the share register of the Company. All documents or remittances sent by, to, from or on behalf of applicants, or as they may direct, will (in the latter case) be sent through the post and will (in both cases) be at the risk of the applicant.

For more information as to the procedure for application, Qualifying Non-CREST Shareholders are referred to paragraph 3.1 above and their respective Application Form.

6. OVERSEAS SHAREHOLDERS

The comments set out in this paragraph 6 are intended as a general guide only and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisers without delay.

6.1 General

The distribution of this document and the making or acceptance of the Open Offer to or by persons 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 United Kingdom or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the United Kingdom, may be affected by the laws or regulatory requirements of the relevant jurisdictions. It is the responsibility of those persons to consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirement or other formalities to enable them to apply for Open Offer Shares under the Open Offer.

No action has been or will be taken by the Company, finnCap or Numis or any other person, to permit a public offering or distribution of this document (or any other offering or publicity materials or application form(s) relating to the Open Offer Shares) in any jurisdiction where action for that purpose may be required, other than in the United Kingdom. Receipt of this document and/or an Application Form and/or a credit of a Basic Open Offer Entitlement or an Excess CREST Open Offer Entitlement to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in whose jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

Application Forms will not be sent to, and Basic Open Offer Entitlements and Excess CREST Open Offer Entitlements will not be credited to stock accounts in CREST of, persons with registered addresses in the United States or a Restricted Jurisdiction or their agent or intermediary, except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

No person receiving a copy of this document and/or an Application Form and/or a credit of Basic Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use any such Application Form and/or credit of Basic Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her and such Application Form and/or credit of Basic Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

It is the responsibility of any person (including, without limitation, custodians, agents, nominees and trustees) outside the United Kingdom wishing to apply for Open Offer Shares under the Open Offer to satisfy themselves as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory.

None of the Company, finnCap, Numis nor any of their respective representatives is making any representation or warranty to any offeree or purchaser of the Open Offer Shares regarding the legality of an investment in the Open Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this document and/or an Application Form and/or a credit of Basic Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, in connection with the Open Offer or otherwise, should not distribute or send either of those documents nor transfer Basic Open Offer Entitlements or Excess CREST Open Offer Entitlements in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this document and/or an Application Form and/or a credit of Basic Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by his or her custodian, agent, nominee or trustee, he or she must not seek to apply for Open Offer Shares in respect of the Open Offer unless the Company, finnCap and Numis determine that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this document and/or an Application Form and/or transfers Basic Open Offer Entitlements or Excess CREST Open Offer Entitlements into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this Part IV and specifically the contents of this paragraph 6.

The Company reserves the right to treat as invalid any application or purported application for Open Offer Shares that appears to the Company or its agents to have been executed, effected or dispatched from the United States or a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any other jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates of Open Offer Shares or in the case of a credit of Basic Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, to a CREST member whose registered address would be, in the United States or a Restricted Jurisdiction or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates or make such a credit.

Notwithstanding any other provision of this document or the relevant Application Form, the Company reserves the right to permit any person to apply for Open Offer Shares in respect of the Open Offer if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Overseas Shareholders who wish, and are permitted, to apply for Open Offer Shares should note that payment must be made in sterling denominated cheques or where such Overseas Shareholder is a Qualifying CREST Shareholder, through CREST. Due to restrictions under the securities laws of the United States and the Restricted Jurisdictions, Shareholders in the United States or who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction (subject to certain exceptions) will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with Basic Open Offer Entitlements. No public offer of Open Offer Shares is being made by virtue of this document or the Application Forms into the United States or any Restricted Jurisdiction.

Receipt of this document and/or an Application Form and/or a credit of a Basic Open Offer Entitlement to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

6.2 **United States**

The Open Offer Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and, accordingly, may not be offered or sold, re-sold, taken up, transferred, delivered or distributed, directly or indirectly, within the United States except in reliance on an exemption from the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

Accordingly, the Company is not extending the Open Offer into the United States and neither this document nor the Application Form constitutes or will constitute an offer or an invitation to apply for or an offer or an invitation to acquire any Open Offer Shares in the United States. Neither this document nor an Application Form will be sent to, and no Open Offer Shares will be credited to a stock account in CREST of, any Qualifying Shareholder with a registered address in the United States. Application Forms sent from or postmarked in the United States will be deemed to be invalid and all persons acquiring Open Offer Shares and wishing to hold such Open Offer Shares in registered form must provide an address for registration of the Open Offer Shares issued upon exercise thereof outside the United States.

Any person who acquires Open Offer Shares will be deemed to have declared, warranted and agreed, by accepting delivery of this document or the Application Form and delivery of the Open Offer Shares, that they are not, and that at the time of acquiring the Open Offer Shares they will not be, located in the United States or a resident of the United States.

The Company reserves the right to treat as invalid any Application Form that appears to the Company or its agents to have been executed in, or despatched from, the United States, or that provides an address in the United States for the receipt of Open Offer Shares, or which does not make the warranty set out in the Application Form to the effect that the person completing the Application Form does not have a registered address and is not otherwise located in the United States and is not acquiring the Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares in the United States or where the Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements.

The Company will not be bound to allot or issue any Open Offer Shares to any person with an address in, or who is otherwise located in, the United States in whose favour an Application Form or any Open Offer Shares may be transferred. In addition, the Company reserves the right to reject any USE Instruction sent by or on behalf of any CREST member with a registered address in the United States in respect of the Open Offer Shares. In addition, until 45 days after the commencement of the Open Offer, an offer, sale or transfer of the Open Offer Shares within the United States by a dealer (whether

or not participating in the Open Offer) may violate the registration requirements of the US Securities Act.

6.3 ***Restricted Jurisdictions***

Due to restrictions under the securities laws of the other Restricted Jurisdictions and subject to certain exemptions, Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with Basic Open Offer Entitlements or Excess CREST Open Offer Entitlements. The Open Offer Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption.

No offer or invitation to apply for Open Offer Shares is being made by virtue of this document or the Application Form into any Restricted Jurisdiction.

6.4 ***Other overseas territories***

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

6.5 ***Representations and warranties relating to Overseas Shareholders***

(a) *Qualifying Non-CREST Shareholders*

Any person completing and returning an Application Form or requesting registration of the Open Offer Shares comprised therein represents and warrants to the Company and the Receiving Agents that, except where proof has been provided to the Company's satisfaction that such person's use of the Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction: (i) such person is not requesting registration of the relevant Open Offer Shares from within the United States or any Restricted Jurisdiction; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares in respect of the Open Offer or to use the Application Form in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) such person is not acquiring Open Offer Shares with a view to offer, sale, resale, transfer, deliver or distribute, directly or indirectly, any such Open Offer Shares into any of the above territories. The Company and/or the Receiving Agents may treat as invalid any acceptance or purported acceptance of the allotment of Open Offer Shares comprised in an Application Form if it: (i) appears to the Company or its agents to have been executed, effected or dispatched from the United States or a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or (ii) provides an address in the United States or a Restricted Jurisdiction for delivery of the share certificates of Open Offer Shares (or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates); or (iii) purports to exclude the warranty required by this sub-paragraph 6.5 (a).

(b) *Qualifying CREST Shareholders*

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this Part IV represents and warrants to the Company and the Receiving Agents that, except where proof has been provided to the Company's satisfaction that

such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) such person is not within the United States or any Restricted Jurisdiction; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares; (iii) such person is not accepting on a nondiscretionary basis for a person located within any Restricted Jurisdiction (except as otherwise agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) such person is not acquiring any Open Offer Shares with a view the offer, sale, resale, transfer, delivery or distribute, directly or indirectly, any such Open Offer Shares into any of the above territories.

6.6 Waiver

The provisions of this paragraph 6 and of any other terms of the Open Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company in its absolute discretion. Subject to this, the provisions of this paragraph 6 supersede any terms of the Open Offer inconsistent herewith. References in this paragraph 6 to Shareholders shall include references to the person or persons executing an Application Form and, in the event of more than one person executing an Application Form, the provisions of this paragraph 6 shall apply to them jointly and to each of them.

7. TIMES AND DATES

The Company shall, in agreement with Numis and finnCap and after consultation with its financial and legal advisers, be entitled to amend the dates that Application Forms are despatched or amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this document and in such circumstances shall notify the London Stock Exchange, and make an announcement on a Regulatory Information Service, but Qualifying Shareholders may not receive any further written communication.

If a supplementary circular is issued by the Company two or fewer Business Days prior to the latest time and date for acceptance and payment in full under the Open Offer specified in this document, the latest date for acceptance under the Open Offer shall be extended to the date that is three Business Days after the date of issue of the supplementary circular (and the dates and times of principal events due to take place following such date shall be extended accordingly).

8. TAXATION

Shareholders who are in any doubt as to their tax position in relation to taking up their entitlements under the Open Offer, or who are subject to tax in any jurisdiction other than the United Kingdom, should immediately consult a suitable professional adviser.

9. FURTHER INFORMATION

Your attention is drawn to the further information set out in this document and also, in the case of Qualifying Non-CREST Shareholders and other Qualifying Shareholders to whom the Company has sent Application Forms, to the terms, conditions and other information printed on the accompanying Application Form.

10. GOVERNING LAW AND JURISDICTION

The terms and conditions of the Open Offer as set out in this document, the Application Form and any non-contractual obligation related thereto shall be governed by, and construed in accordance with, English law.

The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this document or the Application Form. By taking up Open Offer Shares, by way of their Basic Open Offer Entitlement and the Excess Application Facility (as applicable), in accordance with the instructions set out in this document and, where applicable, the Application Form, Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

NOTICE OF GENERAL MEETING

SYNAIRGEN PLC

(Incorporated under the Companies Act 1985 and registered in England and Wales with registered number 05233429)

NOTICE IS HEREBY GIVEN THAT a general meeting of Synairgen plc (the “**Company**”) will be held at The Blueprint Design Company Limited, Martins Barn, Birdham Road, Chichester, West Sussex PO20 7BX at 11.00 a.m. on 2 November 2020 to consider and, if thought fit, to pass the following resolutions of which both will be proposed as special resolutions:

SPECIAL RESOLUTIONS

1. THAT, in addition to any other authorities granted to the directors pursuant to section 551 and section 570 of the Companies Act 2006 (the “**Act**”) prior to the date of the passing of this resolution, the directors be and they are hereby generally and unconditionally authorised pursuant to section 551 of the Act to exercise all powers of the Company to allot shares in the Company, and grant rights to subscribe for or to convert any security into shares of the Company (such shares, and rights to subscribe for or to convert any security into shares of the Company being “**relevant securities**”) provided that this authority shall be limited to the allotment of 30,770,985 new ordinary shares of 1 penny each in the capital of the Company (“**Ordinary Shares**”) in connection with the Conditional Placing (as defined in the circular to shareholders of the Company dated 15 October 2020, of which this notice forms part (the “**Circular**”)) and to do so for cash as if section 561 of the Act did not apply to such allotment and such power and authority unless previously renewed, revoked, varied or extended, shall expire on the date which is 6 months from the date of the passing of this resolution except that the Company may at any time before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such an offer or agreement as if this authority had not expired.
2. THAT, conditional upon the passing of Resolution 1, in addition to any other authorities granted to the directors pursuant to section 551 and section 570 of the Act prior to the date of the passing of this resolution, the directors be and they are hereby generally and unconditionally authorised pursuant to section 551 of the Act to exercise all powers of the Company to allot shares in the Company, and grant rights to subscribe for or to convert any security into shares of the Company (such shares, and rights to subscribe for or to convert any security into shares of the Company being “relevant securities”) provided that this authority shall be limited to the allotment of 4,038,741 Ordinary Shares in connection with the Open Offer (as defined in the Circular) and to do so for cash as if section 561 of the Act did not apply to such allotment and such power and authority unless previously renewed, revoked, varied or extended, shall expire on the date which is 6 months from the date of the passing of this resolution except that the Company may at any time before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such an offer or agreement as if this authority had not expired.

Registered Office:

Mailpoint 810 Level F, South Block
Southampton, General Hospital
Tremona Road,
Southampton
SO16 6YD2

By order of the Board:

John Ward
Company Secretary

Registered in England and Wales No. 05233429

IMPORTANT NOTICE RE COVID-19

In light of the current laws and the Government's current guidance regarding the COVID-19 pandemic, which includes the enforcement of social distancing, Shareholders will not be permitted to attend the General Meeting.

The General Meeting will be convened in accordance with the Company's Articles of Association and in line with the UK Government's guidance. Voting on the Resolutions to be proposed at the General Meeting shall be held on a poll rather than on a show of hands. The Company believes that this is the best and fairest way to ensure that the votes of all Shareholders can be taken into account, whilst also preventing the Company and Shareholders breaching the Government's guidance. Accordingly, the Company encourages all Shareholders to submit their proxy electronically, by using the CREST Proxy Voting Service or going to at www.signalshares.com (as applicable) as soon as possible, in each case electing the Chairman of the meeting as their proxy as no other proxy will be permitted to attend the General Meeting.

The health and well-being of our Shareholders and colleagues remains our priority and the steps set out above are necessary and appropriate during the COVID-19 pandemic. We trust that Shareholders will understand the need for these precautions in line with Government public health guidelines.

All Shareholders are encouraged to submit their proxy instructions electronically in accordance with the Notes to the Notice of General Meeting. A hard copy Form of Proxy does not accompany this document. If you require a hard copy Form of Proxy (or assistance with how to complete, sign and return it) or assistance in submitting your proxy appointment electronically, please call Link Group on +44 (0)371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the UK will be charged at the applicable international rate. Lines are open 9.00 a.m. to 5.30 p.m., Monday to Friday, excluding public holidays in England and Wales. Completed Forms of Proxy, if so requested, should be returned in the reply paid envelope provided to Link Asset Services Limited PXS1, 34 Beckenham Road, Beckenham BR3 4ZF as soon as possible and, in any event, by not later than 11.00 a.m. on 29 October 2020.

Notes to the Notice of General Meeting:

1. **Entitlement to vote**

Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), the Company specifies that only Shareholders entered on the register of members of the Company at close of business on 29 October 2020 (or in the event that this meeting is adjourned, on the register of members at close of business on the day preceding the date fixed for the adjourned meeting) shall be entitled to vote at the meeting in respect of the number of ordinary shares of the Company registered in their name at that time. Changes to the register after the relevant time shall be disregarded in determining the rights of any person to vote at the meeting.

2. **Voting on a poll**

On a vote by show of hands, every Shareholder who is present in person has one vote and every duly appointed proxy who is present has one vote. On a poll vote, every Shareholder who is present in person or by way of a proxy has one vote for every Ordinary Share of which he/she is a holder. The "Vote Withheld" option is provided to enable you to abstain on any particular resolution. However it should be noted that a "Vote Withheld" is not a vote in law and will not be counted in the calculation of the proportion of votes "For" and "Against" a resolution.

3. **Appointment of proxies**

Usually, a Shareholder is entitled to appoint one or more proxies to exercise all or any of his or her rights to attend and to speak and vote at the meeting. A proxy need not be a Shareholder of the Company. A Shareholder may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that Shareholder. **As shareholders will not be permitted to attend the General Meeting, any proxy you appoint other than the Chairman will be refused entry to the meeting.**

4. **Appointment of proxy using hard copy proxy form**

A hard copy Form of Proxy has not been sent to you but you can request one directly from the registrars, Link Group' general helpline team +44 (0)371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the UK will be charged at the applicable international rate. Lines are open 9.00 a.m. to 5.30 p.m., Monday to Friday, excluding public holidays in England and Wales. Alternatively, you can request a hard copy Form of Proxy via email at shareholderenquiries@linkgroup.co.uk or via postal address at Link Group, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF. 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. 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.

5. **Appointment of a proxy online**

You may submit your proxy electronically using the Share Portal service at www.signalshares.com. Shareholders can use this service to vote or appoint a proxy online. The voting deadline is 11.00 a.m. on 29 October 2020. Shareholders will need to use the unique personal identification Investor Code ('IVC') printed on your share certificate. If you need help with voting online, please contact our registrar, Link Group' portal team on 0371 664 0391 or via email at shareholderenquiries@linkgroup.co.uk. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the UK will be charged at the applicable international rate. Lines are open 9.00 a.m. to 5.30 p.m., Monday to Friday, excluding public holidays in England and Wales.

6. **Appointment of proxies through CREST**

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 (a 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 the issuer's agent (ID: RA10) by no later than 11.00 a.m. on 29 October 2020. 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 shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time.

In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. 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.

7. **Changing proxy instructions**

To change your proxy instructions, simply submit a new proxy form. Note that the cut-off time for receipt of proxy appointments also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be

disregarded. If the Company receives more than one appointment of a proxy in respect of any one share, the appointment received last revokes each earlier appointment and the Company's decision as to which appointment was received last is final.

8. ***Termination of proxy appointments***

In order to revoke a proxy appointment you must notify the Company of the termination at least three hours before the commencement of the meeting.

9. ***Corporate representatives***

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. Please remember that, if the Government's current guidance regarding the COVID-19 pandemic is still in force at the date of the General Meeting, then if a corporation which is a member appoints one or more corporate representatives then that person/those persons will not be permitted to attend the General Meeting.

10. ***Joint shareholders***

In the case of joint Shareholders, the vote of the senior Shareholder who tenders a vote, whether in person (including by corporate representative) or by proxy, shall be accepted to the exclusion of the votes of the other joint Shareholders. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members.

11. ***Issued shares and total voting rights***

As at the date of this Notice of General Meeting, the Company's issued ordinary share capital comprised of 149,433,442 ordinary shares of one penny each fully paid. The Company does not hold any shares in treasury. 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 the date of this Notice of General Meeting is 149,433,442.