swallowfield

PROPOSED DISPOSAL OF MANUFACTURING BUSINESS

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Swallowfield plc
("Swallowfield" or the "Company")

Proposed Disposal of Manufacturing Business

Proposed Change of Name

Proposed Board Changes

Notice of General Meeting

and

Trading Update

Swallowfield plc, a market leader in the development, formulation, and supply of personal care and beauty products, including its own portfolio of brands, is pleased to announce that it has entered into a conditional agreement with Knowlton Development Corporation Inc., ("KDC") to sell its Manufacturing business and associated assets ("Proposed Disposal") for a total cash consideration of £35 million, subject to adjustment for the amount of working capital of the Manufacturing business at the date of completion. The Proposed Disposal is intended to maximise value for the Company's shareholders. Established in 2002, KDC is the largest North American custom formulator and manufacturer serving the prestige beauty, personal care and household sectors.

Details of the proposals are set out in the Chairman's letter below and in a circular (the "Circular") which is being sent to Shareholders today and will also be made available for download from the Company's website at www.swallowfield.com/investors/.

As the Proposed Disposal will constitute a fundamental change of business of the Company and its subsidiaries ("Group") pursuant to the AIM Rules it will require the approval of Shareholders at a general meeting ("General Meeting") to be held at 10.00 a.m. on 31 July 2019 at the offices of Nplus1 Singer Advisory LLP, One Bartholomew Lane, London EC2N 2AX.

On completion of the Proposed Disposal, both Matthew Gazzard, Group Finance Director, and Jane Fletcher, Group Sales and Marketing Director, intend to transfer with the Manufacturing business and so will leave the Group and step down as directors of the Company at that time. However both will continue to provide support for the Group under a transitional services agreement ("TSA") in the case of Matthew Gazzard for a period of up to 3.5 months and in the case of Jane Fletcher for a period of up to 3 months following completion of the transaction.

Subject to Shareholder approval and conditional on completion of the Proposed Disposal, the Group also proposes to change its name to Brand Architekts Group plc.

Swallowfield also today provides a trading update for the 52 weeks ended 29 June 2019.

Highlights

- Fundamental transformation of the Group which will see the Owned Brands business become the entire focus of the Group
- Following a strategic review process, the Board concluded that the Manufacturing business will be better served in a business of larger scale and that the Proposed Disposal is in the best interests of all of its stakeholders
- Total cash consideration of £35 million, represents a premium to the market capitalisation of the Group[1]
- The Board believes they will be better positioned to drive future value for Shareholders by focusing solely on the Owned Brands business and the stronger margins and superior financial key performance indicators associated with it
- The Board has formed the view that the Proposed Disposal provides the Group with the most appropriate option in terms of:
    I. maximising the amount of cash that will be available to drive future growth
    II. maximising the value received for the Manufacturing business
    III. maximising the future value of the Group through a focus on its single Owned Brands business

- Following the Disposal, it is estimated that the Group's net cash position will be approximately £23million after taking account of deductions and expenses of the transaction. It is expected that these funds will be retained to fund investment to drive organic growth and for future earnings accretive acquisition opportunities

- Proposed name change to Brand Architekts Group plc which will more appropriately reflect the future business of the Group

- Overall Group trading for the 52 weeks ended 29 June 2019 was broadly in line with expectations for the full year

Trading Update

The Group provides its trading update for the 52 weeks ended 29 June 2019. As the prior year comprised a 53 week trading period, figures for 52 weeks have also been provided to give a more meaningful comparison.

The Board is pleased to announce that overall the Group has traded broadly in line with expectations for the full year. Group revenues increased by 7% against the prior 52 weeks (5% on the reported 53 week basis), with a single digit decline in the Brands business being offset by a significant recovery in Contract Manufacturing. Group pre-tax profit for the full year is expected to be slightly ahead of that reported in the prior year (on a 52 week basis).

As highlighted previously, the pace of growth has slowed in the Brands business with revenues declining by 3% over the prior 52 week period (5% on 53 weeks). This is a result of lower UK consumer confidence and pressures within the retail environment which have led to a softening in demand and retailer reductions in category space and promotional activity. The Group has continued to make good progress in growing international sales with 8% revenue growth over the 52 week period (6% on 53 weeks), underpinning the Directors' belief that there is a significant opportunity for sustained international growth in the Brands business, a key strategic objective for the Group. Importantly, gross margins within the Brands business were maintained and investment increased, both of which are expected to benefit the Group.

The Manufacturing business recovered strongly in the second half of the year with revenues increasing 15% over the prior 52 weeks (13% on 53 weeks). As expected, gross margins improved due to agreed price increases and the positive mix from new contract wins, helping deliver a full year profit ahead of last year.

Net debt of the Group as at 29 June 2019 was £7.3m (30 June 2018: £11.8m) which is slightly higher than the half year net debt position of £6.7m, reflecting the usual impact of seasonal sales and which is expected to decrease in the first quarter of the current year.

Brendan Hynes, Chairman of Swallowfield, commented:

"The Proposed Disposal of the Manufacturing business is a transformational development for the Group, which will see the Owned Brands business become the sole focus of operations. As announced on 5 March 2019, the Board determined that the Manufacturing business needed a streamlined and simplified operation, and undertook a detailed strategic review to determine the appropriate course of action. Following careful consideration of the options available, the Board strongly believes that the Proposed Disposal enhances the long term prospects of both businesses and is in the best interests of all stakeholders.

"It is the Board's belief that the transaction also provides the Manufacturing business with a clearer vision for the future while protecting the value of the business by being part of a larger group, which is less affected by volatile market conditions. The Board also believes that a sole focus on pursuing the opportunities provided by the stronger margin Owned Brands business will leave the Group better positioned to drive future value for Shareholders."

Tim Perman, Chief Executive Officer of Swallowfield, commented:

"The Group has made significant strides over the last 5 years developing the brands portfolio, both organically and through acquisition, and this has not only delivered superior financial returns but has also given the Group greater control over its own destiny. We believe that the opportunities to grow this business will be significantly enhanced through a simplified strategic focus and we have a strong and experienced brand team to drive this forward. The proceeds from the disposal provide the Group with the financial strength to invest in further organic and acquisitive growth and we are confident of being able to profitably realise further market opportunities in the future."

[1] Market capitalisation of the Group according to the closing mid-market price of an Ordinary Share on 12 July 2019 and the number of shares in issue on that date.

<u>For further information please contact:</u>

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The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 (MAR). Upon publication of this announcement, this inside information is now considered to be in the public domain.

The following summary is extracted without material adjustment from the Circular being sent to Shareholders. It should be read by Shareholders in conjunction with the Circular, which includes definitions of terms used but not otherwise defined in this announcement. Such terms shall have the same meaning as are given to them in the Circular.

1. Introduction

The Company announced today that it had entered into a conditional agreement with Knowlton Development Corporation Inc., to sell its Manufacturing business and associated assets (including the Group's 13.3% investment in Shanghai Color Cosmetic Technology Co., Ltd) for a total cash consideration of £35 million, subject to adjustment for the amount of working capital of the Manufacturing business at the date of completion. The net proceeds receivable by the Company after deductions (excluding sums required to be placed in escrow) and expenses are expected to be approximately £33.7 million. The transaction will be effected by way of the sale of the entire issued share capital of Curzon, a recently incorporated wholly-owned subsidiary of the Company, to which the assets that are the subject of the transaction will be transferred by way of a pre-sale reorganisation.

The Proposed Disposal is intended to maximise value for Shareholders and is conditional upon the completion of the pre-sale reorganisation pursuant to the APA. In addition, as the Proposed Disposal will constitute a fundamental change of business of the Group pursuant to Rule 15 of the AIM Rules, it will require the approval of Shareholders at the General Meeting, notice of which is set out in the Circular. Subject to Resolution 1 to approve the Proposed Disposal being duly passed at the General Meeting, completion of the pre-sale reorganisation is expected to take place shortly before the completion of the Proposed Disposal, which in turn, is expected to occur on or around 23 August 2019.

On completion of the Proposed Disposal, both Matthew Gazzard and Jane Fletcher intend to transfer with the Manufacturing business and so will leave the Group and step down at that time as directors of the Company and in the case of Matthew Gazzard, also as company secretary of the Company. In light of their personal interests in the Proposed Disposal and the outcome of the General Meeting, neither Director is being treated as independent for the purposes of the Circular or any recommendation to Shareholders concerning the Proposed Disposal.

The General Meeting at which the Resolutions will be proposed has been convened for 10.00 a.m. on 31 July 2019.

The Independent Directors consider that it is in the best interests of the Company and Shareholders as a whole to proceed with the Proposed Disposal and recommend that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting.

2. Background to, and reasons for, the Proposed Disposal

The Group is a market leader in the development, formulation, and supply of personal care and beauty products. The Group operates both its Owned Brands business as well as its Manufacturing business. Over recent years significant volatility has been experienced in the Manufacturing business, of late due to the impact of material cost inflation, weaker product mix and the prevailing external environment. This has resulted in fluctuations in financial performance and the quality of results delivered. The Company has today announced a trading update for the full year which confirmed a recovery in performance in the second half of the year for its Manufacturing business, but despite this improvement there remain underlying challenges for this business.

In its interim results announced on 5 March 2019, the Company stated that a strategic review of its Manufacturing business was underway with the results expected to be completed in the second half of the financial year. The Board had stated that the Group needed a clear strategic focus and that its Manufacturing business would benefit from streamlined and simplified operations. As part of the strategic review, external advisors were appointed to explore the competitive landscape and gauge interest in parts or all of the Group's Manufacturing operations.

The Board is pleased with the recovery seen in the Manufacturing business yet remains cautious of the prevailing raw material cost headwinds and general market conditions. In light of the options available and in view of the significant opportunities provided by the Group's Owned Brands business and the stronger margins and superior financial key performance indicators associated with it, the Board believes that it will be better positioned to drive future value for Shareholders by focusing solely on this business.

The Board has therefore carefully considered the merits of the Proposed Disposal and has formed the view, based on its analysis, that the disposal of the Manufacturing business at a premium to the market capitalisation of the Group (based on the closing mid-market price of the Ordinary Shares on 12 July 2019) provides the Group with the most appropriate option in terms of i) maximising the amount of cash that will be available to drive future growth, ii) maximising the value which can be achieved for the Manufacturing business and iii) maximising the future value of the Group through a focus on its single Owned Brands business.

The Board also believes that the Manufacturing business will be better served in a business of larger scale which is less affected by volatile market fluctuations and that the Proposed Disposal is in the best interests of all of its stakeholders, not least its employees.

3. Information on the Manufacturing business and its financial performance

The Group's Manufacturing business is engaged in the development, formulation and supply of quality products for customers including many of the world's leading personal care and beauty brands. The recent financial performance of the Manufacturing business was set out in the Group's interim results announced on 5 March 2019. For the 28 weeks ended 12 January 2019 revenues totalled £31.2 million with operating profit of £0.2 million. For the 53 weeks ended 30 June 2018 revenues totalled £54.8 million with an operating profit of £2.6 million.

The Company today announced an update on trading for the 52 weeks ended 29 June 2019 and confirmed the Group had traded broadly in line with expectations for the full year. The Manufacturing business recovered strongly in the second half of the year with revenues increasing 15% over the prior 52 weeks (13% on 53 weeks). As expected, gross margins improved due to agreed price increases and the positive mix from new contract wins, helping deliver a full year profit ahead of last year..

As at 4 May 2019, the value of the assets the subject of the Proposed Disposal was approximately £25 million.

4. Principal terms of the Proposed Disposal

On 13 July 2019, the Company and KDC entered into the Disposal Agreement pursuant to which KDC has conditionally agreed to acquire the entire issued share capital of Curzon, a recently incorporated wholly-owned subsidiary of the Company to which the Manufacturing business and associated assets, (including the Group's 13.3% investment in Shanghai Color Cosmetic Technology Co., Ltd) are to be transferred pursuant to the APA as part of a pre-sale reorganisation. Subject to the approval of the Proposed Disposal by Shareholders at the General Meeting, the completion of the APA will take place shortly before completion of the Disposal Agreement.

The principal terms of the Disposal Agreement are as follows:

- Completion of the Disposal Agreement is conditional upon the completion of the APA. If such condition is not fulfilled on or before 5.00 p.m. on 21 September 2019 or such later date as may be agreed in accordance with the provisions of the Disposal Agreement, the Disposal Agreement will terminate and the transaction will not proceed.
- The consideration payable by the Buyer on completion of the Disposal Agreement is a cash sum of £35 million less the sums of £1.25 million (which will be retained in escrow pending any adjustment of the consideration following the preparation of the completion accounts referred to below) and £2 million (which may be required to be retained in escrow in respect of certain environmental risks referred to below) plus or minus an amount based on the difference between estimated working capital and target working capital at the completion date.
- Completion accounts are to be prepared following completion of the Disposal Agreement and the amount of the consideration will be subject to adjustment according to whether the amount of working capital of Curzon at the date of completion is greater or less than the target working capital agreed by the parties.
- The Disposal Agreement includes for the benefit of the Buyer certain warranties and indemnities and a covenant as to the tax liabilities of Curzon. The maximum liability of the Company in respect of all claims under the Disposal Agreement is limited to the amount of the consideration paid by the Buyer together with the amount of the intra group indebtedness of Curzon that the Buyer causes to be repaid on completion. However, warranty and indemnity insurance has been arranged by the Buyer and it has been agreed that any liability of the Company for a breach of any of the business or tax warranties in the Disposal Agreement will be satisfied pursuant to the warranty and indemnity insurance policy, so that the Company will not be required to make any payment in respect of any such claim. The Disposal Agreement also contains various other customary limitations on the liability of the Company for claims for breach of warranty or under the tax covenant.
- The Disposal Agreement includes certain provisions by which the parties have agreed in the period prior to completion to seek £2

million of insurance cover in respect of certain environmental risks relating to the potential presence of a specific contaminant at one of the sites belonging to the Manufacturing business. The cost of such insurance will be borne by the Company. If insurance cover acceptable to the Buyer is arranged, then the £2 million retention referred to above ("Retention") will no longer be required and the monies will be released to the Company in full. If sufficient insurance cover cannot be arranged, testing for the relevant contaminant will be undertaken at the Company's cost taking funds from the Retention. If such investigation does not show the presence of the contaminant, then the balance of the Retention will be released to the Company. If the contaminant is shown to be present, a further Phase II investigation will be undertaken at the cost of the Company, taking funds from the Retention. If following such investigation the Buyer determines that no further investigation and remediation is required, the balance of the Retention will be released to the Company. If the Buyer determines that further investigation and remediation is required, a reasonable plan of further investigation, remediation, management and monitoring will be agreed by the parties and the costs paid from the Retention. Following completion of any remediation works an independent expert will be appointed to determine whether or not such works have achieved satisfactory results. If the Buyer agrees with the expert's findings that the remediation works have been successful, then the balance of the Retention will be released to the Company. If however, there is evidence of the continued presence of the contaminant, further works and tests may be undertaken until the earlier of exhaustion of the Retention and a determination that the remediation works have been successful. However, the liability of the Company in respect of the relevant contaminant at the site in question is not to exceed the amount of the Retention.

- The Buyer will be entitled to terminate the Disposal Agreement at any time between the date it is entered into and the date on which the condition in the APA relating to the approval of the Proposed Disposal by Shareholders has been satisfied, if between those dates there shall be any material breach of certain pre-completion undertakings of the Company or there is a material adverse change affecting the business, operations, assets, position (financial, trading or otherwise) or liabilities, of Curzon. However, such right will not extend beyond the date on which the Proposed Disposal is approved by Shareholders at the General Meeting.
- The Group's defined benefit pension scheme will remain the responsibility of the Company following completion of the Proposed Disposal and there will be no transfer payment made in respect of the employees of the Manufacturing business. Based on the overall profitability and cash generation of the Owned Brands business, the Company will be honouring the existing deficit reduction plan which was established following the 2017 valuation process. This will be next reviewed at the triannual valuation due in April 2020.

The arrangements for the Proposed Disposal also include provision for the TSA to be entered into on completion, pursuant to which certain transitional services will be provided by Curzon to the Group, as further explained in paragraphs 6 and 7 below respectively entitled "*The Group's operations following the Proposed Disposal and change of name*" and "*Board composition following the Proposed Disposal*".

5. Information on KDC

KDC is the largest North American custom formulator and manufacturer serving the prestige beauty, personal care and household sectors. Established in 2002, KDC has its head office in Longueuil, Québec and employs over 5,000 employees. KDC has experienced rapid growth through the successful completion of eight notable acquisitions over the past four years and has significant experience integrating businesses. In December 2018, KDC was acquired by funds managed by Cornell Capital LLC to drive international growth and enhance its ability to continue to invest in top-tier product innovation and best-in-class manufacturing capabilities.

The Directors believe that the partnership of Cornell Capital LLC with KDC's management team, will provide the Manufacturing business with additional resources and capital for its future development.

6. The Group's operations following the Proposed Disposal and change of name

Over the last 5 years the Group has developed, both organically and through acquisition, a growing portfolio of brands that are owned and managed by the Group. The acquisition of Brand Architekts in June 2016 significantly accelerated this strategy and brought both additional critical mass and accretive margins (with Owned Brands representing 28% of Group revenues and 65% of Group underlying operating profits in the 53 week period ended 30 June 2018). Emphasis has been on developing the brand portfolio and this strategy has not only delivered superior financial returns but has allowed the Group to take greater control in driving sales and demand for its products. Following completion of the Proposed Disposal, the Group's operations will solely comprise its Owned Brands business.

A key focus within the Owned Brands Business is to develop innovative new products to attract both retailers and consumers. Over 120 new products were launched over the 12 month period ended 30 June 2019 across the Owned Brands portfolio. The Owned Brands business makes use of consumer trends studies and competitor benchmarking to generate ideas for new products such as Superfacialist for Men and for re-launches in the Dirty Works, MR, Kind Natured, The Real Shaving Company, Argan+ and Dr Salts brands.

Brand Architekts now has 8 of its brand websites with full e-commerce functionality. Sales via these websites are being fulfilled from its internal distribution centre in support of this increasing source of revenue for the Group. The Group has also strengthened its direct to consumer efforts via establishing certain of its brands on Amazon.

The focus also continues to be on developing sales in new international markets and building relationships with appropriate distribution and retail partners for the Group's brand portfolio. Whilst international growth is still at a nascent stage, sales in this area in the 52 week period ended 29 June 2019 grew by approximately 8% over the prior year, underpinning the Directors' belief that this represents a significant opportunity for continued growth.

Following completion of the Proposed Disposal, the Owned Brands business will continue to work with a range of third-party suppliers to develop, formulate and distribute new products, including the Manufacturing business. All current product supply from the Manufacturing business has been secured in the TSA. There will be a period of transition during which the Manufacturing business will continue to support the Owned Brands business as it establishes itself as a stand-alone business. All current services supplied by the Group (including amongst others financial, accounts, warehousing and IT services) will be covered by the TSA until such time as the Owned Brands business has set up its own facilities.

As part of the arrangements for the Proposed Disposal, it is also proposed to change the name of the Company to Brand Architekts Group plc, subject to Shareholder approval and conditional on completion of the Proposed Disposal, as this will more appropriately reflect the future business of the Group. Should Shareholder approval be granted for the change of name the Company intends following completion of the Proposed Disposal to change its ticker to BAR.L, its head office and registered office will be moved to 8 Waldegrave Road, Teddington TW11 8GT and its website address will be changed to www.brandarchitektsplc.com.

7. Board composition following the Proposed Disposal

On completion of the Proposed Disposal both Matthew Gazzard and Jane Fletcher intend to transfer with the Manufacturing business and so will step down from the Board as Group Finance Director and Group Sales and Marketing Director respectively. Matthew Gazzard will also step down as Company Secretary of the Company. Matthew will, however, continue to provide support for the Group under the TSA for a period of up to 3.5 months following completion of the transaction whilst the Group undertakes a process to appoint his successor. Jane will also continue to provide support for the Group under the TSA for a period of up to 3 months following completion of the transaction.

8. Future Strategy

Following completion of the Proposed Disposal the Group's strategy will be entirely focused on growing its Owned Brands business both organically and through targeted selective acquisitions. The Group's successful growth model of partnering with retailers to offer differentiated brand and product propositions will continue in the future and there will be the opportunity for both retail and on-line distribution expansion in the UK and internationally. The Owned Brands business will use digital channels and social media to communicate with consumers using well-targeted, fast and flexible communication campaigns. The single-minded focus on the Owned Brands business will allow superior financial returns due to the stronger margins for Owned Brand products and further investment to be made in marketing and other key resources. The Board is therefore confident that the Owned Brands business will be able to profitably realise further market opportunities in the future.

Following completion of the Proposed Disposal, the Directors expect the Group's net cash position will be approximately £23 million, after taking account of deductions and the expenses of the transaction. The Board intends that these funds should be retained by the Group to fund investment to drive organic growth and to pursue future earnings accretive acquisition opportunities.

The ongoing business will continue to benefit from the leadership of Tim Perman who has been with the Group since May 2018 and CEO since 1 July 2018. Tim's professional career has always centred around brands, having held various General Management and Marketing positions at PZ Cussons, Seven Seas, Campbells Grocery Products and Clairol prior to joining the Company. In his last role at PZ Cussons, Tim was Group Category & Brand Director and Global Beauty Director. Brand Architekts has a UK industry-wide reputation for developing and growing beauty brands and forging strong partnerships with retailers. The Board believes the Brand Architekts team with Commercial Director Jo Butcher, offers the perfect balance of experience, creativity, passion and drive to deliver results. This is a strong and established management group with many members having been with Brand Architekts in excess of 10 years.

The Non-Executive Directors of the Company are experienced in dealing with M&A transactions, including those undertaken by the Group to date, namely The Real Shaving Company Limited, Brand Architekts and the Fish brand, which will prove beneficial as the Group seeks further acquisition opportunities.

9. Related party transactions

Subject to completion of the Proposed Disposal there are certain transaction-related payments that are proposed to be made to the Executive Directors (the "Payments"). Subject to completion of the Proposed Disposal, Tim Perman will be paid £250,000 on completion and Matthew Gazzard and Jane Fletcher will each be paid £170,000. The Payments proposed to be made to each of Matthew Gazzard and Jane Fletcher will be paid as to: 50 per cent on completion of the Proposed Disposal; and 50 per cent on satisfactory completion of the transitional services provided by them under the TSA at the sole discretion of the Company's remuneration committee. No other payments are proposed to be made to the Executive Directors in respect of the 52 week period ended 29 June 2019.

The Payments proposed for Tim Perman, Matthew Gazzard and Jane Fletcher as Executive Directors constitute a related party transaction pursuant to Rule 13 of the AIM Rules. The Company's independent Directors (Roger McDowell, Brendan Hynes and Edward Beale) consider, having consulted with N+1 Singer the Group's Nominated Adviser, that the terms of the Payments are fair and reasonable insofar as its Shareholders are concerned.

10. Irrevocable Undertakings

The Directors and persons connected with them have given irrevocable undertakings in respect of their beneficial holdings of Ordinary Shares, amounting in aggregate to 583,335 Ordinary Shares, representing approximately 3.4% of the issued ordinary share capital of the Company, to vote (or where applicable, to procure that the registered holder of such Ordinary Shares votes), in favour of the Resolutions at the General Meeting.

11. General Meeting

For the reasons explained above, completion of the Proposed Disposal is conditional upon the approval of Shareholders at the General Meeting.

At the General Meeting to be held at the offices of Nplus1 Singer Advisory LLP, One Bartholomew Lane, London EC2N 2AX at 10.00 a.m. on 31 July 2019, an ordinary resolution will be proposed to approve the Proposed Disposal and a special resolution will be proposed to approve (conditional on the resolution to approve the Proposed Disposal being passed and the Proposed disposal being completed) the change of the name of the Company to Brand Architekts Group plc.

12. Recommendation

The Independent Directors consider that the Proposed Disposal and the passing of the Resolutions to be proposed at the General Meeting to be in the best interests of the Company and Shareholders as a whole. Accordingly, the Independent Directors unanimously recommend that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting as they and persons connected with them have undertaken to do in respect of their own beneficial holdings of 476,119 Ordinary Shares representing 2.8 per cent. of the issued ordinary share capital of the Company.

13. Expected Timetable of Principal Events

Posting of the Circular and Form of Proxy to Shareholders	15 July 2019
Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 29 July 2019
General Meeting	10.00 a.m. on31 July 2019
Completion date of Proposed Disposal	23 August 2019

Cautionary note regarding forward-looking statements

This announcement contains a number of "forward-looking statements". Generally, the words "will", "may", "should", "continue", "believes", "expects", "intends", "anticipates", "forecast", "plan" and "project" or in each case, their negative, or similar expressions identify forward-looking statements. Such statements reflect the Company's current views with respect to future events and are subject to risks, assumptions and uncertainties that could cause the actual results to differ materially from those expressed or implied in any forward-looking statements. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Shareholders should not, therefore, place undue reliance on these forward-looking statements, which speak only as of the date of this announcement. Except as required by the FCA, the London Stock Exchange or applicable law (including as may be required by the AIM Rules), the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this announcement to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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