Admission Document

RENALYTIX AI PLC

RENALYTIX AI

ARTIFICIAL INTELLIGENCE
FOR KIDNEY DISEASE

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the contents of this document or the action you should take, you are recommended to seek advice from your stockbroker, bank manager, independent financial adviser, solicitor, accountant or other person who is authorised under the Financial Services and Markets Act 2000 ("FSMA") or, if you are a person outside the United Kingdom, a person who is appropriately authorised in your jurisdiction.

This document is an admission document drawn up in accordance with the AIM Rules for Companies and has been prepared in connection with the proposed application for admission of the issued and to be issued share capital of Renalytix AI plc (the "**Company**" or "**RenalytixAI**") to trading on AIM, the market of that name operated by London Stock Exchange plc (the "**London Stock Exchange**"). This document does not constitute an offer to the public requiring an approved prospectus under section 85 of FSMA and, accordingly, this document is not a prospectus for the purposes of FSMA and the Prospectus Rules and has not been approved by the Financial Conduct Authority ("**FCA**") pursuant to section 85 of FSMA.

Each of the directors (the "**Directors**") and proposed directors (the "**Proposed Directors**") of the Company, whose names and functions appear on page 11 of this document, and the Company accept responsibility, both collectively and individually, for the information contained in this document and for its compliance with the AIM Rules for Companies. To the best of the knowledge and belief of each of the Directors, the Proposed Directors and the Company, who have taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Application will be made for the whole of the Enlarged Share Capital to be admitted to trading on AIM. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than larger or more established companies. AIM securities are not admitted to the Official List of the FCA. 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 person who authorised under FSMA.

Each AIM company is required, pursuant to the AIM Rules for Companies, to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange in the form set out in Schedule Two to the AIM Rules for Nominated Advisers.

The Ordinary Shares are not traded on any recognised investment exchange and no other such applications have been made. It is expected that admission to trading on AIM (the "**Admission**") will become effective and dealings on AIM will commence in the Ordinary Shares at 8.00 a.m. on 6 November 2018.

Prospective investors should read the whole of this document. Your attention is drawn, in particular, to the risk factors set out in Part 2 (*Risk Factors*). All statements regarding the Company's business, financial position and prospects should be viewed in light of such risk factors.

Renalytix AI plc

(*Incorporated in England and Wales with company number 11257655*)

RENALYTIX AI

Placing of 14,829,739 New Ordinary Shares, Subscription of 2,334,739 New Ordinary Shares, Restricted Offer of 1,223,952 New Ordinary Shares at an Issue Price of £1.21 each

and

Admission of the Enlarged Share Capital to trading on AIM

Nominated Adviser and Broker

N+1 SINGER

Upon Admission, the New Ordinary Shares, which comprise the Placing Shares, the Subscription Shares and the Restricted Offer Shares, will rank *pari passu* in all respects with the Ordinary Shares including the right to receive all dividends and other distributions declared, made or paid on the Ordinary Shares after Admission.

In connection with this document, no person is authorised to give any information or make any representations other than as contained in this document and, if given or made, such information or representations must not be relied upon as having been so authorised.

Nplus1 Singer Advisory LLP ("**N+1 Singer**"), which is authorised and regulated in the United Kingdom by the FCA, has been appointed as nominated adviser and broker to the Company in connection with the Placing and Admission only and will not be acting for any other person (including a recipient of this document) or otherwise be responsible to any person for providing the protections afforded to its clients or for advising any other person on the contents of this document or otherwise in respect of the proposed Placing and Admission or any transaction, matter or arrangement referred to in this document. The responsibilities of N+1 Singer, as nominated adviser under the AIM Rules for Nominated Advisers, are owed solely to the London Stock Exchange and are not owed to the Company, any Director or Proposed Director, or any other person in respect of their decision to acquire Ordinary Shares in reliance on any part of this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on N+1 Singer by FSMA or the regulatory regime established thereunder, N+1 Singer does not accept any responsibility whatsoever for the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Ordinary Shares, the Placing or Admission. N+1 Singer accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above) in respect of this document or any such statement.

This document does not constitute an offer to sell, or the solicitation of an offer to buy or subscribe, any Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful and, in particular, this document is not for distribution in or into the United States of America, Australia, Canada, Hong Kong, Japan, New Zealand or the Republic of South Africa (each, a "**Restricted Jurisdiction**"). The distribution of this document in other jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions. The Ordinary Shares have not been and will not be registered under the applicable securities laws of any Restricted Jurisdiction, and, subject to certain exceptions, may not be offered, sold, resold, renounced, taken up or delivered, directly or indirectly, in, into or from and Restricted Jurisdiction or to any national of any Restricted Jurisdiction. This document should not be distributed, published, reproduced or otherwise made available in whole or in part, or disclosed by recipients to any other person, in, and in particular, should not be distributed to persons with addresses in, any Restricted Jurisdiction. No action has been taken by the Company or N+1 Singer that would permit an offer of any Ordinary Shares or possession or distributions of this document where action for that purpose is required. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities law or other laws of any such jurisdictions.

Neither the Company, the Directors nor the Proposed Directors are providing prospective investors with any representations or warranties or any legal, financial, business, tax or other advice. Prospective investors should consult with their own advisers as needed to assist them in making their investment decision and to advise them whether they are legally permitted to purchase Ordinary Shares.

A copy of this document is available, subject to certain restrictions relating to persons resident in any Restricted Jurisdiction, at the Company's website, www.renalytixai.com.

Information for Distributors

Solely for the purposes of the product governance requirements contained within the MiFID II Product Governance Requirements (the "**Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (as defined in the Requirements) may otherwise have with respect thereto, the Ordinary Shares have been subject to a product approval process, which has determined that such securities are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II, or the "target market assessment" (as defined in the Requirements). Notwithstanding the Target Market Assessment, Distributors should note that: the price of Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing, Subscription and Restricted Offer (together, the "**Fundraising**"). Furthermore, it is noted that, notwithstanding the Target Market Assessment, N+1 Singer will only procure investors who meet the criteria of professional clients and eligible counterparties.

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

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Ordinary Shares and determining appropriate distribution channels.

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IMPORTANT INFORMATION

1. Overview

The contents of this document and any subsequent communications from the Company are not to be construed as legal, business, financial or tax advice. Neither the Company, the Directors, the Proposed Directors, N+1 Singer nor any of their representatives is making any representation to any offeree, subscriber for or purchaser of any Ordinary Shares regarding the legality of an investment in the Ordinary Shares by such offeree, subscriber or purchaser under the laws applicable to such offeree, subscriber or purchaser. Each prospective investor should consult their own legal adviser, business adviser, financial adviser or tax adviser for legal, business, financial or tax advice respectively, in connection with the purchase or subscription of any Ordinary Shares. In making an investment decision, each prospective investor must rely on their own examination, analysis and enquiry of the Company and the terms of the Fundraising, including the merits and risks involved and whether an investment in any Ordinary Shares is suitable for them in light of their circumstances and financial resources and ability to withstand the loss of their entire investment.

Neither the delivery of this document nor any sale or subscription made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in this document is correct as at any time after its date.

As required by the AIM Rules for Companies, the Company will update the information provided in this document by means of a supplement to it if a significant new factor that may affect the evaluation by prospective investors in the Fundraising occurs prior to Admission or if it is noted that this document contains any substantial mistake or inaccuracy. This document and any supplement thereto will be made public in accordance with the AIM Rules for Companies.

Neither the Company, the Directors nor the Proposed Directors accept any responsibility for the appropriateness, accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media or any other person regarding the Fundraising or the Company. Neither the Company, the Directors nor the Proposed Directors make any representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication.

2. Notice to prospective investors

2.1 Placing

The distribution of this document in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Members of the public are not eligible to take part in the Placing. This document and the Placing Terms set out in Part 6 (*Placing Terms*) are for information purposes only and are being distributed only to and directed at persons in member states of the European Economic Area (the "**EEA**"), who are "qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC and amendments thereto, including Directive 2010/73/EU to the extent implemented in a relevant member state of the EEA) ("**Qualified Investors**").

In addition, in the United Kingdom, this document is addressed to, and directed only at, Qualified Investors who (i) are persons who have professional experience in matters relating to investments falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"), (ii) are persons who are high net worth entities falling within article 49(2)(a) to (d) of the Order, or (iii) are other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as "**Relevant Persons**").

2.2 **Subscription**

In addition to the Placing, the Company has entered into Subscription Agreements with a limited number of entities and individuals who are outside of the United Kingdom who have agreed to subscribe an aggregate of 2,334,739 New Ordinary Shares at the Issue Price (the "**Subscription**"). The Subscription includes Subscribers based in the US who are qualified to subscribe under an available exemption from the registration requirements of the Securities Act and other applicable US state securities laws.

2.3 **Restricted Offer**

Please note: A Print Proof Admission Document was made available to Qualifying EKF Shareholders for the purposes of the Restricted Offer in advance of publication of the final Admission Document. The Restricted Offer closed at 11.00 a.m. on 26 October 2018 and any information in this document relating to the Restricted Offer is provided for information only.

Members of the public were not eligible to take part in the Restricted Offer. This document, the Restricted Offer Terms set out in Part 7 (*Restricted Offer Terms*) and the accompanying Q&A in Part 8 (*Restricted Offer Q&A*) are for information purposes only and were directed only at persons recorded in the register of members of EKF Diagnostics Holdings plc ("**EKF**") as holders of the ordinary shares of nominal value £0.0025 each of EKF ("**EKF Ordinary Shares**") as at 8.00 p.m. on 10 October 2018 (the "**Record Date**") whose registered address is in the United Kingdom ("**Qualifying EKF Shareholders**"). Only Qualifying EKF Shareholders could apply for Restricted Offer Shares under the Restricted Offer.

The latest time for acceptance and payment under the Restricted Offer was 11.00 a.m. on 26 October 2018.

2.4 **General**

Other than Relevant Persons, Subscribers, and Qualifying EKF Shareholders, no other person should act or rely on this document and persons distributing this document must satisfy themselves that it is lawful to do so. Any investment or investment activity to which this document, the Placing Terms, or the Restricted Offer Terms relate is available only to, in each case as applicable, Relevant Persons or Qualifying EKF Shareholders and will be engaged in only with Relevant Persons or Qualifying EKF Shareholders. This document does not itself constitute an offer for sale or subscription of any Ordinary Shares.

3. Restriction on sale in the United States of America

The Ordinary Shares have not been, and will not be, registered under the Securities Act of 1933 (the "**Securities Act**"), or the securities laws of any other jurisdiction of the US. The Ordinary Shares may not be offered or sold, directly or indirectly, in or into the US (except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and other applicable US state securities laws). No public offering of the Ordinary Shares is being made in the US.

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

The Ordinary Shares are being offered only to non-US Persons outside the US in transactions exempt from the registration requirements of the Securities Act in reliance on Category 3 of Regulation S or pursuant to another available exemption from, or transaction not subject to, the Securities Act and applicable US state securities laws. The Ordinary Shares offered to non-US Persons in the Fundraising are subject to the conditions listed under section 903(b)(3), or Category 3, of Regulation S.

Under Category 3, Offering Restrictions (as defined under Regulation S) must be in place in connection with the Fundraising and additional restrictions are imposed on resales of Ordinary Shares. The Ordinary Shares are "restricted securities" as defined in Rule 144 under the Securities Act.

Each subscriber for Ordinary Shares, by subscribing for such Ordinary Shares, agrees to reoffer or resell the Ordinary Shares only pursuant to registration under the Securities Act or in accordance with the provisions of Regulation S or pursuant to another available exemption from registration and qualification under applicable state securities laws, and agrees not to engage in hedging transactions with regard to such securities unless in compliance with the Securities Act.

The above restrictions severely restrict purchasers of Ordinary Shares from reselling the Ordinary Shares in the US or to a US Person. These restrictions may remain in place or be reintroduced following the expiry of the one-year distribution compliance period following the date of Admission (under Regulation S) in relation to the Ordinary Shares, at the discretion of the Company for example in the event the Company issues additional Ordinary Shares under the same ISIN as the Existing Ordinary Shares.

Once the Ordinary Shares are admitted to trading on AIM, all Ordinary Shares held in the CREST system will be identified with the marker "REG S". The "REG S" marker also indicates that the Ordinary Shares held in the CREST system will also bear a legend setting out certain transfer restrictions under Category 3 of Regulation S and other information, including that: (i) transfers of the Ordinary Shares are prohibited except in accordance with the provisions of Regulation S, pursuant to registration under the Securities Act or in a transaction exempt from, or not subject to the registration requirements of the Securities Act and applicable state securities law; and (ii) hedging transactions involving the Ordinary Shares may not be conducted unless in compliance with the Securities Act and applicable state securities law. Accordingly, resale of the Ordinary Shares following the Fundraising will be subject to restrictions under US federal and state securities laws, including the Securities Act.

Representations, warranties and certifications must be made through the CREST system by those selling or acquiring the Ordinary Shares. If such representations, warranties and certifications cannot be made or are not made, settlement through CREST will be rejected. Furthermore, Ordinary Shares held by "Affiliates" (as defined in Rule 405 of the Securities Act) of the Company shall be held in certificated form and accordingly settlement shall not be permitted via CREST until such time as the relevant restrictions are no longer applicable. These restrictions, representations and warranties, as well as the legend that will be affixed to certificates for the Ordinary Shares, are set out more fully in Part 12 (*US Restriction on the Transfer of Ordinary Shares*).

4. Investment considerations

In making an investment decision, prospective investors must rely on their own examination, analysis and enquiry of the Company, this document and the Placing Terms and of the Restricted Offer Terms, as applicable, including the merits and risks involved. The contents of this document is not to be construed as advice relating to legal, financial, taxation, investment decisions or any other matter. Investors should inform themselves as to:

- the legal requirements within their own jurisdictions for the purchase, holding, transfer or other disposal of the Ordinary Shares;
- any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the Ordinary Shares which they might encounter; and
- the income and other tax consequences which may apply in their own jurisdictions as a result of the purchase, holding, transfer or other disposal of the Ordinary Shares or distributions by the Company, either on a liquidation and distribution or otherwise. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

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

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

This document and any accompanying documents should be read in their entirety before making any investment in the Ordinary Shares. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Memorandum of Association and Articles of Association of the Company (the "**Articles**"), which are available at www.renalytixai.com and which prospective investors should review.

5. Cautionary note regarding forward-looking statements

This document includes statements that are, or may be deemed to be, "forward-looking statements". In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms "targets", "believes", "estimates", "anticipates", "expects", "intends", "plans", "may", "will", "could", "should" or, in each case, their negative or other variations or comparable terminology. They appear in a number of places throughout the document and include statements regarding the intentions, beliefs or current expectations of the Company, the Directors and the Proposed Directors concerning, among other things: (i) the Company's objective, acquisition and financing strategies, results of operations, financial condition, capital resources, prospects, capital appreciation of the Ordinary Shares and dividends; and (ii) future implementation of active management strategies.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company's actual performance, results of operations, financial condition, distributions to Shareholders and the development of its financing strategies may differ materially from the forward-looking statements contained in this document. In addition, even if the Company's actual performance, results of operations, financial condition, distributions to Shareholders and the development of its financing strategies are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods.

Prospective investors should carefully review Part 2 (*Risk Factors*) for a discussion of certain factors that could cause the Company's actual results to differ materially, before making an investment decision. These factors should be read in conjunction with the other cautionary statements that are included in this document. For the avoidance of doubt, nothing in this paragraph constitutes a qualification of the working capital statement contained in paragraph 19 of Part 9 (*Additional Information*).

Forward-looking statements contained in this document apply only as at the date of this document. Subject to any obligations under the AIM Rules for Companies or any other applicable legal or regulatory requirements, the Company undertakes no obligation publicly to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

6. Presentation of financial and other information

The financial information contained in this document, including that financial information presented in a number of tables in this document, has been rounded to the nearest whole number or the nearest decimal place. Therefore, the actual arithmetic total of the numbers in a column or row in a certain table may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in the tables in this document reflect calculations based upon the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

7. Currency presentation

Unless otherwise indicated in this document, all references to:

- "**Pounds Sterling**" or "**£**" are to the lawful currency of the UK;

- "**US Dollars**" or "**$**" are to the lawful currency of the US; and
- "**€**" are to the lawful currency of the member states of the EU that adopt the single currency in accordance with the Treaty establishing the European Community.

Unless otherwise indicated, the financial information contained in this document has been expressed in US Dollars. The functional currency of the Company is US Dollars and the Company presents its financial statements in US Dollars.

8. Research and market data

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

9. No incorporation of website information

Without limitation, the contents of the Company's website, www.renalytixai.com, or any website directly or indirectly linked to the Company's website do not form part of this document and prospective investors should not rely on such information.

10. Definitions

Capitalised terms in this document have the meanings ascribed to them in Part 10 (*Definitions*).

FUNDRAISING AND ADMISSION STATISTICS

Issue Price	£1.21
Number of Placing Shares	14,829,739
Number of Subscription Shares	2,334,739
Number of Restricted Offer Shares	1,223,952
Total Fundraising Shares	18,388,430
Placing Shares as a percentage of Enlarged Share Capital	27.56%
Subscription Shares as a percentage of Enlarged Share Capital	4.34%
Restricted Offer Shares as a percentage of Enlarged Share Capital	2.27%
Fundraising Shares as a percentage of Enlarged Share Capital	34.17%
Gross proceeds of the Placing	£17.94 million
Gross proceeds of the Subscription	£2.83 million
Gross proceeds of the Restricted Offer	£1.48 million
Total gross proceeds of the Fundraising	£22.25 million
Estimated net proceeds of the Fundraising*	£21.05 million
Number of Ordinary Shares in issue at Admission	53,816,134
Market capitalisation of the Company at the Issue Price at Admission	£65.12 million
TIDM	RENX
ISIN	GB00BYWL4Y04
SEDOL code	BYWL4Y0
LEI	213800NTOH3FK3WER551

* Net proceeds receivable by the Company are stated after bearing placing commissions (including the maximum amount of any discretionary commissions that the Company may decide to pay), other estimated Fundraising related fees and expenses are estimated to amount to approximately £1.2 million excluding VAT.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2018
Record Date for the Restricted Offer	8.00 p.m. on 10 October
Deadline for submission of Restricted Offer Application Forms	11 a.m. on 26 October
Publication of this document	5 November
Issue of EIS/VCT Shares	5 November
Issue of Fundraising Shares (other than EIS/VCT Shares)	6 November
Admission and commencement of dealings in the Existing Ordinary Shares and the New Ordinary Shares	8.00 a.m. on 6 November
Credit of New Ordinary Shares into CREST accounts	6 November
Despatch of definitive share certificates (where applicable) in respect of the Fundraising	Week commencing 12 November

References to time are to London (GMT) time. All times and/or dates referred to in this document are subject to change without further notice at the discretion of the Company and N+1 Singer.

DIRECTORS, PROPOSED DIRECTORS, COMPANY SECRETARY AND ADVISERS

Directors	Julian Baines, MBE (*Non-Executive Chair*) James McCullough (*Chief Executive Officer*) Fergus Fleming (*Chief Technical Officer*) Richard Evans (*Non-Executive Director*) Christopher Mills (*Non-Executive Director*)
Proposed Directors	Barbara Murphy, MD (*Non-Executive Director*) Erik Lium, PhD (*Non-Executive Director*)
Chief Financial Officer	O. James Sterling
Chief Operating Officer	Sally Bowden
Chief Medical Officer	Michael Donovan
Company Secretary	Salim Hamir, FCA
Registered Office	Avon House 19 Stanwell Road Penarth Cardiff CF64 2EZ
Company website	www.renalytixai.com
Nominated Adviser and Broker	Nplus1 Singer Advisory LLP 1 Bartholomew Lane London EC2N 2AX
Legal advisers to the Company	Cooley (UK) LLP Dashwood 69 Old Broad Street London EC2M 1QS
Legal advisers to the Nominated Adviser and Broker	Brown Rudnick LLP 8 Clifford Street London W1S 2LQ
Auditors and reporting accountants	PKF Littlejohn LLP 1 Westferry Circus Canary Wharf London E14 4HD
Financial public relations advisers	Walbrook PR Limited 4 Lombard Street London EC3V 9HD
Registrar	Link Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Receiving Agent	Link Asset Services Corporate Actions The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

PART 1

INFORMATION ON RENALYTIXAI, MARKET OPPORTUNITY AND STRATEGY

1. Summary

RenalytixAI is a developer of artificial intelligence ("**AI**") enabled clinical diagnostic solutions for kidney disease, one of the most common and costly chronic medical conditions globally.[1] The Company's solutions are being designed to make significant improvements in kidney disease risk assessment, clinical care, patient stratification for drug clinical trials, and drug target discovery.

The Company's technology platform will draw from distinct sources of patient data, including systems containing extensive electronic health records, predictive blood-based biomarkers and other genomic information for analysis by high-performance, learning computer algorithms (machine learning). The Company intends to build a deep, unique pool of kidney disease-related data for different AI-enabled applications designed to improve predictive capability and clinical utility over time.

In May 2018, the Company secured a cornerstone collaboration with the Icahn School of Medicine at Mount Sinai ("**Mount Sinai**"), the medical school of the Mount Sinai Health System, for product development and intended commercialisation by the Company beginning in 2019. As part of the collaboration, Mount Sinai became a shareholder in the Company and will make a further equity investment in the Fundraising.

The Company believes that its current business model of collaborating with major medical centers whose patients are most likely to benefit from its products will provide an effective opportunity to commercialise its products. The Company intends to enter into further collaborations beginning in 2019.

2. Business overview

2.1 *A significantly underserved medical need*

> "*The state of affairs in kidney disease is so poor that a quantum leap is available to us with artificial intelligence. We can transform how we identify, monitor and treat one of the largest and costliest diseases in history.*"
>
> **Dr. Steven Coca, Co-Founder, RenalytixAI**
> Associate Professor, Medicine, Nephrology
> Associate Chair for Clinical and Translational Research for the Department of Internal Medicine
> Icahn School of Medicine at Mount Sinai

The Company believes that kidney disease is a significantly underserved medical need and that the introduction of its AI-enabled solutions will make possible significant cost savings and improved patient outcomes. Kidney disease is now recognised as a public health epidemic affecting over 850 million people globally.[2] In the US alone, over 40 million people are classified as having chronic kidney disease ("**CKD**"),[3] with nearly 50% of individuals with advanced (Stage IV) disease unaware of the severity of their reduced kidney function.[4] Strikingly, many patients progress to kidney failure in an unplanned manner whereby they "crash" into dialysis in an

1 Source: US News, 850 million people worldwide have kidney disease. Available at: https://health.usnews.com/healthcare/articles/2018-07-05/850-million-people-worldwide-have-kidney-disease.

2 Ibid.

3 Source: KidneyX Innovation Accelerator. Available at: http://www.kidneyx.org/.

4 Source: USRDS 2017 Annual Data Report, Volume 1 Chronic Kidney Disease, Chapter 1. Figure 1.13 NHANES participants aware of their kidney disease, 1999-2014.

emergency room setting without ever having seen a clinical specialist such as a nephrologist.[5] Every day 13 patients die in the US while waiting for a kidney transplant.[6]

A so-called "silent killer", millions of people are unaware that they have kidney disease and often do not develop clinical symptoms until their kidney function has declined by as much as 80%.[7,8] Early detection of kidney disease is important for effective treatment. There are a number of existing and emerging therapeutic options, patient behaviour modifications and clinical management strategies that can substantially mitigate the risk of progression of kidney disease and the need for dialysis, an expensive life-altering treatment cycle that costs upwards of $88,000 per patient per year.[9]

2.2 ***Novel insights from combining big data and proprietary blood-based biomarkers***

Electronic health records ("**EHR**"), the use of which has been adopted broadly by hospital systems in the US, the EU, and other developed countries, contain granular information on disease and treatment patterns, which can give unique insights into disease progression and clinical management strategies when assessed in aggregate.[10] EHR data is generally collected during routine clinical encounters and can be interrogated using machine learning to generate insights into potentially transformative opportunities for disease intervention and management.

Blood-based biomarkers are typically genes or proteins that indicate the existence and severity of certain conditions (such as kidney disease) and can be measured from a simple blood sample. The Company is using data generated from blood-based biomarkers that have been shown to be strongly associated with incidence and severity of kidney disease as measured by significant loss of kidney function (see paragraph 2.5 of this Part 1).

For its product development, the Company believes that combining specific EHR data with blood-based biomarker data and other information has the potential to create novel and powerful models for prediction of disease progression and drug/therapy response in individual patients.

Once developed, it is intended that the Company's AI-driven analysis of extensive and diverse data sources, including proprietary blood-based biomarkers, will make possible:

- significant improvements in early identification, treatment and cost management of kidney disease;
- development of new applications to improve clinical work-flow in managing kidney disease for large health-care systems like Mount Sinai; and
- development of new product applications to help drug developers to improve clinical trial-enrolment.

The Company's products are being designed under quality assurance standards to comply with federal, state and other applicable regulations, address patient privacy and data protection requirements, support necessary regulatory clearances and approvals, and facilitate scaled clinical adoption within large healthcare providers, including academic medical centers.

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5 Source: Risk factors for unplanned and crash dialysis starts: a protocol for a systematic review and meta-analysis. Molnar et al. Syst. Rev. 2016.

6 Source: National Kidney Foundation, Organ Donation and Transplantation Statistics. Available at: https://www.kidney.org/news/newsroom/factsheets/Organ-Donation-and-Transplantation-Stats.

7 Source: World Kidney Day, Chronic Kidney Disease. Available at: https://www.worldkidneyday.org/faqs/chronic-kidneydisease/.

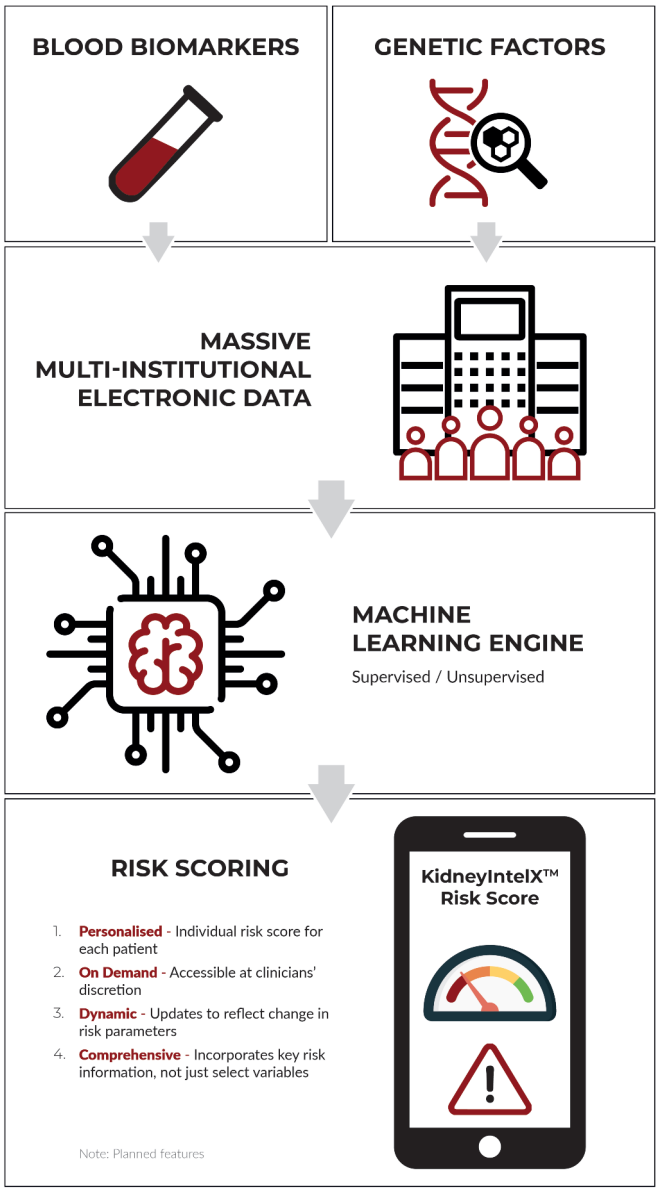
8 Source: Symptom Burden in Chronic Kidney Disease: A Review of Recent Literature. Almutary et al. Journal of Renal Care.

9 Source: United States Renal Data System, Chapter 9: Healthcare Expenditures for Persons with ESRD. Available at: https://www.usrds.org/2017/view/v2_09.aspx.

10 Source: Office of the National Co-Ordinator for Health Information Technology, What is an electronic health record? Available at: https://www.healthit.gov/faq/what-electronic-health-record-ehr.

2.3 ***Launch product***

In 2019, RenalytixAI expects to launch *KidneyIntelX*™, an AI-enabled, clinical diagnostic solution intended to support physician decision making by improving identification, prediction, and risk stratification of patients with progressive kidney disease. *KidneyIntelX*™ is being designed to combine disparate data sources, including blood-based biomarkers, genetic factors and EHR data, for processing by machine learning algorithms. *KidneyIntelX*™ is expected to identify individuals with Type 2 diabetes and/or with African ancestry who are at high-risk of progressive kidney disease whereby significant loss of renal function can potentially result in end-stage renal disease ("**ESRD**") which would require dialysis and/or a kidney transplant. The Company intends for *KidneyIntelX*™ to undergo a multi-center clinical utility study program to measure its short and long-term impacts on reducing kidney disease progression and/or incidence of ESRD, dialysis and/or transplant. *KidneyIntelX*™ is also intended to make possible more efficient management of large clinical work-loads and improvement in patient behaviours (e.g., compliance with medication, diet and disease management guidelines).



2.4 ***Collaboration with Mount Sinai***

In May 2018, RenalytixAI announced a cornerstone collaboration with Mount Sinai, underpinned by a multi-year, exclusive license and collaboration agreement (the "**Mount Sinai Collaboration Agreement**"). Mount Sinai is an international leader in medical and scientific training and

biomedical research and part of the Mount Sinai Health System, a large integrated healthcare provider in the US. The Mount Sinai Health System has over 5,500 associated physicians, 8 hospitals, more than 300 community locations throughout the New York metropolitan area and 2.6 million out-patient visits per year.[11] Mount Sinai cares for large groups of patients with adult onset (Type 2) diabetes and patients of African ancestry, two populations at highest risk of developing kidney disease which can lead to unplanned dialysis events.[12]

Under the terms of the Mount Sinai Collaboration Agreement (described in detail in paragraph 12.1 of Part 9 (*Additional Information*)), Mount Sinai is expected to grant RenalytixAI access, on a de-identified basis, to:

- its central EHR database, which contains approximately 3 million patient records;[13] and
- the Mount Sinai Bio*Me*™ *Bio*bank Program ("**Bio*Me*™**"), which is actively collecting biological samples and conducting genetic, biomarker and other advanced analysis on over 43,000 consented patients[14] and which is integrated with the Mount Sinai EHR.

In addition, it is expected that Mount Sinai personalised medicine, nephrology and other clinical expertise will contribute to the RenalytixAI product solutions and technology platform development process. The access to such data granted by the Mount Sinai Collaboration Agreement is strictly for development of AI-enabled diagnostic, prognostic and predictive products in the field of kidney disease and does not include rights to develop in other disease indications.

The Company is building a software layer integrated with Mount Sinai information systems that will organise and de-identify EHR digital data combined with biomarker results from patient blood samples, initially from Bio*Me*™. This pooled data will be processed by machine learning algorithms to develop models capable of repeatedly reporting an assessment of an individual patient's kidney disease risk. As the Company collects more data, it intends to use both supervised algorithmic model assessment, which considers defined outcomes for risk stratification of patients, and unsupervised/deep assessment using AI-built algorithms to discern disease patterns not amenable to human interrogation. Following assessment, patients determined to be at highest risk of progressive kidney disease potentially leading to ESRD will be flagged by *KidneyIntelX*™ for appropriate clinical and therapeutic intervention.

Under the Mount Sinai Collaboration Agreement, subject to various conditions including, the establishment of a certificated laboratory, successful clinical validation of *KidneyIntelX*™, and completion of a clinical services and data use agreement, Mount Sinai intends to participate in testing several thousand at-risk patients with *KidneyIntelX*™ in an Institutional Review Board ("**IRB**") approved clinical utility study beginning in 2019. As part of the clinical utility study, Mount Sinai expects to expend up to $6 million for the purchase of *KidneyIntelX*™ diagnostic tests. The clinical utility study for *KidneyIntelX*™ is expected to include other leading academic medical centers in the US with a targeted study enrolment of 5,000 patients to be tested three times for a total of 15,000 read-outs over an 18 to 24 month period.

The prospective clinical utility study is planned to begin following a successful retrospective validation of *KidneyIntelX*™ through a multi-academic center biobank collection anchored by Mount Sinai's Bio*Me*™ program. On successful validation, the Company believes that the *KidneyIntelX*™ solution can be clinically offered for commercial sale in the US as a laboratory developed test ("**LDT**") provided that the test is performed in a clinical laboratory that is certified under the Clinical Laboratory Improvement Amendments of 1988 ("**CLIA**") and related state laws. In particular, if the clinical laboratory is located in or testing specimens from patients in New York

11 Source: Royal Philips. Available at: https://www.philips.com/aw/about/news/archive/standard/news/press/2015/20150324-Philips-and-Mount-Sinai-Health-System-collaborate-to-advance-clinical-research-through-new-digital-pathology-databaseand-analytics.html.

12 Source: Mount Sinai, Do I have Diabetes? Available at: https://www.mountsinai.org/care/diabetes/services/types/do-i-have.

13 Source: Icahn School of Medicine, Mount Sinai. Available at: https://icahn.mssm.edu/research/portal/resources/scientific-computing.

14 Source: Company data.

state ("**NYS**"), the clinical laboratory will need a permit from the NYS Clinical Laboratory Evaluation Program ("**CLEP**") and the *KidneyIntelX*™ LDT will need to be approved by the NYS CLEP. The Company and Mount Sinai have agreed a non-binding term sheet that sets out the key terms under which Mount Sinai will provide laboratory space and services to facilitate the establishment of a laboratory to be managed by the Company. Following Admission, the parties intend to negotiate definitive agreements in relation to these matters. This laboratory is intended to be used to perform the wet lab biomarker analysis required to develop and implement *KidneyIntelX*™ as an LDT. Prior to initiating patient testing, the Company will seek CLIA and NYS CLEP certification for the laboratory. The Company is also in advanced talks with AKESOgen, Inc. ("**AKESOgen**") in Georgia, US to establish a second CLIA lab, which will be used for development and, subject to successful clinical validation, commercial testing.

The Company also plans to seek medical device marketing authorisation for *KidneyIntelX*™ (and potentially other AI-enabled products) from the US Federal Food and Drug Administration ("**FDA**") on a voluntary basis.

The Company may choose to continue running the prospective clinical utility study for *KidneyIntelX*™ through other key longer term end-points, such as progression to dialysis over a multi-year period, to gather additional data on clinical utility. The Company believes that every AI-enabled diagnostic product solution in kidney disease faces the same development barriers and time constraints for successful product introduction under the highly regulated environment in US and global healthcare. By initiating large, multi-center retrospective validation and prospective utility studies with the intention to submit for FDA regulatory review, the Company believes it is creating a strong competitive advantage. Further, the Company believes that its large population study programs will help generate a convincing clinical utility data position to help increase the likelihood of peer-review publication in high-impact journals and clinical guidelines adoption.

Drs. Murphy, Coca and Nadkarni are founders of the Company and members of its Scientific Advisory Board (and, in the case of Dr. Murphy, a Non-Executive Director), each in their capacity as an expert in one or more relevant fields, including renal disease and treatment, personalised medicine, population health, bioinformatics and transplant immunology, and not in their capacity as a faculty member of Mount Sinai. Michael J. Donovan is also acting as an expert, not in his capacity as a faculty member of Mount Sinai.

2.5 *Collaboration with the Joslin Diabetes Center*

Joslin Diabetes Center ("**Joslin**") is a global leader in diabetes research, care and education based in Boston, Massachusetts.[15] Investigators at Joslin have demonstrated that plasma TNFR1 and TNFR2 are strongly associated with the risk for progressive renal function decline and ESRD in patients with Type 2 diabetes.[16] The Company intends to work with Joslin for commercial validation of its products and, following the transfer of the Joslin Licence and related business from EKF to the Company, has the exclusive worldwide right to use the TNFR1 and TNFR2 biomarkers for determining whether a patient has increased risk of developing CKD or ESRD, as claimed in the relevant approved patent (the "**Joslin Biomarker Technology**"). Joslin is an independent, non-profit institution affiliated with Harvard Medical School and one of only 11 National Institutes of Health-designated Diabetes Research Centers in the US.[17]

2.6 *Clinical validation and utility studies*

The Company intends to begin large-scale, multi-center retrospective clinical validation of *KidneyIntelX*™ in 2018 using biospecimens of normal and at-risk individuals that will be anchored by Bio*Me*™. The Company is currently in the process of contracting with two other leading academic medical centers in the US with EHR-linked biobank programs that have the potential to increase the size of the validation cohort.

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15 Source: Joslin Diabetes Center, About Joslin. Available at: https://www.joslin.org/about-joslin.html.

16 Source: Joslin Diabetes Center, News Release. Available at: https://www.joslin.org/news/new-test-identifies-patients-with-diabetes-at-high-risk-of-kidney-failure.html.

17 Source: National Institute of Diabetes and Digestive and Kidney Diseases, Diabetes Center. Available at: https://www.niddk.nih.gov/research-funding/research-programs/diabetes-centers.

Bio*Me*™ contains over 43,000 patient blood samples and maintains active informed consents from most of its patients for further queries. The Company believes Bio*Me*™ represents one of a limited number of EHR-linked biobank sources in the world capable of facilitating retrospective validation of machine learning algorithms for prediction of outcomes in kidney disease. The Company has agreed to reimburse Mount Sinai for access to each Bio*Me*™ sample used during the validation study solely for Mount Sinai's costs associated with the procurement, processing, storage and distribution of the samples.

Following completion of its validation testing, the Company plans to run a demographically broad and location diverse prospective clinical utility study with support from a multi-center group of US academic medical centers, including Mount Sinai. The Company is also investigating the potential inclusion of medical centers located in the EU and elsewhere to broaden its included cohort. The prospective utility study is being designed to evaluate short, intermediate and longer-term impacts of *KidneyIntelX*™ on cost, risk factor control, clinical outcomes, clinical work-flow and management of kidney disease in individuals with Type 2 diabetes and individuals of African ancestry. It is expected that the *KidneyIntelX*™ utility study will incorporate a portion of the approximately 200,000 patients with Type 2 diabetes currently being treated at Mount Sinai.

2.7 ***Commercialisation***

RenalytixAI intends to continue building its collaborative, multi-center working group in 2018 and 2019 to further develop, validate and commercialise its products and technology platform. The Company intends to conduct both its retrospective validation and prospective utility studies under strict quality assurance procedures with the intention of filing for regulatory review by the FDA. Based on its current view of the competitive landscape in medical nephrology, the Company believes *KidneyIntelX*™ will be the first AI-enabled diagnostic product for determination of kidney disease risk submitted to the FDA for regulatory review.

While the Company believes that the *KidneyIntelX*™ solution may be clinically offered in the US as an LDT under CLIA and related state laws, the Company intends to seek medical device marketing authorisation for *KidneyIntelX*™ (and potentially other AI-enabled products) from the FDA on a voluntary basis. Further, the Company has not ruled out pursuing a strategy to achieve appropriate regulatory review with European and Asian regulatory agencies to expand the addressable market for its products. It is the Company's belief that obtaining FDA and other country marketing authorisations can provide support for the adoption of its products across clinical disciplines and assist in establishing private third-party and government-based reimbursement.

In addition to *KidneyIntelX*™, the Company has an exclusive option from Mount Sinai to develop *FractalDx*, a portfolio of potential diagnostic and prognostic solutions that, once developed, are expected to make possible monitoring of kidney transplant rejection risk and support in administering accurate dosing of immune-suppression therapy, among other indications. The terms of the option are set out in paragraph 12.3 of Part 9 (*Additional Information*).

2.8 ***Reimbursement***

The Company intends to seek coverage and reimbursement for *KidneyIntelX*™ and *FractalDx* (once developed) with Medicare Administrative Contractors of the Centers for Medicare & Medicaid Services ("**CMS**") and major third-party private payers in the US.[18] The Company continues to assess several of the key factors involved in establishing appropriate levels of reimbursement for its products including its clinical studies demonstrating short and long-term clinical utility, regulatory approval pathways, achievable health economics, clinical work-flow impacts, potential pathways for guidelines inclusion, publication of results in recognised peer-reviewed journals, as well as other factors. The Company believes that emphasising a coverage and reimbursement strategy at the beginning of the product development and clinical validation process can help to mitigate some of the timeline risk associated with achieving regional and national coverage and reimbursement.

18 Source: Company data.

2.9 ***Revenue strategy***

The Company's revenue is expected to be derived from different sources including:

(1) standard private third-party and government medical insurance coverage and reimbursement models for Company-developed products, such as *KidneyIntelX*™;

(2) subscriber models for ongoing monitoring of kidney disease risk; and

(3) program development and ongoing contract fees for Company-developed proprietary products to support pharmaceutical companies with clinical trials and drug target discovery.

Where possible, the Company intends to seek strategic partnerships in manufacturing, software development, laboratory operations and other key areas that support the development and adoption of the Company's products. The Company believes strategic partnering will help reduce the need for fixed overheads and provide a more capital-efficient operating structure.

2.10 ***Artificial intelligence, machine learning and deep learning***

The term "artificial intelligence" is attributed to computing science pioneer John McGarthy, who proposed at the 1956 Dartmouth Conference the idea of a computer machine capable of reasoning like a human with abstract thought, problem solving and self-improvement.

Machine learning is a type of AI that enables computer systems to automatically learn, make predictions, recognise patterns, and improve from experience without being explicitly programmed to do so. A variety of computer programs, algorithms or models, are used to achieve this objective.

KidneyIntelX™ is being designed to use machine learning to identify risk factors for kidney disease onset and progression in demographically and geographically diverse population groups. Achieving optimal machine learning performance requires access to large, diverse, and specific sets of electronic data inputs. RenalytixAI believes such access is achievable through collaborations with large healthcare providers with high-quality EHR databases. The Company believes that Mount Sinai's EHR, in combination with the linked patient samples, will provide the necessary breadth of sufficiently detailed data to develop, validate and improve its machine learning algorithms in a timely and cost-effective manner.

Machine learning is also intended to be deployed by the Company to introduce automation and intelligent decision support to high-volume clinical workloads in both primary care and clinical specialist settings. The Company believes that there are material opportunities in clinical workflow management at all clinical practice levels that could benefit from automated presentation of patient-specific treatment plans based on broadly accepted practice guidelines.

Deep learning is a subset of machine learning that does not require manual intervention to generate conclusions from data inputs. Deep learning relies on an autonomous, complex set of algorithms called an artificial neural network, inspired by the neural network found in the human brain. RenalytixAI intends to deploy deep learning on its data repository to seek to understand potential novel disease associations, progression patterns and potential new disease targets for pharmaceutical development.

Truly autonomous AI available from deep learning may be many years from being fully realised, particularly in a regulated medical setting. However, RenalytixAI believes that establishing a quality assured, development program in compliance with relevant regulations will help establish a framework for creating machine learning clinical products with defined clinical utility capable of being included in treatment guidelines thereby facilitating widespread adoption.

2.11 ***Building a deep, kidney disease specific data repository for AI interrogation***

The Company believes that it has an opportunity to build and curate a pre-eminent registry of kidney disease data that can be leveraged for AI-enabled product development. RenalytixAI continues to advance discussions with other leading healthcare providers in the US in order to

secure access to EHR data and EHR-linked biobanks for both retrospective and prospective clinical studies. The Company anticipates that a certain number of these healthcare providers are potential participants in scaled commercial launch of RenalytixAI products.

The Company believes that depth, specificity and quality of data is of paramount importance to developing solutions with demonstrated clinical utility across a range of practice specialities and patient demographics. Depth of data is also central to the Company's product strategy to demonstrate both short and longer term impact on health economics and patient outcomes. Strong working collaborations with institutional healthcare providers that retain large repositories of EHR data applicable to kidney disease is a Company priority.

The Company intends to grow its access to large data repositories to assist in building products that examine disease progression, clinical management effectiveness and patient behaviour relationships. The Company also expects to develop applications that can support the pharmaceutical industry with more robust patient clinical trial enrolment stratification and identification of biomarker targets for use in developing new drugs.

The Company is acutely aware of issues relating to patient data privacy. The Company intends to use its data repository for its own proprietary product development and does not foresee providing any direct access to third-parties with the exception of specific approved vendors necessary to support internal development efforts. Further information is set out in paragraph 2.13 of this Part 1.

2.12 ***Key software development contract with Persistent Systems***

RenalytixAI is working with Persistent Systems Limited ("**Persistent Systems**") to develop secure, cloud-based data integration software architecture and secure, high-performance algorithms for its products. Persistent Systems is a leader in software development based in India and is listed on the National Stock Exchange of India Limited and the Bombay Stock Exchange. In its 28-year history, Persistent has released more than 5,500 products[19] and counts many of the world's top technology companies among its clients, including Google, Microsoft and IBM. Persistent Systems has long-standing relationships with several leading healthcare providers that manage patient populations intended for the Company's products including, Mount Sinai, Johns Hopkins, Yale, Montefiore, UCLA Health and New York Presbyterian Hospital.

2.13 ***Protecting patient data and privacy***

RenalytixAI takes its responsibility to maintain patient confidentiality and protect patient data and privacy extremely seriously.

The RenalytixAI data collection and integration environment is being designed to be compliant with all applicable privacy and security regulations, including the privacy and security provisions of the US Health Insurance Portability and Accountability Act of 1996 ("**HIPAA**") and will be designed to be compliant with the data protection regimes in relevant jurisdictions as and when required.[20] The Company will work with healthcare providers, downstream vendors and regulators as appropriate to ensure data security.

RenalytixAI will enter HIPAA-compliant 'Business Associate Agreements' ("**BAAs**") as necessary with US entities from which it receives identifiable patient information. A BAA enables a healthcare provider, who is a 'covered entity' under HIPAA to provide identifiable patient data to a 'business associate' on terms that are designed to protect the privacy and security of identifiable patient information, and therefore reduce the risks associated with processing such data. All fully-identifiable patient data will remain under the ownership and control of the medical institutions and at no point will the Company have access to such fully-identifiable medical information, unless expressly provided for under a BAA.

19 Source: Persistent, Press Release. Available at: https://www.persistent.com/media/press-releases/persistent-wins-coding-power-house-yet-again/.

20 Source: Company data.

As part of its efforts to safeguard patient information, RenalytixAI will employ software solutions deployed behind a partner health system's firewall and will provide only encrypted, patient data for RenalytixAI's algorithm analysis.[21] Specifically, data will be processed through software layers (in full compliance with relevant regulations) in a manner that RenalytixAI has access to only limited patient identifiers such as dates of birth and the last four digits of social security numbers, with the encryption key held behind the firewall of the healthcare provider that has collected the data from its patients and is not available to the Company. All patient data will be encrypted in transit and at rest.[22] Wherever possible, RenalytixAI will collect and process only de-identified data.

The Company currently does not, and will not for the foreseeable future, offer products or services to residents of the UK or any EU country and does not process any personal data relating to *KidneyIntelX*™ or any other product in the context of an establishment in the EU, and therefore is currently not subject to the General Data Protection Regulation ("**GDPR**") in relation to its products.

RenalytixAI is also working to achieve ISO/IEC 27001 certification, which specifies the requirements for establishing, implementing, maintaining and continually improving an information security management system. The Company intends to maintain compliance with relevant regulations to mitigate the risk of receiving identifiable medical information.

2.14 ***IP and know-how protection***

The Company has in-licensed and intends to continue in-licensing additional rights to certain proprietary blood-based biomarkers, know-how and other technology for kidney disease prediction and management from academic medical centers and other IP holders in the US and Europe. The Company believes that the ability to generate exclusive and non-exclusive rights to use its additional IP will provide a sustainable competitive advantage in development.

The Company anticipates that there will be an increasing number of opportunities to in-license novel technology as awareness of the Company's strategy and its products grows in the medical community. The Company intends to maintain an active dialogue with leading research centers in the kidney disease field around inventions which could enhance products such as *KidneyIntelX*™ or which may create new complementary product offerings.

The Company intends to make selective new patent filings in respect of its in-licensed and further developed intellectual property (including but not limited to that in relation to the application of the Joslin Biomarker Technology in the field of nephrology and the assessment and prognostication of kidney disease, and in relation to its *KidneyIntelX*™ and *FractalDX* products) where it considers this to be appropriate commercially.

2.15 ***Regulatory process***

The development and regulatory planning for the Company's products will follow a standard process that begins with contact early in the product development cycle with regulatory governing bodies. Developed products will initially be validated and offered as LDTs under CLIA and relevant US state and federal laws, with emphasis on a quality control system and validation protocols capable of satisfying subsequent FDA authorisation requirements.

It is the Company's intention to subsequently pursue branded kit-based *in vitro* diagnostic development for the generation of clinical blood-based biomarker data used as part of *KidneyIntelX*™ in conjunction with major global manufacturing partners in the future. Consideration will be given to, among other items, the commercial strategy in key geographical markets around labelling/translation and regulatory registration efforts. In vitro diagnostic kit development will include, at a minimum, compliance to ISO 13485:2016, 21CFR820 and other manufacturing standards as identified to support the Company's commercial plan.

21 Source: Company data.

22 Source: Company data.

2.16 ***History of the Group***

The Company was incorporated in March 2018 as a wholly-owned subsidiary of EKF, the AIM-traded point-of-care business with a core focus on diabetes and haemotology.[23] The Company's creation was the first step in EKF's announced strategy[24] to spin-out certain proprietary biomarkers with demonstrated prognostic value for progressive kidney function decline and ESRD. Following the transfer of certain shares to the Existing Shareholders, including Mount Sinai, EKF's shareholding decreased to 33.7%. As a result of the issue of the Consideration Shares under Biomarker Business Purchase Agreement (described below), EKF's shareholding subsequently increased to 59.2%.

On 19 October 2018, EKF Shareholders voted to approve a resolution that gave the board of EKF (the "**EKF Board**") authority to declare a distribution in specie of the Ordinary Shares then held by EKF (the "**Distribution Shares**"), to be effected as determined by the EKF Board (the "**Distribution**").[25] The EKF Board subsequently resolved that the Distribution be declared, conditional upon a lock-up, to be effected by the immediate transfer of legal and beneficial ownership of the Distribution Shares to the relevant EKF Shareholders, but with "omnibus" share certificates (for US and non-US EKF Shareholders) in respect of the Distributed Shares to be held by a custodian for a period of 180 days from the date of the Distribution (the "**Delivery Date**"). The 180 day delay in the delivery of individual share certificates in respect of the Distributed Shares to the relevant EKF Shareholders is intended to contribute to the creation of an orderly market in the Ordinary Shares at and for a period after Admission where obtaining lock-ups from EKF's shareholders in respect of the Distribution Shares would not have been possible.

As part of the Fundraising, EKF will subscribe 2,577,907 New Ordinary Shares (the "**EKF Subscription**") and so will continue to have an interest in the Company following the Distribution, as described in paragraph 13.2 of Part 9 (*Additional Information*).

In May 2018, the Company entered into the Mount Sinai Collaboration Agreement, as set out in paragraph 2.4 of this Part 1.

In connection with the planned spin-out, EKF incorporated Renalytix AI, Inc. (the "**US Subsidiary**") in January 2018. As part of the Pre-Admission Reorganisation, the Company acquired the US Subsidiary from EKF on 23 October 2018, as described below.

The US Subsidiary will manage US-based operations and be responsible for directly contracting US-based employees. It is also party to certain agreements with Persistent Systems and Meso Scale. Further information on the US Subsidiary is provided in paragraph 3 of Part 9 (*Additional Information*).

On 23 October 2018, the Company purchased the Biomarker Business from EKF, as described below.

3. Market opportunity

The Company considers there to be a significant opportunity to deliver the first quality-assured, regulated, AI-driven product for the CKD market.

3.1 ***A public health epidemic***

The International Society of Nephrology estimates that over 850 million people worldwide have some form of kidney disease, approximately twice that of diabetes (422 million) and 20 times more than cancer.[26] By this estimate, kidney disease affects 10.4% of men and 11.8% of women worldwide.

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23 Further information about EKF can be found at www.ekfdiagnostics.com.

24 Source: EKF, Announcement. Available at: https://www.ekfdiagnostics.com/exploring-funding-options-for-renalytix-ai-business.html.

25 Source: EKF, Announcement. Available at: https://www.ekfdiagnostics.com/approval-of-distribution-of-shares-in-renalytixai.html.

26 Source: ASM, The Hidden Epidemic. Available at: http://www.era-edta.org/press/180626_Prevalence_Data_Project.pdf.

In the US, CKD affects over 40 million[27] adults and kills more people than breast or prostate cancer.[28] The co-occurrence of diabetes and cardiovascular disease multiplies a patient's risk of death.[29] Commonly referred to as a "silent disease" it is often asymptomatic until approximately 70% to 80% of kidney function has been lost.[30] As a result, CKD is associated with significant morbidity, mortality and healthcare costs.

It is estimated that a third of adults in the US are at risk of kidney disease.[31] This risk is greatest for those suffering from diabetes, high blood pressure, heart disease and obesity.[32] Studies have also shown that ethnicity is a determining factor, with African Americans and Hispanic populations deemed most at risk. Americans of African ancestry are three times more likely to be afflicted by kidney disease than Caucasians, whilst those with Hispanic ancestry are almost 1.3 times more likely to be diagnosed with kidney failure compared to non-Hispanics.[33]

Kidney disease in numbers

- Globally, kidney disease is one of the most widespread and costly medical conditions:
  - 12% of the populations of the USA and EU (120 million people) are affected;[34] and
  - more than two million people worldwide are currently treated with dialysis or kidney transplants[35]
- In the UK, CKD costs more than breast, lung, colon and skin cancer combined[36]
- In the USA, Medicare spends $1 out of every $5 on CKD[37]
- A kidney transplant costs $259,000 in the US with $40,000 annual follow-up costs (on average)[38]

Between 40% and 60% of patients are presented for first dialysis with no or little prior clinical specialist consultation.[39] This clearly highlights the need for an early and continuous mechanism to flag potential instances of kidney disease before it becomes critical and therefore costly to healthcare providers. When CKD is identified at an advanced stage, available treatments are either kidney transplants, which are limited due to a general shortage of donors,[40] or more commonly involve enrolling patients on a form of dialysis.

27 Source: KidneyX Innovation Accelerator. Available at: http://www.kidneyx.org/.

28 Source: National Institute of Diabetes and Digestive and Kidney Disease, Kidney Disease Statistics. Available at: https://www.niddk.nih.gov/health-information/health-statistics/kidney-disease.

29 Source: United States Renal Data System, Chapter 3: Morbidity and Mortality in Patients with CKD. Available at: https://www.usrds.org/2016/view/v1_03.aspx.

30 Source: World Kidney Day, Chronic Kidney Disease. Available at: https://www.worldkidneyday.org/faqs/chronic-kidney-disease/.

31 Source: National Kidney Foundation, Kidney Disease: The Basics. Available at: https://www.kidney.org/news/newsroom/factsheets/KidneyDiseaseBasics.

32 Source: Center for Disease Control, National Chronic Kidney Disease Fact Sheet 2017. Available at: https://www.cdc.gov/kidneydisease/pdf/kidney_factsheet.pdf.

33 Ibid.

34 Source: Kidney Care UK. Available at: https://www.kidneycareuk.org/news-and-campaigns/news/estimated-1-10-people-worldwide-have-chronic-kidney-disease/.

35 Source: Couser WG, Remuzzi G, Mendis S, Tonelli M. The contribution of chronic kidney disease to the global burden of major noncommunicable diseases. Kidney Int. Dec 2011;80(12):1258-1270.

36 National Kidney Foundation, Global Facts: About Kidney Disease. Available at: https://www.kidney.org/kidneydisease/global-facts-about-kidney-disease.

37 Source: United States Renal Data System, Executive Summary 2017. Available at: https://www.usrds.org/2017/download/2017_Volume_1_CKD_in_the_US.pdf.

38 Source: Living Kidney Donor Research. Available at: http://www.livingkidneydonorsearch.com/living-donation/dialysis-a-poor-option/

39 Source: Risk factors for unplanned and crash dialysis starts: a protocol for a systematic review and meta-analysis, Molnar et al. Sts. Rev. 2016.

40 Source: Reducing the costs of chronic kidney disease while delivering quality health care. Vanholder R et al. Nature Reviews Nephrology 13 (2017).

The cost of managing CKD is substantial. In 2015, US Medicare spending on CKD patients aged 65 and over exceeded $55 billion,[41] representing 20% of total Medicare spending for this age group. The average cost of dialysis per patient in the US is $88,000 per annum and the Company estimates that much of the $42 billion of annual dialysis cost in the US[42] is preventable.

3.2 *Type 2 diabetes and African ancestry populations*

Type 2 diabetes is the single largest cause of ESRD.[43] Rates of ESRD in the US are higher among persons with African ancestry compared to those with European ancestry.[44] Since Type 2 diabetes affects nearly 10% of the American population,[45] and approximately 13% of the US population is of African ancestry, these are two crucial population groups that can benefit from advanced and ongoing risk assessment of kidney health. Genetic studies have identified the APOL1 genotype that is responsible for much of the increased risk for CKD and ESRD in individuals of African ancestry.[46] The APOL1 high-risk genotypes (two copies of the APOL1 renal risk variants; G1/G1; G2/G2 or G1/G2) have been shown to be associated with increased ESRD risk, CKD progression,[47] estimated GFR decline,[48] and incident CKD.[49]

However, while the overall burden of ESRD is disproportionally represented by persons with Type 2 diabetes or of African ancestry,[50] the majority of people in these two subgroups do not progress to CKD or ESRD. Standard clinical assessment has not performed well in predicting which patients in these broad populations are likely to experience progression to kidney disease and, more specifically, which individuals are likely to progress at a rapid rate to kidney disease.[51] The Company believes there is a significant opportunity to more accurately stratify 'progressors' and 'fast progressors' to kidney disease in these high risk populations that will have short and long term implications for cost, quality of life and outcomes.

Additional population groups are also appropriate for more advanced assessment of kidney health risk. The Company intends to expand the reach of *KidneyIntelX*™ to provide assessment for these groups as well by including sub-population specific biomarkers and EHR data.

3.3 *KidneyIntelX*™

The Company is in the process of developing *KidneyIntelX*™, an AI-enabled clinical diagnostic solution that is capable of integrating predictive blood biomarkers (e.g., TNFR1 and TNFR2), genotype status (e.g., APOL1 for African ancestry) along with longitudinal clinical, laboratory and demographic data derived from a healthcare provider's EHR. Biomarker levels provide a 'snapshot' of the current levels of inflammation and kidney injury, while the longitudinal interrogation of EHR data can provide increasingly accurate risk stratification over time.

The Company believes that the combination of these disparate data sources provides an important performance and competitive advantage for accurate risk stratification and early kidney health risk assessment.

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41 Source: United States Renal System, Chapter 6: healthcare expenditure for person with CKD. Available at: https://www.usrds.org/2017/view/v1_06.aspx.

42 Source: United States Renal System, Chapter 9: Expenditures for persons with ESRD. Available at: https://www.usrds.org/2017/view/v2_09.aspx.

43 Source: Diabetes and end-stage renal disease; a review article on new concepts. Ghaderian et al. J Renal Inj PRev. 2015.

44 Source: Center for Disease Control, National Chronic Kidney Disease Fact Sheet 2017. Available at: https://www.cdc.gov/kidneydisease/pdf/kidney_factsheet.pdf.

45 Source: American Diabetes Association, Statistics. Available at: http://www.diabetes.org/diabetes-basics/statistics/.

46 Source: APOl1 Risk Variants, Race, and Progression of Chronic Kidney Disease. Parsa et al. New England Journal of Medicine. 2013.

47 Source: United States Renal System, Chapter 6: healthcare expenditure for person with CKD.

48 Source: APOL1 risk variants, race, and progression of chronic kidney disease. Parsa A et al N Eng J Med 369 (2013).

49 Source: Jardine MJ et al: ADVANCE Collaborative Group: "Prediction of kidney-related outcomes in patients with Type 2 diabetes".

50 Source: National Institute of Diabetes and Digestive and Kidney Disease, Kidney Disease Statistics for the United States. Available at: https://www.niddk.nih.gov/health-information/health-statistics/kidney-disease.

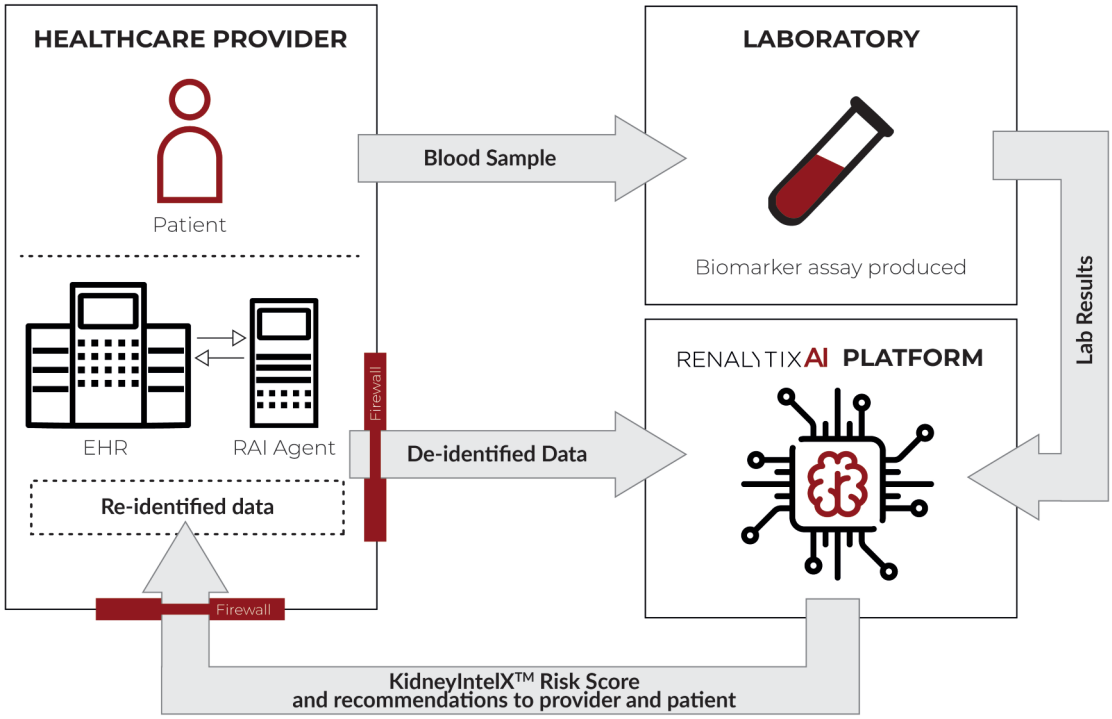
51 Source: Company data.

The current standard of care for kidney disease management predominantly calls for estimating glomerular filtration rate ("**GFR**") derived from measurement of serum creatinine and albumin/creatinine ratio ("**ACR**") in urine[52] to predict kidney function decline. However, large studies have shown that the predictive power of these metrics in early stage CKD can be problematic.[53]

By improving the ability to predict which patients will develop progressive kidney disease and encouraging behaviour modification, *KidneyIntelX*™ is expected to lower healthcare provider costs by reducing disease progression and unplanned dialysis events, providing improved opportunities for clinical intervention and improving patients' quality of life. Early identification can enable healthcare providers to use a wider range of preventative and therapeutic measures such as dietary advice (optimising intake of salt, proteins, fluids and supplements), lifestyle changes (weight management and smoking cessation) and medication. All of these factors can result in the delay or prevention of ESRD and, according to Company estimates, may reduce the instances of planned dialysis and unplanned emergency room 'dialysis crashes', which the Company estimates could be reduced by up to 40%.[54]

KidneyIntelX™ risk stratification will be presented in the form of a dynamically updated 'kidney disease risk score' provided to the clinician at the point-of-care through standard approaches for reporting, mobile device and/or the RenalytixAI provider portal with more detailed viewing options.

The *KidneyIntelX*™ risk score is also being designed to have future potential to be provided directly to patients via access to the RenalytixAI patient portal and patient-facing mobile device applications. The *KidneyIntelX*™ risk score will be tied to specific clinical guideline recommendations for providers (with targets for blood pressure control, diabetes control, prescription of specific medications, etc.) and patient behaviour (for example, appropriate diet, exercise, weight loss, medication adherence) to provide immediate and actionable steps related to kidney health. Reportable results are intended to be linked to educational modules on kidney disease for patients to improve awareness and influence lifestyle practices.



The *KidneyIntelX*™ algorithms are being designed to update from EHR-derived information on a regular basis to incorporate improvements or declines in kidney health in response to a variety of

52 Source: Risk prediction for early CKD in Type 2 Diabetes. Dunkler et al. Clin J Am Soc Nephrol 2015.

53 Source: Prediction of Kidney-Related Outcomes in Patients with Type 2 diabetes. Jardine et al. Am J Kidney Dis 2012.

54 Source: Company data.

influences, including clinician action (e.g., a new drug prescribed) and/or patient behaviour modifications (e.g., weight loss). These periodic updates of potential important risk-related information will be dynamically reflected in the *KidneyIntelX*™ risk score. The Company believes that dynamically updated kidney risk assessment can drive a virtuous cycle in which patients and clinicians have increased visibility of the effects of changes in care management and patient behaviour on kidney health.

Frequency of kidney risk assessment by *KidneyIntelX*™ will initially depend upon the treating clinician's preference and the health status of the patient.

Following a multi-center retrospective clinical validation study expected to be completed in 2019, it is the Company's intention to seek FDA marketing authorisation for the use of *KidneyIntelX*™ in identifying patients at risk of significant reduction in kidney function within a specified time period (e.g., five years).

The Company is currently assessing different business models for delivering recurring, cloud-based risk assessment of patient kidney disease risk status. For early healthcare provider adopters of *KidneyIntelX*™, the Company is exploring making periodic updates (e.g., quarterly or monthly) to the *KidneyIntelX*™ risk score using EHR data at no-cost to increase clinician access and to improve the depth of data available for the Company's AI algorithm development program.

As *KidneyIntelX*™ adoption is anticipated to accelerate following potential regulatory clearances and third-party reimbursement, it is the Company's intention to explore per-user, subscription fee-based models for recurrent risk assessment in the future. The Company believes that low monthly or quarterly subscription fee models may have the potential to give patients, clinicians and healthcare providers greater access to accurate, dynamic risk assessments that encourage positive behaviour change and drive compliance with generally accepted clinical care guidelines.

3.4 ***Product development***

The Company's products are being developed using data from various sources to create a comprehensive picture of disease risk and increase predictive ability. For *KidneyIntelX*™, sources of data may include wet-lab blood biomarker measurements combined with patient-specific EHR data to identify and measure factors which could contribute to accurate kidney health risk assessment. EHR factors may include items such as current or past therapeutic regimes, weight, age, geographic location, physician visiting habits and physician annotations. *KidneyIntelX*™ is expected to incorporate additional data inputs in subsequent versions from different sources such as polygenomic or inherited risk factors.

Additional data factors can be added to the *KidneyIntelX*™ algorithm to address different target populations. For example, to address the increased incidence in renal disorders amongst individuals with African ancestry an additional genotyping for APOL1 will be applied. Individuals with African ancestry who express the APOL1 risk genotype have been demonstrated to have a three-times greater likelihood of developing kidney disease within the following five years.[55]

Intention to submit for regulatory review

The Company believes *KidneyIntelX*™ has the potential to be the first AI-enabled product solution for early detection of patients at high-risk of CKD to be submitted for regulatory review. While there can be no guarantees regarding FDA review time or to what degree, if any, a proposed indication of use will be allowed, the Company is designing its retrospective validation and prospective clinical utility studies with the express intention of generating data to support FDA review marketing authorisation. The Company believes that early and frequent interaction with regulators and experienced experts in regulated products can produce an appropriately designed evidence collection and design file to support a standard FDA review process.

55 Source: "POL1 risk variants, race, and progression of chronic kidney disease. Parsa A et al N Eng J Med 369 (2013).

Prior to FDA marketing authorisation, the Company intends to offer *KidneyIntelX*™ and its other products as LDTs that are performed in CLIA and NYS law compliant clinical laboratories to a limited group of leading healthcare providers.

The Company is currently advancing discussions with a number of major healthcare providers in addition to Mount Sinai to expand its large population clinical studies. Together, these healthcare providers are expected to help RenalytixAI to further validate both the performance and the utility of the *KidneyIntelX*™ product in a combined pool approaching 9,000 (retrospective validation and prospective utility study enrolments combined) geographically and clinically diverse individuals.

The utility study is being designed with input from key opinion leaders in nephrology and other clinical specialties, including members serving on the Company's Advisory Board (see paragraph 5 of this Part 1). Studies will assess prediction and impact of *KidneyIntelX*™ on a range of short-term (e.g., referral of high-risk patients to specialist care, drug prescriptions and lifestyle changes) and long-term impacts (e.g., rate of progression to ESRD and dialysis). Through early and frequent engagement with the FDA, health insurance companies, patient advocacy groups and other key constituents in the healthcare sector, RenalytixAI will seek to ensure that all of its studies properly address issues of major import to successful clinical acceptance. The Company believes evidence provided by the retrospective validation and prospective utility studies currently being designed for *KidneyIntelX*™ will support the Company's application for reimbursement coverage.

Scalable and continually learning platform

The RenalytixAI machine learning platform will be developed to interrogate additional data as it becomes available from external sources, such as clinical studies, drug clinical trials and real-world patient reported data. The rate of data accumulation is expected to accelerate over time, creating a deep and specific kidney disease data repository, the interrogation of which will be proprietary to RenalytixAI. The framework of the RenalytixAI technology platform is being built to integrate with major EHR providers' interfaces with output to mobile, web-based and hospital reporting systems.

The Company believes that with the growth in the RenalytixAI data repository, *KidneyIntelX*™ and other products that employ machine learning driven algorithms will improve in their predictive accuracy and ability to stratify different patient populations and disease characteristics.

4. Directors and Proposed Directors

Directors

Julian Baines, MBE (aged 54) – *Non-Executive Chair*

Julian is the Company's Non-Executive Chair and chair of the Remuneration Committee and the Nomination Committee.

Julian is the chief executive officer of EKF, having assumed the role in December 2009. During his tenure at EKF, he has successfully completed multiple fundraisings and the acquisition and subsequent integration of eight businesses in seven countries, building revenue from zero to over £40 million. Prior to joining EKF, Julian was group chief executive officer of BBI Holdings plc, where he undertook a management buyout in 2000, its AIM flotation in 2004 and was responsible for selling the business to Alere, Inc. (now part of Abbott Laboratories) in 2008 for c. £85 million.

In 2016, Julian was awarded an MBE for services to the life sciences industry.

James McCullough (aged 50) – *Chief Executive Officer*

James is the Company's Chief Executive Officer, with primary focus on strategic planning and execution, as well as coordination with key stakeholders.

James has leadership experience building emerging technology companies in both the public and private sectors with specific expertise in the life-sciences industry. His skills include equity and debt capital formation, strategic development and partnerships, executive team structuring, regulatory

issues and marketing. James was most recently chief executive officer of Exosome Diagnostics, a venture backed personalised medicine company developing non-invasive liquid biopsy diagnostics in cancer. Exosome Diagnostics has recently been acquired by Bio-Techne Corporation (NASDAQ: TECH). James is also a managing partner of Renwick Capital, LLC ("**Renwick**"), a management consulting firm specialising in assisting emerging healthcare technology companies with strategic planning and business execution.

James received his B.A. from Boston University and an M.B.A. from Columbia Business School. James is currently Chairman of BalletNext, a performing arts company in New York City. He currently holds Series 79 and Series 63 securities licenses from the Financial Industry Regulatory Authority ("**FINRA**") in the US.

Fergus Fleming (aged 51) – *Chief Technical Officer*

Fergus is the Company's Chief Technical Officer.

Fergus is managing director of FF Consulting Limited and Head of Business Development for Oncomark Limited. Fergus has over 25 years' experience in the life sciences sector, including leadership positions with Baxter Healthcare, Boston Scientific, Trinity Biotech plc and EKF. Fergus has extensive experience in design and manufacture of medical device software, in vitro diagnostics instruments and reagents and electromechanical devices. He has extensive experience of managing global projects including clinical research collaborations, product development, acquisition integration and manufacturing site transfers.

Richard Evans (aged 61) – *Non-Executive Director*

Richard is a Non-Executive Director and chair of the Audit Committee.

Richard qualified as a Chartered Management Accountant in 1983 and holds a Bachelor of Commerce in Business Studies and Law from Edinburgh University and an MBA from INSEAD. Before joining EKF Richard was finance director, general manager and finally global account director at Hitachi Data Systems GmbH. He has also held positions at Fisher Scientific, TRW Seat Belt Systems, Maxtor Corporation, United Technologies Carrier and Abbot Diagnostics GmbH in Germany.

Christopher Mills (aged 65) – *Non-Executive Director*

Christopher is a Non-Executive Director and member of the Remuneration Committee and the Nomination Committee.

Christopher founded Harwood Capital Management in 2011, a successor from its former parent company J.O. Hambro Capital Management, which he co-founded in 1993. He is chief executive officer and investment manager of North Atlantic Smaller Companies Investment Trust plc and chief investment officer of Harwood Capital LLP. He is a non-executive director of a number of companies. Christopher was a Director of Invesco MIM, where he was head of North American Investments and Venture Capital, and of Samuel Montagu International. Christopher is a member of the Remuneration Committee and the Nomination Committee.

Proposed Directors

Barbara Murphy, MD (aged 53) – *Non-Executive Director*

Barbara is the Murray M. Rosenberg Professor of Medicine, chair of the Department of Medicine for Mount Sinai and Dean for Clinical Integration and Population Health, and will join the Board conditional upon Admission. Her area of interest is transplant immunology, focusing on the use of high throughput genomic technologies as a means to understand the immune mechanisms that lead to graft injury and loss, with the aim of identifying gene expression profiles and or genetic variants that may be used to predict those at greatest risk.

Dr. Murphy earned her M.B. B.A.O. B.Ch. from The Royal College of Surgeons in Ireland and went on to do an internship at Beaumont Hospital in Dublin. She completed a residency rotation at Beaumont Hospital followed by a fellowship in Clinical Nephrology also at Beaumont Hospital. Dr. Murphy completed her postdoctoral training with a fellowship in Nephrology at Brigham and Women's Hospital, Harvard Medical School. As part of this she trained in transplant immunology at the

Laboratory of Immunogenetics and Transplantation, Renal Division, Brigham and Women's Hospital, Harvard Medical School. Among her many honours, Dr. Murphy was awarded the Young Investigator Award in Basic Science by the American Society of Transplantation in 2003. In 2005, Dr. Murphy was awarded the Irene and Dr. Arthur M. Fishberg Professor of Medicine at The Mount Sinai Hospital. Then, in 2011, she was named Nephrologist of the Year by the American Kidney Fund. She received the distinguished Jacobi Medallion in 2014. She also received an honorary degree from University College, Dublin, Ireland. In 2016, Dr. Murphy was honored by The Annual Irish America Healthcare & Life Science 50.

Dr. Murphy belongs to a number of professional societies including the American Society of Transplantation and the American Society of Nephrology. Among her numerous achievements, she has held many leadership roles at a national level, including being a member of the board of the American Society of Transplantation, the executive committee of the American Transplant Congress, and chair of Education Committee of the American Society of Transplantation. In 2009 Dr. Murphy was the president of the American Society of Transplantation and in 2016 was elected to council for the American Society of Nephrology.

Dr. Murphy is considered to be an independent non-executive director as she is being appointed in relation to her medical, clinical and scientific expertise and is not representing Mount Sinai's interests on the Board.

Erik Lium, PhD (aged 50) – *Non-Executive Director, Board Representative of Mount Sinai*

Erik is a Non-Executive Director and member of the Audit Committee. He will join the Board conditional upon Admission. Erik will represent Mount Sinai on the Board as part of the ongoing relationship between the Company and Mount Sinai.

Dr. Lium is the executive vice president of Mount Sinai Innovation Partners and is responsible for advancing Mount Sinai's research, instruction, and public service missions through strategic research partnerships with industry, the management, transfer and commercialisation of technologies, and fostering the development of start-ups and joint ventures to advance promising early-stage technologies and enhance Mount Sinai's research and clinical enterprises. Dr. Lium also serves as a director of Amathus Therapeutics and as a member of the Investment Review Committee for the Accelerate NY Seed Fund.

Prior to joining Mount Sinai, Dr. Lium served as the assistant vice chancellor of Innovation, Technology & Alliances at the University of California, San Francisco (UCSF), and the UCSF Principal Investigator for the Bay area National Science Foundation I-Corps node. He held previous positions at UCSF, including assistant vice chancellor of Research and director of Industry Contracts, and director of Business Development for the Diabetes Center & Immune Tolerance Network. Dr. Lium served as president of LabVelocity Inc., an Information Services Company focused on accelerating research and development in the life sciences prior to its acquisition in 2004. He pursued post-doctoral research at UCSF in the laboratory of J. Michael Bishop, MD, and earned a PhD with honours from the Integrated Program in Cellular, Molecular and Biophysical Studies at Columbia University in the laboratory of Dr. Saul J. Silverstein. Dr. Lium holds a BS in Biology from Gonzaga University.

5. Business structure

The Company is led by a team highly experienced in clinical, regulatory, product development and data management. Professional organisations and expert consultants have also been retained to advise on a range of activities throughout development and commercial execution phases. The Directors have been involved in numerous fundraisings and exit events including in the healthcare space.

In addition, the Directors will be supported by James Sterling, Chief Financial Officer, Sally Bowden, Chief Operating Officer, Michael Donovan, Chief Medical Officer, and a Scientific Advisory Board comprised of key opinion leaders in clinical practice and data science.

Senior Management

O. James Sterling – *Chief Financial Officer*

James is the Chief Financial Officer of the Company and a senior finance executive and management consultant with expertise in mergers and acquisitions and the arrangement of debt and equity financing. He has led buy-side and sell-side financings for early stage and middle market companies in the life sciences, technology and industrial sectors. James has managed offerings for clients totalling over $1 billion in aggregate value.

James is a managing partner of Renwick. Prior to Renwick, James was a managing director at Brock Capital Group, a New York investment bank, and earlier, a managing director at Aleutian Capital Partners, an investment services firm and private equity investor. Preceding his career in investment banking, James was a consultant with global strategy consulting firm Booz & Company (now branded Strategy& and part of PricewaterhouseCoopers LLP).

James holds an M.B.A. with distinction from Columbia Business School and a B.A. from Boston University. He also holds Series 79 and 63 licenses from FINRA.

Sally Bowden – *Chief Operating Officer*

Sally is the president of Bowden Consulting Group, Inc. Sally has over 20 years' experience in the quality and regulatory field in medical devices, companion diagnostics, education and health care systems. She has served in executive positions as vice president of Regulatory, Operations and Quality at Vigilant Biosciences, Inc., General Manager at OncAlert Labs, vice president of Quality Systems and Process Improvement at Ventana Medical Systems and as vice president of Quality and Regulatory Compliance at Roche Diagnostics Corporation.

Sally holds a B.S. in Industrial Engineering from Purdue University and an MBA from Indiana Wesleyan University. Sally was an Associate Professor at the Purdue University School of Engineering and Technology from 2000 to 2004, before commencing her industry career at Ventana Medical Systems.

Michael J. Donovan, PhD, MD – *Chief Medical Officer*

Dr. Donovan is board-certified in anatomic and clinical pathology and pediatric pathology with extensive experience in designing and implementing clinical studies. He has spearheaded the utilization of multiplex tissue and fluid-based assays and coupled mathematical applications to produce clinically relevant diagnostic/predictive/prognostic outcome models for a variety of tumor types and disease states. Along with his clinical duties, Dr. Donovan also serves as a Professor of Experimental Pathology and Director of the Biorepository and Pathology core at the Icahn School of Medicine at Mount Sinai.

In addition to an academic career at Harvard Medical School and Boston Children's Hospital, Dr. Donovan has over 20 years' experience in the biotechnology industry, serving in various senior management roles at Millennium Pharmaceuticals and Incyte Pharmaceuticals. He most recently served as Chief Medical Officer of MetaStat, Inc. and Chief Medical Officer of Exosome Diagnostics, Inc. where he served as laboratory director and was responsible for the implementation and execution of several clinical trials.

Dr. Donovan graduated from Rutgers University with a B.S. in zoology, a M.S. in endocrinology and a PhD in cell and developmental biology with post-doctoral studies at Harvard Medical School. He received his M.D. from the University of Medicine and Dentistry of New Jersey.

Scientific Advisory Board

Dr. Murphy is Chair of the Scientific Advisory Board, whose Non-Executive Director biography is detailed above.

Dr. Donovan is a member of the Scientific Advisory Board, whose biography is detailed above.

Dr. Steven G. Coca

Steven is a co-founder of RenalytixAI, an Associate Professor of Medicine (Nephrology) and Associate Chair for Clinical and Translational Research for the Department of Internal Medicine at Mount Sinai.

Dr. Coca is a graduate of the University of New England College of Osteopathic Medicine. He completed his medical residency and clinical nephrology fellowship at Yale University and Yale New Haven Hospital in Connecticut. He also received a Master's Degree in Epidemiology and Public Health during his training at Yale. There, he later served as an Assistant Professor in the Section of Nephrology, until his recruitment to Mount Sinai in 2014 as Associate Professor. He is the Director for Clinical Research for the Division of Nephrology and was recently named Associate Chair for Clinical and Translational Research for the Department of Medicine at the Icahn School of Medicine at Mount Sinai.

Dr. Coca's research has focused on using novel biomarkers to improve risk stratification in patients with acute kidney injury and patients at risk or with prevalent CKD. He has been continually funded by the NIH over the last decade for multiple biomarker-related projects. Dr. Coca has been an active investigator in three large NIH-funded consortia: the Translational Research in Biomarker Endpoints in Acute Kidney Injury (TRIBE-AKI) consortium; the Assessment, Serial Evaluation, and Subsequent Sequelae in Acute Kidney Injury (ASSESS-AKI) consortium; and the CKD Biomarkers Consortium. He also has given numerous invited lectures at national conferences and leading academic medical centers over the past 13 years.

Dr. Girish N. Nadkarni

Girish is a co-founder of RenalytixAI and an Assistant Professor in Medicine and Nephrology at Mount Sinai. He is also the clinical director of the Charles Bronfman Institute of Personalised Medicine and co-director of the Bio*Me*™ Phenomics Center.

Dr. Nadkarni attended medical school at the T.N Medical College in Mumbai, India. This was followed by a Masters in Public Health with a focus on Biostatistics and a research associate position at the Johns Hopkins Bloomberg School of Public Health. He then completed his internal medicine residency at St Luke's Roosevelt Hospital at Mount Sinai, followed by fellowships in Nephrology/Hypertension and Personalised Medicine at the Icahn School of Medicine at Mount Sinai. He is currently on the faculties of Nephrology, Institute of Personalised Medicine and Clinical Informatics.

Dr. Nadkarni leverages 'big-data' approaches using a variety of data types (-Omics, Electronic Health Record, Administrative) to empower translational approaches in the fields of kidney disease and hypertension. He is part of many national and international consortia and was recently the co-chair of the kidney and hypertension working group at the Population Architecture using Genomics and Epidemiology (PAGE) Consortia. He has over a 100 peer reviewed publications and recently, in recognition of his research endeavours, received the Harold and Golden Lamport Research Award, one of the highest research honours awarded to junior faculty.

John Quackenbush

John is a Professor of Computational Biology and Bioinformatics at Harvard T.H. Chan School of Public Health and Professor of Cancer Biology at Dana-Farber Cancer Institute. John earned his PhD in theoretical particle physics from UCLA in 1990 and then completed a postdoctoral fellowship in experimental high energy physics. After receiving a fellowship from the National Center for Human Genome Research, he worked with Glen Evans on the physical mapping of human chromosome 11, and later with Richard Myers and David Cox on large-scale DNA sequencing of chromosomes 21 and 4. In 1998 he joined the faculty at The Institute for Genomic Research (TIGR) where his work focused on the use of genomic and computational methods for the study of human disease. In 2009 he launched the Center for Cancer Computational Biology (CCCB), a Dana-Farber Strategic Plan Center that provides computational support and access to genomic analysis.

Joseph Boystak

Joseph serves as managing partner at Health2047 Capital Partners, and as managing director of Corporate Development at Health2047 Inc. He is also an advisor to Health2047 Inc. in the area of

corporate finance. He is the chair and co-chief executive officer of NanoPacific Holdings, Inc. Joseph is the Founder, and served as chief executive officer, of Brightwaters Capital, LLC., co-founding and advising companies developing disruptive technologies in healthcare, life sciences, and medical technology. Joseph has 30 years' experience of investment banking and corporate development, and venture capital activities in the healthcare industry and principal investing experience on a global scale. He was the founding managing director of Healthcare Finance Group for Jefferies & Company, Inc. In this capacity, he had senior responsibility for all financing, M&A and strategic advisory activities. He served as managing director of Life Sciences at Jefferies & Company, Inc. (now Jefferies LLC).

Over the course of his career, Joseph was directly responsible for hundreds of transactions in excess of $20 billion and has worked in the healthcare finance space with startups, Fortune 500 companies, and non-profit organisations involving various types of transactions with an aggregate value of approximately $10 Billion. He served on the UCLA Foundation Board of Governors. He serves as on the Advisory Board for the UCLA Life Sciences Centennial Campaign. Joseph also serves on the Southern California Biomedical Council Board of Directors, where he is on the Advisory Board to the Los Angeles County Board of Supervisors for its Biomedical Initiative. He serves as an Advisor to the American Medical Association and its affiliate, Health 2047, Inc. Joseph holds Bachelor of Arts B.A. (cum laude) from Boston University, Master of Health Science from the Johns Hopkins Bloomberg School of Public Health and completed course study at the Wharton School of the University of Pennsylvania.

Dr. Chirag Parikh

Chirag is director of the Division of Nephrology at Johns Hopkins. Prior to Hopkins, Chirag was Professor of Medicine and the director of the Program of Applied Translational Research in the Department of Medicine at Yale University School of Medicine. He attended medical school at the Seth G.S. Medical College and KEM Hospital in Mumbai. He then completed his internal medicine residency at the Nassau University Medical Center and SUNY at Stony Brook in New York, followed by fellowships in Nephrology and Hypertension and UNOS Transplant Certification at the University of Colorado. While completing his fellowship, he also earned a doctorate in Clinical Investigation.

Dr. Parikh is a well-funded researcher with several active National Institute of Health grants and over 250 peer-reviewed publications. He develops novel translational research approaches in the areas of acute kidney injury and diabetic kidney disease. Earlier this year, he received the prestigious Young Investigator Award from the American Society of Nephrology in recognition of his ability to translate findings in the laboratory to the advancement of clinical outcomes. He was also recently elected into the esteemed American Society of Clinical Investigation.

Dr. John Cijiang He

John is a Professor of Medicine and Pharmacological Sciences and Dr. Arthur Fishberg endowed Chair of Nephrology at Mount Sinai Health System.

Dr. Cijiang He earned his MD from Shanghai Second medical University in China and PhD in Physiology at University of Paris VII in France. Then, he got his further research training as a visiting scientist at NIH in Maryland and The Picower Institute for Medical Research in New York. He has served as the President of the New York Society of Nephrology and the President of Chinese American Society of Nephrology. He is the member of the American Society of Clinical Investigation. He is also a visiting professor at both Nanjing University and Shanghai Jiaotong University. He has been funded by multiple NIH and VA grants and has published more than 180 papers in the peer-reviewed scientific journals. His major research areas include glomerular cell biology, systems biology of kidney disease, and kidney fibrosis. His major clinical interest includes diabetic kidney disease, viral-induced kidney disease, and primary glomerular disease.

Dr. Judy Cho

Judy is a director and Associate Dean for Precision Medicine and Ward-Coleman Professor of Translational Genetics and Medicine Mount Sinai Health System.

Dr. Cho earned her B.A. and M.D. at Ohio State University. After postdoctoral training at Northwestern University, she became a faculty member at the University of Chicago. In 2004, she was recruited as Associate Professor to Yale University where she became the Henry J. and Joan W. Binder Professor of Medicine, Genetics and Pediatrics. Judy was recruited in 2013 to the Icahn School of Medicine at Mount Sinai as vice-chair of Translational Genetics and Gastroenterology and Director of Ceported. She is currently the Principal Investigator and chair of the Steering Committee of the NIDDK IBD Genetics Consortium and is a member of the NIDDK Advisory Council. She is also on the council of the American Society of Clinical Investigation (ASCI) and is active in the Crohn's and Colitis Foundation and the American Gastroenterology Association, serving on its Research Policy Committee.

Dr. Cho has extensive experience in defining genetic factors underlying susceptibility to inflammatory bowel disease ("**IBD**"). She was the senior investigator reporting the initial associations of NOD2 to Crohn's disease, the IBD GWAS first identifying the interleukin 23 receptor associations, and most recently, the IBD Immunochip manuscript identifying 163 IBD-associated loci. She is particularly interested in defining the genetic architecture underlying the higher IBD prevalence among Ashkenazi Jews. Her laboratory is interested in defining the genetic architecture underlying differentiation of distinct immune cell subsets, differences in epigenetic landscape of immune cell subsets, and their effects in IBD. Her research has been supported by various NIH institutes (NIDDK, NCRR, NIAID, and NIGMS), the Crohn's and Colitis Foundation of America, and The Eli and Edythe L. Broad Foundation and the Burroughs Wellcome Fund. Judy has served as Principal Investigator for the DCC of the 7 center NIDDK IBD Genetics Consortium (IBDGC) for the past 12 years.

Members of the Scientific Advisory Board are expected to provide key input into key aspects of the Company product design, clinical trials, commercial strategy and other key aspects of the RenalytixAI business plan.

6. Regulatory overview

6.1 *US health regulatory overview*

The following provides an overview of key aspects of laboratory service and medical device regulation within the US. It should be noted this overview does not address every facet of regulation at the federal and state level, but only those that would generally be most relevant to the activities described in this document.

Federal and state clinical laboratory licensing requirements

The CLIA, governs the operations of all clinical laboratories operating in or returning results to individuals in the US. CLIA is administered by CMS, in partnership with state health departments. A clinical laboratory is defined as a laboratory that performs testing on specimens derived from humans for the purpose of providing information for the diagnosis, prevention or treatment of disease, or the assessment of health. Clinical laboratories must hold a certificate applicable to the type of laboratory examinations they perform and must demonstrate compliance with regulations addressing, among other things, personnel qualification and training, record keeping, quality control, and proficiency testing, all of which are intended to ensure the timeliness, reliability, and accuracy of clinical laboratory testing services. CLIA requires that laboratories demonstrate or verify the analytical validity of all tests they perform. Where a clinical laboratory analyses specimens based on a proprietary test method (i.e., an LDT), the laboratory must, among other things, document the accuracy, precision, specificity, sensitivity of, and establish a reference range for, such test.

CMS provides for exemption from CLIA for states that develop clinical laboratory standards that are at least as stringent as federal requirements. Both New York and Washington State are exempt from CLIA. The NYS CLEP requires all independent clinical laboratories operating in, or testing specimens from, NYS to obtain a laboratory permit prior to commencing operations. NYS CLEP requires clinical laboratories performing LDTs to submit test validation documentation demonstrating the tests' analytical and clinical validity.

Failure to comply with CLIA certification and state clinical laboratory licensure requirements may result in a range of enforcement actions, including certificate or license suspension, limitation, or revocation, directed plan of action, onsite monitoring, civil monetary penalties, criminal sanctions, and revocation of the laboratory's approval to receive Medicare and Medicaid payment for its services, as well as significant adverse publicity.

FDA

The FDA regulates, among other medical products, "medical devices" which include certain articles intended for use in the diagnosis, prevention, cure, mitigation, or treatment of disease or intended to effect the structure or function of the body. Whether a product is intended for use as a medical device is generally determined, in the first instance, based on the manufacturer's product labelling, which includes the label affixed to the product, materials distributed with the product, and promotional communications concerning the product. In some cases, FDA may take into account other factors, such as the circumstances of distribution, in determining the manufacturer's intended use of the product.

Devices classified as Class I (low risk), generally may be marketed without FDA pre-market review, but are subject to "general controls", including establishment registration, device listing, record keeping, medical device reporting, and quality system regulations, including design controls. Devices classified as Class II (moderate risk), may, in addition to general controls, also be subject to "special controls" (e.g., manufacturing standards, labelling requirements), and also generally must obtain 510(k) pre-market authorisation from FDA. Class III (high risk) devices must, in addition to general controls, obtain FDA pre-market approval through the submission of a pre-market approval application that contains evidence, including data from adequate and well-controlled clinical studies, demonstrating that the device is safe and effective for its intended use. In general, devices that require FDA pre-market authorisation may not be commercially distributed or promoted prior to obtaining such authorisation, although they may be distributed and used for the purpose of developing the clinical data necessary to support FDA marketing authorisation, subject to certain limitations. Post-market changes to a cleared or approved device also may be subject to prior review, depending on the scope of the change and its potential impact on device safety and effectiveness.

It should also be emphasised that this pre-market review process is only one facet of FDA's regulation. For example, FDA regulates product labelling, including promotional claims; the manufacturing of medical devices, including their design, under FDA quality system requirements; clinical trials with new or modified products; and post-market monitoring for, reporting of, and action related to, safety concerns. Failure to comply with applicable pre- and post-market device requirements can result in a determination by FDA that a device is "adulterated" or "misbranded" in violation of the US Federal Food, Drug, and Cosmetics Act. The statute provides for a number of penalties, including seizure, injunction, criminal, and civil monetary penalties, for the sale or distribution of adulterated or misbranded devices. In general, prior to undertaking enforcement action, FDA will notify a regulated entity of a violation or suspected violation through an informal communication, such as a "Warning Letter" or "Untitled Letter". If FDA identifies violations during inspection of a manufacturer's facility, the agency will issue a Form 483 listing the identified violation and directing the manufacturer to make the necessary corrections.

FDA regulation of software

Commercially distributed software applications that meet the definition of a medical device may be subject to FDA pre-market authorisation, depending on their classification. These include both applications that are components of a hardware medical device and certain "stand-alone" software. In 2017, FDA issued final guidance adopting international principles established by the International Medical Device Regulators Forum for the clinical evaluation of software as a medical device ("**SaMD**"), which refers to software that is intended to be used for one or more medical purposes that perform these purposes without being part of a hardware medical device. While the guidance is not binding on either FDA or regulated industry, FDA intends to consider the principles in developing regulatory approaches for SaMD as well as for digital health technologies.

FDA regulation of LDTs

FDA regulates a category of medical devices, called in vitro diagnostic medical devices, or IVDs, that are used in the collection, preparation, and examination of specimens from the human body. IVDs include reagents, instruments, and systems that are intended for use in diagnosis of disease or other conditions, including the state of health, in order to cure, mitigate, treat, or prevention disease or its sequelae. FDA historically has taken the position that tests developed in-house by a clinical laboratory and used to analyse patient specimens meet the definition of an IVD and fall within the agency's regulatory jurisdiction. At the same time, FDA historically has for the most part exercised "enforcement discretion," i.e., has not required clinical laboratories performing LDTs to comply with IVD device requirements.

In the past, FDA has signalled intent to modify its enforcement discretion policy with regard to LDT regulation, and in 2014 proposed a regulatory framework for LDTs, which it abandoned before implementation in 2016. It is possible, however, that at any time FDA may take further steps with respect to asserting regulatory authority over specific LDTs, classes of LDTs, or LDTs generally. It is also possible that Congress will enact legislation directing FDA to regulate LDTs. Either of these scenarios would drastically change the regulatory landscape for these tests.

The US Federal Trade Commission and Consumer Protection Laws

Within the US, the US Federal Trade Commission ("**FTC**"), has authority to regulate advertising for most medical devices and for laboratory services. In addition, various state consumer protection laws exist which can similarly regulate claims that are being made by entities with respect to what benefits their products or services can provide to consumers. In some instances, FTC or US states have taken action with respect to medical products based on claims being made with respect to, e.g., their benefits to patients, seeking various penalties, such as injunctions and substantial fines. Activities have focused more, to date, on products that are sold directly to consumers, such as dietary supplements, as opposed to prescription products ordered by physicians, although the possibility exists that FTC or other consumer protection bodies could take steps to regulate claims with respect to IVDs or LDTs.

Fraud and Abuse

The significant US fraud and abuse laws include the:

Anti-Kickback Statute. The federal US Anti-Kickback Statute imposes criminal penalties on persons and entities for, among other things, knowingly and wilfully soliciting, offering, receiving or providing remuneration (including any kickback, bribe or rebate), directly or indirectly, in cash or in kind, to induce or reward, or in return for, either the referral of an individual for, or the purchase, lease or order of a good, facility, item or service for which payment may be made under a government healthcare program such as Medicare and Medicaid.

False Claims Act. The US federal false claims and civil monetary penalties laws, including the federal civil US False Claims Act, impose criminal and civil penalties, including through civil whistleblower or qui tam actions against individuals or entities for, among other things, knowingly presenting or causing to be presented false or fraudulent claims for payment by a federal healthcare program or making a false statement or record material to payment of a false claim or avoiding, decreasing, or concealing an obligation to pay money to the federal government, with potential liability including mandatory treble damages, significant per-claim penalties, and administrative penalties.

Transparency requirements. The US Physician Payments Sunshine Act requires certain manufacturers of drugs, devices, biologics, and medical supplies for which payment is available under Medicare, Medicaid, or the Children's Health Insurance Program, with specific exceptions, to report annually to the CMS information related to payments or transfers of value made to physicians and teaching hospitals, as well as information regarding ownership and investment interests held by physicians and their immediate family members. Any failure to report or providing incomplete or misleading information may subject the Company to penalties.

Analogous state laws. Analogous state fraud and abuse laws and regulations, such as US state anti-kickback and false claims laws, can apply to sales or marketing arrangements, and claims involving healthcare items or services reimbursed by governmental or non-governmental third-party payors. These laws are generally broad and are enforced by many different US federal and state agencies as well as through private actions. Some state laws require adherence to compliance guidelines promulgated by the US federal government and require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures.

Data privacy and security

HIPAA. The HIPAA imposes criminal and civil liability for, among other things, failing to protect the privacy of patient and security of patient data. Additionally, the HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act and its implementing regulations, also imposes obligations on covered entities and their business associates that perform certain functions or activities that involve the use or disclosure of protected health information on their behalf, including mandatory contractual terms as well as implementing reasonable and appropriate administrative, physical and technical safeguards with respect to maintaining the privacy, security and transmission of protected health information.

FTC. The FTC has taken an active role with regard to protection of personal information, relying on its broad consumer protection powers to seek substantial penalties where companies that have made deceptive or misleading statements regarding practices of collecting and safeguarding data or did not have adequate safeguards to protect information consistent with their claims regarding data security.

State laws also govern the privacy and security of health information in some circumstances, many of which differ from each other in significant ways and often are not pre-empted by HIPAA, thus complicating compliance efforts.

6.2 ***EU regulatory overview***

The following provides an overview of key aspects of medical device regulation within the EU. It should be noted this overview does not address every facet of regulation but only those that would generally be most relevant to the activities discussed in this document.

The Company operates and intends to operate in a highly regulated industry that is subject to a changing political, economic and regulatory landscape across many countries. The Company's products will be subject to national and supra-national EU laws and regulations.

Current EU regulatory framework

Software applications (whether stand-alone or components of a larger system) qualify as medical devices or medical device accessories under EU rules if they meet the relevant definition under the EU Medical Device Directive 93/42/EEC (the "**Medical Device Directive**") or they may be classified as *in vitro* medical devices and governed by the In Vitro Diagnostic Medical Device Directive 98/79/EC (the "**IVD Directive**"). Which directive is applicable to the company's products will depend on a number of factors, including whether or not the Company's software interprets data derived from human tissue or blood samples, or data which itself has been derived from an *in vitro* medical device. Given that the data the Company's software may analyse may come from multiple sources and may change over time, the Company has set out below an overview of both the Medical Device Directive and the IVD Directive.

The Medical Device Directive

Under the Medical Device Directive, a software medical device may be placed on the EU market only if it conforms with the "essential requirements" set out in Annex I to the Medical Device Directive. To assist manufacturers in satisfying the essential requirements, the European standards organisations have prepared European standards applicable to medical devices. These include harmonised international quality standards (including ISO and IEC standards) aimed at

ensuring that medical devices are correctly designed and manufactured. While not mandatory, compliance with these standards entitles the manufacturer to a presumption of conformity with the essential requirement that is covered by the standards concerned.

The manufacturer is obliged to demonstrate that the device conforms to the relevant essential requirements through a conformity assessment procedure. For Class I non-sterile and non-measuring medical devices, the manufacturer is responsible for performing the conformity assessment procedure. For Class II and III devices, as well as the sterility/measuring aspects of Class I devices, the manufacturer declares conformity with the essential requirements, but this must be backed up with a conformity assessment by a notified body resulting in a CE certificate. Depending on the conformity assessment route agreed with the notified body, separate certificates may be issued for the device and the underlying quality assurance system against harmonised standard EN ISO 13485.

EU government regulatory bodies are not involved in the pre-market approval of medical devices. The onus of ensuring a device is safe enough to be placed on the market is ultimately the responsibility of the manufacturer and, where relevant, the notified body. Notified bodies are entities licensed by the individual member states to provide independent certification of certain classes of medical device. They apply for and are designated to carry out this function by the relevant national competent authorities, which carry out periodic assessment audits to determine whether the notified bodies continue to satisfy the requirements set out in the Medical Device Directive and the guidance developed by the Notified Body Oversight Group (NBOG). Amongst other things, a notified body must possess the resources (e.g. facilities and staff) for the conformity assessment of medical devices for which it is designated and must conduct such assessments in a competent, transparent, independent and impartial manner.

Once the appropriate conformity assessment procedure for a medical device has been completed, the manufacturer must draw up a written declaration of conformity and affix the CE mark to the device. The device can then be marketed throughout the EEA. Notified bodies perform surveillance and unannounced audits at the manufacturer and critical suppliers with respect to the devices covered by the certificates issued by them. If non-conformities raised during the audits are not timely remedied by the manufacturer, the notified body may (partially or wholly) suspend or withdraw the certificate concerned.

Manufacturers of medical devices are subject to post-market requirements, notably device vigilance and safety reporting obligations. EU member states are responsible for enforcing the EU's medical device rules and for ensuring that only compliant medical devices are placed on the market or put into service in their jurisdictions. They have powers to suspend the marketing and use, or demand the recall, of unsafe or non-compliant devices. They also have the power to bring enforcement action against companies or individuals for breaches of the device rules, but this is extremely rare absent a public health risk. Non-compliance may also result in notified bodies revoking any certificate of conformity that they have issued for a device or the manufacturer's quality system.

The IVD Directive

The EU regulates *in vitro* medical devices ("**IVDs**") as a specific category of medical devices with particular differences, which means they are regulated under a separate regime. The company's software application is envisaged to process input data from EHRs and from 'wet' samples and is envisaged to be installed as a local software layer in clinical institutions that will communicate with the cloud. The EU Guidance document "Qualification and Classification of standalone software" provides that stand alone software fulfilling the definition of medical device and intended to be used for the purpose of providing information derived from *in vitro* examination of a specimen derived from the human body falls under the IVD Directive.[56] The software may therefore qualify as 'expert function software' for the purposes of the applicable guidance, in which case it would therefore be regulated under the IVD Directive.[57]

56 MEDDEV 2.1/6, July 2016 para 2.1.2 and Annex I, sub f.2) Expert system.

57 MEDDEV 2.1/6, July 2016, definitions: "software which is able to analyse existing information to generate new specific information according to the intended use of the software".

The IVD Directive sets out certain "essential requirements" set out in Annex I of the IVD Directive and with which IVDs must comply before being placed on the market in the EU. Not all the essential requirements will apply to all devices and it is up to the manufacturer of the device to assess which are appropriate for that particular product. As for the Medical Device Directive, one way in which manufacturers can demonstrate that they have met the essential requirements is to comply with the relevant national standards that transpose harmonised standards.

There are four categories of IVDs, reflecting the perceived risk. Annex II of the IVD Directive sets out specific device types that are categorised as either high risk (List A) or moderate risk (List B). There are also self-test IVDs, which are those devices intended by the manufacturer to be able to be used by lay persons in a home environment, and then the final category covers all IVDs which are not classified as List A, List B or Self-test IVDs, known as general IVDs. As for other medical devices, pre-market approval is delegated to Notified Bodies. For List A, List B and Self-Test IVDs this means that the manufacturer must gain independent certification by a notified body in order to complete the conformity route process, apply for CE marking and be able to place the device on the European market.

Manufacturers of IVDs are subject to post-market requirements, including setting up an on-going systematic process to review experience gained for their device on the market and to have a vigilance procedure to immediately inform relevant Competent Authorities. Each Competent Authority has the right to remove a device that they believe is unsafe from their national market.

The EU Medical Device Regulation

In May 2017, the European Commission finalised and adopted the text of the Medical Device Regulation (EU) 2017/745 (the "**EU Medical Device Regulation**"), which will repeal and replace the EU Medical Device Directive. The majority of the provisions in the EU Medical Device Regulation apply from spring 2020. The Company will need to ensure compliance with the EU Medical Device Regulation in the future if it is to place software that is a medical device on the EU market after this regulation comes into force.

The EU Medical Device Regulation contains a new classification rule specific to software in Annex VIII (rule 11). All software intended to provide information used to take diagnostic or therapeutic decisions will be in Class IIa, except if the decisions may cause death or an irreversible deterioration in health, in which case it will be in Class III. Where decisions could result in a serious deterioration in a person's state of health or a surgical intervention, they will be in Class IIb. Software intended to monitor physiological processes will be in Class IIa, except if it is intended to monitor vital physiological parameters and variations in those parameters could result in immediate danger to the patient, in which case it is classified as Class IIb. All other software will be in Class I. Software that currently qualifies as a Class I device under the EU Medical Device Directive may therefore need to be reclassified as Class IIa or higher once the EU Medical Device Regulation becomes applicable. This will require a notified body conformity assessment in accordance with the requirements of the EU Medical Device Regulation.

The Medical Devices Regulation will require significantly more clinical data for CE marking than is currently required by the Medical Device Directive. It also promulgates new design requirements for software, and will not grandfather any previous CE mark under the Medical Devices Directive. As a result, should the EU Medical Device Regulation apply to the Company's products, the Company will need to obtain timely CE marking under the new regulation.

The EU In Vitro Diagnostic Medical Devices Regulation

The EU In Vitro Diagnostic Medical Devices Regulation ("**IVDR**") was adopted in May 2017 and will repeal the existing In Vitro Diagnostic Medical Devices Directive (98/79/EC). The majority of the provisions of the IVDR apply from 26 May 2022 and will harmonise the law on *in vitro* medical devices across the EU. The Company will need to ensure compliance with the IVDR in the future if it is to place software that is a medical device which is used as an *in vitro* diagnostic on the EU market after this regulation comes into force. The IVDR will require significantly more clinical data for CE marking than is currently required by the IVD Directive. It also promulgates new design requirements for software, and will not grandfather any previous CE mark under the IVD Directive.

As a result, should the IVDR apply to the Company's products, the Company will need to obtain timely CE marking under the new regulation.

The IVDR contains a new classification regime for all IVDs, including software that qualifies as an IVD, in Annex VIII. The new classification regime groups all IVDs in four risk classes A, B, C, and D, of which only risk class A remains subject to self-declaration for CE marking. Because the software is intended to work with blood-based biomarkers it is likely that, if it is regulated by the IVDR, it will be classified in the highest risk class (D) and will be subject to notified body conformity assessment.

At this time it is not certain whether the division of software expert systems between the Medical Devices Directive and IVD Directive laid down in the European guidance note MEDDEV 2.1/6 will remain the same under the Medical Devices Regulation and IVDR. Since the European guidance note MEDDEV 2.1/6 refers to the Medical Devices and IVD Directives alone, it will need to be replaced or updated to refer to the Medical Devices Regulation and IVDR. Whilst the Company understands that a revision of this document is underway, no final version has, as yet, been published.

Other Standards

Development, clinical evaluation and marketing of digital health software products are subject to significant global regulations by governments and global regulatory agencies. Many approvals require clinical evaluation data relating to safety, quality and efficacy of a product. Many countries, including the US (510(k) clearance), Europe (CE marking), China (CFDA), and Japan (PMDA) have high standards of technical appraisal and have a risk of delays in the approval process. Changes in legislation, and regulatory policies would delay gaining approvals and could have an adverse impact on the Company's business. If this occurs, the Company may incur further development costs or be required to apply for regulatory approvals that could have a material adverse impact on its financial position or prospects for its digital health software products.

On 25 May 2018, the GDPR came into effect in the European Union. The GDPR imposes an enhanced data protection regulatory regime with potentially significant sanctions for non-compliance. To the extent the Company processes personal data that is subject to the GDPR, in the future, the Company will need to comply with the GDPR and any other applicable laws with respect to the handling of personal data. European hospitals which may, in the future, provide anonymised patient data to the Company for the Company to analyse using its AI technology will also be responsible for ensuring that there is a legal basis on which they may do so and that the data is anonymised appropriately.

7. Pre-Admission Reorganisation

In preparation for Admission, the Company and EKF completed a series of transactions to transfer the Joslin Biomarker Technology and certain other intellectual property and contracts to the Group, as follows:

- the Company purchased the Joslin Licence and associated business from EKF (the "**Biomarker Business Purchase**"); and
- the Company acquired the US Subsidiary from EKF (the "**Acquisition**"),

(the "**Pre-Admission Reorganisation**").

Further information on the agreements by which the Pre-Admission Reorganisation was effected is set out in Part 9 (*Additional Information*).

8. Employees

As at the Latest Practicable Date, the Company had one employee, being Fergus Fleming. Other individuals providing services to the Company and/or the Group are engaged as self-employed contractors, or as employees of the US Subsidiary.

9. Use of proceeds and reasons for Admission

The Company believes that raising money in a public market context provides a signal of quality to prospective partners and customers, raises the profile of the business and its products and provides a supportive platform on which to grow the business further through in-licensing of additional technologies or selective acquisition as appropriate.

The Directors and Proposed Directors also believe that the Fundraising and Admission will also provide an opportunity to align the interests of key stakeholders in the business.

The net proceeds of the Fundraising will be used by the Company as follows:

- to pay amounts due under the Mount Sinai Collaboration Agreement;
- to continue the development of the AI technology with Persistent Systems and to pursue other scientific development and partnerships;
- to undertake clinical utility and large-scale clinical validation studies for *KidneyIntelX*™, which are expected to begin in 2019;
- to repay certain loans made by EKF to the Company and to the US Subsidiary, as set out in Part 4 (*Special purpose historical financial information*);
- if the FractalDx option is exercised, to pay the $1.3 million up-front amounts to Mount Sinai;
- for general corporate overheads, including marketing and business development, other planned capital expenditure and for general working capital purposes; and
- to pay Admission and Fundraising-related fees and expenses.

10. Selected historical financial information

The following financial information has been derived from the historical financial information contained in Section B of Part 3 (*Special purpose historical financial information*) and should be read in conjunction with the full text of this document. Prospective investors should not rely solely on the summarised information set out below.

The Company

The majority of the Company's expenditure since incorporation has been on legal and professional fees.

	Period ended 30 June 2018 $
Revenue	–
Administrative expenses	(79,173)
Operating result	(79,173)
Finance income/(expense)	–
Result Before Taxation	(79,173)
Income tax	–
Total comprehensive loss for the period	(79,173)

The US Subsidiary

The majority of the US Subsidiary's expenses since incorporation have been on legal and professional fees and travel costs. Other expenses have included marketing costs, website development, IT and communication and rental costs;

	Period ended 30 June 2018 $
Revenue	–
Administrative expenses	(431,286)
Operating result	(431,286)
Finance income/(expense)	–
Result before taxation	(431,286)
Income tax	–
Total comprehensive loss for the period	(431,286)

11. Details of the Placing

The Placing comprises the issue of 14,829,739 Ordinary Shares at the Issue Price representing approximately, 27.56% of the Enlarged Share Capital and will raise approximately £17.94 million gross. The Placing Terms are set out in Part 6 (Placing Terms).

Pursuant to the Placing Agreement entered into between the Company, the Directors, the Proposed Directors and N+1 Singer, N+1 Singer has conditionally agreed, as agent for the Company, to use its reasonable endeavours to procure subscribers for the Placing Shares at the Issue Price. The Placing Shares are being placed with institutional and other investors. The Placing has not been underwritten and is conditional upon, among other things: the fulfilment by the Company of its obligations under the Placing Agreement; an AIM application in respect of the Enlarged Share Capital signed on behalf of the Company and all other documents submitted therewith having been delivered to the London Stock Exchange before publication of the Admission Document; the Company having allotted the Placing Shares; N+1 Singer not having exercised its right to terminate the Placing Agreement; and Admission occurring not later than 8.00 a.m. on 6 November 2018 or such later date as the Company and N+1 Singer may agree, but in any event not later than 8.00 a.m. on 30 November 2018.

The Placing will be conducted in two separate tranches over two Business Days to assist investors in the EIS/VCT Placing to claim EIS Relief or VCT Relief (as applicable). The EIS/VCT Placing Shares will be issued to the relevant Placees on 5 November 2018, being one business day prior to the issue of the balance of the Placing Shares and the anticipated date of Admission. The EIS/VCT Placing is not conditional upon Admission or on the issue of any other Placing Shares.

Further details of the Placing Agreement are set out in paragraph 12.5 of Part 9 (*Additional Information*).

12. Details of the Subscription

The Subscription comprises the issue of 2,334,739 Ordinary Shares at the Issue Price representing approximately 4.34% of the Enlarged Share Capital and will raise approximately £2.83 million gross. The Subscription has not been underwritten and is conditional upon, among other things, Admission occurring by 30 November 2018.

Further details of the Subscription Agreements can be found at paragraph 12.7 of Part 9 (*Additional Information*).

As part of the Subscription, Mount Sinai will subscribe 1,288,202 Ordinary Shares at the Issue Price. Combined with its existing holding of Ordinary Shares, it is expected that Mount Sinai will hold 14.9% of the Enlarged Share Capital at Admission. Further details of the subscription agreements can be found at paragraph 12.7 of Part 9 (*Additional Information*).

13. Details of the Restricted Offer

The Company offered Qualifying EKF Shareholders the opportunity to subscribe Restricted Offer Shares under a restricted offer (the "**Restricted Offer**"). Participation in the Restricted Offer was only open to persons recorded in the register of members of EKF as holders of EKF Ordinary Shares on the Record Date whose registered address is in the United Kingdom.

The Restricted Offer comprises the issue of 1,223,952 Ordinary Shares at the Issue Price representing approximately 2.27% of the Enlarged Share Capital and will raise approximately £1.48 million gross. The Issue Price of £1.21 per Ordinary Share is the same price at which Ordinary Shares are to be issued to institutional investors in the Placing and Subscription.

The Restricted Offer Shares will be issued in two separate tranches over two Business Days to assist investors in the Restricted Offer to claim EIS Relief. The EIS Restricted Offer Shares will be issued to the relevant Qualifying EKF Shareholders on 5 November 2018, being one business day prior to the issue of the balance of the Restricted Offer Shares and the anticipated date of Admission. The issue of the EIS Restricted Offer Shares is not conditional upon Admission or on the issue of any other Restricted Offer Shares.

14. EIS and VCT status

The Company has applied for and received advance assurance from HMRC to the effect that the EIS/VCT Placing Shares will be 'eligible shares' capable of constituting a qualifying holding for VCT Relief purposes, and that subject to receipt of a satisfactory compliance statement from the Company, the EIS/VCT Shares are capable of satisfying the requirements for EIS Relief. HMRC has also confirmed that the Company will qualify as a 'knowledge-intensive company' for the purposes of the EIS Legislation and the VCT Legislation. Further information on EIS and VCT status is set out in Part 2 (Risk Factors).

15. Tax

Certain information on taxation for UK taxpayers is given in, and your attention is drawn to, Part 5 (*Taxation*). These details are intended only as a general guide to the current tax position under UK taxation law and practice. If an investor is in any doubt as to their tax position they should immediately consult their own tax adviser or independent financial adviser.

16. Admission, settlement and CREST

Application has been made to the London Stock Exchange for the Enlarged Share Capital to be admitted to trading on AIM. The maximum number of New Ordinary Shares to be issued is 18,388,430. It is expected that Admission will become effective, and that dealings in the Enlarged Share Capital will commence, at 8.00 a.m. on 6 November 2018. As at the date of Admission the Company will have 53,816,134 Ordinary Shares in issue and is expected to have a market capitalisation of approximately £65.12 million at the Issue Price.

The Articles permit the Company to issue Ordinary Shares in uncertificated form in accordance with the CREST Regulations. CREST is a computerised share transfer and settlement system. The system allows shares and other securities to be held in electronic form rather than paper form, although a Shareholder can continue dealing based on share certificates and notarial deeds of transfer. The Company has applied for the Ordinary Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in Ordinary Shares held in uncertificated form following Admission will take place within the CREST system.

It is expected that the appropriate CREST accounts of shareholders who have participated in the Placing, Subscription or Restricted Offer and have opted to receive their Ordinary Shares in dematerialised form will be credited on or around 6 November 2018. In the case of any shareholder who has opted to receive their Ordinary Shares certificated form, it is expected that share certificates in respect of their Ordinary Shares will be despatched by post as soon as possible and within seven Business Days of the date of Admission.

17. Lock-in and Orderly Market Agreements

The Lock-in Shareholders, who will hold a total of 27,531,244 Ordinary Shares (representing approximately 51.16% of the Enlarged Share Capital) on Admission, have entered into the Lock-In and Orderly Market Agreements pursuant to which they have each agreed with the Company and N+1 Singer that they will not dispose of any interest in Ordinary Shares for the period of 12 months following Admission except in certain limited circumstances. The Lock-In Shareholders have also agreed that for a further 12 months following the expiry of the initial 12 month period they will only dispose of an interest in Ordinary Shares through N+1 Singer (or the broker for the time being of the Company, if it is not N+1 Singer) and in such manner as N+1 Singer (or such other broker) may reasonably require with a view to the maintenance of an orderly market in the Ordinary Shares.

Further details of the Lock-In and Orderly Market Agreements are set out in paragraph 12.6 of Part 9 (*Additional Information*).

18. Share incentive arrangements

The Directors believe that the success of the Company will depend to a significant degree on the future performance of the Company's senior management team ("**Senior Management**") and therefore that it is important to ensure that the members of the Senior Management team are well motivated and identify closely with the success of the Company.

The Company adopted new share incentive arrangements (the "**Share Option Plan**") on 11 September 2018 that provide the Board with the authority to grant options over Ordinary Shares ("**Options**") that represent in aggregate up to 10% of the Enlarged Share Capital.

On 1 November 2018, the Company granted Options over a total of 2,195,697 Ordinary Shares under the Share Option Plan (including the grants to Mount Sinai and Salim Hamir as described below), representing 4.08% of the Enlarged Share Capital. Save as described below, the Options have an exercise price equal to the Issue Price and are subject to exercise conditions such that they shall, subject to certain exceptions, vest in equal quarterly instalments over the three years immediately following the Admission Date, which vesting shall accelerate in full in the event of a change of control of the Company. To the extent possible, these Options have been granted as EMI Options.

An Option has also been granted to Mount Sinai in consideration for the provision of the services of the Mount Sinai representative on the Board. This Option has an exercise price equal to the Issue Price and is subject to exercise conditions such that it shall, subject to certain exceptions and to the continued provision by Mount Sinai of a representative on the Board, vest in equal quarterly instalments over the three years immediately following the Admission Date, which vesting shall accelerate in full in the event of a change of control of the Company.

The Option granted to Salim Hamir vests in full on Admission.

If Admission has not occurred by 30 November 2018, these Options will lapse.

Further details of the Share Option Plan are set out in paragraph 6 of Part 9 (*Additional Information*).

19. Dividend policy

Following Admission, when it is commercially prudent to do so and subject to the availability of distributable reserves, the Board may approve the payment of dividends. However, at present, the Directors and the Proposed Directors consider that it is more prudent to retain cash to fund the development of the Company and, as a result, feel it is inappropriate to give an indication of the likely level or timing of any future dividend payment.

20. Corporate governance

The Directors and the Proposed Directors intend to comply fully with the Quoted Companies Alliance's Corporate Governance Code (the "**QCA Code**").

The Company has noted in the corporate governance statement on its website that it will on Admission have only one Non-Executive Director who is deemed to be independent. The Company has resolved to appoint a further independent non-executive director within nine months of Admission.

The Company will hold regular Board meetings and the Board will be responsible for formulating, reviewing and approving the Company's strategy, budget and major items of capital expenditure. The Board has established an Audit Committee, a Remuneration Committee and a Nomination Committee with formally delegated rules and responsibilities. Each of these Board committees will meet as and when appropriate, but at least twice each year.

The Audit Committee will comprise Erik Lium and Richard Evans, who will act as chair. The Audit Committee will, among other things, determine and examine matters relating to the financial affairs of the Company including the terms of engagement of the Company's auditors and, in consultation with the auditors, the scope of the audit. It will receive and review reports from management and the Company's auditors relating to the half yearly and annual accounts and the accounting and the internal control systems in use throughout the Company.

The Remuneration Committee will comprise Christopher Mills and Julian Baines, who will act as chair. The Remuneration Committee will review and make recommendations in respect of the Executive Directors' remuneration and benefits packages, including share options and the terms of their appointment. The Remuneration Committee will also make recommendations to the Board concerning the allocation of share options to employees under the intended share option schemes.

The Nomination Committee will comprise Christopher Mills and Julian Baines, who will act as chair. The Nomination Committee will review and recommend nominees as new Directors to the Board.

21. Share Dealing Code

With effect from Admission, the Company will operate its Share Dealing Code, which is compliant with Article 19 of the Market Abuse Regulation (EU) 596/2014 ("**MAR**") and Rule 21 of the AIM Rules for Companies. The Share Dealing Code will apply to any person discharging management responsibility, including the Directors, the Proposed Directors and the Senior Management and any closely associated persons and applicable employees.

The Share Dealing Code imposes restrictions beyond those that are imposed by law (including by FSMA, MAR and other relevant legislation) and its purpose is to ensure that persons discharging managerial responsibility and persons connected with them do not abuse, and do not place themselves under suspicion of abusing, price-sensitive information that they may have or be thought to have, especially in periods leading up to an announcement of both financial results and the results of the Company's research trials. The Share Dealing Code sets out a notification procedure which is required to be followed prior to any dealing in the Company's securities.

22. Anti-bribery policy

The Group takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all business dealings and relationships wherever they occur. The Group implements effective systems to counter bribery and corruption and as part of this it has adopted an anti-bribery and anti-corruption policy. The policy provides guidance to those working for the Group on how to recognise and deal with bribery and corruption issues and the potential consequences and applies to all persons working for the Group or on its behalf in any capacity, including employees at all levels, consultants and agents.

23. Further information and risks

You should read the whole of this document which provides additional information on the Company and the Fundraising and not rely on summaries or individual parts only. Your attention is drawn, in particular, to the risk factors set out in Part 2 (*Risk Factors*) and the additional information set out in Part 9 (*Additional Information*).

PART 2

RISK FACTORS

Investment in the Company and its subsidiaries from time to time (the "Group") and the Ordinary Shares carries a significant degree of risk, including risks in relation to the Group's business strategy, the execution of that strategy, operations, taxation and to the Ordinary Shares.

The investment described in this document may not be suitable for all recipients of the document. In addition to all of the other information set out in this document, the following specific risk factors should be considered carefully by potential investors, who should also ensure that they have read this document in its entirety before making a decision to invest in the Group and the Ordinary Shares. Although the Directors and the Proposed Directors will seek to minimise the impact of the risk factors, investment in the Group and the Ordinary Shares should only be made by investors able to sustain a total loss of their investment. Before making a final decision, investors in any doubt are strongly advised to consult a person authorised under FSMA if resident in the UK or, if not, another appropriately authorised independent financial adviser.

Prospective investors should be aware that an investment in the Group and the Ordinary Shares is speculative and involves a high degree of risk. In addition to the other information contained in this document, the Directors and the Proposed Directors believe that the following risk factors are the most significant for potential investors and should be considered carefully in evaluating whether to make an investment in the Group and the Ordinary Shares. If any of the risks described in this document actually occur, the Group may not be able to conduct its business as currently planned and its financial condition, operating results and cash flows could be seriously harmed. In that case, the market price of the Ordinary Shares could decline and all or part of an investment in the Ordinary Shares could be lost. However, the risks listed do not necessarily comprise all those associated with an investment in the Group and the Ordinary Shares. Additional risks and uncertainties not presently known to the Directors and the Proposed Directors, or which the Directors and the Proposed Directors currently deem immaterial, may also have an adverse effect on the Group. In particular, the Group's performance may be affected by changes in market or economic conditions and in legal, regulatory and tax requirements. The risks listed below are not set out in any particular order of priority.

1. Risks specific to the Group

1.1 *The Group is currently dependent upon its strategic collaboration with Mount Sinai*

The Group is working to develop and commercialise its products in close collaboration with Mount Sinai, its key strategic partner. Certain commercial aspects of this collaboration have been formalised in the Mount Sinai Collaboration Agreement and associated Professional Services Agreement (together, the "**Mount Sinai Agreements**", each as summarised in Part 9 (*Additional Information*)), under which Mount Sinai has agreed, among other things, to provide access to patient health records and Bio*Me*™ (the "**Mount Sinai Data**"). Mount Sinai has also indicated that, subject to certain conditions, it will order specified quantities of *KidneyIntelX*™ tests from the Group's CLIA-certified laboratory once the test is clinically validated.

The Group is therefore currently dependent upon Mount Sinai for resources and revenue. Failure by Mount Sinai to meet its key contractual obligations or to purchase *KidneyIntelX*™ tests, for whatever reason, would likely have a material adverse effect on the Group and its ability to achieve its commercial objectives, potentially including the attainment of sales volumes leading to profitability, and may ultimately result in the Group becoming unviable. The following factors are of particular significance:

- **Access to Mount Sinai Data** – The Group's product development will rely on computer-based interrogation of certain biological and health record data to provide insights that the Group anticipates will have clinical (and therefore commercial) value. Mount Sinai controls

access to the majority of these data. Once the Company has concluded relevant data access agreements with Mount Sinai, if such access were terminated for any reason, and the Group was unable to source suitable alternate data, the development of the Group's product solutions would likely be curtailed dramatically in the short term, unless and until the Group found a suitable alternative source of data of equivalent quality and quantity.

- **Initial revenue** – Subject to various conditions, including the establishment of a certificated laboratory, successful clinical validation and completion of a clinical services and data use agreement, Mount Sinai has indicated that it intends to purchase laboratory tests that represent initial revenue to the Group of up to $6 million, which the Group has factored into its budget and financial forecasts. Failure to receive all or part of this revenue over the next few years would negatively affect the Group's ability to develop its business and products, which may delay the commercialisation timetable and may make it necessary to seek additional funding from shareholders or third parties.

These factors relate to a single counterparty collaboration and so any issues arising with that counterparty collaboration may affect multiple factors simultaneously. There can be no certainty that the Mount Sinai Agreements will not be terminated early or will continue beyond their respective initial terms.

If the Group is unable to negotiate access to data following any initial agreed term, or if any portion of the Mount Sinai Agreements are terminated prior to expiry of its initial term, the Group may face the same consequences as those noted under 'Access to Mount Sinai Data' above. The impact will depend on the point in time at which the agreement is terminated and the opportunities available to the Group to make alternative arrangements before it loses access to the relevant resources.

Potential investors are reminded that, at Admission, Mount Sinai will hold approximately 14.9% of the Enlarged Share Capital and will be subject to a 12-month lock up, which provide a financial commitment supporting its commercial obligations to the Group. However, Mount Sinai is a large organisation and it is possible that the relationship with the Company may not be viewed as fundamental or strategic to Mount Sinai's operations.

1.2 ***The Group will have limited internal resources in the short-term and so will be reliant on third parties for certain resources and outsourced services***

In addition to the relationship with Mount Sinai (as described in paragraph 1.1 of this Part 2), the Group is dependent on other third parties who provide certain outsourced resources and services to the Group. The Group cannot guarantee that the third parties will be able to carry out their obligations under the relevant arrangements. Disagreements between the Group and any of these third parties could lead to delays in the Group's product development programmes, Regulatory progress, reimbursement and/or commercialisation plans.

For the duration of the planned clinical validation and utility studies and beyond as required, the blood-based biomarker analysis required for *KidneyIntelX*™ will be completed in wet labs established by the Company within existing laboratory facilities. The Company will lease lab space and contract for the provision of support services and specialist contactors. The Company and Mount Sinai have agreed a non-binding term sheet that sets out the key terms under which Mount Sinai will provide laboratory space and services to facilitate the establishment of a laboratory to be managed by the Company. Following Admission, the parties intend to negotiate definitive agreements in relation to these matters. NYS regulations require laboratories located in or testing specimens from patients in the state (which would include a Mount Sinai-based laboratory) for clinical purposes to hold a NYS CLEP permit and to obtain NYS CLEP approval for any LDTs performed. To ensure sufficient capacity to test samples from patients from the rest of the US, the Company also intends to establish a laboratory in partnership with AKESOgen, a CLIA-certified laboratory in Georgia, US with which it is in advanced talks.

It is necessary to secure lab space from Mount Sinai, AKESOgen or another third party before the Company can begin the clinical validation study for *KidneyIntelX*™. There can be no assurance that the Company will be able to conclude agreements for such lab space in a timely manner, which may delay development. The inability to utilise such labs following conclusion of relevant

agreements and to obtain and maintain regulatory compliance would likely delay development or, following commercialisation, affect the Company's ability to provide *KidneyIntelX*™ testing, which may have a short-term or prolonged impact on its development, operations, revenue and profitability. Obtaining a laboratory permit and LDT test approval from NYS CLEP is a lengthy process and there can be no certainty as to the grant or timing of such certification, which may affect the Company's development timetable and viability, particularly with regard to opportunities in NYS.

The Company currently expects to benefit from the involvement of a specific clinical laboratory director at Mount Sinai to help establish its wet lab operations. If such person cannot serve or decides not to serve as lab director, this would delay the Company's development timetable, while a suitable replacement is found.

The Company is currently working with Persistent Systems to develop data management software layers and secure, high-performance cloud-based algorithms for its products. If, for any reason, Persistent Systems is unable to provide the required functionality or the platform does not work as intended, this would likely have a material adverse effect on the Group and its ability to achieve its commercial objectives and profitability and may ultimately result in the Group becoming unviable.

If any of those third parties on whom the Company is reliant for resources or services were to terminate its relationship with the Group, the Group would be required to obtain development and/or commercialisation services from other parties or develop these functions internally. The process of entering into such new relationships or developing these functions internally could require significant expenditure and, while the Directors and the Proposed Directors reasonably believe that the Group would be able to enter into arrangements with other companies within a reasonable period of time, upon commercially reasonable terms, and in compliance with applicable regulatory requirements, no assurance can be given that it would be able to do so, and failure to do so, or failure to do so in a timely manner, could materially and adversely affect the Group's business, operating results and financial condition.

The Company's planned products are likely to include some components which are or may be based on open source software, public source software, shareware or freeware or other code which is subject to various licences (including software subject to the GPL, AGPL and Lesser GPL licences). While such software components of planned products are not those around which the Company expects to create and maintain its own intellectual property, and the Company intends to design its products with such components being capable of substitution or replacement, providers (licensors) of such software may assert that the Company is required to comply with the terms of any relevant licence which may include obligations that would restrict the Company's right to distribute or otherwise provide its products: (i) for a fee, (ii) with or without rights to access, disclose or use the source code, or (iii) with such restrictions as the Company sees fit to place on its customer's use, modification or distribution of the products. While the Company intends to include licence reviews in its planned IEC 62304 compliant development processes and carry out such reviews on an ongoing basis, such claims may nonetheless be made and, if made, could take up management time, incur otherwise unbudgeted legal and other costs and may cause delays to product development or product uptake, which could adversely affect the Group's business, operating results and financial condition.

1.3 ***The Group is at an early stage of its lifecycle, has not traded, and had no certainty of cash generation***

The Group has not traded, which makes evaluating the Group's business and prospects difficult. The Company was formed in March 2018 and is in the initial stages of clinical validation of its first product, *KidneyIntelX*™. To establish a CLIA certified lab, the NYS CLEP permitted laboratory, the Group will need to complete a clinical validation study. This study will also be used to support appropriate regulatory submissions. Following the validation study, the Company intends to run a clinical utility study to support appropriate applications for reimbursement, which is necessary for successful commercialisation and to provide further evidence to support marketing claims. The Company will need to enter into a number of operational agreements with Mount Sinai before it can begin the clinical validation study.

There are significant costs and potential obstacles at each of these stages. There can be no guarantee that the Group will be able to, or that it will be commercially advantageous for the Group to continue to, develop its proprietary technology through to commercial deployment.

The development and commercialisation of its proprietary technology and future products, which are in early stages of development, will require analytic and clinical validation and there is a risk that the resulting products will not perform as expected and/or will not be able to demonstrate clinical utility in a real-world setting. There is also a risk that there will be delays to the development of the products or that unforeseen technical or operational problems arise as the Group introduces automation and intelligent decision support to high-volume clinical workloads. These risks are common to new medical diagnostic and prognostic products.

The Group currently has no positive operating cash flow and its ultimate success will depend on the Directors' and the Proposed Directors' ability to implement the Group's strategy, generate cash flow and access to additional capital. Whilst the Directors and the Proposed Directors are optimistic about the Group's prospects, there is no certainty that anticipated outcomes and sustainable revenue streams will be achieved. The Group will not generate any material income until commercialisation of *KidneyIntelX*™ or until such time as the Company's internal registry of de-identified data reaches a level that would attract third-party contracts to develop other product applications and, in the meantime, the Group will continue to expend its cash reserves. There can be no assurance that the Group's proposed operations will be cash generative or produce a reasonable return, if any, on any investment.

1.4 ***The Group is reliant upon its exclusive rights to use of proprietary IP and know-how to develop its products and to create and sustain a competitive advantage***

In addition to the know-how licensed from Mount Sinai (see paragraph 1.1 of this Part 2), at Admission, the Group will have the benefit of certain IP, including the Joslin Biomarker Technology. The Joslin Biomarker Technology is proprietary and therefore represents a competitive advantage to the Group in the diagnosis of kidney disease.

The Group is reliant upon its ability to maintain its exclusive right to use the Joslin Biomarker Technology. If a third party were to gain access to the Joslin Biomarker Technology, either as a result of infringing or successfully challenging the patents licensed by Joslin, the Group may be prevented from selling its products or may otherwise be unable to maintain its expected pricing structure and revenues.

This would likely have a material adverse effect on the Group and its ability to achieve its commercial objectives and profitability and may ultimately result in the Group becoming unviable.

The Group is not aware of any potential or threatened claims against the patents. The Group has the right to pursue infringement in its own name and is therefore not reliant upon Joslin or any other party to be able to enforce its rights under the Joslin Licence.

The Group may be subject to claims in relation to the infringement of IP rights, including those relating to patent, trademarks and other proprietary rights and irrespective of whether the Group asserts IP rights itself or is reliant upon third parties to have valid licenses to use such rights. Adverse judgments against the Group may give rise to significant liabilities in monetary damages, legal fees and/or an inability to develop, market or sell products, either in all or in particular territories using the affected IP. Where the Group has given assurances to customers that its products do not infringe proprietary rights of third parties, any such infringement might also expose the Group to liability to those customers. Even claims without merit could deter customers and have a detrimental effect on the Group's business as well as being costly and time consuming to defend and divert the Group's resources.

Further, there can be no assurance that other companies or individuals have not developed or will not develop similar products, duplicate any of the Group's products or design around any patents or other IP held by the Group. Equally, there can be no assurance that other companies or individuals will not 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.

1.5 ***The Group's use of IP relating to certain biomarkers may be challenged***

The IP landscape for protection of biomarkers for disease identification and management has changed considerably in the US due to recent US Supreme Court rulings, including the Prometheus and Myriad decisions. While the Company believes it can build IP protection for its products, there can be no guarantees that this IP protection will completely withstand challenge by a competitor, nor can the scope of the Company's claims be assured to provide adequate barriers to competitive entry in and of themselves.

1.6 ***The Group's success depends on clinical recognition and adoption of its products***

The Group's strategy is to achieve scaled adoption of its products by major healthcare providers whose patients are most likely to benefit from its products. In the US, the decision to order a particular test is solely that of the treating physicians in consultation with their patients. None of the healthcare providers with which the Company collaborates, now or in the future, can control or influence such decisions. It is not possible to predict the extent to which physicians and their patients will find the Company's products useful or physicians will order the products. If the Group is unable to convince key clinical opinion leaders and other clinicians of the clinical and economic benefits of its products, it may not achieve widespread adoption, which might have a material adverse effect on the Group, its business, financial situation, growth and prospects. In addition, slow adoption of the Group's products could result in timeframes being longer than anticipated.

While the Directors and the Proposed Directors believe that there is a potentially significant, underserved market for its products, there can be no assurance that its products will prove to be an attractive addition or alternative to existing clinical approaches, or that there will be sufficient recognition by clinicians of the Group's products to bring about the change in clinical practices that create a viable market for those products. The development of a market for the Group's products is affected by various factors, some of which are beyond the Group's control, including: (i) the emergence of newer, more advanced products; (ii) the cost of the products (as well as competitors' products); (iii) regulatory requirements; (iv) clinician and patient perceptions of the validity and utility of the products; and (v) reluctance to adopt a new clinical approach. If the market fails to develop or develops more slowly than anticipated, the Group may be unable to achieve commercial operations or profitability and may ultimately result in the Group becoming unviable.

1.7 ***The Group's strategy involves generating commercially valuable IP that can be protected***

The Group intends to further build its IP portfolio. No assurance can be given that any future patent applications will result in granted patents, that the scope of any patent protection will exclude competitors or provide competitive advantages to the Group, that any of the Group's patents will be held valid if challenged or that third parties will not claim rights in or ownership of the patents and other proprietary rights held by the Group.

Under the terms of each of the Mount Sinai Agreements, the Group is responsible for the costs of making patent applications and for the costs of maintenance and enforcement of those patents, if and when granted. It is possible that future applications may be linked to, or include, or require, licenses from third parties. Although the Group does not expect any such costs to be significant, the actual position will remain unclear until the business develops.

1.8 ***The Group may not be able to negotiate access to sources of relevant data***

The ability of the Group's products to generate valuable insights is dependent upon the Group gaining access to relevant data sources for continuing development. The failure to expand or diversify the data sources may prevent the Group from developing further insights that have commercial value, which may in turn limit its ability to develop products and generate revenue.

1.9 ***The Group is reliant upon the expertise and continued service of a small number of key individuals***

The Group's future development and prospects depend to a significant degree on the continuing contribution of key members of its Board, Senior Management and Scientific Advisory Board. As a small organisation, the Group relies on a core team of staff and is therefore exposed to any significant departures of key personnel. In particular, the Group's performance depends significantly on the continuing contribution of James McCullough.

The Group operates in a highly competitive field in and the expertise and skills of key individuals are also applicable in a number of other fields and industries. The high level of demand for such expertise and skills means that there is increasingly intense competition for talent. The departure of any of the key members to pursue other opportunities or because they are no longer able to continue to perform their roles (for whatever reason) could have a negative impact on its operations and could affect the Group's ability to execute the Group's business strategy.

To seek to mitigate the potential risk of departures, the Company has adopted a competitive remuneration structure, which includes share-based incentives. The Company has also taken out key-man insurance on James McCullough. However, there can be no assurance that this insurance will be adequate or continue to be available on appropriate terms or at all.

1.10 ***Extensive research and development is required, which subjects the Company to various requirements, and may ultimately be unsuccessful***

The Group must conduct extensive research and development, including clinical evaluations, to establish the safety and effectiveness (including the clinical and analytical and clinical validity and clinical utility) of its clinical testing and software products. Research may be governed by various regulatory requirements with regard to human subject protection and other issues which could delay such research or cause it to fail. Further, research and development activities may ultimately fail show the utility, validity, safety and/or effectiveness of the Company's clinical testing and software products.

1.11 ***The Group may not obtain necessary laboratory licensing and approval for laboratories and tests, or FDA, CE or other regulatory approval for its diagnostic products***

The Group intends to launch its initial product by establishing a clinical laboratory within Mount Sinai, and launching a clinical LDT that includes both biomarker testing and analysis of EHR. The Group will need to comply with federal and state clinical laboratory licensure and permitting requirements. In particular, the Mount Sinai-based RenalytixAI laboratory will need to obtain a clinical laboratory permit from the NYS' Clinical Laboratory Evaluation Program ("**CLEP**"). The NYS CLEP permitting process involves review of the laboratory's personnel and processes and evaluation of the clinical validation of all LDTs performed by the laboratory. In order to commercialise its initial product, the Group must, among other things, establish a laboratory that complies with federal and state requirements for offering the LDT, pass necessary inspections, and provide NYS CLEP with sufficient analytical and clinical validity data to support approval of its LDT by CLEP. Certain requirements, such as proficiency testing to confirm the quality of laboratory operations, must be met on an ongoing basis to continue operations. Any failure to meet applicable requirements, pass necessary inspection, or receive approval for the LDT could prevent commercialisation and development or, if such failures were to occur after commercialisation, could result in revocation of licenses and approvals.

In addition, clinical adoption of the Group's products in the US foreseeably may be affected by its FDA regulatory status. The FDA may disagree that the Group's test qualifies as an LDT, which would limit its use to the clinical study until FDA clearance is obtained. The Group will also need to comply with extensive regulations regarding safety, quality and efficacy standards in order to market its products. These regulations, including the time required for regulatory review, vary from country to country and can be lengthy, expensive and uncertain. While efforts will be made to ensure compliance with required standards, there is no guarantee that any products will be able to achieve the necessary regulatory approvals for commercialisation of that product in any of the targeted markets and any such regulatory approval may include significant restrictions on the

uses for which the Group's products can be promoted and used. In addition, the Group may be required to incur significant costs in obtaining and/or maintaining applicable regulatory approvals.

Delays or failure in obtaining regulatory licensure or approval for facilities, LDTs, or products through any applicable agency or governmental authority would likely have a serious adverse effect on the value of the Group and would negatively impact its financial performance. Such delay or failure may ultimately result in the Group becoming unviable.

1.12 ***The Group's failure to maintain compliance of its clinical laboratory operations with applicable laws could result in substantial civil or criminal penalties***

As discussed in the Regulatory Overview in paragraph 6 of Part 1 (*Information on RenalytixAI, Market Opportunity and Strategy*), operation of a clinical laboratory by the Group will be in a highly regulated environment which, among other things, will require maintaining compliance with CLIA certification and state clinical laboratory licensing requirements, such as those under NYS CLEP. Failure to maintain compliance with these requirements may result in a range of enforcement actions, including certificate or license suspension, limitation, or revocation, directed plan of action, onsite monitoring, civil monetary penalties, criminal sanctions, and revocation of the laboratory's approval to receive Medicare and Medicaid payment for its services. Such failure may also result in significant adverse publicity. Any of these consequences could limit or entirely prevent continued operation of the Group and therefore impact its financial performance.

1.13 ***When the Group subjects itself and its products to FDA or CE regulations or those of other regulatory authorities, it will assume substantial obligations to comply with those regulations, and any failure to maintain compliance could result in substantial civil or criminal penalties***

As discussed in the Regulatory Overview in paragraph 6 of Part 1 (*Information on RenalytixAI, Market Opportunity and Strategy*), the FDA, EMA and regulatory authorities in other countries or regions maintain a comprehensive regulatory regime that regulates all facets of product research, development, design, manufacturing, marketing clearance and approval, promotion, post-market safety monitoring and related activities, and other matters. Failure to comply could result in a variety of adverse compliance findings including FDA-483s and other notified body findings, untitled or warning letters, or various civil and criminal penalties which could limit or entirely prevent continued operation of the Group and have a consequent impact on its financial performance.

1.14 ***The Group is subject to various health regulatory laws pertaining to fraud and abuse and related matters, and any failure to comply with such laws could result in substantial civil or criminal penalties.***

The Group's employees, independent contractors, consultants, and collaborators may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements, which could cause significant liability for the Group and harm the Group's operations and reputation.

The Group is exposed to the risk that the Group's employees, independent contractors, consultants, and collaborators may engage in fraud or other misconduct, including intentional failures to comply with FDA regulations or similar regulations of comparable non-US regulatory authorities, to provide accurate information to the FDA or comparable non-US regulatory authorities, to comply with manufacturing standards the Group has established, to comply with federal and state healthcare fraud and abuse laws and regulations and similar laws and regulations established and enforced by comparable non-US regulatory authorities, to report financial information or data accurately or to disclose unauthorised activities to the Group. Such misconduct could also involve the improper use of information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to the Group's reputation. It is not always possible to identify and deter misconduct, and the precautions the Group will take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Group from governmental investigations or other actions or lawsuits stemming from a failure to comply with such laws, standards or regulations. If any such actions

are instituted against the Group, or the Group's key employees, independent contractors, consultants, or collaborators, and the Group is not successful in defending ourselves or asserting the Group's rights, those actions could have a significant impact on the Group's business and results of operations, including the imposition of significant criminal, civil and administrative sanctions including monetary penalties, damages, fines, disgorgement, individual imprisonment, and exclusion from participation in government funded healthcare programs such as Medicare and Medicaid, debarment or suspension from government procurement programs, additional reporting requirements and oversight if the Group becomes subject to a corporate integrity agreement or similar agreement to resolve allegations of non-compliance with these laws, reputational harm, and the Group may be required to curtail or restructure the Group's operations.

1.15 ***The Group's failure to prevent a data breach would result in serious reputational damage to the Group and may result in civil or criminal lawsuits and associated penalties***

The Group takes its responsibility to maintain patient confidentiality and protect patient data extremely seriously. By its nature, the de-identified data that is being processed is highly sensitive and includes genetic and demographic information, the processing of which is subject to the most onerous obligations of applicable data protection legislation. If, due to a technical oversight or malicious action by an employee or third party, the privacy, security or integrity of the data were compromised, the Group would be obliged to report such breach once it became aware of under applicable laws and regulations such as HIPAA or other state specific laws. For example, HIPAA violations may result in civil and criminal penalties in the US. Civil monetary penalties may be levied up to an annual maximum of $1.5 million for uncorrected violations based on wilful neglect. In addition to US Federal regulators, state attorneys general are authorised to bring civil actions seeking either injunctions or damages in response to violations of HIPAA privacy and security regulations that threaten the privacy of state specific residents.

Depending on the nature and extent of the breach, the Group may become subject to a regulator investigation, which will divert time and financial resources from the day-to-day operation of the business and may result in civil or criminal lawsuits and financial penalties as well as adverse publicity. If customers (health care provides) become aware of such breaches, they may opt to cancel existing contracts or not enter new contracts with the Group, reducing revenue. The Group may also be required to personally inform the patients whose data was released or accessed as a result of a data breach, which may increase the severity of the reputational damage and may lead to patients revoking their consent for the data to be used by the Group. To mitigate the risk of a data breach or related issue, the Company will employ state-of-the-art technical security measures to protect data and work closely with its data providers to ensure that each party understands its obligations to protect data. In particular, the software will be developed in accordance with ISO13485 standards and FDA requirements, including clear definition of design features relating to data security. The company will also implement ISO/IEC 27001-2013, which specifies the requirements for establishing, implementing, maintaining and continually improving an information security management system. This standard also includes requirements for the assessment and treatment of information security risks tailored to the needs of the organisation.

1.16 ***The Group is subject to research and development risk***

The Group will be operating in the life sciences sector and will look to exploit opportunities within that sector. The Group will therefore be involved in complex clinical development processes and industry experience indicates that there may be a very high incidence of delay or failure to produce the desired results. The Group may not be able to develop new products or to identify specific market needs that can be addressed by technology solutions developed by the Group. The ability of the Group to develop new technology relies, in part, on the recruitment of appropriately qualified staff as the Group grows. The Group may be unable to find a sufficient number of appropriately highly trained individuals to satisfy its growth rate which could affect its ability to develop as planned.

Product development timelines are at risk of delay, particularly since it is not always possible to predict the rate of patient recruitment into clinical trials. There is a risk therefore that product development could take longer than presently expected by the Directors and the Proposed Directors. If such delays occur, the Group may require further working capital. The Directors and

the Proposed Directors shall seek to minimise the risk of delays by careful management of projects.

In addition, research and development may subject to various requirements, such as research subject protection for individuals participating in clinical evaluations of new LDTs and products, institutional review board oversight, regulatory authorisations, and design control requirements for FDA and EU-regulated products. Failure to comply with requirements could result in penalties, delay, or prevent commercialisation of products.

1.17 ***The Group is subject to risks associated with medical and technological change and obsolescence***

Demand for the Group's products could be adversely impacted by the development of alternative technology and alternative medicines specifically intended for the identification, stratification and/or treatment of CKD patients. There can be no assurance that the technology and products currently being developed by the Group will not be rendered obsolete. New AI technology may continue to emerge and develop. As a result, there is the possibility that new technology may be superior to, or render obsolete, the technology that the group currently is developing. Any failure of the Company to ensure that its technology platform and products remain up to date with the latest technology may have a material adverse impact on the Company's competitiveness and financial performance. The Group's success will depend, in part, on its or its partners' ability to develop and adapt to these technological changes and industry trends.

1.18 ***The Group will be reliant on multiple information technology systems, which may be affected by unanticipated damage, disruption or shutdown***

Once developed, the Group will be reliant on multiple information technology systems, which will be integral to the provision of *KidneyIntelX*™ and other future product solutions. Any damage, disruption or shutdown due to problems with upgrading or replacing software, power outages, hardware issues, viruses, cyber-attacks, telecommunication or connectivity failures, human error or other unanticipated events that affect of the Group's information technology systems may have a significant impact the Group's ability to provide its product solutions, on a short or longer-term basis. Although the Group plans to have appropriate safeguards and backup systems in place, including those provided by its suppliers, there can be no guarantee that such safeguards and systems will adequately cover all risks of damage, disruption or shutdown or whether the Group's insurance policies would cover any adverse effects of such events on the Group's business operations and overall financial position.

1.19 ***The Group may need to raise additional funding***

The Group may need to raise additional funding or enter into other commercial agreements to undertake work beyond that which is intended to be funded by the Fundraising. There is no certainty that this will be possible at all or on acceptable terms. In addition, the terms of any such financing may be dilutive to, or otherwise adversely affect, Shareholders.

1.20 ***The Group will be subject to taxation risks***

Any change in the Group's tax status or a change in tax legislation could affect the Group's ability to provide returns to Shareholders. The nature and amount of tax which members of the Group expect to pay and the reliefs expected to be available to any member of the Group are each dependent upon a number of assumptions, any of which may change and which would, if so changed, affect the nature and amount of tax payable and reliefs available. In particular, the nature and amount of tax payable may be dependent on (amongst other things) the availability of relief under tax treaties and may be subject to changes in the tax status or tax residence of companies within the Group or changes to the tax laws or practice in any of the jurisdictions affecting the Group. Any limitation in the availability of relief under treaties, any change in the terms of any such treaty or any changes in tax law, interpretation or practice could increase the amount of tax payable by the Group. A tax authority may disagree with tax positions that the Group has taken and the tax treatment of transactions that the Group has entered into, including

in connection with the Pre-Admission Reorganisation and the distribution by EKF of the Distribution Shares to EKF Shareholders, which could result in increased tax liabilities.

1.21 ***Risks in connection with EIS/VCT Shares***

The Company received advance assurance from HMRC that, subject to the receipt of a satisfactory compliance statement from the Company, HMRC would be able to authorise the Company to issue "compliance certificates" under the EIS Legislation for the purposes of enabling qualifying individual investors to apply for EIS Relief in respect of their subscription for Ordinary Shares. This advance assurance is expected to apply only in relation to the EIS/VCT Shares. The Company also received advance assurance that the EIS/VCT Placing Shares will be "eligible shares" that are capable of constituting a "qualifying holding" by VCTs for the purposes of the VCT Legislation. HMRC has also confirmed that the Company will qualify as a "knowledge-intensive company" for the purposes of the EIS Legislation and the VCT Legislation.

The HMRC advance assurance in connection with EIS and VCT, and the HMRC confirmation in connection with knowledge-intensive company status, were given on the basis of the legislation as enacted at the date that the advance assurances and confirmation were given, and on the basis of the facts set out in the application made to HMRC. In the event of any change to the legislation, any alteration to the Company's position or the rights attaching to the EIS/VCT Shares, or if HMRC were to consider that all material facts were not set out in the application, the advance assurances and knowledge-intensive company confirmation given by HMRC may not apply.

The advance assurances in respect of EIS and VCT relate only to the requirements in the EIS Legislation and VCT Legislation that relate to the Company and the EIS/VCT Shares, and will not guarantee that any particular investment will be a qualifying holding for a VCT investor or that any particular investor will be able to obtain EIS Relief in respect of a subscription for EIS/VCT Shares. The availability of EIS Relief and the status of the relevant EIS/VCT Shares as a qualifying holding for VCT purposes will be conditional on (amongst other things) the Company and the investor continuing to satisfy the relevant requirements, under the EIS Legislation, throughout, broadly, the period of three years from the date of issue of the relevant EIS/VCT Shares, and, under the VCT Legislation, throughout the period the relevant EIS/VCT Placing Shares are held as a "qualifying holding" for VCT purposes. Neither the Company, the Board nor the Company's advisers represent, warrant or undertake that the Company or the EIS/VCT Shares will comply with the requirements of the EIS Legislation following the EIS/VCT Placing and the issue of the Restricted Offer Shares, that the EIS/VCT Placing Shares will be capable of constituting a qualifying holding under the VCT Legislation at or following the EIS/VCT Placing, that investors will be able to obtain EIS Relief in respect of their subscription for EIS/VCT Shares, or that in due course such EIS Relief or qualifying status for VCT purposes will not be withdrawn.

Circumstances may arise (which may include the sale of the Company) where the Board believes that the interests of the Company are not best served by acting in a way that preserves VCT qualifying status (if granted), or ensures that the Company and/or the EIS/VCT Shares will continue to meet the conditions for EIS Relief. In such circumstances, the Company and the Board cannot undertake to conduct the activities of the Company in a manner designed to preserve any such relief or status. Should the relevant legislation regarding the EIS or VCTs change then eligibility for EIS Relief or qualifying status for VCT purposes previously obtained may be lost.

Any person seeking to obtain EIS Relief or VCT Relief should consult their own professional tax adviser in order that they may fully understand how the EIS Legislation and VCT Legislation applies in their individual circumstances.

The issue of the EIS/VCT Shares is not conditional on Admission or on the issue of any other Placing Shares or Restricted Offer Shares. If all of the Placing Shares or Restricted Offer Shares are not issued and Admission does not take place, the Company may not be able to implement the strategy and growth plans as outlined in this document.

2. Risks relating to the markets in which the Group will operate

2.1 ***The UK's exit from the EU could impact the regulatory framework applicable to the Group's business, or the market and economic conditions in which it operates***

The UK is currently expected to withdraw from the EU on 29 March 2019 ("**Brexit**"), the UK government having triggered the process of withdrawal by serving notice under Article 50 of the Treaty of Lisbon on 29 March 2017. It is possible that a transition or implementation period may be agreed, during which the UK would continue to have the rights and obligations of EU membership, such that the full effect of Brexit may not be realised until January 2021. Any transition period is, however, subject to political agreement on the form of withdrawal, the scope and extent of which remain uncertain. A significant proportion of the regulatory regime applicable to the Group's products is derived from EU legislation and regulation. There continues to be a high degree of uncertainty as to the full implications of Brexit for the regulatory regime applicable to the Group. This is likely to continue in at least the medium term. It is possible that Brexit will materially change the regulatory framework applicable to the Group, which could restrict the Group's operations or increase its operating costs and possibilities to market the technology in the EU. In addition, Brexit could restrict the movement of capital, personal data and skilled personnel into the UK, which could have an adverse effect on the Group's business.

2.2 ***The Company may be subject to foreign investment and exchange risks***

The operational business of the Company will denominate its financial information in US Dollars, conduct operations or make sales or incur expenditure in US Dollars. When consolidating a business that has a functional currency other than US Dollars, the Company will be required to translate, among other things, the balance sheet and operational result of such business into US Dollars. Due to the foregoing, changes in exchange rates between US Dollars and other currencies could lead to significant changes in the Company's reported financial results from period to period. Among the factors that may affect currency values are trade balances, levels of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political or regulatory developments. Although the Company may seek to manage its foreign exchange exposure, including by active use of hedging and derivative instruments, there is no assurance that such arrangements will be entered into or available at all times when the Company wishes to use them or that they will be sufficient to cover the risk.

2.3 ***The Group operates in a highly regulated and dynamic healthcare environment and the failure to comply with the myriad legal and regulatory requirements applicable to the Group's activities may have significant adverse impact on the Group's ability to operate***

The Group's operations are subject to laws, regulatory restrictions and certain governmental directives, recommendations and guidelines relating to, amongst other things, occupational safety, clinical laboratory operations, medical devices, data privacy and security, coverage and reimbursement, the use and handling of hazardous materials, prevention of illness and injury, environmental protection, the use of animals in research, personal data and privacy and the participation of human research subjects in clinical trials and research studies. The failure to comply with applicable legal and regulatory requirements could result in a variety of adverse effects, including fines, penalties, inability to obtain or maintain required licenses, permits, or certifications, inability to obtain coverage or reimbursement from third party payors, and lack of market acceptance.

The regulatory requirements for LDTs, clinical diagnostic support, and AI are still evolving, and there can be no assurance that the current FDA regulatory approach will continue. Increased FDA pre-market or post-market requirements for the Group's products could delay commercialisation of the Group's products. There also can be no assurance that future legislation will not impose further government regulation, which may adversely affect the business or financial condition of the Group.

Efforts to ensure that the Group's business arrangements with third parties, and the Group's business generally, will comply with applicable healthcare laws and regulations will involve substantial costs. It is possible that governmental authorities will conclude that the Group's

business practices may not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If the Group's operations are found to be in violation of any of these laws or any other governmental regulations that may apply to the Group, the Group may be subject to significant civil, criminal, and administrative penalties, damages, fines, individual imprisonment, additional reporting requirements and oversight if the Group becomes subject to a corporate integrity agreement or similar agreement to resolve allegations of non-compliance with these laws, exclusion from government funded healthcare programs, such as Medicare and Medicaid, debarment or suspension from other government procurement programs, disgorgement, contractual damages, reputational harm, and the curtailment or restructuring of the Group's operations. Defending against any such actions can be costly, time-consuming and may require significant financial and personnel resources. Therefore, even if the Group is successful in defending against any such actions that may be brought against the Group, the Group's business may be impaired. Further, if any of the physicians or other healthcare providers or entities with whom the Group expects to do business is found to be not in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs.

The new EU Medical Devices Regulation and IVD Regulation require obtaining new CE marking to a higher standard than previously, as CE marking obtained under the current directives is not grandfathered. The Group may not be able to meet the new requirements and may thus not succeed in obtaining CE marking, resulting in the devices concerned having to be taken off the market.

2.4 ***The Group is subject to increasingly stringent privacy and data security legislation***

Regulatory, legislative or self-regulatory/standard developments regarding privacy and data security matters could adversely affect the Group's ability to conduct the Group's business. The Group is subject to laws, rules, regulations and industry standards related to data privacy and cyber security, and restrictions or technological requirements regarding the collection, use, storage, protection, retention or transfer of data.

For the foreseeable future, the Group will only process data relating to patients in the US and will therefore be subject to various rules and regulations, including those promulgated under the authority of the US Department of Health and Human Services, the Federal Trade Commission, and state cybersecurity and breach notification laws, as well as regulator enforcement positions and expectations. In certain circumstances, the Company and a healthcare provider may agree to share identifiable patient information and other patient data under a fully HIPAA-compliant BAA, as described in paragraph 2.13 of Part 1 (*Information on RenalytixAI, Market Opportunity and Strategy*).

If the Company begins processing personal data in the context of an establishment in a country that is subject to the GDPR or if it offers products or services to residents of an EU country, it will have to comply with various robust obligations. The GDPR introduced numerous privacy-related changes for companies operating in the EU, including data breach notification requirements and increased fines. In particular, under the GDPR, fines of up to €20 million or up to 4% of the annual global revenue of the noncompliant company, whichever is greater, could be imposed for violations of certain of the GDPR's requirements. The GDPR requirements apply not only to third-party transactions, but also to transfers of information between members of the Group, including employee information. The Group is already required to comply with the GDPR as a "Data Controller" and a "Data Processor" in respect of certain employee and operational data.

Globally, governments and agencies have adopted and could in the future adopt, modify, apply or enforce laws, policies, regulations, and standards covering user privacy, data security, technologies that are used to collect, store and/or process data, marketing online, the use of data to inform marketing, the taxation of products and services, unfair and deceptive practices, and the collection (including the collection of information), use, processing, transfer, storage and/or disclosure of data associated with unique individual internet users. New regulation or legislative actions regarding data privacy and security (together with applicable industry standards) may

increase the costs of doing business and could have a material adverse impact on the Group's operations and cash flows.

Despite the Group's ongoing efforts to ensure practices are compliant, the Group may not be successful either due to various factors within the Group's control, such as limited financial or human resources, or other factors outside the Group's control. It is also possible that local data protection authorities may have different interpretations of the GDPR, leading to potential inconsistencies amongst various EU member states.

Any failure or perceived failure (including as a result of deficiencies in the Group's policies, procedures, or measures relating to privacy, data protection, marketing, or client communications) by the Group to comply with laws, regulations, policies, legal or contractual obligations, industry standards, or regulatory guidance relating to privacy or data security, may result in governmental investigations and enforcement actions, litigation, fines and penalties or adverse publicity, and could cause the Group's clients and partners to lose trust in the Group, which could have an adverse effect on the Group's reputation and business. The Group expects that there will continue to be new proposed laws, regulations and industry standards relating to privacy, data protection, marketing, consumer communications and information security in the US, the EU and other jurisdictions, and the Group cannot determine the impact such future laws, regulations and standards may have on the Group's business. Future laws, regulations, standards and other obligations or any changed interpretation of existing laws or regulations could impair the Group's ability to develop and market new services and maintain and grow the Group's client base and increase revenue.

2.5 ***Successful commercialisation of certain of the Group's products will depend in part on the extent to which governmental authorities and health insurers establish adequate coverage, reimbursement levels and pricing policies. Failure to obtain or maintain adequate coverage and reimbursement for the Group's products, if approved, could limit the Group's ability to market those products and decrease the Group's ability to generate revenue.***

The availability and adequacy of coverage and reimbursement by healthcare programs, such as Medicare and Medicaid, private health insurers and other third-party payors, is essential for most patients to be able to afford products such as the Group's products. The Group's ability to achieve acceptable levels of coverage and reimbursement for products by governmental authorities, private health insurers and other organisations will have an effect on the Group's ability to successfully commercialise the Group's products and attract additional collaboration partners to invest in the development of the Group's products. There can be no assurance that the Group will receive reimbursement under government programs, such as Medicare and Medicaid. For example, the Company will have to disclose to third party payors the fact that the price for the LDT being paid by Mount Sinai during the Clinical Utility Study was not set on an arms-length basis, and therefore payors may not respect such price as establishing a market price for the LDT even once cleared by FDA. The Company does not control the process by which payors establish reimbursement rates, and even if payors agree to provide coverage, there is no assurance of the level at which such reimbursement will be provided. Assuming the Group obtains coverage for a given product by a third-party payor, the resulting reimbursement payment rates may not be adequate or may require co-payments that patients find unacceptably high. The Group cannot be sure that coverage and adequate reimbursement in the US, the European Union or elsewhere will be available for any product that the Group may develop, and any reimbursement that may become available may be decreased or eliminated in the future.

Increasingly third-party payors are challenging prices charged for medical products and services, and many third-party payors may refuse to provide coverage and reimbursement for particular tests when a less expensive option is available. It is possible that a third-party payor may consider the Group's products as substitutable by less expensive tests and only offer to reimburse patients for the less expensive product. Even if the Group shows improved clinical utility and better patient outcomes with the Group's products, pricing of existing tests may limit the amount the Group will be able to charge for the Group's products, once approved. These payors may deny or revoke the reimbursement status of a given product or establish prices for new or existing marketed products at levels that are too low to enable the Group to realise an

appropriate return on the Group's investment in product development. If reimbursement is not available or is available only at limited levels, the Group may not be able to successfully commercialise the Group's products, and may not be able to obtain a satisfactory financial return on products that the Group may develop.

There is significant uncertainty related to the insurance coverage and reimbursement of newly developed products. In the US, third-party payors, including private and governmental payors, such as the Medicare and Medicaid programs, play an important role in determining the extent to which new tests will be covered. The Medicare and Medicaid programs increasingly are used as models for how private payors and other governmental payors develop their coverage and reimbursement policies for tests. Some third-party payors may require pre-approval of coverage for new or innovative devices or tests before they will reimburse health care providers who use such products. It is difficult to predict what third-party payors will decide with respect to the coverage and reimbursement for the Group's future products.

Obtaining and maintaining reimbursement status is time-consuming and costly. No uniform policy for coverage and reimbursement for products exists among third-party payors in the US. Therefore, coverage and reimbursement for products can differ significantly from payor to payor. As a result, the coverage determination process is often a time-consuming and costly process that will require the Group to provide scientific and clinical support for the use of the Group's products to each payor separately, with no assurance that coverage and adequate reimbursement will be applied consistently or obtained in the first instance. Furthermore, rules and regulations regarding reimbursement change frequently, in some cases at short notice, and the Group believes that changes in these rules and regulations are likely.

Moreover, increasing efforts by governmental and third-party payors in the US and abroad to cap or reduce healthcare costs may cause such organisations to limit both coverage and the level of reimbursement for newly approved products and, as a result, they may not cover or provide adequate payment for the Group's products. The Group expects to experience pricing pressures in connection with the sale of any of the Group's products due to the trend toward managed healthcare, the increasing influence of health maintenance organisations, and additional legislative changes. The downward pressure on healthcare costs in general has become very intense. As a result, increasingly high barriers are being erected to the entry of new products. The continuing efforts of the government, insurance companies, managed care organisations and other payors of health care services to contain or reduce costs of health care may adversely affect:

- the demand for any products for which the Group may obtain regulatory approval;
- the Group's ability to set a price that the Group believes is fair for the Group's products;
- the Group's ability to obtain coverage and reimbursement approval for a product;
- the Group's ability to generate revenues and achieve or maintain profitability; and
- the level of taxes that the Group is required to pay.

2.6 ***Adverse public opinion may affect the Group's business***

The life sciences industry is frequently subject to adverse publicity on many topics, including corporate governance or accounting issues, product recalls and research and discovery methods, data privacy and security, as well as to political controversy over the impact of novel technologies, diagnostic and prognostic methodologies, and therapies on humans, animals and the environment. Adverse publicity about RenalytixAI, its collaborators, its products, its subsidiaries and subsidiary undertakings or any other part of the life sciences industry may adversely affect the Group's public image, which could harm its operations, impair its ability to gain market acceptance for its products or cause the Group's share price to decrease.

2.7 ***The Group operates in a very competitive market***

The markets in which the Group operates, which include the markets for LDTs, clinical diagnostic support tools and clinical AI solutions, are potentially highly competitive and rapidly changing.

Competitors may have access to considerably greater financial, technical and marketing resources. The availability and price of the Group's competitors' clinical AI development services could limit the demand, and the price the Group is able to charge, for its services. New competing products may enter the market and make the Group's discoveries and the products developed from those discoveries obsolete. Alternatively, a competitor's products may be more effective, cheaper or more effectively marketed than the products developed by the Group, which could have a material adverse effect on the Group's profitability and/or financial condition.

Technological competition from medical device companies, life science companies, universities and academic medical centers is intense and can be expected to increase. Many competitors and potential competitors of the Group have substantially greater product development capabilities and financial, scientific, marketing and human resources than the Group. The future success of the Group depends, in part, on its ability to maintain a competitive position, including an ability to further progress through the necessary preclinical and clinical trials to support commercialisation, marketing authorisation where necessary, and coverage and reimbursement. Other companies may succeed in commercialising products earlier than the Group or in developing products that are more effective than those which may be produced by the Group. While the Group will seek to develop its capabilities in order to remain competitive, there can be no assurance that research and development by others will not render the Group's products obsolete or uncompetitive.

3. Risks relating to an investment In the Ordinary Shares

3.1 *Investment in AIM companies*

Although the Group is applying for the admission of its Enlarged Share Capital to trading on AIM, there can be no assurance that an active trading market for the Ordinary Shares will develop, or if developed, that it will be maintained. An investment in shares traded on AIM may be less liquid and is perceived to involve a higher degree of risk than an investment in a company whose shares are listed on the Official List. Prospective investors should be aware that the value of the Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Group. Investors may therefore realise less than, or lose all of, their investment.

3.2 *AIM Rules for Companies and volatility of share price*

The AIM Rules for Companies are less onerous than those applicable to companies on the Official List and an investment in a company whose shares are traded on AIM is likely to carry a higher risk than an investment in a company whose shares are quoted on the Official List. Neither the FCA nor the London Stock Exchange has examined or approved the contents of this document.

The share price of publicly traded, early stage companies can be highly volatile and it may be more difficult for investors to realise their investment in a company whose shares are traded on AIM than to realise an investment in a company whose shares are quoted on the Official List. The price at which the Ordinary Shares will be traded and the price at which investors may realise these investments will be influenced by a large number of factors, such as variations in operating results, announcements of innovations or new services by the Group or its competitors, changes in financial estimates and recommendations by securities analysts, the share price performance of other companies that investors may deem comparable to the Group, news reports relating to trends in the Group's markets, large purchases or sales of Ordinary Shares, liquidity (or absence of liquidity) in the Ordinary Shares, currency fluctuations, legislative or regulatory changes and general economic conditions. These fluctuations may adversely affect the trading price of the Ordinary Shares, regardless of the Group's performance.

In addition, if the stock market in general experiences a loss of investor confidence, the trading price of the Ordinary Shares could decline for reasons unrelated to the Group's business, financial condition or operating results. The trading price of the Ordinary Shares might also decline in reaction to events that affect other companies in the industry, even if such events do not directly affect the Group. Each of these factors, among others, could harm the value of the Ordinary Shares.

The value of Ordinary Shares will be dependent upon the success of the operational activities undertaken by the Group and prospective investors should be aware that the value of the Ordinary Shares can go down as well as up. Furthermore, there is no guarantee that the market price of an Ordinary Share will accurately reflect its underlying value. Shareholders and prospective investors (as appropriate) should be aware of the risks of investing in AIM quoted shares and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

3.3 ***Impact of research on Ordinary Share price***

If securities or industry analysts do not publish research or publish unfavourable or inaccurate research about the business, the Group's share price and trading volume of the Ordinary Shares could decline. The trading market for the Ordinary Shares will depend, in part, on the research and reports that securities or industry analysts publish about the Group or its business. The Directors and the Proposed Directors may be unable to sustain coverage by well-regarded securities and industry analysts. If either none or only a limited number of securities or industry analysts maintain coverage of the Group, or if these securities or industry analysts are not widely respected within the general investment community, the trading price for the Ordinary Shares could be negatively impacted. In the event that RenalytixAI obtains securities or industry analyst coverage, if one or more of the analysts who cover the Group downgrade the Ordinary Shares or publish inaccurate or unfavourable research about the Group's business, the share price would be likely to decline. If one or more of these analysts cease coverage of the Group or fail to publish reports regularly, demand for the Ordinary Shares could decrease, which might cause the price and trading volume of the Ordinary Shares to decline.

3.4 ***Future sales of Ordinary Shares could adversely affect the price of the Ordinary Shares***

Certain existing shareholders have given undertakings that, save in certain circumstances, they will not until 12 months following Admission, dispose of the legal or beneficial ownership of, or any other interest in, Ordinary Shares held by them at Admission. There can be no assurance that such parties will not effect transactions upon the expiry of the lock-in or any earlier waiver of the provisions of their lock-in. The sale of a significant number of Ordinary Shares in the public market, or the perception that such sales may occur, could materially adversely affect the market price of the Ordinary Shares.

Shareholders not subject to lock-in arrangements and, following the expiry of 12 months following Admission (or earlier in the event of a waiver of the provisions of the lock-in), Shareholders who are otherwise subject to lock-in arrangements, may sell their Ordinary Shares in the public or private market and the Group may undertake a public or private offering of Ordinary Shares. The Group cannot predict what effect, if any, future sales of Ordinary Shares will have on the market price of the Ordinary Shares. If the Group's existing shareholders were to sell, or the Group was to issue a substantial number of Ordinary Shares in the public market, the market price of the Ordinary Shares could be materially adversely affected. Sales by the Group's existing Shareholders could also make it more difficult for the Group to sell equity securities in the future at a time and price that it deems appropriate.

3.5 ***Dilution of Shareholders' interests as a result of additional equity fundraising***

The Group may need or choose to raise additional funds in the future to finance, amongst other things, working capital, expansion of the Group, new developments relating to existing operations or new acquisitions. If additional funds are raised through the issuance of new equity or equity-linked securities of the Group other than on a pro rata basis to existing Shareholders, the percentage ownership of the existing Shareholders may be reduced. Shareholders may also experience subsequent dilution and/or such securities may have preferred rights, options and pre-emption rights senior to the Ordinary Shares. The Group may also issue shares as consideration for acquisitions or investments which would also dilute Shareholders' interests in the Company.

3.6 ***Disapplication of pre-emption rights***

The Directors and the Proposed Directors have been granted authority to allot up to 40 million Ordinary Shares following Admission, including up to 6 million New Ordinary Shares for cash other than on a pre-emptive basis, as set out in paragraph 5.5 (and on the basis set out in paragraph 5.6) of Part 9 (*Additional Information*). Accordingly, potential investors should consider the risk that, following Admission, Shareholders may be diluted if the Directors and the Proposed Directors decide to allot and issue further Ordinary Shares.

3.7 ***Future payment of dividends***

There can be no assurance as to the level of future dividends (if any). The declaration, payment and amount of any future dividends of the Group are subject to the discretion of the Shareholders or, in the case of interim dividends to the discretion of the Directors and the Proposed Directors, and will depend upon, amongst other things, the Group's earnings, financial position, cash requirements, availability of profits, as well as provisions for relevant laws or generally accepted accounting principles from time to time.

There can be no assurance that the Group will declare and pay, or have the ability to declare and pay, any dividends in the future.

3.8 ***Valuation of Ordinary Shares***

The Issue Price has been determined by the Group and may not relate to the Group's net asset value, net worth or any established criteria or value. There can be no guarantee that the Ordinary Shares will be able to achieve higher valuations or, if they do so, that such higher valuations can be maintained.

3.9 ***Market perception***

Market perception of the Group may change, potentially affecting the value of investors' holdings and the ability of the Group to raise further funds by the issue of further Ordinary Shares or otherwise.

3.10 ***Suitability***

A prospective investor should consider carefully whether an investment in Ordinary Shares is suitable in the light of their personal circumstances and the financial resources available to him or her. An investment in the Group involves a high degree of risk and may not be suitable for all recipients of this document. Prospective investors are advised to consult a person authorised by the FCA (or, if outside the UK, another appropriate regulatory body) before making their investment decision.

3.11 ***Tax***

Statements in this document on relation to tax and concerning the taxation of investors in Ordinary Shares are based on current tax law and practice, which is subject to change. The taxation of an investment in the Company depends on the specific circumstances of the relevant investor.

3.12 ***Passive Foreign Investment Company considerations***

A corporation organised outside the US generally will be classified as a Passive Foreign Investment Company ("**PFIC**") for US federal income tax purposes in any taxable year in which, after applying the applicable look-through rules, either: (i) at least 75% of its gross income is passive income, or (ii) on average at least 50% of the gross value of its assets is attributable to assets that produce passive income or are held for the production of passive income. In arriving at this calculation, a pro rata portion of the income and assets of each corporation in which the Company owns, directly or indirectly, at least a 25% interest, as determined by the value of such corporation, must be taken into account. Passive income for this purpose generally includes dividends, interest, royalties, rents and gains from commodities and securities transactions.

The Company believes that it has been a PFIC since incorporation and based on estimated gross income, the average value of gross assets, and the nature of the active businesses conducted its "25% or greater" owned subsidiaries, the Company believes that it will be classified as a PFIC in the current taxable year. PFIC status for any taxable year will depend on assets and activities in each year, and because this is a factual determination made annually after the end of each taxable year, there can be no assurance that the Company will not be considered a PFIC for the current taxable year or any future taxable year. The market value of the Company's assets may be determined in large part by reference to the market price of the Ordinary Shares, which is likely to fluctuate after the Fundraising (and may fluctuate considerably given that market prices of life sciences companies can be especially volatile). In addition, the composition of the Company's income and assets will be affected by how, and how quickly, the Company spends the cash raised in the Fundraising. If the Company is a PFIC for any taxable year during which a US holder held Ordinary Shares, under the "default PFIC regime" (i.e., in the absence of one of the elections described below) gain recognised by the US holder on a sale or other disposition (including a pledge) of the Ordinary Shares would be allocated ratably over the US holder's holding period for the Ordinary Shares. The amounts allocated to the taxable year of the sale or other disposition and to any year before the Company became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for that taxable year, and an interest charge would be imposed on the resulting tax liability for that taxable year. Similar rules would apply to the extent any distribution in respect of Ordinary Shares exceeds 125% of the average of the annual distributions on ordinary shares received by a US holder during the preceding three years or the holder's holding period, whichever is shorter. In the event the Company was treated as a PFIC, the tax consequences under the default PFIC regime described above could be avoided by either a "mark-to-market" or "qualified electing fund" election ("**QEF Election**"). A US holder making a mark-to-market election (if the eligibility requirements for such an election were satisfied) generally would not be subject to the PFIC rules discussed above, except with respect to any portion of the holder's holding period that preceded the effective date of the election. Instead, the electing holder would include in ordinary income, for each taxable year in which the Company was a PFIC, an amount equal to any excess of (a) the fair market value of the Ordinary Shares as of the close of such taxable year over (b) the electing holder's adjusted tax basis in such Ordinary Shares. In addition, an electing holder would be allowed a deduction in an amount equal to the lesser of (a) the excess, if any, of (i) the electing holder's adjusted tax basis in the Ordinary Shares over (ii) the fair market value of such Ordinary Shares as of the close of such taxable year or (b) the excess, if any, of (i) the amount included in ordinary income because of the election for prior taxable years over (ii) the amount allowed as a deduction because of the election for prior taxable years. The QEF Election would cause adjustments in the electing holder's tax basis in the Ordinary Shares to reflect the amount included in gross income or allowed as a deduction because of the election. In addition, upon a sale or other taxable disposition of ordinary shares, an electing holder would recognise ordinary income or loss (not to exceed the excess, if any, of (a) the amount included in ordinary income because of the election for prior taxable years over (b) the amount allowed as a deduction because of the election for prior taxable years).

Alternatively, a US holder making a valid and timely QEF Election generally would not be subject to the default PFIC regime discussed above. Instead, for each PFIC year to which such an election applied, the electing holder would be subject to US federal income tax on the electing holder's *pro rata* share of the Group's net capital gain and ordinary earnings, regardless of whether such amounts were actually distributed to the electing holder. However, because the Company does not intend to prepare or provide the information that would permit the making of a valid QEF Election, that election will not be available to US holders. If the Company was considered a PFIC for the current taxable year or any future taxable year, a US holder would be required to file annual information returns for such year, whether or not the US holder disposed of any Ordinary Shares or received any distributions in respect of Ordinary Shares during such year.

3.13 ***Restrictions on transfer under the Securities Act***

The Ordinary Shares have not been, and will not be, registered under the Securities Act or qualified under applicable US state securities laws. The Ordinary Shares are being offered only to

non-US Persons outside the US in transactions exempt from, or not subject to, the registration requirements of the Securities Act in reliance on Regulation S and otherwise in transactions that are exempt from the registration requirements set out under the Securities Act and applicable US state securities laws. Accordingly, the Ordinary Shares are a "restricted security" as defined in Rule 144 under the Securities Act. The Ordinary Shares may not be offered sold or delivered in the US or to, or for the account or benefit of, any US Person, unless the transfer is registered under the Securities Act or an exemption from the registration requirements is available, including a transaction specified by Regulation S. Only the Company is entitled to register the Ordinary Shares under the Securities Act, and the Company has no obligation to do so. The Company can give no assurances that an exemption from registration or qualification will be available for any resales or transfers of Ordinary Shares.

In addition, the Ordinary Shares offered to non-US Persons in the Fundraising are subject to the conditions listed under section 903(b)(3), or Category 3, of Regulation S. Under Category 3, Offering Restrictions (as defined under Regulation S) must be in place in connection with the Fundraising and additional restrictions are imposed on resales of the Ordinary Shares. All Ordinary Shares are subject to these restrictions until at least the expiry of the one-year distribution compliance period following the date of Admission (under Regulation S) in relation to the Ordinary Shares. These restrictions may remain in place or be reintroduced following the expiry of the one-year distribution compliance period following the date of Admission (under Regulation S) in relation to the Ordinary Shares, at the discretion of the Company. The Ordinary Shares will bear a legend describing restrictions on transfer to US Persons and prohibiting hedging transactions in the Ordinary Shares unless in compliance with the Securities Act. Each subscriber for Ordinary Shares, by subscribing for such Ordinary Shares, agrees to reoffer or resell the Ordinary Shares only pursuant to registration under the Securities Act and qualification under applicable US state securities laws or in accordance with the provisions of Regulation S or pursuant to another available exemption from registration, and agrees not to engage in hedging transactions with regard to such securities unless in compliance with the Securities Act and applicable US state securities laws. Representations, warranties and certifications must be made through the CREST system by those selling or acquiring the Ordinary Shares. If such representations, warranties and certifications cannot be made or are not made, settlement through CREST will be rejected.

These Category 3 offering restrictions may negatively impact the ability of subscribers in the Fundraising or holders of Ordinary Shares to sell such shares at the time or at the price or upon such other terms as the holder desires.

Furthermore, Ordinary Shares held by "Affiliates" (as defined in Rule 405 of the Securities Act) of the Company shall be held in certificated form and accordingly settlement shall not be permitted via CREST until such time as the restrictions are no longer applicable. The above restrictions may severely restrict subscribers for Ordinary Shares from reselling the Ordinary Shares. The Ordinary Shares will not be admitted for trading on any US securities exchange in connection with the Fundraising. For further information regarding the significant restrictions on transfer applicable to the Ordinary Shares, please see Part 12 (*US Restriction on the Transfer of Ordinary Shares*).

3.14 ***SEC review of the Euroclear electronic settlement procedures for securities offered and sole pursuant to Category 3 of Regulation S***

Category 3 securities are subject to strict transfer restrictions (the "**Transfer Restrictions**") and must bear certain legends so that counterparties in the secondary market for the Ordinary Shares can determine whether any particular offer and resale complies with the resale sale harbour under Regulation S, please see Part 12 (*US Restriction on the Transfer of Ordinary Shares*) of this document. Pursuant to EU regulatory requirements regarding the clearance and settlement of securities traded on regulated markets, Euroclear UK & Ireland has established procedures designed to facilitate the trading of dematerialised Category 3 securities in accordance with the Transfer Restrictions applicable to resales of such securities (the "**Procedures**"). To the knowledge of the Directors and the Proposed Directors, the commissioners and staff of the SEC have thus far declined requests to express any view, and have not in fact expressed any view, on the sufficiency of the Procedures for the purpose of complying with the Transfer Restrictions. The

SEC may determine the Procedures to be insufficient for the purpose of complying with the Transfer Restrictions. If this were to occur, the SEC could make a determination that the Company did not comply with the requirements of Regulation S. Although the outcome of such a determination is difficult to predict, the secondary market in the Ordinary Shares could be adversely affected. The Company may be required to register the Ordinary Shares with the SEC, which would entail significant expense to the Company and a significant amount of time on behalf of the Directors, the Proposed Directors and the Senior Management. Furthermore, the Company, the Directors and the Proposed Directors could also be subject to criminal, civil or administrative proceedings.

3.15 ***Shareholders outside the United Kingdom may not be able to participate in future equity offerings***

Securities laws of certain jurisdictions, including US federal and state securities laws, may restrict the Company's ability to allow the participation of Shareholders in future offerings. In particular, Shareholders in the US may not be entitled to exercise these rights unless either the rights and Ordinary Shares are registered under the Securities Act and qualified under applicable US state securities laws, or the rights and Ordinary Shares are offered pursuant to an exemption from, or in transactions not subject to, the registration requirements of the Securities Act and the qualification requirements of applicable US state securities laws. Any Shareholder who is unable to participate in future equity offerings will suffer dilution.

3.16 ***Forward-looking statements***

This document contains forward-looking statements that involve risks and uncertainties. The Group's results could differ materially from those anticipated in the forward-looking statements as a result of many factors, including the risks faced by the Group and RenalytixAI, which are described above and elsewhere in the document. Additional risks and uncertainties not currently known to the Board may also have an adverse effect on the Group's business.

It should be noted that the risk factors listed above are not intended to be exhaustive and do not necessarily comprise all of the risks to which the Company is, or may be, exposed to or all those associated with an investment in the Company. There may be additional risks and uncertainties that the Directors and the Proposed Directors do not currently consider to be material or of which they are currently unaware, which may also have an adverse effect upon the Company.

PART 3

SPECIAL PURPOSE HISTORICAL FINANCIAL INFORMATION

Section A: Accountant's report on the special purpose historical financial information of the Company

PKF Littlejohn LLP

The Directors and the Proposed Directors
Renalytix AI plc
Avon House
19 Stanwell Road
Penarth
Cardiff
CF64 2EZ

The Members
Nplus1 Singer Advisory LLP
1 Bartholomew Lane
London
EC2N 2AX

5 November 2018

Dear Sirs

Renalytix AI plc (the "Company")

Introduction

We report on the special purpose historic financial information set out in Section B of Part 3 (*Special purpose historical financial information*) (the "**Company HFI**") relating to the Company. The Company HFI has been prepared for inclusion in the Company's AIM admission document dated 5 November 2018 (the "**Admission Document**") relating to the proposed admission to AIM of the Company and on the basis of the accounting policies set out in note 3. This report is given for the purpose of complying with paragraph (a) of Schedule Two of the AIM Rules for Companies and for no other purpose.

Responsibility

The Directors and the Proposed Directors of the Company are responsible for preparing the Financial Information on the basis of preparation set out in the notes to the Company HFI and in accordance with International Financial Reporting Standards, as adopted by the European Union ("**IFRS**").

It is our responsibility to form an opinion as to whether the Company HFI gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

Save for any responsibility arising under Schedule Two of the AIM Rules for Companies to any person as and to the extent provided, and save for any responsibility that we have expressly agreed in writing to assume, to the fullest extent permitted by law we do not assume responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Admission Document.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the Company HFI. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the Company HFI and whether the accounting policies are appropriate to the Company and consistently applied and adequately disclosed.

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

Opinion

In our opinion, the Company HFI gives, for the purpose of the Admission Document, a true and fair view of the state of affairs of the Company as at 30 June 2018 and of its results, cash flows and changes in equity for the period then ended in accordance with IFRS.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules we are responsible for this report as part of the Admission Document and declare we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

PKF Littlejohn LLP

Chartered Accountants

Section B: Special purpose historical financial information on the Company

STATEMENT OF COMPREHENSIVE INCOME

	Note	*Period ended 30 June 2018 $*
Revenue		–
Administrative expenses	4	(79,173)
Operating result		(79,173)
Finance income/(expense)		–
Result before taxation		(79,173)
Income tax	5	–
Total comprehensive loss for the period		(79,173)
Earnings per share:	6	
From continuing operations		
Basic (cents per share)		(0.03)
Diluted (cents per share)		(0.03)

STATEMENT OF FINANCIAL POSITION

	Note	*As at 30 June 2018* $
ASSETS		
Current assets		
Cash and cash equivalents	7	41,546
Other receivables	8	15,080
Total assets		56,626
EQUITY AND LIABILITIES		
Current liabilities		
Related party payables	9	66,015
Total liabilities		66,015
Equity attributable to owners		
Share capital	10	69,784
Share premium	10	–
Retained earnings	11	(79,173)
Total equity attributable to owners		(9,389)
Total equity and liabilities		56,626

STATEMENT OF CASH FLOWS

	Note	*Period ended 30 June 2018* $
Cash flows from operating activities		
Loss before income tax	4	(79,173)
Increase in trade and other receivables	8	(15,080)
Net cash outflow used in operating activities		(94,253)
Cash flows from investment activities		
Interest received		–
Net cash outflow from investment activities		–
Cash flows from financing activities		
Cash received from issue of shares	10	69,784
Loans from related parties		66,015
Net cash inflow from financing activities		135,799
Net increase/(decrease) in cash and cash equivalent		41,546
Cash and cash equivalents at beginning of period		–
Cash and cash equivalents at end of period	7	41,546

STATEMENT OF CHANGES IN EQUITY

	Share capital *$*	*Share Premium* *$*	*Retained earnings* *$*	*Total equity* *$*
At incorporation	69,784	–	–	69,784
	–	–	–	–
Total comprehensive income for the period ended 30 June 2018	–	–	(79,173)	(79,173)
As at 30 June 2018	69,784	–	(79,173)	(9,389)

NOTES TO THE COMPANY HFI

1. General information

The Company was incorporated on 15 March 2018 as Renalytix AI plc in England and Wales with company number 11257655 under the Companies Act. As at the date of this report, the Company has not yet commenced business and no dividends have been declared or paid since the date of incorporation.

The address of its registered office is Avon House 19 Stanwell Road, Penarth, Cardiff CF64 2EZ, United Kingdom.

2. Basis of preparation

This Company HFI has been prepared for the sole purpose of publication within this document. It has been prepared in accordance with the requirements of the AIM Rules for Companies and has been prepared in accordance with IFRS and IFRS interpretations Committee (IFRS IC) interpretations as adopted by the European Union and the policies stated elsewhere within the Company HFI. The Company HFI does not constitute statutory accounts within the meaning of section 434 of the Companies Act.

The Company HFI is presented in US Dollars ($), which is the Company's presentational currency and has been prepared under the historical cost convention as it is expected that the majority of the Company's activities will be denominated in $.

Standards and interpretation issued and not yet effective:

	Effective date
IFRS 16 Leases	1 January 2019*
IAS 7 (amendments) Disclosure of changes in liabilities arising from financing activities	1 January 2017*
IAS 12 (amendments) Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017*
Annual Improvements to IFRSs: 2014-2016 cycle	1 January 2017*

* Not yet endorsed for use in the EU

- IFRS 16 'Leases'. IFRS 16 requires lessees to recognise a lease liability reflecting future lease payments and a 'right of use asset' for virtually all lease contracts. This is effective for the period beginning on 1 June 2018, with earlier adoption permitted if IFRS 15 'Revenue from contracts with customers' is also applied. The Company has not yet been party to any lease contracts but enter such agreements in future periods.

Of the other IFRSs and IFRS ICs, none are expected to have a material effect on future Company financial statements.

3. Significant accounting policies

The Company HFI is based on the following policies which have been consistently applied:

Going concern

The Company HFI has been prepared on a going concern basis. The Directors and the Proposed Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the Company HFI.

Foreign currency translation

Items included in the Company HFI are measured using the currency of the primary economic environment in which the entity operates ("functional currency").

The financial statements are presented in US Dollars ($), which is the Company's presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the income statement within 'Other (losses)/gains – net'.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets measure at fair value, such as equities classified as available for sale, are included in other comprehensive income.

Cash and cash equivalents

In the Statement of Cash Flows, cash and cash equivalents comprise cash at bank and in hand and demand deposits with banks and other financial institutions, that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial assets

Loans and receivables

(a) ***Classification***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets. The Company's loans and receivables comprise Trade and Other Receivables.

(b) ***Recognition and measurement***

Loans and receivables are initially recognised at fair value through profit or loss and are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

(c) ***Impairment of financial assets***

Assets carried at amortised cost

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset, or a group of financial assets, is impaired. A financial asset, or a group of financial assets, is impaired, and impairment losses are incurred, only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event"), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset, or group of financial assets, that can be reliably estimated.

Loans

For loans, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced, and the loss is recognised in the income statement.

Trade receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

Trade receivables that are known to be uncollectible are written off by reducing the carrying amount directly. The other receivables are assessed collectively to determine whether there is objective evidence that an impairment has been incurred but not yet identified. For these receivables appropriate allowances for estimated irrecoverable amounts is recognised. The Company considers that there is evidence of impairment if any of the following indicators are present:

– Significant financial difficulties of the debtor

– Probability that the debtor will enter bankruptcy or financial reorganisation

– Default or delinquency in payments

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method.

Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

Taxation

Income tax for the period is based on the taxable income for the year. Taxable income differs from profit as reported in the statement of comprehensive income for the period as there are some items which may never be taxable or deductible for tax and other items which may be deductible or taxable in other periods. Income tax for the period is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted, or substantially enacted, by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Financial risk factors

The Company's activities expose it to a variety of financial risks. The Company's Board monitors and manages the financial risks relating to the operations of the Company.

(a) ***Market risk***

Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk primarily with respect to the US Dollar and the Pounds Sterling. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

(b) ***Credit risk***

Credit risk relates mainly to cash at bank. The Company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

(c) ***Liquidity risk***

The Company's continued future operations depend on its ability to raise sufficient working capital through the issue of share capital and generate revenue.

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders. The Company's capital structure primarily consists of equity attributable to the owners, comprising issued capital, reserves and retained losses.

Critical accounting estimates and judgments

The Company makes estimates and assumptions regarding the future. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual results may differ from these estimates and assumptions. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Expenses by nature

	Period ended 30 June 2018 $
Professional fees	78,174
Sundry	999
	79,173

No sums were payable to Directors or senior management of the Company during the period.

5. Income tax expense

	Period ended 30 June 2018 $
Tax charge for the period	–
	–

Corporation tax is calculated at 19% of the estimated assessable profit for the year.

	Period ended 30 June 2018 $
Loss before taxation	(79,173)
Expected tax charge at 19%	(15,043)
Unutilised tax losses carried forward	15,043
	–

No deferred tax has been recognised in the period to 30 June 2018 on the losses carried forward as there is no certainty on when such losses could apply to future taxable profits.

6. Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of Ordinary Shares outstanding during the period.

There were no share options issued during the period.

	Earnings $	*30 June 2018 Weighted average number of shares*	*Per-share amount $*
Basic EPS			
Earnings attributable to ordinary shareholders	(79,173)	2,686,916	(0.03)
Diluted EPS			
Effect of dilutive securities	(79,173)	2,686,916	(0.03)

7. Cash and cash equivalents

	As at 30 June 2018 $
Cash at bank	41,546
	41,546

All amounts held as at 30 June 2018 are in a bank account that is denominated in Pounds Sterling.

8. Receivables

	As at 30 June 2018 $
Amounts falling due within 1 year:	
Other receivables – VAT	15,080
	15,080

The carrying amounts of the Company's trade and other receivables are denominated in the following currencies:

	As at 30 June 2018 $
Pounds Sterling	15,080
	15,080

Receivables do not contain impaired assets. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable. The Company does not hold any collateral as security.

9. Payables

	As at 30 June 2018 $
Amounts falling due within 1 year:	
Related party payables	66,015
	66,015

Related party payables are in respect of a loan from EKF Diagnostics Holdings plc. The loan accrues interest at the rate of 5% per annum and has a carrying value of $66,015 as at 30 June 2018. The loan is due to be repaid on or within seven business days after a listing takes place. In the event that no listing occurs by 31 December 2018, the loan becomes repayable on demand after 31 December 2018.

The carrying amounts of the Company's trade and other payables are denominated in the following currencies:

	As at 30 June 2018 $
Pounds Sterling	66,015
	66,015

10. Share capital and premium

	As at 30 June 2018 $
Ordinary share capital	
5,000,000 ordinary shares of nominal value £0.01 each	69,784
	69,784

	Number of ordinary shares	*Ordinary shares $*	*Share premium $*	*Total $*
At incorporation	5,000,000	69,784	–	69,784
Issued of fully paid ordinary shares	–	–	–	–
At 30 June 2018	5,000,000	69,784	–	69,784

On incorporation, the Company issued 50,000 ordinary shares of £1 for consideration of £50,000 cash. Since incorporation, by way of ordinary resolution, each ordinary share of £1 each was sub-divided into 100 ordinary shares of nominal value £0.01 each.

11. Retained earnings

	Retained Earnings $	*Total $*
At incorporation	–	–
Loss for the period	(79,173)	(79,173)
As at 30 June 2018	(79,173)	(79,173)

12. Contingencies

On 30 May 2018, the Company entered into an exclusive licence and collaboration agreement with Icahn School of Medicine at Mount Sinai for the use of information, technology and IP rights.

As partial consideration for the licence and rights, the Company shall pay Icahn School of Medicine at Mount Sinai a non-refundable fee of $10 million following achievement of milestones. No provisions in relation to this agreement have been recognised in this Company HFI as no legal obligation existed at 30 June 2018.

This Licence and Collaboration Agreement is further detailed in paragraph 12.1 of Part 9 (*Additional Information*).

13. Related party transactions

On incorporation, the Company issued 50,000 ordinary shares of nominal value £1 each for consideration of £50,000 cash to a related company, EKF Diagnostics Holdings plc, making the Company a 100% owned subsidiary of EKF Diagnostics Holdings plc. This shareholding has subsequently been reduced to 27.7% as at 30 June 2018.

During the period, the Company received loans of £50,000 from EKF Diagnostics Holdings plc. The balance outstanding as at 30 June 2018 is $66,015. The loan accrues interest at the rate of 5% per annum. The loan is due to be repaid on or within seven business days after a listing takes place. In the event that no listing occurs by 31 December 2018, the loan becomes repayable on demand after

31 December 2018. All repayments shall be in $ unless the lender and the borrower agree from time to time that payment shall be in Pounds Sterling.

Controlling party

Directors and the Proposed Directors have confirmed that there was no ultimate controlling party at the period end. As at 30 June 2018, Icahn School of Medicine at Mount Sinai, a New York not-for-profit education corporation is the majority shareholder, holding 33.65% of the share capital in issue as at 30 June 2018.

14. Post balance sheet events

Since 30 June 2018 and up to the date of this report, the following post balance sheet events are noted:

- On 1 July 2018, the Company entered into a Professional Services Agreement with Mount Sinai under which the Company has agreed to provide data analysis services, which is further detailed in paragraph 12.2 of Part 9 (*Additional Information*).
- On 4 September 2018, the Company entered into the Mount Sinai FractalDx Option Agreement with Mount Sinai under which Mount Sinai granted the Company an option to enter into an exclusive license to technology and patents relating to diagnostics and prognostics for kidney transplant and rejection and a non-exclusive license to technical information and materials for exploitation of licensed products in the field, which is further detailed in paragraph 12.3 of Part 9 (*Additional Information*).
- On 11 September 2018, the Board adopted the Share Option Plan to incentivise certain of the Group's employees and Directors, which is further detailed in paragraph 6 of Part 9 (*Additional Information*).
- On 1 November 2018, Options were granted to Mount Sinai in consideration for the provision of the services of a Mount Sinai representative on the Board, and to other participants in the Share Option Plan, which are further detailed in paragraph 6.17 of Part 9 (*Additional Information*).
- On 23 October 2018, the issued share capital of the Company comprising 5,000,000 ordinary shares of £0.01 was subdivided into 20,000,000 fully paid ordinary shares of £0.0025 each.
- On 23 October 2018, the Company entered into the Biomarker Business Purchase Agreement, which is further detailed in paragraph 12.10 of Part 9 (*Additional Information*). Pursuant to that agreement, the Company acquired the Biomarker Business in consideration for the issue of 15,427,704 Ordinary Shares.
- On 23 October 2018, the Company entered into the Acquisition Agreement, which is further detailed in paragraph 12.11 of Part 9 (*Additional Information*). Pursuant to that agreement, the Company acquired the entire issued share capital of the US Subsidiary in consideration for £1,000 in cash.
- As at 31 October 2018, the Company had loans outstanding of £187,272 due to EKF Diagnostics Holdings plc. The loan is due to be repaid on or within seven business days after a listing takes place.

Section C: Accountant's report on the special purpose historical financial information of the US Subsidiary

PKF Littlejohn LLP

The Directors and Proposed Directors
Renalytix AI plc
Avon House
19 Stanwell Road
Penarth
Cardiff
CF64 2EZ

The Members
Nplus1 Singer Advisory LLP
1 Bartholomew Lane
London
EC2N 2AX

5 November 2018

Dear Sirs

Renalytix AI, Inc. (the "**US Subsidiary**")

Introduction

We report on the special purpose historic financial information set out in Section D of Part 3 (*Special purpose historical financial information*) (the "**US Subsidiary HFI**") relating to the US Subsidiary. This information has been prepared for inclusion in the AIM admission document dated 5 November 2018 (the "**Admission Document**") relating to the proposed admission to AIM of Renalytix AI plc (the "**Company**") and on the basis of the accounting policies set out in note 3. This report is given for the purpose of complying with paragraph (a) of Schedule Two of the AIM Rules for Companies and for no other purpose.

Responsibility

The directors of the US Subsidiary are responsible for preparing the US Subsidiary HFI on the basis of preparation set out in the notes to the US Subsidiary HFI and in accordance with International Financial Reporting Standards, as adopted by the European Union ("**IFRS**").

It is our responsibility to form an opinion as to whether the US Subsidiary HFI gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

Save for any responsibility arising under Schedule Two of the AIM Rules for Companies to any person as and to the extent provided, and save for any responsibility that we have expressly agreed in writing to assume, to the fullest extent permitted by law we do not assume responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Admission Document.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence

relevant to the amounts and disclosures in the US Subsidiary HFI. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the US Subsidiary HFI and whether the accounting policies are appropriate to the US Subsidiary and consistently applied and adequately disclosed.

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

Opinion

In our opinion, the US Subsidiary HFI gives, for the purpose of the Admission Document, a true and fair view of the state of affairs of the US Subsidiary as at 30 June 2018 and of its results, cash flows and changes in equity for the period then ended in accordance with IFRS.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the Admission Document and declare we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

PKF Littlejohn LLP

Chartered Accountants

Section D: Special purpose historical financial information of the US Subsidiary

STATEMENT OF COMPREHENSIVE INCOME

	Note	*Period ended 30 June 2018 $*
Revenue		–
Administrative expenses	4	(431,286)
Operating result		(431,286)
Finance income/(expense)		–
Result Before Taxation		(431,286)
Income tax	5	–
Total comprehensive loss for the period		(431,286)

STATEMENT OF FINANCIAL POSITION

	Note	*As at 30 June 2018* $
ASSETS		
Non-current assets		
Intangibles		510
Total non-current assets		510
Current assets		
Cash and cash equivalents	6	40,735
Other receivables	7	17,550
Total current assets		58,285
Total assets		58,795
EQUITY AND LIABILITIES		
Current liabilities		
Trade and other payables	8	140,081
Related party payables	8	350,000
Total liabilities		490,081
Equity attributable to owners		
Share capital		–
Share premium		–
Retained earnings	10	(431,286)
Total equity attributable to owners		(431,286)
Total equity and liabilities		(58,795)

STATEMENT OF CASH FLOWS

	Note	*Period ended 30 June 2018* *$*
Cash flows from operating activities		
Loss before income tax	4	(431,286)
Increase in trade and other receivables		(17,550)
Increase in trade and other payables		140,081
Net cash outflow used in operating activities		(308,755)
Cash flows from investment activities		
Addition to non-current assets		(510)
Net cash outflow from investment activities		(510)
Cash flows from financing activities		
Cash received from issue of shares		–
Loans received from related parties		350,000
Net cash inflow from financing activities		350,000
Net increase/(decrease) in cash and cash equivalent		40,735
Cash and cash equivalents at beginning of period		–
Cash and cash equivalents at end of period		40,735

STATEMENT OF CHANGES IN EQUITY

	Share capital $	*Share premium* $	*Retained earnings* $	*Total equity* $
At incorporation	–	–	–	–
Equity investment in the period	–	–	–	–
Total comprehensive income for the period ended 30 June 2018	–	–	(431,286)	(431,286)
As at 30 June 2018	–	–	(431,286)	(431,286)

NOTES TO THE US SUBSIDIARY HFI

1. General information

The US Subsidiary was incorporated on 18 January 2018 as Renalytix AI, Inc. in Delaware, US. No dividends have been declared or paid since the date of incorporation.

The address of its registered office is 251 Little Falls Drive, in the city of Wilmington, county of New Castle, Zip Code 19808.

2. Basis of preparation

This US Subsidiary HFI of the US Subsidiary has been prepared for the sole purpose of publication within the Admission Document. It has been prepared in accordance with the requirements of the AIM Rules and has been prepared in accordance with IFRS and IFRS interpretations Committee ("IFRS IC") interpretations as adopted by the European Union and the policies stated elsewhere within this US Subsidiary HFI.

The US Subsidiary HFI has presented in US Dollars, which is the US Subsidiary's functional and presentational currency and has been prepared under the historical cost convention.

Standards and interpretation issued and not yet effective:

	Effective date
IFRS 16 Leases	1 January 2019*
IAS 7 (amendments) Disclosure of changes in liabilities arising from financing activities	1 January 2017*
IAS 12 (amendments) Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017*
Annual Improvements to IFRSs: 2014-2016 cycle	1 January 2017*

* Not yet endorsed for use in the EU

- IFRS 16 'Leases'. IFRS 16 requires lessees to recognise a lease liability reflecting future lease payments and a 'right of use asset' for virtually all lease contracts. This is effective for the period beginning on 1 June 2018, with earlier adoption permitted if IFRS 15 'Revenue from contracts with customers' is also applied. The Subsidiary has not yet been party to any lease contracts but enter such agreements in future periods.

Of the other IFRSs and IFRS ICs, none are expected to have a material effect on future Subsidiary financial statements.

3. Significant accounting policies

The US Subsidiary HFI is based on the following policies which have been consistently applied:

Going concern

The US Subsidiary HFI has been prepared on a going concern basis. The directors of the US Subsidiary have a reasonable expectation that the US Subsidiary has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the US Subsidiary HFI.

Foreign currency translation

Items included in the US Subsidiary HFI are measured using the currency of the primary economic environment in which the entity operates ("functional currency").

The US Subsidiary HFI is presented in US Dollars ($), which is the US Subsidiary's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the income statement within 'Other (losses)/gains – net'.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets measure at fair value, such as equities classified as available for sale, are included in other comprehensive income.

Cash and cash equivalents

In the Statement of Cash Flows, cash and cash equivalents comprise cash at bank and in hand and demand deposits with banks and other financial institutions, that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial assets

Loans and Receivables

(a) ***Classification***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets. The US Subsidiary's loans and receivables comprise Trade and Other Receivables.

(b) ***Recognition and measurement***

Loans and receivables are initially recognised at fair value through profit or loss and are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

(c) ***Impairment of financial assets***

Assets carried at amortised cost

The US Subsidiary assesses at the end of each reporting period whether there is objective evidence that a financial asset, or a group of financial assets, is impaired. A financial asset, or a group of financial assets, is impaired, and impairment losses are incurred, only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event"), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset, or group of financial assets, that can be reliably estimated.

Loans

For loans, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced, and the loss is recognised in the income statement.

Trade receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

Trade receivables that are known to be uncollectible are written off by reducing the carrying amount directly. The other receivables are assessed collectively to determine whether there is objective evidence that an impairment has been incurred but not yet identified. For these receivables appropriate allowances for estimated irrecoverable amounts is recognised. The US Subsidiary considers that there is evidence of impairment if any of the following indicators are present:

– Significant financial difficulties of the debtor

– Probability that the debtor will enter bankruptcy or financial reorganisation

– Default or delinquency in payments

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method.

Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

Taxation

Income tax for the period is based on the taxable income for the period. Taxable income differs from profit as reported in the statement of comprehensive income for the period as there are some items which may never be taxable or deductible for tax and other items which may be deductible or taxable in other periods. Income tax for the period is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted, or substantially enacted, by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Financial risk factors

The US Subsidiary's current activities are limited and it is exposed to few financial risks. The US Subsidiary's board of directors monitors and manages the financial risks relating to the operations of the US Subsidiary.

(a) ***Market risk***

Foreign exchange risk

The US Subsidiary operates internationally and is exposed to foreign exchange risk primarily with respect to Pounds Sterling. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

(b) ***Credit risk***

Credit risk relates mainly to cash at bank. The US Subsidiary only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party. The US Subsidiary only holds amounts in $.

(c) ***Liquidity risk***

The US Subsidiary's continued future operations depend on its ability to raise sufficient working capital through the issue of share capital, loan notes and other borrowings and ultimately to generate revenue.

Capital risk management

The US Subsidiary manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders. The US Subsidiary's capital structure primarily consists of equity attributable to the owners, comprising issued capital, reserves and retained losses.

Critical accounting estimates and judgments

The US Subsidiary makes estimates and assumptions regarding the future. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual results may differ from these estimates and assumptions. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Expenses by nature

	Period ended 30 June 2018 $
Marketing fees	1,728
Professional fees	349,261
Travel and subsistence	69,071
Sundry	11,226
	431,286

There were no payments to the US Subsidiary's directors and management within the period.

5. Income tax expense

	Period ended 30 June 2018 $
Tax charge for the period	–
	–

Corporation tax is calculated at 20% of the estimated assessable profit for the year.

	Period ended 30 June 2018 $
Loss before taxation	(431,286)
Expected tax charge at 20%	(86,257)
Unutilised tax losses carried forward	86,257
	–

No deferred tax has been recognised in the period to 30 June 2018 on the losses carried forward as there is no certainty on when such losses could apply to future taxable profits.

6. Cash and cash equivalents

	As at 30 June 2018 $
Cash at bank	40,735
	40,735

All amounts held as at 30 June 2018 are in denominated in $.

7. Receivables

	As at 30 June 2018 $
Amounts falling due within 1 year:	
Prepayments and accrued income	15,000
Other receivables	2,550
	17,550

All receivable amounts as at 30 June 2018 are denominated in $.

Receivables do not contain impaired assets. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable. The US Subsidiary does not hold any collateral as security.

8. Payables

	As at 30 June 2018 $
Amounts falling due within 1 year:	
Trade payables	52,394
Accruals and deferred income	87,687
Related party payables	350,000
	490,081

All amounts payable as at 30 June 2018 are denominated in $.

Related party payables are in respect of a loan from EKF Diagnostics Holdings plc. The US Subsidiary shall pay interest on the loan at the rate of 5% per annum.

The loan is due to be repaid on or within seven business days after a listing takes place. In the event that no listing has occurred by 31 December 2018, the loan shall be repayable on demand upon the lender serving notice on the borrower at any time after 31 December 2018.

9. Share capital

	$	*Total $*
At incorporation	–	–
As at 30 June 2018	–	–

10. Retained earnings

	Retained Earnings $	*Total $*
	–	–
Results of the period	(431,286)	(431,286)
As at 30 June 2018	(431,286)	(431,286)

11. Related party transaction

During the period, the US Subsidiary received a loan of $350,000 from EKF Diagnostics Holdings plc, the US Subsidiary's parent entity. Balance outstanding as at 30 June 2018 is $350,000.

Controlling party

The ultimate controlling party throughout the period was EKF Diagnostics Holdings plc.

12. Post balance sheet events

Since 30 June 2018 and up to the date of this report, the following post balance sheet events are noted:

- On 10 July 2018, the US Subsidiary entered into the Persistent Systems Agreement, for the provision of software product development services, which is further detailed in paragraph 12.12 of Part 9 (*Additional Information*).
- On 22 August 2018, the US Subsidiary and Meso Scale Diagnostics LLC ("**Meso Scale**") entered into the Meso Scale Agreement under which Meso Scale has agreed to develop a multi-plexed biomarker panel, which is further detailed in paragraph 12.13 of Part 9 (*Additional Information*).
- On 23 October 2018, the entire share capital of the US Subsidiary was acquired by the Company.
- As at 31 October 2018, the Subsidiary had loans outstanding of $845,787 due to EKF Diagnostics Holdings plc. The loan is due to be repaid on or within seven business days after a listing takes place.

PART 4

UNAUDITED PRO FORMA CONSOLIDATED NET ASSET FOR THE ENLARGED GROUP

Section A: Accountant's report on the pro forma consolidated net assets of the Enlarged Group

PKF Littlejohn LLP

The Directors and Proposed Directors
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Avon House
19 Stanwell Road
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The Members
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London
EC2N 2AX

5 November 2018

Dear Sirs

Report on the unaudited pro forma statement of net assets of the Enlarged Group

We report on the unaudited pro forma statement of net assets of Renalytix AI plc (the "**Company**") and Renalytix AI, Inc. (the "**US Subsidiary**", and together with the Company, the "**Enlarged Group**") (the "**Statement of Pro Forma Net Assets**") set out Section B of Part 4 (*Unaudited pro forma consolidated net asset and income statement for the Enlarged Group*), of the AIM admission document of the Company dated 5 November 2018 (the "**Admission Document**"), which has been prepared on the basis described in notes 1 to 8, for illustrative purposes only, to provide information about how the Acquisition and Fundraising (as such terms are defined in the Admission Document) and might have affected the financial information presented on the basis of the accounting policies to be adopted by the Company.

This report is required by guidance issued by London Stock Exchange plc (the "**London Stock Exchange**") with respect to AIM and is given for the purpose of complying with the guidance issued by the London Stock Exchange and for no other purpose.

Responsibilities

It is the responsibility solely of the Directors and the Proposed Directors of the Company to prepare the Statement of Pro Forma Net Assets.

It is our responsibility to form an opinion as to the proper compilation of the Statement of Pro Forma Net Assets and to report that opinion to you.

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

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purposes of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering evidence supporting the adjustments and discussing the Statement of Pro Forma Net Assets with the Directors and Proposed Directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Statement of Pro Forma Net Assets has been properly compiled on the basis stated and as such is consistent with the accounting policies of the Company.

Opinion

In our opinion:

- the Statement of Pro Forma Net Assets has been properly compiled on the basis set out therein;
- such bases are consistent with the accounting policies of the Company; and
- the adjustments are appropriate for the purposes of the Statement of Pro Forma Net Assets as disclosed.

Declaration

For the purposes of guidance issued by the London Stock Exchange, we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included within the Admission Document in compliance with guidance issued by the London Stock Exchange.

Yours faithfully

PKF Littlejohn LLP

Reporting Accountants

Section B: Unaudited pro forma consolidated net assets of the Enlarged Group

Set out below is an unaudited pro forma statement of net assets of the Enlarged Group as at 30 June 2018. The Unaudited Pro Forma Net Assets of the Enlarged Group for the period ending 30 June 2018 have been prepared on the basis set out in the notes below has been prepared for illustrative purposes only to show the effect of the Acquisition, the Fundraising and Admission (as such terms are defined in the Admission Document) of the Company on the London Stock Exchange as if it had occurred on 30 June 2018. The Pro Forma Statement of Net Assets of the Enlarged Group has been prepared for illustrative purposes only, and because of its nature, it may not give a true reflection of the Enlarged Group's financial position.

The unaudited pro forma information does not constitute financial statements within the meaning of section 434 of the Companies Act. Investors should read the whole of this document and not rely solely on the summarised financial information contained in Part 4 (*Unaudited pro forma consolidated net asset and income statement for the Enlarged Group*) of the Admission Document.

Unaudited pro forma statement of net assets of the Enlarged Group at 30 June 2018

	The Company net assets as at 30 June 2018 (Note 1) $	*The US Subsidiary net assets as at 30 June 2018 (Note 2)* $	*Issue of Fundraising Shares net of costs (Note 3)* $	*Acquisition of the US Subsidiary (Note 4)* $	*Unaudited pro forma adjusted aggregated net assets of the Enlarged Group as at 30 June 2018* $
Assets					
Non-current assets					
Intangible assets	–	510	–	–	510
Goodwill	–	–	–	1,275	1,275
	–	510	–	1,275	1,785
Current assets					
Trade and other receivables	15,080	17,550	–	–	32,630
Cash and cash equivalents	41,546	40,735	26,411,668	(1,275)	26,492,674
Current assets	56,626	58,285	26,411,668	(1,275)	26,525,304
Total assets	56,626	58,795	26,411,668	–	26,527,089
Liabilities					
Current liabilities					
Trade and other payables	–	140,081	–	–	140,081
Current borrowings	66,015	350,000	(416,015)	–	–
Current liabilities	66,015	490,081	(416,015)	–	140,081
Non-current liabilities					
Other financial liabilities	–	–	–	–	–
Deferred tax	–	–	–	–	–
Total liabilities	66,015	490,081	(416,015)	–	140,081
Total assets less total liabilities	(9,389)	(431,286)	26,827,683	–	26,387,008

Notes

The Pro Forma Statement of Net Assets of the Enlarged Group has been prepared on the following basis:

1. The net assets of the Company as at 30 June 2018 have been extracted without adjustment from the historic financial information to which is set out in Section B of Part 3 (*Special Purpose Historical Financial Information*).

2. The net assets of the US Subsidiary as at 30 June 2018 have been extracted without adjustment from the Historic Financial Information to which is set out in Section D of Part 3 (*Special Purpose Historical Financial Information*).

3. An adjustment has been made to reflect the proceeds of 18,388,430 New Ordinary Shares at an Issue Price of £1.21 per New Ordinary Share net of an adjustment to reflect the payment in cash of Admission costs estimated at approximately £1.21 million inclusive of any non-recoverable sales taxes and the repayment of $0.4m in loans due to EKF Diagnostics Holdings plc on or shortly after Admission.

4. A pro forma adjustment has been made to reflect the initial accounting for the acquisition of the US Subsidiary by the Company, being the elimination of the investment in the US Subsidiary against the non-monetary assets acquired and recognition of goodwill. The Company will need to determine the fair value of the net assets acquired pursuant to the Acquisition within 12 months of the acquisition date in accordance with IFRS 3. This process, known as a 'Purchase Price Allocation' exercise may result in reduction of goodwill, which may be material. The Purchase Price Allocation process will require a valuation of identifiable intangible assets acquired. The approach adopted by the Directors and Proposed Directors of the Company is permissible and appropriate.

5. No adjustments have been made to reflect the trading or other transactions, other than described above of:

   i. the Company since 30 June 2018; and

   ii. the US Subsidiary since 30 June 2018.

6. No adjustments has been made to account for further loans made by EKF to the Company and the US Subsidiary since 30 June 2018; unaudited management accounts as at 31 October 2018 showed outstanding balances of £187,272 and $845,787 for the Company and the US Subsidiary respectively, inclusive of interest. These amounts will be repaid on or shortly after Admission.

7. Amounts denominated in Pounds Sterling have been converted into US Dollars at $1.27 to £1 being the closing rate as at the close of business on 31 October 2018, being the latest practical date before the publication of the Admission Document.

8. The unaudited pro forma statement of net assets of the Enlarged Group does not constitute financial statements.

PART 5

UK TAXATION

The following summary is intended only as a general guide and relates solely to UK tax. It is based on current UK law and published practice of HMRC as at the date of this document, each of which may be subject to change, possibly with retrospective effect.

The following paragraphs are not intended to be exhaustive and relate only to certain limited aspects of the UK taxation consequences of acquiring, holding and disposing of the Ordinary Shares and does not constitute legal or tax advice. Except to the extent expressly stated, they apply only to holders of Ordinary Shares who are resident, and in the case of individuals, domiciled, solely in the UK for UK tax purposes, and who are the absolute beneficial owners of their Ordinary Shares and who do not hold their Ordinary Shares through an individual savings account or a self-invested personal pension ("**UK Holders**"). The information may not apply to certain classes of UK Holders such as tax exempt entities, venture capital trusts, collective investment schemes, pension schemes, insurance companies, financial institutions, dealers, professional investors, persons who hold Ordinary Shares in connection with a trade, profession or vocation, persons connected with the company and persons who have acquired (or been deemed to have acquired) their Ordinary Shares by reason of their (or another person's) office or employment, to whom special rules may apply.

IT IS RECOMMENDED THAT ALL PROSPECTIVE HOLDERS OF ORDINARY SHARES OBTAIN ADVICE AS TO THE CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSAL OF THE ORDINARY SHARES IN THEIR OWN SPECIFIC CIRCUMSTANCES FROM THEIR OWN TAX ADVISORS. IN PARTICULAR, PROSPECTIVE SHAREHOLDERS WHO MAY BE SUBJECT TO TAX IN A JURISDICTION OTHER THAN THE UK ARE ADVISED TO CONSIDER THE POTENTIAL IMPACT OF ANY RELEVANT DOUBLE TAXATION AGREEMENTS.

1. Dividends

1.1 *Withholding tax*

Dividends paid by the Company will not be subject to any withholding or deduction for or on account of UK tax, irrespective of the residence or particular circumstances of the holders of Ordinary Shares.

1.2 *Income tax*

An individual UK Holder may, depending on their particular circumstances, be subject to UK tax on dividends received from the Company.

All dividends received by an individual UK Holder from the Company (or from other sources, except to the extent within an individual savings account, self-invested pension plan or other regime which exempts dividends from tax) will form part of that UK Holder's total income for income tax purposes and will constitute the top slice of that income. A nil rate of income tax will apply to the first £2,000 of taxable dividend income received by the individual UK Holder in a tax year. Income within this nil-rate band will be taken into account in determining whether income in excess of the £2,000 nil-rate band falls within the basic rate, higher rate or additional rate tax bands. Dividend income in excess of the nil-rate band will (subject to the availability of any income tax personal allowance) be taxed at 7.5% to the extent that the excess amount falls within the basic rate tax band, 32.5% to the extent that the excess amount falls within the higher rate tax band and 38.1% to the extent that the excess amount falls within the additional rate tax band.

An individual holder of Ordinary Shares who is not resident for tax purposes in the UK should not be chargeable to UK income tax on dividends received from the company unless he or she carries on (whether solely or in partnership) a trade, profession or vocation in the UK through a branch or agency to which the Ordinary Shares are attributable. There are certain exceptions for trading in the UK through independent agents, such as some brokers and investment managers.

1.3 ***Corporation tax***

Corporate UK Holders should not be subject to UK corporation tax on any dividend received from the Company so long as the dividends qualify for exemption, which should generally be the case, provided certain conditions (including under anti-avoidance rules) are met. If the conditions for the exemption are not satisfied, or such UK Holder elects for an otherwise exempt dividend to be taxable, UK corporation tax will be chargeable on the amount of any dividends (currently at the rate of 19%).

A corporate holder of Ordinary Shares who is not resident for tax purposes in the UK should not be within the scope of UK corporation tax in respect of dividends received from the Company unless it carries on (whether solely or in partnership) a trade in the UK through a permanent establishment to which the Ordinary Shares are attributable.

2. Chargeable gains

If a UK Holder disposes (or is treated as disposing) of some or all of its Ordinary Shares, a liability to tax on chargeable gains may arise, depending on the UK Holder's circumstances and any exemptions or reliefs which may be available.

2.1 ***Individual UK Holders***

For an individual UK Holder, a disposal (or deemed disposal) of Ordinary Shares may give rise to a chargeable gain or allowable loss for the purposes of UK capital gains tax. For an individual UK Holder who is subject to UK income tax at either the higher or the additional rate, the current applicable rate of capital gains tax is 20%. For an individual UK Holder who is subject to UK income tax at the basic rate, the current applicable rate would be 10%, save to the extent that any capital gains when aggregated with the UK Holder's other taxable income and gains in the relevant tax year exceed the unused basic rate tax band. In that case, the rate currently applicable to the excess would be 20%. An individual UK Holder is entitled to realise an annual exempt amount of gains (currently £11,700 for the year to 5 April 2019) without being liable to UK capital gains tax.

2.2 ***Corporate UK Holders***

For a UK Holder within the charge to UK corporation tax, a disposal (or deemed disposal) of Ordinary Shares may give rise to a chargeable gain or to an allowable loss for the purposes of UK corporation tax. The current rate of UK corporation tax is 19%. Indexation allowance is not available in respect of disposals of Ordinary Shares acquired on or after 1 January 2018 (and only covers the movement in the retail prices index up until 31 December 2017, in respect of assets acquired prior to that date).

2.3 ***Shareholders who are not UK resident***

A holder of Ordinary Shares who is not resident for tax purposes in the UK should not normally be liable to UK capital gains tax or corporation tax on chargeable gains on a disposal (or deemed disposal) of Ordinary Shares unless the person is carrying on (whether solely or in partnership) a trade, profession or vocation in the UK through a branch or agency (or, in the case of a corporate holder of Ordinary Shares, through a permanent establishment) to which the Ordinary Shares are attributable. However, an individual holder of Ordinary Shares who has ceased to be resident for tax purposes in the UK (including where an individual is treated as resident outside the UK for the purposes of a double tax treaty) for a period of five years or less and who disposes of Ordinary Shares during that period may be liable on his or her return to the UK to UK tax on any capital gain realised (subject to any available exemption or relief).

3. Stamp duty and stamp duty reserve tax

The discussion below relates to holders of Ordinary Shares, wherever resident. However, special rules may apply where Ordinary Shares are issued or transferred to, or to a nominee or agent for, a depositary receipt issuer or clearance service provider, or persons such as market makers, brokers, dealers or intermediaries.

3.1 ***Issue of shares***

No UK stamp duty or stamp duty reserve tax ("**SDRT**") should ordinarily be payable on an issue of Ordinary Shares.

3.2 ***Transfers of shares***

A transfer, or agreement to transfer, Ordinary Shares should not be subject to any UK stamp duty or SDRT provided that, at the time of the transfer or agreement to transfer, the Ordinary Shares qualify for the "recognised growth market exemption" under section 99(4B) of the Finance Act 1986 (the "**Finance Act**"). The requirements for this exemption to apply are that the Ordinary Shares are admitted to trading on a "recognised growth market" (within the meaning of section of 99A of the Finance Act), but are not listed on any market (with the term "listed" construed in accordance with section 99A of the Finance Act). AIM is a "recognised growth market" for these purposes.

In the event that these requirements are not, or cease to be met (for example, if, in the future, the Ordinary Shares were to become listed on another stock exchange), transfers and agreements to transfer the Ordinary Shares would generally be subject to UK stamp duty or SDRT at the rate of 0.5% of the amount or value of the consideration for the transfer.

4. EIS

The following provides an outline of the EIS income tax and capital gains tax reliefs available to individuals under the EIS Legislation and certain of the conditions that must be satisfied in order to obtain relief. The EIS Legislation is complex and any potential investors should obtain independent advice from a professional tax adviser as to the potential availability of EIS Relief in relation to their own circumstances.

4.1 Broadly, EIS Relief may be available where a qualifying company issues new, non-redeemable ordinary shares that satisfy certain conditions as to the holder's entitlement to dividends and to the Company's assets on a winding up, for the purpose of a qualifying business activity so as to promote business growth and development in circumstances where it would be reasonable to conclude that there is a significant risk that there will be a loss of capital of an amount greater than the net investment return. The shares intended to qualify for EIS Relief ("**EIS Shares**") must be subscribed for in cash and be fully paid up at the date of issue.

4.2 EIS Relief is available only to individuals. Qualifying investors may claim a reduction in their income tax liability of an amount equal to 30% of the amount subscribed for the EIS Shares, to be set against the individual's income tax liability for the tax year in which the EIS investment is made and/or the prior year, subject to an annual investment limit of £2,000,000 (on the basis that any amounts in excess of £1,000,000 per annum are invested in "knowledge intensive companies" (within the meaning of the EIS Legislation)). HMRC has confirmed that the Company will be considered a knowledge intensive company for the purposes of the EIS Legislation. Where an investor has claimed EIS income tax relief on EIS Shares which has not been withdrawn, and subject to complying with the other requirements of the EIS Legislation, a subsequent disposal of the shares in qualifying circumstances is generally free from capital gains tax. If the EIS Shares are disposed of at a loss, capital gains tax relief will generally be available for that loss net of any income tax relief previously given. Individuals who have realised gains on other assets within one year prior to, and three years after, a subscription for EIS Shares may defer any capital gains tax liability arising on those gains by making a claim to reinvest an amount of those gains against the subscription cost of the EIS Shares. Deferred gains will become chargeable on the subsequent disposal or deemed disposal of the EIS Shares.

4.3 Investors will be qualifying investors if they satisfy the conditions set out in chapter 2 of the EIS Legislation, including a requirement that, subject to certain exceptions, the investor must not be connected with the Company during, broadly, the period of two years prior to and three years after the subscription for the EIS Shares. Generally speaking, an individual is connected with the Company if, inter alia, the individual or his associates are employees or directors of the Company or have an interest in more than 30% of the Company's ordinary share capital.

4.4 The Company has obtained advance assurance from HMRC to the effect that the Company and the EIS/VCT Placing Shares comply with certain conditions of the EIS Legislation such that, subject to the submission of a duly completed "compliance statement" by the Company, HMRC will be able to authorise the Company to issue "compliance certificates" under section 204(1) of ITA 2007 in respect of the relevant EIS/VCT Placing Shares for the purposes of enabling Shareholders to claim EIS Relief. The obtaining of such advance assurance and subsequent issuance of compliance certificates by the Company does not guarantee the availability of EIS Relief for an individual. In particular, relief will be conditional upon the investor's own individual circumstances as summarised briefly above. In addition, for EIS Relief not to be withdrawn or reduced, the Company and the investor must comply with a number of conditions set out in the EIS Legislation on an ongoing basis, including a requirement that the relevant EIS/VCT Placing Shares be held by the investor for, broadly, at least three years from the later of the date they were issued or the commencement of the Company's qualifying trade for the purposes of the EIS Legislation.

4.5 None of the Company, the Board or the Company's advisers represents, warrants or undertakes that the Company or the EIS Shares will meet the conditions of the EIS Legislation, including in the event that the Board believes that the interests of the Company are not best served by preserving the availability of EIS Relief in respect of the EIS/VCT Placing Shares, or as a result of changes in any relevant legislation.

5. VCT

The Company has received advance assurance from HMRC that the EIS/VCT Placing Shares will be "eligible shares" that are capable of constituting a "qualifying holding" for the purposes of the VCT Legislation. VCTs should obtain independent advice from a professional tax advisor in connection with any investment in the Company.

PART 6

PLACING TERMS

IMPORTANT INFORMATION FOR INVITED PLACEES ONLY REGARDING THE PLACING.

THE INFORMATION AND TERMS CONTAINED IN THIS DOCUMENT AND THIS PART 6 (THE "PLACING TERMS") ARE RESTRICTED AND ARE NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO OR FROM THE UNITED STATES, THE REPUBLIC OF IRELAND, AUSTRALIA, CANADA, JAPAN, THE REPUBLIC OF SOUTH AFRICA OR ANY OTHER JURISDICTION IN WHICH SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL.

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS DOCUMENT AND THE PLACING TERMS ARE FOR INFORMATION PURPOSES ONLY AND IS DIRECTED ONLY AT: (A) PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA ("EEA") WHO ARE QUALIFIED INVESTORS AS DEFINED IN SECTION 86(7) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000, AS AMENDED ("QUALIFIED INVESTORS"), BEING PERSONS FALLING WITHIN THE MEANING OF ARTICLE 2(1)(e) OF DIRECTIVE 2003/71/EC AS AMENDED, INCLUDING BY THE 2010 PROSPECTUS DIRECTIVE AMENDING DIRECTIVE (DIRECTIVE 2010/73/EC) AND TO THE EXTENT IMPLEMENTED IN THE RELEVANT MEMBER STATE (THE "PROSPECTUS DIRECTIVE"); AND (B) IN THE UNITED KINGDOM, QUALIFIED INVESTORS WHO ARE PERSONS WHO (I) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(5) (INVESTMENT PROFESSIONALS) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "ORDER"); (II) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) (HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC.) OF THE ORDER; OR (III) ARE PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS").

THIS DOCUMENT AND THE INFORMATION IN IT MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. PERSONS DISTRIBUTING THIS DOCUMENT MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS DOCUMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS DOCUMENT DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN THE COMPANY.

THIS DOCUMENT IS NOT AN OFFER OF SECURITIES FOR SALE INTO THE UNITED STATES. THE PLACING SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD OR TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. SUBJECT TO CERTAIN EXCEPTIONS AND AT THE SOLE DISCRETION OF THE COMPANY, THE PLACING SHARES ARE BEING OFFERED AND SOLD ONLY OUTSIDE THE UNITED STATES IN "OFFSHORE TRANSACTIONS" WITHIN THE MEANING OF, AND IN ACCORDANCE WITH, REGULATION S UNDER THE SECURITIES ACT AND OTHERWISE IN ACCORDANCE WITH APPLICABLE LAWS. NO PUBLIC OFFERING OF THE PLACING SHARES IS BEING MADE IN THE UNITED STATES, THE UNITED KINGDOM OR ELSEWHERE. NO MONEY, SECURITIES OR OTHER CONSIDERATION FROM ANY PERSON INSIDE THE UNITED STATES IS BEING SOLICITED AND, IF SENT IN RESPONSE TO THE INFORMATION CONTAINED IN THIS DOCUMENT, WILL NOT BE ACCEPTED.

EACH PLACEE SHOULD CONSULT WITH ITS ADVISERS AS TO LEGAL, TAX, BUSINESS AND RELATED ASPECTS OF AN INVESTMENT IN PLACING SHARES. THE DISTRIBUTION OF THIS DOCUMENT, ANY PART OF IT OR ANY INFORMATION CONTAINED IN IT MAY BE RESTRICTED BY LAW IN CERTAIN JURISDICTIONS, AND ANY PERSON INTO WHOSE POSSESSION THIS DOCUMENT, ANY PART OF IT OR ANY INFORMATION CONTAINED IN IT COMES SHOULD INFORM THEMSELVES ABOUT, AND OBSERVE, SUCH RESTRICTIONS.

No action has been taken by the Company, Nplus1 Singer Advisory LLP ("**N+1 Singer**") or any of their respective affiliates, agents, directors, officers or employees that would permit an offer of the Placing Shares or possession or distribution of this Announcement or any other offering or publicity material relating to such Placing Shares in any jurisdiction where action for that purpose is required.

This Document or any part of it does not constitute or form part of any offer to issue or sell, or the solicitation of an offer to acquire, purchase or subscribe for, any securities in the United States (including its territories and possessions, any state of the United States and the District of Columbia), Canada, the Republic of Ireland, Australia, the Republic of South Africa, Japan or any other jurisdiction in which the same would be unlawful. No public offering of the Placing Shares is being made in any such jurisdiction.

All offers of the Placing Shares will be made pursuant to an exemption under the Prospectus Directive from the requirement to produce a prospectus. In the United Kingdom, this Document is being directed solely at persons in circumstances in which section 21(1) of the Financial Services and Markets Act 2000 (as amended) (the "**FSMA**") does not apply.

The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this Document. Any representation to the contrary is a criminal offence in the United States. The relevant clearances have not been, nor will they be, obtained from the securities commission of any province or territory of Canada, no prospectus has been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance; the relevant clearances have not been, and will not be, obtained for the South Africa Reserve Bank or any other applicable body in the Republic of South Africa in relation to the Placing Shares and the Placing Shares have not been, nor will they be, registered under or offering in compliance with the securities laws of any state, province or territory of Australia, Canada, Japan or the Republic of South Africa. Accordingly, the Placing Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into Australia, Canada, Japan or the Republic of South Africa or any other jurisdiction outside the United Kingdom.

Persons (including, without limitation, nominees and trustees) who have a contractual right or other legal obligations to forward a copy of this Document should seek appropriate advice before taking any action.

This Document should be read in its entirety. In particular, you should read and understand the information provided in this Part 6.

By participating in the Placing, each person who chooses to participate in the Placing (a "**Placee**") will be deemed to have read and understood this document in its entirety, to be participating, making an offer and acquiring Placing Shares on the terms and conditions contained herein and to be providing the representations, warranties, indemnities, acknowledgements and undertakings contained in this Part 6.

In particular, each such Placee represents, warrants, undertakes, agrees and acknowledges (amongst other things) that:

1 it is a Relevant Person and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;

2 in the case of a Relevant Person in a member state of the EEA which has implemented the Prospectus Directive (each, a "**Relevant Member State**") who acquires any Placing Shares pursuant to the Placing:

2.1 it is a Qualified Investor within the meaning of Article 2(1)(e) of the Prospectus Directive;

2.2 in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive:

2.2.1 the Placing Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than Qualified Investors or in circumstances in which the prior consent of N+1 Singer has been given to the offer or resale; or

2.2.2 where Placing Shares have been acquired by it on behalf of persons in any member state of the EEA other than Qualified Investors, the offer of those Placing Shares to it is not treated under the Prospectus Directive as having been made to such persons;

3 it is acquiring the Placing Shares for its own account or is acquiring the Placing Shares for an account with respect to which it exercises sole investment discretion and has the authority to make and does make the representations, warranties, indemnities, acknowledgements, undertakings and agreements contained in this Document;

4 it understands (or if acting for the account of another person, such person has confirmed that such person understands) the resale and transfer restrictions set out in this Part 6; and

5 except as otherwise permitted by the Company and subject to any available exemptions from applicable securities laws, it (and any account referred to in paragraph 3 above) is outside the United States acquiring the Placing Shares in offshore transactions as defined in and in accordance with Regulation S under the Securities Act.

No prospectus

No prospectus or other offering document has been or will be submitted to be approved by the FCA in relation to the Placing or the Placing Shares and Placees' commitments will be made solely on the basis of the information contained in this Document and any information publicly announced through a Regulatory Information Service (as defined in the AIM Rules for Companies (the "**AIM Rules**")) by or on behalf of the Company on or prior to Admission (the "**Publicly Available Information**") and subject to any further terms set forth in the form of confirmation to be sent to individual Placees.

Each Placee, by participating in the Placing, agrees that the content of this Document is exclusively the responsibility of the Company and confirms that it has neither received nor relied on any information (other than the Publicly Available Information), representation, warranty or statement made by or on behalf of N+1 Singer, the Company or any other person and none of N+1 Singer, the Company or any other person acting on such person's behalf nor any of their respective affiliates has or shall have any liability for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

Details of the Placing Agreement and the Placing Shares

Pursuant to the Placing Agreement with the Company and subject to the terms and conditions set out in the Placing Agreement, N+1 Singer, as agent for and on behalf of the Company, has agreed to use its reasonable endeavours to procure Placees for the Placing Shares at the Placing Price.

The Placing Shares will, when issued, be subject to the articles of association of the Company and credited as fully paid and will rank pari passu in all respects with the Existing Ordinary Shares in the

capital of the Company, including the right to receive all dividends and other distributions declared, made or paid in respect of such Ordinary Shares after the date of issue of the Placing Shares.

Application for admission to trading

Application will be made to the London Stock Exchange for admission of the Placing Shares to trading on AIM.

It is expected that Admission will take place no later than the Longstop Date and that dealings in the Placing Shares on AIM will commence at the time of Admission.

Participation in the Placing

This Part 6 gives details of the terms and conditions of, and the mechanics of participation in, the Placing. No commissions will be paid to Placees or by Placees in respect of any Placing Shares. N+1 Singer and the Company shall be entitled to effect the Placing by such alternative method as they may, in their sole discretion, determine.

Principal terms of the Placing

1 N+1 Singer is acting as nominated adviser, financial adviser and broker to the Placing, as agent for and on behalf of the Company. N+1 Singer is authorised and regulated in the United Kingdom by the Financial Conduct Authority ("**FCA**") and is acting exclusively for the Company and no one else in connection with the matters referred to in this Document and will not be responsible to anyone other than the Company for providing the protections afforded to the customers of N+1 Singer or for providing advice in relation to the matters described in this Document.

2 Participation in the Placing will only be available to persons who may lawfully do so, and who are, invited by N+1 Singer to participate in the Placing. N+1 Singer and any of its respective affiliates are entitled to participate in the Placing as principal.

3 The final number of Placing Shares to be issued at the Placing Price will be agreed and determined between N+1 Singer and the Company and such details will be announced by the Company through a Regulatory Information Service pursuant to the placing results announcement.

4 Each Placee's allocation in the Placing shall be determined by N+1 Singer and the Company. Placees commitments to subscribe for the Placing Shares will be made orally to N+1 Singer on a recorded telephone line and a form of confirmation documenting such commitment will be dispatched by N+1 Singer by email as soon as possible thereafter. That oral confirmation will give rise to an irrevocable, legally binding commitment by that person (who at that point becomes a Placee), in favour of N+1 Singer and the Company, under which it agrees to acquire the number of Placing Shares allocated to the Placee at the Placing Price and otherwise on the terms and subject to the conditions set out in this Part 6 and in accordance with the Company's articles of association. Except with N+1 Singer's written consent, such commitment will not be capable of variation or revocation at the time at which it is submitted. The terms of this Part 6 will also be deemed incorporated in the form of confirmation.

5 Each Placee will have an immediate, separate, irrevocable and binding obligation, owed to N+1 Singer (as agent for the Company), to pay to it (or as it may direct) in cleared funds an amount equal to the product of the Placing Price and the number of Placing Shares such Placee has agreed to acquire and the Company has agreed to allot and issue to that Placee.

6 Irrespective of the time at which a Placee's allocation(s) pursuant to the Placing is/are confirmed, settlement for all Placing Shares to be acquired pursuant to the Placing will be required to be made at the same time, on the basis explained below under "Registration and Settlement".

7 All obligations of N+1 Singer under the Placing will be subject to fulfilment of the conditions referred to below under "Conditions of the Placing" and to the Placing not being terminated on the basis referred to below under "Termination of the Placing".

8 By participating in the Placing, each Placee will agree that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee.

9 To the fullest extent permissible by law and applicable FCA rules, none of (a) N+1 Singer, (b) any of N+1 Singer's affiliates, agents, directors, officers, consultants, (c) to the extent not contained within (a) or (b), any person connected with N+1 Singer as defined in the Financial Services and Markets Act 2000 ("**FSMA**") ((b) and (c) being together "**affiliates**" and individually an "**affiliate**" of N+1 Singer), (d) any person acting on N+1 Singer's behalf, shall have any liability (including to the extent permissible by law, any fiduciary duties) to Placees or to any other person whether acting on behalf of a Placee or otherwise. In particular, neither N+1 Singer nor any of its respective affiliates shall have any liability (including, to the extent permissible by law, any fiduciary duties) in respect of their conduct of the Placing or of such alternative method of effecting the Placing as N+1 Singer and the Company may agree.

Registration and Settlement

If Placees are allocated any Placing Shares in the Placing they will be sent a form of confirmation or electronic confirmation by N+1 Singer, as soon as it is able which will confirm the number of Placing Shares allocated to them, the Placing Price and the aggregate amount owed by them to N+1 Singer.

Each Placee will be deemed to agree that it will do all things necessary to ensure that delivery and payment is completed as directed by N+1 Singer in accordance with either the standing CREST or certificated settlement instructions which they have in place with N+1 Singer.

Settlement of transactions in the Placing Shares following Admission will take place within the CREST system, subject to certain exceptions. Settlement through CREST is expected to take place in respect of the Placing Shares on 6 November 2018 and Admission is expected to occur no later than 8.00 a.m. on 6 November 2018 unless otherwise notified by N+1 Singer.

It is expected that the EIS/VCT Placing Shares will be issued unconditionally to potential subscribers on 5 November 2018 (or such later date as the Company and N+1 Singer may agree in writing, being no later than 30 November 2018), being the business day prior to Admission. The issue of the EIS/VCT Placing Shares is not conditional upon the issue of the balance of the Placing Shares and Admission. However, it is conditional, *inter alia*, on:

(i) the performance by the Company of its obligations under the Placing Agreement in so far as the same fall to be performed prior to completion of the EIS/VCT Placing;

(ii) the Placing Agreement having been entered into and it having not been terminated prior to the issue of the EIS/VCT Placing Shares; and

(iii) the satisfaction or, where appropriate, the waiver of all other conditions set out in the Placing Agreement relating to the issue of the EIS/VCT Placing Shares.

Settlement will be on a delivery versus payment basis. However, in the event of any difficulties or delays in the admission of the Placing Shares to CREST or the use of CREST in relation to the Placing, the Company and N+1 Singer may agree that the Placing Shares should be issued in certificated form. N+1 Singer reserves the right to require settlement for the Placing Shares, and to deliver the Placing Shares to Placees, by such other means as they deem necessary if delivery or settlement to Placees is not practicable within the CREST system or would not be consistent with regulatory requirements in a Placee's jurisdiction.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above, in respect of either CREST or certificated deliveries, at the rate of 2 percentage points above prevailing LIBOR as determined by N+1 Singer.

Each Placee agrees that, if it does not comply with these obligations, N+1 Singer may sell, charge by way of security (to any funder of N+1 Singer) or otherwise deal with any or all of their Placing Shares on their behalf and retain from the proceeds, for N+1 Singer's own account and benefit, an amount equal to the aggregate amount owed by the Placee plus any interest due and any costs and expenses properly incurred by N+1 Singer a result of the Placee's failure to comply with its obligations. The relevant Placee will, however, remain liable for any shortfall below the amount owed by it and for any stamp duty or stamp duty reserve tax (together with any interest or penalties) which may arise upon the sale of their Placing Shares on their behalf. Legal and/or beneficial title in and to any Placing Shares shall not pass to the relevant Placee until such time as it has fully complied with its obligations hereunder.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees must ensure that, upon receipt, the conditional form of confirmation is copied and delivered immediately to the relevant person within that organisation. Insofar as Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject as provided below, be so registered free from any liability to United Kingdom stamp duty or stamp duty reserve tax. Placees will not be entitled to receive any fee or commission in connection with the Placing.

Conditions of the Placing

Other than in respect of the EIS/VCT Placing Shares, the Placing is conditional upon the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms. The issue of the EIS/VCT Placing Shares is conditional upon (a) to (f) below only and is therefore not conditional on Admission.

The obligations of N+1 Singer under the Placing Agreement are, and the Placing is, conditional upon, inter alia:

(a) the Company allotting the Placing Shares in accordance with the terms of the Placing Agreement;

(b) none of the warranties or undertakings on the part of the Company contained in the Placing Agreement being or having become untrue, inaccurate or misleading at any time before Admission, and no fact or circumstance having arisen which would constitute a breach of any of the Warranties or undertakings given in the Placing Agreement;

(c) the performance by the Company of its obligations under the Placing Agreement to the extent that they fall to be performed prior to Admission;

(d) no matter having arisen before Admission which might reasonably be expected to give rise to an indemnity claim under the Placing Agreement;

(e) agreement by the Company and N+1 Singer of the final number of Placing Shares to be issued at the Placing Price pursuant to the Placing and the allocation of such Placing Shares to Placees;

(f) no occurrence of a market disruption event as specified in the Placing Agreement; and

(g) Admission occurring by not later than 8.00 a.m. on 6 November 2018 (or such later date as the Company and N1 Singer may agree in writing, in any event being not later than 30 November 2018),

(all conditions to the obligations of N+1 Singer included in the Placing Agreement being together, the "**conditions**").

If any of the conditions set out in the Placing Agreement are not fulfilled or, where permitted, waived in accordance with the Placing Agreement within the stated time periods (or such later time and/or date as the Company and N+1 Singer may agree, provided that the time for satisfaction of the condition set out in (e) above shall not be extended beyond the LongStop Date, or the Placing Agreement is terminated in accordance with its terms, the Placing will lapse and the Placee's rights and obligations shall cease and terminate at such time and each Placee agrees that no claim can be

made by or on behalf of the Placee (or any person on whose behalf the Placee is acting) in respect thereof.

By participating in the Placing, each Placee agrees that its rights and obligations cease and terminate only in the circumstances described above and under "Termination of the Placing" below and will not be capable of rescission or termination by it.

Certain conditions may be waived in whole or in part by N+1 Singer, in its absolute discretion by notice in writing to the Company and N+1 Singer may also agree in writing with the Company to extend the time for satisfaction of any condition. Any such extension or waiver will not affect Placees' commitments as set out in this Document.

N+1 Singer may terminate the Placing Agreement in certain circumstances, details of which are set out below.

Neither N+1 Singer, the Company nor any of their respective affiliates, agents, directors, officers, employees shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision any of them may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition to the Placing nor for any decision any of them may make as to the satisfaction of any condition or in respect of the Placing generally and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of N+1 Singer.

Termination of the Placing

N+1 Singer may terminate the Placing Agreement, in accordance with its terms, at any time prior to Admission if, inter alia:

1 it comes to the attention of N+1 Singer that any of the warranties were not true or accurate, or were misleading when given or deemed given; or

2 it comes to the attention of N+1 Singer that the Company has failed to comply with its obligations under the Placing Agreement, FSMA, MAR, the AIM Rules or other applicable Law; or

3 it comes to the attention of N+1 Singer that any statement contained in the Fundraising documents has become or been discovered to be untrue, inaccurate or misleading; or

4 there has occurred a *force majeure* event, or any material adverse change has occurred in the financial position or prospects or business of the Company and its subsidiary undertakings (taken as whole) which, in the opinion of N+1 Singer, will or is likely to be prejudicial to the Placing or Admission or to the subscription for Placing Shares by Placees.

If the Placing Agreement is terminated in accordance with its terms, the rights and obligations of each Placee in respect of the Placing as described in this Document shall cease and terminate at such time and no claim can be made by any Placee in respect thereof.

By participating in the Placing, each Placee agrees with the Company and N+1 Singer that the exercise by the Company or N+1 Singer of any right of termination or any other right or other discretion under the Placing Agreement shall be within the absolute discretion of the Company or N+1 Singer and that neither of the Company nor N+1 Singer need make any reference to such Placee and that neither N+1 Singer, the Company, nor any of their respective affiliates, agents, directors, officers or employees shall have any liability to such Placee (or to any other person whether acting on behalf of a Placee or otherwise) whatsoever in connection with any such exercise.

By participating in the Placing, each Placee agrees that its rights and obligations terminate only in the circumstances described above and under the "Conditions of the Placing" section above and will not be capable of rescission or termination by it after the issue by N+1 Singer of a form of confirmation confirming each Placee's allocation and commitment in the Placing.

Enterprise Investment Scheme (EIS) and Venture Capital Trust (VCT) Schemes

The Company has applied for and received advance assurance from HMRC to the effect that, subject to receipt of a satisfactory compliance statement from the Company, the EIS/VCT Placing Shares are capable of satisfying the requirements for EIS Relief. The Company expects the EIS/VCT Placing Shares to be capable of constituting a qualifying holding for VCT Relief purposes. HMRC has confirmed that the Company will qualify as a 'knowledge-intensive company' for the purposes of the EIS Legislation and the VCT Legislation.

The status of the EIS/VCT Placing Shares as a qualifying holding for VCT purposes will be conditional (amongst other things) on the qualifying conditions being satisfied throughout the period of ownership. The status of the EIS/VCT Placing Shares as qualifying for EIS Relief will be conditional (amongst other things) on the qualifying conditions being satisfied, both by the Company and (as regards those conditions to be met by the investor) the investor throughout a period of at least three years from the date of issue. There can be no assurance that the Company will conduct its activities in a way that will secure or retain qualifying status for VCT and/or EIS purposes (and indeed circumstances may arise where the directors of the Company believe that the interests of the Group are not served by seeking to retain such status). Further, the conditions for VCT Relief and EIS Relief are complex and relevant investors are recommended to seek their own professional advice before investing. This paragraph is without prejudice to any separate comfort letter which may have been given by the Company to certain VCT investors in connection with the EIS/VCT Placing.

Representations, warranties and further terms

By participating in the Placing, each Placee (and any person acting on such Placee's behalf) represents, warrants, acknowledges and agrees (for itself and for any such prospective Placee) that (save where N+1 Singer expressly agree in writing to the contrary):

1 it has read and understood this Document in its entirety and that its acquisition of the Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, indemnities, acknowledgements, agreements and undertakings and other information contained herein and that it has not relied on, and will not rely on, any information given or any representations, warranties or statements made at any time by any person in connection with Admission, the Placing, the Company, the Placing Shares or otherwise, other than the information contained in this Document and the Publicly Available Information;

2 it has not received a prospectus or other offering document in connection with the Placing and acknowledges that no prospectus or other offering document: (a) is required under the Prospectus Directive; and (b) has been or will be prepared in connection with the Placing;

3 the Ordinary Shares are admitted to trading on AIM, and that the Company is therefore required to publish certain business and financial information in accordance with the AIM Rules, which includes a description of the nature of the Company's business and the Company's most recent balance sheet and profit and loss account and that it is able to obtain or access such information without undue difficulty, and is able to obtain access to such information or comparable information concerning any other publicly traded company, without undue difficulty;

4 it has made its own assessment of the Placing Shares and has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing and neither N+1 Singer, the Company nor any of their respective affiliates, agents, directors, officers or employees or any person acting on behalf of any of them has provided, and will not provide, it with any material regarding the Placing Shares or the Company or any other person other than the information in this Document, or the Publicly Available Information; nor has it requested neither of N+1 Singer, the Company, any of their respective affiliates, agents, directors, officers or employees or any person acting on behalf of any of them to provide it with any such information;

5 neither N+1 Singer, any person acting on behalf of them or any of their respective affiliates, agents, directors, officers or employees has or shall have any liability for any Publicly Available Information, or any representation relating to the Company, provided that nothing in this

paragraph excludes the liability of any person for fraudulent misrepresentation made by that person;

6 (a) the only information on which it is entitled to rely on and on which it has relied in committing to subscribe for the Placing Shares is contained in the Publicly Available Information and this document, such information being all that it deems necessary to make an investment decision in respect of the Placing Shares and it has made its own assessment of the Company, the Placing Shares and the terms of the Placing based on Publicly Available Information and the information contained in this document; (b) neither N+1 Singer, the Company nor any of their respective affiliates, agents, directors, officers or employees has made any representation or warranty to it, express or implied, with respect to the Company, the Placing or the Placing Shares or the accuracy, completeness or adequacy of the Publicly Available Information and the information contained in this document; (c) it has conducted its own investigation of the Company, the Placing and the Placing Shares, satisfied itself that the information is still current and relied on that investigation for the purposes of its decision to participate in the Placing; and (d) has not relied on any investigation that N+1 Singer or any person acting on their behalf may have conducted with respect to the Company, the Placing or the Placing Shares;

7 the content of this Document and the Publicly Available Information has been prepared by and is exclusively the responsibility of the Company and that neither N+1 Singer nor any persons acting on behalf of it is responsible for or has or shall have any liability for any information, representation, warranty or statement relating to the Company contained in this Document or the Publicly Available Information nor will they be liable for any Placee's decision to participate in the Placing based on any information, representation, warranty or statement contained in this Document, the Publicly Available Information or otherwise. Nothing in this Part 6 shall exclude any liability of any person for fraudulent misrepresentation;

8 the Placing Shares have not been registered or otherwise qualified, and will not be registered or otherwise qualified, for offer and sale nor will a prospectus be cleared or approved in respect of any of the Placing Shares under the securities laws of the United States, or any state or other jurisdiction of the United States, the Republic of Ireland, Australia, Canada, Republic of South Africa or Japan and, subject to certain exceptions, may not be offered, sold, taken up, renounced or delivered or transferred, directly or indirectly, within the United States, the Republic of Ireland, Australia, Canada, South Africa or Japan or in any country or jurisdiction where any such action for that purpose is required;

9 it and/or each person on whose behalf it is participating:

9.1 is entitled to acquire Placing Shares pursuant to the Placing under the laws and regulations of all relevant jurisdictions;

9.2 has fully observed such laws and regulations;

9.3 has capacity and authority and is entitled to enter into and perform its obligations as an acquirer of Placing Shares and will honour such obligations; and

9.4 has obtained all necessary consents and authorities (including, without limitation, in the case of a person acting on behalf of a Placee, all necessary consents and authorities to agree to the terms set out or referred to in this Part 6) under those laws or otherwise and complied with all necessary formalities to enable it to enter into the transactions contemplated hereby and to perform its obligations in relation thereto and, in particular, if it is a pension fund or investment company it is aware of and acknowledges it is required to comply with all applicable laws and regulations with respect to its subscription for Placing Shares;

10 it is not, and any person who it is acting on behalf of is not, and at the time the Placing Shares are subscribed for will not be, a resident of, or with an address in, or subject to the laws of, Australia, Canada, Japan, the Republic of Ireland or the Republic of South Africa, and it acknowledges and agrees that the Placing Shares have not been and will not be registered or otherwise qualified under the securities legislation of Australia, Canada, Japan, the Republic of

Ireland or the Republic of South Africa and may not be offered, sold, or acquired, directly or indirectly, within those jurisdictions;

11 the Placing Shares have not been, and will not be, registered under the Securities Act and may not be offered, sold or resold in or into or from the United States except pursuant to an effective registration under the Securities Act, or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with applicable state securities laws; and no representation is being made as to the availability of any exemption under the Securities Act for the reoffer, resale, pledge or transfer of the Placing Shares;

12 it and the beneficial owner of the Placing Shares is, and at the time the Placing Shares are acquired will be, outside the United States and acquiring the Placing Shares in an "offshore transaction" as defined in, and in accordance with, Regulation S under the Securities Act;

13 it (and any account for which it is purchasing) is not acquiring the Placing Shares with a view to any offer, sale or distribution thereof within the meaning of the Securities Act;

14 it will not distribute, forward, transfer or otherwise transmit this Document or any part of it, or any other presentational or other materials concerning the Placing in or into or from the United States (including electronic copies thereof) to any person, and it has not distributed, forwarded, transferred or otherwise transmitted any such materials to any person;

15 neither N+1 Singer, its respective affiliates, agents, directors, officers or employees nor any person acting on behalf of any of them is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing and that participation in the Placing is on the basis that it is not and will not be a client of N+1 Singer and N+1 Singer has no duties or responsibilities to it for providing the protections afforded to its clients or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor for the exercise or performance of any of its rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;

16 it has the funds available to pay for the Placing Shares for which it has agreed to subscribe and acknowledges and agrees that it will make payment to N+1 Singer for the Placing Shares allocated to it in accordance with the terms and conditions of this Document on the due times and dates set out in this Document, failing which the relevant Placing Shares may be placed with others on such terms as N+1 Singer may, in its absolute discretion determine without liability to the Placee and it will remain liable for any shortfall below the net proceeds of such sale and the placing proceeds of such Placing Shares and may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties due pursuant to the terms set out or referred to in this Document) which may arise upon the sale of such Placee's Placing Shares on its behalf;

17 no action has been or will be taken by any of the Company, N+1 Singer or any person acting on their behalf that would, or is intended to, permit a public offer of the Placing Shares in the United States or in any country or jurisdiction where any such action for that purpose is required;

18 the person who it specifies for registration as holder of the Placing Shares will be: (a) the Placee; or (b) a nominee of the Placee, as the case may be. Neither N+1 Singer nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. Each Placee and any person acting on behalf of such Placee agrees to acquire Placing Shares pursuant to the Placing and agrees to pay the Company and N+1 Singer in respect of the same (including any interest or penalties) on the basis that the Placing Shares will be allotted to a CREST stock account of N+1 Singer or transferred to a CREST stock account of N+1 Singer who will hold them as nominee on behalf of the Placee until settlement in accordance with its standing settlement instructions with it;

19 it is acting as principal only in respect of the Placing or, if it is acting for any other person, (a) it is duly authorised to do so and has full power to make the acknowledgments, representations and agreements herein on behalf of each such person and (b) it is and will remain liable to the

Company and N+1 Singer for the performance of all its obligations as a Placee in respect of the Placing (regardless of the fact that it is acting for another person);

20 the allocation, allotment, issue and delivery to it, or the person specified by it for registration as holder, of Placing Shares will not give rise to a stamp duty or stamp duty reserve tax liability under (or at a rate determined under) any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and that it is not participating in the Placing as nominee or agent for any person or persons to whom the allocation, allotment, issue or delivery of Placing Shares would give rise to such a liability;

21 it and any person acting on its behalf (if within the United Kingdom) falls within Article 19(5) and/or 49(2) of the Order and undertakes that it will acquire, hold, manage and (if applicable) dispose of any Placing Shares that are allocated to it for the purposes of its business only;

22 it will not make an offer to the public of the Placing Shares and it has not offered or sold and will not offer or sell any Placing Shares to persons in the United Kingdom or elsewhere in the EEA prior to the expiry of a period of six months from Admission except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of section 85(1) of the FSMA or an offer to the public in any other member state of the EEA within the meaning of the Prospectus Directive;

23 it is a person of a kind described in: (a) Article 19(5) (Investment Professionals) and/or 49(2) (High net worth companies etc.) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, and/or an authorised person as defined in section 31 of FSMA; and (b) section 86(7) of FSMA ("**Qualified Investor**"), being a person falling within Article 2.1(e) the Prospectus Directive. For such purposes, it undertakes that it will acquire, hold, manage and (if applicable) dispose of any Placing Shares that are allocated to it for the purposes of its business only;

24 it has only communicated or caused to be communicated and it will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) relating to Placing Shares in circumstances in which section 21(1) of the FSMA does not require approval of the communication by an authorised person;

25 it has complied and it will comply with all applicable laws with respect to anything done by it or on its behalf in relation to the Placing Shares (including all relevant provisions of the FSMA in respect of anything done in, from or otherwise involving the United Kingdom);

26 if it is a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive (including any relevant implementing measure in any member state), the Placing Shares acquired by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in a member state of the EEA which has implemented the Prospectus Directive other than Qualified Investors, or in circumstances in which the express prior written consent of N+1 Singer has been given to the offer or resale;

27 it has neither received nor relied on any confidential price sensitive information about the Company in accepting this invitation to participate in the Placing;

28 neither N+1 Singer nor any of its respective affiliates, agents, directors, officers or employees or any person acting on behalf of any of them has or shall have any liability for any information, representation or statement contained in this Document or for any information previously published by or on behalf of the Company or any other written or oral information made available to or publicly available or filed information or any representation, warranty or undertaking relating to the Company, and will not be liable for its decision to participate in the Placing based on any information, representation, warranty or statement contained in this Document or elsewhere, provided that nothing in this paragraph shall exclude any liability of any person for fraud;

29 neither N+1 Singer, the Company, nor any of their respective affiliates, agents, directors, officers or employees or any person acting on behalf of N+1 Singer, the Company or their respective affiliates, agents, directors, officers or employees is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing nor providing advice in relation to the Placing nor in respect of any representations, warranties, acknowledgements, agreements, undertakings, or indemnities contained in the Placing Agreement nor the exercise or performance of N+1 Singer's rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;

30 acknowledges and accepts that N+1 Singer may, in accordance with applicable legal and regulatory provisions, engage in transactions in relation to the Placing Shares and/or related instruments for their own account for the purpose of hedging their underwriting exposure or otherwise and, except as required by applicable law or regulation, N+1 Singer will not make any public disclosure in relation to such transactions;

31 N+1 Singer and each of its affiliates, each acting as an investor for its or their own account(s), may bid or subscribe for and/or purchase Placing Shares and, in that capacity, may retain, purchase, offer to sell or otherwise deal for its or their own account(s) in the Placing Shares, any other securities of the Company or other related investments in connection with the Placing or otherwise. Accordingly, references in this Document to the Placing Shares being offered, subscribed, acquired or otherwise dealt with should be read as including any offer to, or subscription, acquisition or dealing by N+1 Singer and/or any of its respective affiliates, acting as an investor for its or their own account(s). Neither N+1 Singer nor the Company intend to disclose the extent of any such investment or transaction otherwise than in accordance with any legal or regulatory obligation to do so;

32 it has complied with its obligations in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2000, the Terrorism Act 2006 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (together, the "**Regulations**") and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations;

33 it is aware of the obligations regarding insider dealing in the Criminal Justice Act 1993, FSMA, the EU Market Abuse Regulation No. 596 of 2014 and the Proceeds of Crime Act 2002 and confirms that it has and will continue to comply with those obligations;

34 in order to ensure compliance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, N+1 Singer (for itself and as agent on behalf of the Company) or the Company's registrars may, in their absolute discretion, require verification of its identity. Pending the provision to N+1 Singer's or the Company's registrars, as applicable, of evidence of identity, definitive certificates in respect of the Placing Shares may be retained at N+1 Singer's absolute discretion or, where appropriate, delivery of the Placing Shares to it in uncertificated form may be delayed at N+1 Singer's or the Company's registrars', as the case may be, absolute discretion. If within a reasonable time after a request for verification of identity N+1 Singer's (for itself and as agent on behalf of the Company) or the Company's registrars have not received evidence satisfactory to them, N+1 Singer and/or the Company may, at its absolute discretion, terminate its commitment in respect of the Placing, in which event the monies payable on acceptance of allotment will, if already paid, be returned without interest to the account of the drawee's bank from which they were originally debited;

35 acknowledges that its commitment to acquire Placing Shares on the terms set out in this Document and in the form of confirmation will continue notwithstanding any amendment that may in future be made to the terms and conditions of the Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company's or N+1 Singer's conduct of the Placing;

36 it has knowledge and experience in financial, business and international investment matters as is required to evaluate the merits and risks of subscribing for the Placing Shares. It further acknowledges that it is experienced in investing in securities of this nature and is aware that it

may be required to bear, and is able to bear, the economic risk of, and is able to sustain, a complete loss in connection with the Placing. It has relied upon its own examination and due diligence of the Company and its affiliates taken as a whole, and the terms of the Placing, including the merits and risks involved;

37 it irrevocably appoints any duly authorised officer of N+1 Singer as its agent for the purpose of executing and delivering to the Company and/or its registrars any documents on its behalf necessary to enable it to be registered as the holder of any of the Placing Shares for which it agrees to subscribe or purchase upon the terms of this Document;

38 the Company, N+1 Singer and others (including each of their respective affiliates, agents, directors, officers or employees) will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements, which are given to N+1 Singer, on their own behalf and on behalf of the Company and are irrevocable;

39 if it is acquiring the Placing Shares as a fiduciary or agent for one or more investor accounts, it has full power and authority to make, and does make, the foregoing representations, warranties, acknowledgements, agreements and undertakings on behalf of each such accounts;

40 neither it nor, as the case may be, its clients expect N+1 Singer to have any duties or responsibilities to such persons similar or comparable to the duties of "best execution" and "suitability" imposed by the FCA's Conduct of Business Source Book, and that N+1 Singer is not acting for it or its clients, and that N+1 Singer will not be responsible for providing the protections afforded to customers of N+1 Singer or for providing advice in respect of the transactions described herein;

41 that it is a "professional client" or an "eligible counterparty" within the meaning of Chapter 3 of the FCA's Conduct of Business Sourcebook and it is purchasing Placing Shares for investment only and not with a view to resale or distribution;

42 that it will (or will procure that its nominee will) if applicable, make notification to the Company of the interest in its ordinary shares in accordance with the Disclosure Guidance and Transparency Rules published by the FCA;

43 it represents and warrants that, to the extent it has received any inside information (for the purposes of MAR) and section 56 of the Criminal Justice Act 1993) in relation to the Company or any related company subject to MAR and the securities of the Company or any such related company, it has not: (a) dealt (or attempted to deal) in the securities of the Company or any related company; (b) encouraged, recommended or induced another person to deal in the securities of such company; or (c) unlawfully disclosed inside information in respect of the Company or any related company to any person, prior to the information being made publicly available;

44 it undertakes to N+1 Singer at the time of making its commitment to subscribe for Placing Shares that it will confirm in writing to N+1 Singer in the form of confirmation sent by N+1 Singer to Placees the number of Placing Shares and it intends to subscribe for and in respect of which VCT Relief or EIS Relief will be sought (or which will otherwise comprise Relevant Funding) and those Placing Shares in respect of which such relief will not be sought (or which will otherwise not comprise Relevant Funding);

45 that, as far as it is aware it is not acting in concert (within the meaning given in the City Code) with any other person in relation to the Company;

46 that it is responsible for obtaining any legal, tax and other advice that it deems necessary for the execution, delivery and performance of its obligations in accepting the terms and conditions of the Placing, and that it is not relying on the Company or N+1 Singer to provide any legal, tax or other advice to it;

47 it will not distribute any document relating to the Placing Shares and it will be acquiring the Placing Shares for its own account as principal or for a discretionary account or accounts (as to which it has the authority to make the statements set out herein) for investment purposes only;

48 it is acquiring the Placing Shares for its own account or is acquiring the Placing Shares for an account with respect to which it exercises sole investment discretion and has the authority to make and does make the representations, warranties, indemnities, acknowledgements, undertakings and agreements contained in this document;

49 time is of the essence as regards its obligations under this Part 6;

50 any document that is to be sent to it in connection with the Placing will be sent at its risk and may be sent to it at any address provided by it to N+1 Singer;

51 the Placing Shares will be issued subject to the terms and conditions of this Part 6; and

52 these terms and conditions in this Part 6 and all documents into which this Part 6 is incorporated by reference or otherwise validly forms a part and/or any agreements entered into pursuant to these terms and conditions and all agreements to acquire shares pursuant to the Placing will be governed by and construed in accordance with English law and it submits to the exclusive jurisdiction of the English courts in relation to any claim, dispute or matter arising out of any such contract, except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by the Company or N+1 Singer in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange.

By participating in the Placing, each Placee (and any person acting on such Placee's behalf) agrees to indemnify and hold the Company, N+1 Singer and each of their respective affiliates, agents, directors, officers and employees harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings given by the Placee (and any person acting on such Placee's behalf) in this Part 6 or incurred by N+1 Singer, the Company or each of their respective affiliates, agents, directors, officers or employees arising from the performance of the Placee's obligations as set out in this Document, and further agrees that the provisions of this Part 6 shall survive after the completion of the Placing.

The agreement to allot and issue Placing Shares to Placees (or the persons for whom Placees are contracting as agent) free of stamp duty and stamp duty reserve tax in the United Kingdom relates only to their allotment and issue to Placees, or such persons as they nominate as their agents, direct by the Company. Such agreement assumes that the Placing Shares are not being acquired in connection with arrangements to issue depositary receipts or to transfer the Placing Shares into a clearance service. If there are any such arrangements, or the settlement related to any other dealings in the Placing Shares, stamp duty or stamp duty reserve tax may be payable. In that event, the Placee agrees that it shall be responsible for such stamp duty or stamp duty reserve tax and neither the Company nor N+1 Singer shall be responsible for such stamp duty or stamp duty reserve tax. If this is the case, each Placee should seek its own advice and they should notify N+1 Singer accordingly. In addition, Placees should note that they will be liable for any capital duty, stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the United Kingdom by them or any other person on the acquisition by them of any Placing Shares or the agreement by them to acquire any Placing Shares and each Placee, or the Placee's nominee, in respect of whom (or in respect of the person for whom it is participating in the Placing as an agent or nominee) the allocation, allotment, issue or delivery of Placing Shares has given rise to such non-United Kingdom stamp, registration, documentary, transfer or similar taxes or duties undertakes to pay such taxes and duties, including any interest and penalties (if applicable), forthwith and to indemnify on an after-tax basis and to hold harmless the Company and N+1 Singer in the event that either the Company and/or N+1 Singer has incurred any such liability to such taxes or duties.

The representations, warranties, acknowledgements and undertakings contained in this Part 6 are given to N+1 Singer for itself and on behalf of the Company and are irrevocable.

Each Placee and any person acting on behalf of the Placee acknowledges that N+1 Singer does not owe any fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings, acknowledgements, agreements or indemnities in the Placing Agreement.

Each Placee and any person acting on behalf of the Placee acknowledges and agrees that N+1 Singer may (at its absolute discretion) satisfy their obligations to procure Placees by itself agreeing to become a Placee in respect of some or all of the Placing Shares or by nominating any connected or associated person to do so.

When a Placee or any person acting on behalf of the Placee is dealing with N+1 Singer, any money held in an account with N+1 Singer on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the relevant rules and regulations of the FCA made under FSMA. Each Placee acknowledges that the money will not be subject to the protections conferred by the client money rules: as a consequence this money will not be segregated from N+1 Singer's money (as applicable) in accordance with the client money rules and will be held by it under a banking relationship and not as trustee.

References to time in this Document are to London time, unless otherwise stated.

All times and dates in this Document may be subject to amendment.

No statement in this Document is intended to be a profit forecast, and no statement in this Document should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

The price of shares and any income expected from them may go down as well as up and investors may not get back the full amount invested upon disposal of the shares. Past performance is no guide to future performance, and persons needing advice should consult an independent financial adviser.

The Placing Shares to be issued or sold pursuant to the Placing will not be admitted to trading on any stock exchange other than the London Stock Exchange.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this document.

PART 7

RESTRICTED OFFER TERMS

Please note: A Print Proof Admission Document was made available to Qualifying EKF Shareholders for the purposes of the Restricted Offer in advance of publication of the final Admission Document. The Restricted Offer closed at 11.00 a.m. on 26 October 2018 and any information in this document relating to the Restricted Offer is provided for information only and is historic as of the date of this document.

1. General

1.1 The contract created by the acceptance by the Company (at the absolute discretion of the Directors and the Proposed Directors in consultation with N+1 Singer) of applications from Qualifying EKF Shareholders who lodge a valid Application Form under the Restricted Offer (each, an "**Applicant**") is conditional upon, among other things, Admission of the Restricted Offer Shares occurring on 6 November 2018 (or such later date, being not later than 30 November 2018, as the Company and N+1 Singer may decide).

1.2 The Company reserves the right to present all cheques and bankers' drafts for payment on receipt (on which no interest will be payable) from the Applicant and to retain surplus application monies pending clearance of successful Applicants' cheques.

1.3 The Company reserves the right to reject, in whole or in part, any application. If any application is not accepted in full, or if any contract created by acceptance does not become unconditional, the application monies or as the case may be the balance thereof, will be returned:

(a) if the Applicant has made payment by cheque or bankers' draft, by crossed cheque in favour of the Applicant, through the post at the sole risk of the person entitled thereto (on which no interest will be payable), within 14 days of the closing of the Restricted Offer; or

(b) if the Applicant has made payment by bank transfer, by transfer to the account from which such payment was received at the sole risk of the person entitled thereto (on which no interest will be payable), as soon as possible and within seven days of the Restricted Offer Close Date.

1.4 By completing and delivering an Application Form, each Qualifying EKF Shareholder who applies for Restricted Offer Shares:

(a) offers to subscribe the number of Restricted Offer Shares specified in such Applicant's Application Form (or such lesser amount for which such Applicant's application is accepted) on the terms of, and subject to, this document, including (without limitation) these terms, the Articles and the terms set out in the valid Application Form;

(b) represents and agrees that such Applicant's application shall not be revoked and this paragraph shall constitute a collateral contract between such Applicant and the Company which will become binding upon despatch by post to, or (in the case of delivery by hand) on receipt by, the Receiving Agent of such Applicant's Application Form;

(c) represents and warrants that such Applicant's remittance will be honoured on first presentation and agrees that, if it is not so honoured, such Applicant will not be entitled to receive a share certificate (or uncertified entitlement, as applicable) for the Restricted Offer Shares applied for unless and until such Applicant makes payment in cleared funds for such Restricted Offer Shares and such payment is accepted by the Receiving Agent in its absolute discretion with the agreement of N+1 Singer (which acceptance will be on the basis that such Applicant indemnifies the Receiving Agent, the Company and N+1 Singer against all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of such Applicant's remittance to be honoured on first presentation) and such Applicant agrees that, at any time prior to the unconditional acceptance(s) by the Company,

the Company may (without prejudice to any other rights(s)) avoid the agreement to issue such Restricted Offer Shares and may issue such Restricted Offer Shares to some other person, in which case such Applicant will not be entitled to any payment or refund in respect of such Restricted Offer Shares other than:

(i) if the Applicant has made payment by cheque or bankers' draft, the refund by a cheque drawn on a branch of a UK clearing bank to the bank account name from which they were first received at the Applicant's risk of any proceeds of the remittance which accompanied the Applicant's Application Form, without interest; or

(ii) if the Applicant has made payment by bank transfer, the refund by bank transfer to the account from which such payment was received at the Applicant's risk of any proceeds of the bank transfer made in respect of the Applicant's Application Form, without interest;

(d) agrees that, in respect of those Restricted Offer Shares for which such Applicant's application has been received and is not rejected, acceptance of such Applicant's application shall be constituted, at the election of the Company, by notification of acceptance thereof to the Registrars;

(e) agrees that Restricted Offer Shares will be credited to CREST accounts or issued in certificated form only when the cheque or bankers draft has been cleared for payment or the bank transfer has been received (as applicable), and further agrees that in the event of any difficulties or delays in the admission of the Restricted Offer Shares to CREST in relation to the Offer, the Company and/or N+1 Singer may agree that all of the Restricted Offer Shares for which the Applicant's application is accepted be issued in certificated form;

(f) agrees that any monies returnable to such Applicant may be retained by the Receiving Agent pending clearance of such Applicant's remittance and the completion of any verification of identity required by the UK Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and/or any amendment, modification, and/or re-enactment of the same (the "**Regulations**") and that such monies will not bear interest;

(g) authorises the Receiving Agent to send a share certificate (if applicable) in respect of the number of Restricted Offer Shares for which such Applicant's application is accepted, or to deliver the number of Restricted Offer Shares for which such application is accepted into CREST (if applicable) (subject to paragraph (e) above), and/or to return any monies returnable by a cheque drawn on a branch of a UK clearing bank to the bank account name from which such monies were first received or by bank transfer to the account from which such payment was received (as applicable) and, in each case, without interest and at the Applicant's risk;

(h) represents and warrants that, if such Applicant signs an Application Form on behalf of somebody else, such Applicant has due authority to do so on behalf of that other person and such person will also be bound accordingly and will be deemed also to have given the confirmations, representations, warranties and undertakings contained herein and such Applicant further undertakes to enclose such Applicant's power of attorney or a copy thereof duly certified by a solicitor with the Application Form;

(i) agrees that all applications, acceptances of applications and contracts resulting therefrom under the Restricted Offer shall be governed by and construed in accordance with English law, and that such Applicant submits to the jurisdiction of the Courts of England and Wales and agrees that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;

(j) confirms that, in making such application, such Applicant is not relying on any information, representation and/or warranty in relation to the Group other than the information contained in this document and, accordingly, such Applicant 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 other information, representation and/or warranty;

(k) agrees that, having had the opportunity to read this document, such Applicant shall be deemed to have had notice of all information concerning the Group contained herein including, without limitation, the Risk Factors set out in Part 2 (*Risk Factors*);

(l) in the case of any Qualifying EKF Shareholder who is a joint EKF Shareholder, agrees that such joint Shareholder Applicants may only apply for Restricted Offer Shares as joint Applicants;

(m) confirms, represents and warrants that such Applicant has read and complied with paragraph 1.15 of this Part 7;

(n) represents and warrants that such Applicant is not a person who, by virtue of being resident in, or a citizen of, any country outside the EU, is prevented by the law of any relevant jurisdiction from lawfully applying for Restricted Offer Shares and further warrants that, if the laws of any territory or jurisdiction outside the EU are applicable to its application, that the Applicant have complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with the Applicant's application in any territory and that the Applicant has not taken any action or omitted to take any action which will result in the Company, N+1 Singer or the Receiving Agent or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside of the EU in connection with the Restricted Offer in respect of the Applicant's application;

(o) represents and warrants that such Applicant is a Qualifying EKF Shareholder;

(p) confirms, represents and warrants that such Applicant has read the restrictions contained in paragraph 1.15 of this Part 7 and represents and warrants as provided therein;

(q) represents and warrants that such Applicant is not under the age of 18;

(r) agrees that all documents and cheques sent by post, by or on behalf of the Company or the Receiving Agent, will be sent at the risk of the person(s) entitled thereto;

(s) agrees that all bank transfers made by or on behalf of the Company or the Receiving Agent, will be made at the risk of the person(s) entitled thereto;

(t) represents and warrants that:

  (i) such Applicant is not, nor is such Applicant applying on behalf of any person who is located in, or a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws of, the US;

  (ii) such Applicant is not applying on a non-discretionary basis for a person who is located, a citizen or resident, or which is a corporation, partnership or other entity created or organised, in or under any laws of the US at the time the instruction to apply was given; and

  (iii) such Applicant is not applying with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of the Offer Shares which are the subject of such Applicant's application into the US;

(u) agrees that such Applicant is not applying on behalf of a person engaged in money laundering;

(v) agrees that the Applicant's Application Form is addressed to the Company and the Receiving Agent;

(w) agrees that any application may be rejected in whole or in part at the sole discretion of the Company;

(x) irrevocably authorises the Company or the Receiving Agent or any other person authorised by any of them, as the Applicant's agent, to do all things necessary to effect registration of any Restricted Offer Shares subscribed by or issued to the Applicant into the Applicant's name and authorise any representatives of the Company and/or the Receiving Agent to execute any documents required therefor and to enter the Applicant's name on the register of members of the Company;

(y) agrees that the Receiving Agent is acting for the Company in connection with the Restricted Offer and for no-one else and that it will not treat the Applicant as its customer by virtue of such application being accepted or owe the Applicant any duties or responsibilities concerning the price of the Restricted Offer Shares or concerning the suitability of the Restricted Offer Shares for the Applicant or be responsible to the Applicant for the protections afforded to its customers;

(z) warrants that the information contained in the Application Form is true and accurate; and

(aa) agrees that if the Applicant requests that Restricted Offer Shares are issued to the Applicant on a date other than Admission, and such Restricted Offer Shares are not issued on such date, that the Company and its agents and the Directors and the Proposed Directors will have no liability to such Applicant arising from the issue of such Restricted Offer Shares on a different date.

1.5 Payments made by cheque or banker's draft must be in Pounds Sterling and drawn on a branch in the UK of a bank or building society that is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or that has arranged for its cheques or bankers' drafts to be cleared through the facilities provided for members of either of those companies. Such cheques or bankers' drafts must bear the appropriate sort code in the top right hand corner. Cheques, which must be drawn on the personal account of an individual Applicant where they have sole or joint title to the funds, should be made payable to "LMS Ltd re: Renalytix AI plc – 2018 OFS A/C" and crossed "A/C payee only". Third party cheques may not be accepted with the exception of building society cheques or bankers' drafts where the building society or bank has confirmed the name of the account holder by stamping/endorsing the back of the cheque or banker's draft to that effect. The account name should be the same as that shown on the Application Form.

1.6 Payments made by bank transfer must be in Pounds Sterling by CHAPS from a UK bank account and from a personal account in the name of the individual investor where they have sole or joint title to the funds. Payments must relate solely to your Application. Payments via BACS will not be accepted. Payment must be for value by 11.00 a.m. on 26 October 2018 directly into the bank account detailed below. The payment instruction must also include a unique reference comprising your name and a contact telephone number which should be entered in the reference field on the payment instruction, for example, MJ SMITH 01234 567 8910.

Bank:	Lloyds Bank
Sort Code:	30-80-12
A/C No:	17287668
A/C Name:	LMS Ltd re: Renalytix AI plc – 2018 OFS A/C

Evidence of the source of funds will be required. Typically this will be a copy of the remitting bank account statement clearly identifying the applicant(s) name(s), the value of the debit (equal to the application value) and the crediting account details or application reference. If a CHAPS payment is over €15,000 (or its Pounds Sterling equivalent, being approximately £13,400), Link Asset Services will also require either (i) if you are an individual, the relevant documentation referred to in paragraph 7(a) of the notes to the Application Form, or (ii) if you are a company, the relevant documentation referred to in paragraph 7(b) of the notes. Please refer to the Application Form for further details. The Receiving Agent cannot take responsibility for correctly identifying payments

without a unique reference nor where a payment has been received but without an accompanying application form.

1.7 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 before they are due. It is a term of the Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances of Applications 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 by BACS will not be accepted.

1.8 The application monies sent by way of cheques or banker's drafts presented for payment or by bank transfer before all of the conditions of the Restricted Offer are fulfilled will be kept in a separate non-interest bearing bank account.

1.9 If the Restricted Offer does not become unconditional, no Restricted Offer Shares will be issued and all monies will be returned (at the Applicant's sole risk), without payment of interest either as a cheque by first class post to the address completed in Section 3 on the Application Form or by return funds direct to the account of the bank or building society on which the relevant cheque or banker's draft was drawn or bank transfer was made, to Applicants as soon as reasonably practicable following the lapse of the Restricted Offer.

1.10 To ensure compliance with the Regulations, the Receiving Agent may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf an Application Form is lodged with payment (which requirements are referred to below as the "verification of identity requirements").

1.11 The Receiving Agent may therefore undertake electronic searches for the purposes of verifying identity. To do so, the Receiving Agent may verify the details against the Applicant's identity, but also may request further proof of identity. The Receiving Agent reserves the right to withhold any entitlement (including any refund cheque or bank transfer) until such verification of identity requirements are completed to the Receiving Agent's satisfaction.

1.12 If the Receiving Agent determines that the verification of identity requirements apply to any application, the relevant Restricted Offer Shares (notwithstanding any other term of the Restricted Offer) will not be issued to the relevant Applicant unless and until the verification of identity requirements have been satisfied in respect of that Applicant or application. The Receiving Agent is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any application and whether such requirements have been satisfied, and neither the Receiving Agent 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.

1.13 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 (if applicable). If, within a reasonable time (in the opinion of the Receiving Agent) following a request for verification of identity, the Receiving Agent 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 Restricted Offer Shares which would otherwise have been allotted to the Applicant may be re-allotted or sold to some other party and the lesser of the Applicant's application monies or such proceeds of sale (as the case may be, with the proceeds of any gain derived from a sale accruing to the Company) will be returned by a cheque drawn on a branch of a UK clearing bank to the bank account name on which the payment accompanying the application was first drawn or made without interest and at the Applicant's risk.

1.14 The verification of identity requirements will not usually apply:

(a) if the Applicant is an organisation required to comply with Regulations and/or the EU Money Laundering Directive(s) including without limitation the European Union Fourth Anti Money Laundering Directive on, amongst other things, the prevention of the use of the financial system for the purpose of money laundering and terrorist financing;

(b) 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

(c) if the aggregate subscription price for the Restricted Offer Shares is less than €15,000 (or its Pounds Sterling equivalent).

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

(i) if payment is made by cheque or banker's draft in Pounds Sterling drawn on a branch in the UK 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 "LMS Ltd re: Renalytix AI plc – 2018 OFS A/C" in respect of an application by a Qualifying EKF 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 confirmed the name of the account holder by stamping or endorsing the cheque/banker's draft to such effect. However, third party cheques will be subject to the Regulations which would delay Applicants receiving their Restricted Offer Shares. The account name should be the same as that shown on the Application Form; or

(ii) if the Application Form(s) is/are in respect of Restricted Offer Shares with an aggregate subscription price of €15,000 (or its Pounds Sterling equivalent) or more and is/are lodged by hand by the Applicant in person, or if the Application Form(s) in respect of Restricted Offer Shares is/are lodged by hand by the Applicant and the accompanying payment is a banker's draft or building society cheque, he or she should ensure that they have with them evidence of identity bearing his or her photograph (for example, their passport) and separate evidence of identity of his or her address. If, within a reasonable period of time following a request for verification of identity, and in any case, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Receiving Agent may, at its absolute 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 drawee 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); or

(iii) if the Application Form(s) is/are in respect of Offer Shares with an aggregate subscription price of £50,000 or more the Receiving Agent requires certified copy verification of identity comprising photographic ID such as passport or driving licence and certified copy proof of address such as a utility bill or bank statement (not less than three months old). Certification can be by a bank, a solicitor or other professional person; and

(iv) if none of the above documents show the Applicant's date and place of birth, the Applicant should provide a note of such information.

1.15 Due to restrictions under the securities laws of the US and the other Restricted Jurisdictions, EKF Shareholders who are located in, or a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws of, the US or any jurisdiction that is not in the EU will not qualify to participate in the Offer and will not be sent an Application Form. No public offer of Restricted Offer Shares is being made by virtue of this document or the Application Forms being sent into the US or any other Non-UK Jurisdiction. Receipt of this document and/or an Application Form will not constitute an invitation or offer of securities for subscription, sale or purchase in the US or 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.

1.16 Applicants are encouraged to submit their Application Forms early. The Directors and the Proposed Directors reserve the right to exercise their absolute discretion, with the agreement of N+1 Singer, to determine the allocation of successful applications. The right is also reserved to reject in whole or in part and/or scale back any application or any part thereof for any reason whatsoever, including (without limitation) a breach of any of the terms, conditions, representations

and/or warranties set out in this document and/or the Application Form and to treat as valid any application not in all respects completed in accordance with the instructions relating to the Application Form.

To the extent that there are any Restricted Offer Shares for which applications have not been made or accepted, the Company retains discretion to invite Placees or other persons who may not be EKF Shareholders to subscribe such shares as though they were Qualifying EKF Shareholders. The time period for such additional subscriptions to be made will be limited and such otherwise remaining Restricted Offer Shares may be offered on a 'first come, first served' basis in order to conclude the Fundraising expediently.

1.17 The Receiving Agent will present all cheques and bankers' drafts for payment on receipt and will retain documents of title and surplus monies pending clearance of successful applicants' payment. The Receiving Agent reserves the right to reject in whole or in part, or to scale down or limit, any application.

1.18 Where application monies have been banked and/or received, if any application is not accepted in whole, or is accepted in part only (as a result of any scaling back of any part of an application), or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the balance of the amount paid on application will be returned without interest by returning the Applicant's cheque, or by crossed cheque in the Applicant's favour, by post at the risk of the person(s) entitled thereto or by bank transfer to the account from which such payment was received (as applicable) and, in each case, without interest and at the Applicant's risk. In the meantime, application monies will be retained by the Receiving Agent in a separate non-interest bearing account.

1.19 Save where the context otherwise requires, words and expressions defined in this document have the same meaning when used in the Application Form and any explanatory notes in relation thereto.

2. United States

2.1 The Restricted Offer Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the US and may not be offered or sold, re-sold, taken up, transferred, delivered or distributed, directly or indirectly, into or in the US absent registration under the Securities Act or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the US.

2.2 The Company is not extending the Restricted Offer into the US 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 New Ordinary Shares in the US or to any US Person. Neither this document nor an Application Form will be sent to, and no Restricted Offer Shares will be credited to a stock account in CREST of any person with a registered address in the US. Application Forms sent from or postmarked in the US will be deemed to be invalid and all persons acquiring Restricted Offer Shares and wishing to hold such Restricted Offer Shares in registered form must provide an address for registration of the Restricted Offer Shares issued upon exercise thereof outside the US. The Ordinary Shares are being offered and sold to persons who are not "US persons" in offshore transactions, each within the meaning of, and in reliance on, Regulation S under the Securities Act, or otherwise in transactions that are exempt from the registration requirements of the Securities Act and other applicable US state securities laws.

2.3 Any person who acquires Restricted 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 Restricted Offer Shares, that they are not, and that at the time of acquiring the Restricted Offer Shares they will not be, US Persons or in the US or acting on a non-discretionary basis on behalf of, or for the account or benefit of, a person in the US or any state, territory or possession of the US.

2.4 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 US, or that provides an address in the US for the receipt of Restricted 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 is not located in, or a citizen or resident, or a corporation, partnership or other entity created or organised in or under any laws of, the US and is not acquiring the Restricted Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Restricted Offer Shares in the US or where the Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements.

2.5 The Company will not be bound to allot or issue any Restricted Offer Shares to any person with an address in, or who is otherwise located in, the US in whose favour an Application Form or any Restricted Offer Shares may be transferred. In addition, until 40 days after the commencement of the Restricted Offer, an offer, sale or transfer of the Restricted Offer Shares within the US by a dealer (whether or not participating in the and Offer) may violate the registration requirements of the Securities Act.

2.6 The provisions of this section and of any other terms of the Restricted Offer relating to Overseas EKF 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 supersede any terms of the Restricted Offer inconsistent herewith. References in this paragraph 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 shall apply to them jointly and to each of them.

3. Miscellaneous

3.1 To the extent permitted by law, all representations, warranties and conditions, express or implied and whether statutory or otherwise made or given to any Applicant (including, without limitation, pre-contractual representations but excluding any fraudulent representations), are expressly excluded in relation to the Restricted Offer Shares and the Restricted Offer.

3.2 The rights and remedies of the Company and the Receiving Agent under these terms contained in this Part 7 are in addition to any rights and remedies which would otherwise be available to any of them and the exercise or partial exercise of one will not prevent the exercise of others.

3.3 The Company reserves the right to extend the closing time and/or date of the Offer from 11.00 a.m. on 26 October 2018. In that event, the new closing time and/or date will be notified through a regulatory information service.

3.4 The Company may terminate the Restricted Offer in its absolute discretion at any time prior to Admission. If such right is exercised, the Restricted Offer will lapse and any monies will be returned as indicated without interest.

3.5 Save where the context requires otherwise, terms used in this Part 7 bear the same meaning as where used elsewhere in this document.

PART 8

RESTRICTED OFFER Q&A

Please note: A Print Proof Admission Document was made available to Qualifying EKF Shareholders for the purposes of the Restricted Offer in advance of publication of the final Admission Document. The Restricted Offer closed at 11.00 a.m. on 26 October 2018 and any information in this document relating to the Restricted Offer is provided for information only and is historic as at the date of this document.

The questions and answers set out in this Part 8 are intended to be in general terms only and, as such, you should read Part 7 (*Restricted Offer Terms*) 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 financial advice from a person authorised under FSMA, if you are a person outside the UK, a person similarly qualified in your jurisdiction.

This Part 8 deals with general questions relating to the Restricted Offer and more specific questions relating principally to persons resident in the UK who hold their EKF Ordinary Shares in certificated form only. If you are an Overseas EKF Shareholder, you should read paragraph 1.4(n) of Part 7 (*Restricted Offer Terms*) and you should take professional advice as to whether you are eligible and/or you need to observe any formalities to enable you to participate in the Restricted Offer.

The contents of this document should not be construed as legal, business, accounting, tax, investment or other professional advice. Each prospective investor should consult their 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 a restricted offer and why is the Restricted Offer being made?

The Restricted Offer is an offer of to subscribe transferable securities (i.e., the Restricted Offer Shares), the terms of which ensure that the offer is exempt from the requirement to issue a prospectus under the Prospectus Rules that would otherwise be applicable, in this case by virtue of section 85(1) of FSMA. The total consideration for the Restricted Offer Shares will not exceed €8 million (and the equivalent in Pounds Sterling) and so the Restricted Offer falls within the exemption in section 86(1)(e) of FSMA.

The Restricted Offer is being made to Qualifying EKF Shareholders in accordance with EKF's announced intention to enable EKF Shareholders to participate in the equity funding of the Company to the extent permitted by applicable law. Certain EKF Shareholders who are participating in the Placing have undertaken to the Company that they will not apply for Restricted Offer Shares unless specifically invited to do so in relation to any Restricted Offer Shares that have not been applied for.

If you hold EKF Ordinary Shares on the Record Date or have a *bona fide* market claim, other than, subject to certain exceptions, where you are an EKF Shareholder with a registered address or located in the US, or another Non-UK Jurisdiction, you will be entitled to subscribe Restricted Offer Shares under the Restricted Offer.

2. How do I know whether I am eligible to participate in the Restricted Offer?

If you receive an Application Form and, subject to certain exceptions, are not a holder with a registered address or located in the US or any Non-UK Jurisdiction (i.e., a Qualifying EKF Shareholder), then you should be eligible to participate in the Restricted Offer as long as you have not sold all of your EKF Ordinary Shares on or after the Record Date.

3. What are my choices in relation to the Restricted Offer?

If you want apply for Restricted Offer Shares, all you need to do is:

(a) send the Application Form (ensuring that all joint holders sign (if applicable)) by post to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or to the same address by hand (during business hours only) so as to be received by them by no later than 11.00 a.m. on 26 October 2018, 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; and

(b) make payment of the amount (as indicated in Section 1 of your Application Form), either by including a cheque or banker's draft with your Application Form, paying by bank transfer or provide details for delivery versus payment settlement in CREST.

Post-dated cheques will not be accepted. Third party cheques (other than building society cheques where the building society or bank has confirmed that the relevant Qualifying EKF Shareholder has title to the underlying funds) may not be accepted.

If you have not provided details of a CREST account to which your Restricted Offer Shares are to be credited, a definitive share certificate will be sent to you for the Restricted Offer Shares. Your definitive share certificate for Restricted Offer Shares is expected to be despatched to you by no later than seven Business Days from Admission.

If you have elected to have your Restricted Offer Shares delivered in dematerialised form, it is expected that your specified CREST accounts will be credited on or around 6 November 2018.

4. I acquired my EKF Ordinary Shares prior to the Record Date and hold my EKF 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 Restricted Offer. Some EKF Shareholders who hold their EKF Ordinary Shares in certificated form, however, will not receive an Application Form but may still be eligible to participate in the Restricted Offer, including Qualifying EKF Shareholders who bought EKF Ordinary Shares before the Record Date but were not registered as the holders of those EKF Ordinary Shares at the close of business on the Record Date.

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 on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

5. What if I change my mind?

Once you have sent your Application Form and payment to the Receiving Agent, you cannot withdraw your application or change the number of Restricted Offer Shares for which you have applied, except in the very limited circumstances which are set out in this document.

6. I hold my EKF Ordinary Shares in certificated form. What should I do if I have sold some or all of my EKF Ordinary Shares?

If you held EKF Ordinary Shares directly and you sold some or all of your EKF Ordinary Shares before the Record Date, you should contact the buyer or the person/company through whom you sell your shares. The buyer may be entitled to apply for Restricted Offer Shares under the Restricted Offer. If you sell any of your EKF Ordinary Shares on or after the Record Date, you may still apply for the Restricted Offer Shares.

7. Where do I send my Application Form?

You should send your completed Application Form by post to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or by hand to the same address (during normal office hours only). 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 Restricted Offer Shares then you need take no further action. Note that payment must be made by one of the means specified in Part 7 (*Restricted Offer Terms*).

8. When do I have to decide if I want to apply for Restricted Offer Shares?

The Receiving Agent must receive the Application Form by no later than 11.00 a.m. on 26 October 2018, after which time Application Forms will not be valid. If an Application Form is being sent by first class post in the UK, Qualifying EKF Shareholders are recommended to allow at least four Business Days for delivery.

9. How do I receive my Restricted Offer Shares into my CREST account?

If you are a CREST member and want your Restricted Offer Shares to be in uncertificated form, you should complete the CREST deposit form (contained in the Application Form) and ensure it is delivered to the Registrar in accordance with the instructions in the Application Form.

10. I opted to receive my Restricted Offers Shares in certificated form. When will I receive my share certificate?

It is expected that The Receiving Agent will post all new share certificates within seven Business Days from Admission.

11. What should I do if I live outside the United Kingdom?

Your ability to apply to acquire Restricted 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 Restricted Offer Entitlement. EKF Shareholders with registered addresses or who are located in the US or any other non-UK jurisdiction are, subject to certain exceptions, not eligible to participate in the Restricted Offer. Your attention is drawn to paragraph 1.4(n) of Part 7 (*Restricted Offer Terms*).

12. Further assistance

Should you require further assistance please call the Shareholder helpline on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Market Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

PART 9

ADDITIONAL INFORMATION

1. Persons responsible

Each of the Directors and the Proposed Directors, whose names and functions appear on page 11 of this document, and the Company accept responsibility, both collectively and individually, for the information contained in this document and for its compliance with the AIM Rules for Companies. To the best of the knowledge and belief of each of the Directors, the Proposed Directors and the Company, who have taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Incorporation and status of the Company

2.1 The Company was incorporated and registered in England and Wales on 15 March 2018 as a public company limited by shares with the name Renalytix AI plc and company number 11257655.

2.2 The Company is domiciled in the UK with its registered office at Avon House, 19 Stanwell Road, Penarth, Cardiff CF64 2EZ. The telephone number of the principal place of business of the Company is +44 (0)29 2071 0570.

2.3 The Company's principal activity is research and development of diagnostic products relating to kidney disease.

2.4 The jurisdiction in which the Company operates is the UK. The liability of the Shareholders is limited. The principal legislation under which the Company operates is the Companies Act and the regulations made thereunder.

2.5 The address of the Company's website, at which the information required by Rule 26 of the AIM Rules for Companies can be found, is www.renalytixai.com.

3. The Group

3.1 At Admission, the Company will have one wholly-owned subsidiary, the US Subsidiary, and no other subsidiary undertakings.

3.2 The US Subsidiary was incorporated and registered in Delaware on 18 January 2018 as a Delaware Corporation with the name Renalytix AI, Inc.

3.3 The US Subsidiary is domiciled in the US with its registered office at 251 Little Falls Drive, Wilmington, New Castle, Delaware 19808. Its principal place of business is 1460 Broadway, New York, NY 10036.

3.4 The US Subsidiary's principal activity is research and development of diagnostic products relating to kidney disease.

3.5 The jurisdiction in which the US Subsidiary operates is Delaware. The liability of the Shareholders is limited. The principal legislation under which the Company operates is the Delaware General Corporation Law.

4. Share capital

4.1 The issued and fully paid share capital of the Company as at the date of this document is, and immediately following Admission is expected to be, as follows:

	Nominal value	*Number of shares issued*	*Aggregate nominal amount*
As at the Latest Practicable Date			
Ordinary Shares	£0.0025	35,427,704	£88,569.26
As at Admission			
Ordinary Shares	£0.0025	53,816,134	£134,540.34

4.2 As at close of business on 2 November 2018 (being the latest practicable date prior to the publication of this document) (the "**Latest Practicable Date**"), the Company did not hold any Ordinary Shares in treasury. No Ordinary Shares have been issued other than fully paid and free from all liens, equities, charges, encumbrances and other interests and the Company has no outstanding convertible securities, exchangeable securities or securities with warrants. The Ordinary Shares have been created under the Companies Act.

4.3 No Ordinary Shares are held by or on behalf of the Company.

4.4 As at Admission, Options are outstanding over 2,195,697 Ordinary Shares. Further details of these Options and the Share Option Plan are set out in paragraph 18 of Part 1 (*Information on RenalytixAI, Market Opportunity and Strategy*) and paragraph 6 of Part 9 (*Additional Information*).

4.5 The Company has, and at incorporation had, no maximum authorised share capital, such that there is no limit on the authority to allot shares that can be sought.

4.6 The Existing Ordinary Shares are, and the Placing Shares, Subscription Shares and the Restricted Offer Shares will be, in registered form and may be held in either certificated form or in uncertificated form. CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by certificates and transferred otherwise than by written instrument. Accordingly, it is intended that following Admission the settlement of transactions in the Placing Shares and Restricted Offer Shares may take place in CREST if the relevant Shareholders so wish. The records in respect of Ordinary Shares held in uncertificated form will be maintained by the Registrar. Note, however, that Ordinary Shares offered to non-US Persons in the Fundraising are subject to the conditions listed under section 903(b)(3), or Category 3, of Regulation S. Under Category 3, Offering Restrictions (as defined under Regulation S) must be in place in connection with the Fundraising and additional restrictions are imposed on resales of the Ordinary Shares. Representations, warranties and certifications must be made through the CREST system by those selling or acquiring the Ordinary Shares. If such representations, warranties and certifications cannot be made or are not made, settlement through CREST will be rejected. Furthermore, Common Ordinary Shares held by "Affiliates" (as defined in Rule 403 of the Securities Act) of the Company and accordingly settlement shall not be permitted via CREST until such time as the relevant restrictions are no longer applicable.

4.7 None of the Ordinary Shares have been sold, or are available in whole or in part, to the public in conjunction with the application for the entire issued share capital to be admitted to trading on AIM.

4.8 There are no listed or unlisted securities of the Company not representing share capital.

4.9 Other than the current application for Admission, the Ordinary Shares are not being admitted to dealings on any recognised investment exchange, nor has any application for such admission been made, nor are there intended to be any other arrangements in place for there to be such dealings in the Ordinary Shares.

4.10 No Ordinary Shares are currently in issue and no Ordinary Shares will be in issue on Admission with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.

4.11 No person has any acquisition right over, and the Company has incurred no obligation over, the Company's authorised but unissued share capital or given any undertaking to increase the Company's authorised capital.

4.12 Save in connection with the Placing, Subscription or Restricted Offer or as otherwise referred to in this document:

(a) no unissued share or loan capital of the Company is proposed to be issued or is under option or agreed, conditionally or unconditionally, to be put under option;

(b) no loan capital of the Company is in issue and no such issue is proposed;

(c) there are no acquisition rights and or obligations over authorised but unissued capital or an undertaking to increase the authorised capital;

(d) no persons have preferential subscription rights in respect of any share or loan capital of the Company; and

(e) there is no present intention to issue any share capital of the Company nor is there an undertaking to increase the capital of the Company at the date of this document.

5. History of share capital

5.1 The Company was incorporated with an issued share capital of £50,000 comprising 50,000 ordinary shares of £1.00, which were allotted, issued and credited as fully paid, as subscriber shares to EKF.

5.2 By ordinary resolution passed on 4 May 2018, the then issued share capital of the Company comprising 50,000 ordinary shares of £1.00 was subdivided into 5,000,000 fully paid ordinary shares of £0.01 each.

5.3 By ordinary resolution passed on 23 October 2018, the then issued share capital of the Company comprising 5,000,000 ordinary shares of £0.01 was subdivided into 20,000,000 fully paid ordinary shares of £0.0025 each.

5.4 The Placing Shares, the Subscription Shares and the Restricted Offer Shares were or will be issued in accordance with the following resolutions passed at a general meeting of the Company held on 3 May 2018, which:

(a) authorise the Board in accordance with section 551 of the Companies Act to allot shares or grant options or other rights to subscribe shares in the Company up to an aggregate nominal amount of £100,000; and

(b) empower the Directors pursuant to section 570 of the Companies Act to allot equity securities (within the meaning of section 560 of the Companies Act), or grant options or other rights to subscribe shares, for cash pursuant to the authority granted as described in paragraph 5.4(a).

5.5 The following resolutions were passed at a general meeting of the Company held on 23 October 2018 (the "**Pre-Admission General Meeting**"), which:

(a) subject to and conditional on Admission, authorise the Board in accordance with section 551 of the Companies Act to allot shares or grant options or other rights to subscribe shares in the Company:

(i) conditional upon Admission, up to an aggregate nominal amount of £50,000; and

(ii) conditional upon Admission, up to an aggregate nominal amount of £100,000 (such amount to be reduced by the extent the authority granted by paragraph 5.5(a) is utilised) in connection with an offer by way of a rights issue to ordinary shareholders in

proportion to their existing shareholdings (and holders of any equity securities entitled to participate or as the Directors otherwise consider necessary), such authorities to replace the authority set out in paragraph 5.4(a) and to expire (unless previously revoked, varied or renewed) on the earlier of the conclusion of the first annual general meeting of the Company and the close of business on 31 December 2019 (save that the Company may before the expiry of such periods make offers or agreements which would or might require shares to be allotted or rights to be granted after expiry of these authorities, and the Directors may allot shares or grant rights in pursuance of any such offer or agreement to subscribe or convert any security into shares notwithstanding the authority conferred has expired);

(b) empower the Directors pursuant to section 570 of the Companies Act to allot equity securities (within the meaning of section 560 of the Companies Act), or grant options or other rights to subscribe shares, for cash:

(i) pursuant to the authorities granted as described in paragraphs 5.5(a)(i) and 5.5(a)(ii) above in connection with a pre-emptive offer; and

(ii) up to an aggregate nominal amount of £15,000,

such powers to replace the authority set out in paragraph 5.4(b) and to expire (unless previously revoked, varied or renewed) on the earlier of the conclusion of the first annual general meeting of the Company and the close of business on 31 December 2019 (save that the Company may before the expiry of such periods make offers or agreements which would or might require equity securities to be granted after expiry of these authorities and the Directors may allot equity securities or grant rights in pursuance of any such offer or agreement to subscribe or convert any security into an Ordinary Share notwithstanding the authorities conferred have expired).

5.6 In addition the Directors have noted that to the extent that, following Admission, these authorities may confer power to allot relevant securities in excess of one third, two thirds and 10% (respectively) of the issued share capital following Admission (given that the number of securities to be issued in the period immediately prior to Admission was not known with certainty at the date that the authorities were granted), the Directors do not intend to exercise any of those powers to the extent that any allotment of relevant securities would exceed one third, two thirds and 10% (respectively) of the issued share capital following Admission.

5.7 By a resolution of the Board passed on 2 November 2018, it was resolved:

(a) to allot the EIS/VCT Shares on 5 November 2018; and

(b) conditional upon (but effective immediately prior to) Admission, to allot the New Ordinary Shares other than the EIS/VCT Shares, in each case for cash at the Issue Price.

6. Share-based incentive plans

6.1 ***Overview***

(a) On 11 September 2018, the Board adopted the Share Option Plan to incentivise certain of the Group's employees and Directors. The Share Option Plan provides for the grant of both EMI Options and non-tax favoured options. Options granted under the Share Option Plan will be subject to exercise conditions as summarised below.

(b) The Share Option Plan has a non-employee sub-plan for the grant of Options to the Company's advisors, consultants, non-executive directors, and entities providing, through an individual, such advisory, consultancy, or office holder services (the "**Non-Employee Sub-Plan**") and a US sub-plan for the grant of Options to eligible participants in the Share Option Plan and the Non-Employee Sub-Plan who are US residents and US taxpayers (the "**US Sub-Plan**").

The principal features of the Share Option Plan are outlined below.

6.2 ***Administration***

The Share Option Plan will be administered in accordance with its rules. The Board has constituted the Remuneration Committee to approve future Option grants and to determine applicable exercise conditions.

6.3 ***Participation and grant of Options***

(a) The Remuneration Committee may grant Options to any employee or executive director of the Group and to such other persons as may be nominated for option grants. In the case of tax-advantaged EMI Options, full-time working requirements must be met which means that the employee must be required to work 25 hours per week or if less, 75% of the employee's working time. Employees who have a material interest in the Company cannot be granted EMI Options. A material interest is either beneficial ownership of, or the ability to control directly or indirectly, more than 30% of the ordinary share capital of the Company.

(b) Options may be granted within 42 days of the adoption of the Share Option Plan, within 42 days immediately following the end of a closed period (which has the same meaning as in MAR) and within any other period that the Remuneration Committee has decided Options should be granted as exceptional circumstances exist.

(c) No consideration will be payable for the grant of Options.

6.4 ***Exercise price***

The Remuneration Committee determines the exercise price of Options before they are granted, which shall not be less than the nominal value of an Ordinary Share.

6.5 ***Exercise and lapse of Options***

(a) Options can normally only be exercised on satisfaction of the exercise conditions determined by the Remuneration Committee at grant. Post grant the Remuneration Committee may waive or vary such conditions, provided any varied condition is considered to be a fairer measure of performance and no more difficult to satisfy than the original condition.

(b) The last date for exercise of an Option will be the day before the tenth anniversary of its grant.

(c) Each Option is personal to the Option holder and any transfer of, or the creation of any charge, pledge or other encumbrance over, the Option will cause it to lapse (other than in respect of a transfer to an Option holder's personal representative on or following their death).

6.6 ***Cessation of employment***

(a) In the case of death, an Option holder's personal representatives may exercise his/her Options within 12 months of the date of death to the extent the exercise conditions have been satisfied, save that the Remuneration Committee may waive the exercise conditions in these circumstances.

(b) If an Option holder ceases to be a Group employee by reason of injury, ill health, disability, retirement, redundancy or sale of the Option holder's employing company or business, Options are exercisable to the extent the exercise conditions have been satisfied during the 90 days from the date of cessation, save that the Remuneration Committee may waive the exercise conditions in these circumstances.

(c) If an Option holder ceases to be a Group employee for any other reason, Options may, at the discretion of the Remuneration Committee, be exercisable to the extent the exercise

conditions have been satisfied during the 90 days from the date of cessation, save that the Remuneration Committee may waive the exercise conditions in these circumstances.

(d) If an Option holder ceases to be a Group employee on or after the normal vesting date applicable to that Option for any reason other than summary dismissal, the Option may be exercised during the 90 day period following the date of cessation.

6.7 ***Takeovers, etc.***

(a) In the event of a takeover, scheme of arrangement, change of control or voluntary winding up of the Company, Options may be exercised to the extent the Board determines that exercise conditions have been met, save that the Remuneration Committee may waive the exercise conditions in these circumstances in full.

(b) If the Options are not exercised within an appropriate period, generally 90 days of the relevant event, they will lapse. There is a provision allowing for the roll-over of Options with agreement from the acquirer provided that, in the case of EMI Options, such new options continue to meet EMI qualifying conditions.

6.8 ***Rights attaching to Ordinary Shares***

Ordinary Shares issued on the exercise of an Option will rank *pari passu* with the Ordinary Shares then in issue (except in respect of entitlements arising prior to the date of the allotment). The Company will apply to the London Stock Exchange for the newly issued Ordinary Shares to be admitted to trading on AIM.

6.9 ***Share Option Plan limits***

(a) The number of New Ordinary Shares that may be issued or are issuable pursuant to the exercise of the Options and any other options granted, or awards made, under all of the discretionary share option plans operated by the Company may not exceed 10% of the Company's issued share capital immediately following Admission.

(b) Ordinary Shares transferred from treasury to satisfy Options will count as newly issued shares for these purposes.

(c) Options which have lapsed or been surrendered or which were capable of exercise prior to Admission will not count towards these dilution limits.

6.10 ***Variation of share capital***

In the event of any variation of share capital by way of capitalisation, rights issue, consolidation, sub-division or reduction of share capital or other variation, affecting the value of Options to Option holders, the number and description of Ordinary Shares comprised in subsisting Options and the exercise price may be adjusted by the Board in such manner that the Board deems to be fair and appropriate in their reasonable opinion.

6.11 ***Pension status***

None of the benefits which may be received under the Share Option Plan will be taken into account when determining any pension or similar entitlements.

6.12 ***Tax***

Where a tax liability arises on the exercise of an Option, the Company may require the Option holder to make payment to the Company or the Option holder's employer to meet such liability, or to enter into other arrangements in respect of the satisfaction of such liability. If such payments or arrangements are insufficient (or are not made) the Company may sell as many of the Option holder's Ordinary Shares as are necessary to cover the liability. The Option holder may be required to bear the cost of secondary UK National Insurance contributions (or similar liability for social security contributions in any jurisdiction) (to the extent applicable).

6.13 ***Amendment***

The Remuneration Committee may make amendments to the rules of the Share Option Plan provided the amendment does not: (a) apply to Options granted before the amendment was made; or (b) materially adversely affect the interests of Option holders (unless the relevant Option holders consent to such amendment). Further, no deletion, amendment or addition may be made except with the prior approval of the Company in general meeting if the deletion, amendment or addition is in relation to (a) the definition of 'employee'; or (b) the Share Option Plan's grant limits; or (c) the variation of share capital.

6.14 ***Termination***

No Options may be granted under the Share Option Plan after the tenth anniversary of its adoption.

6.15 ***Non-Employee Sub-Plan***

Under the Non-Employee Sub-Plan, Options may be granted to advisers, consultants and non-executive directors of the Company and entities providing, through an individual, such advisory, consultancy, or office holder services, on terms comparable to those described above. These Options will not be EMI Options.

6.16 ***US Sub-Plan***

The US Sub-Plan permits the grant of Options to eligible participants under the Share Option Plan and the Non-Employee Sub-Plan who are US residents and US taxpayers, including potentially tax efficient Incentive Stock Options (as defined in Section 422 of the US Internal Revenue Code of 1986 (the "**IRS Code**")). A maximum of 6,000,000 Ordinary Shares may be issued under the US Sub-Plan (which number shall be the maximum number of Ordinary Shares that may be granted as Incentive Stock Options). The Exercise Price of Options granted under the US Sub-Plan shall not be less than 100% of the fair market value of an Ordinary Share on the date of grant, determined in accordance with Section 409A of the IRS Code.

6.17 ***Pre-Admission grant of options***

Prior to Admission, the Company granted Options over a total of 2,195,697 Ordinary Shares under the Share Option Plan (including the grants to Mount Sinai and Salim Hamir as described below). Save as described below, the Options have an exercise price equal to the Issue Price and are subject to exercise conditions such that they shall, subject to certain exceptions, vest in equal quarterly instalments over the three years immediately following the Admission Date, which vesting shall accelerate in full in the event of a change of control of the Company. To the extent possible, these Options have been granted as EMI Options.

An Option has also been granted to Mount Sinai in consideration for the provision of the services of a Mount Sinai representative on the Board (currently being Erik Lium). This Option has an exercise price equal to the Issue Price and is subject to exercise conditions such that it shall, subject to certain exceptions and to the continued provision by Mount Sinai of a representative on the Board, vest in equal quarterly instalments over the three years immediately following the Admission Date, which vesting shall accelerate in full in the event of a change of control of the Company.

The Option granted to Salim Hamir vests in full on Admission.

If Admission has not occurred by 30 November 2018, these Options will lapse.

7. Articles of Association

The Articles, which were adopted by the Company at the Pre-Admission General Meeting, contain provisions to the following effect:

Objects of the Company

The Articles do not provide for any objects of the Company, and accordingly the Company's objects are unrestricted. The Articles also do not state any purposes for which the Company was established and therefore the Company is able to undertake any activities permitted by the laws of England and Wales.

Limited liability

The liability of the Company's members is limited to any unpaid amount on the Ordinary Shares held by them.

Issue of shares and share rights

Shares may be issued, subject to applicable laws, the Articles and without prejudice to any rights or privileges attached to any existing class of shares, with such rights or restrictions as the Company may from time to time by ordinary resolution determine, or, if the Company has not so determined, as the Directors may determine.

Subject to applicable laws, any share may be issued which is to be redeemed, or is to be liable to be redeemed at the option of the holder or the Company, on such terms and in such manner as the Company may by special resolution determine. The Company may also issue any share with such preferred, deferred or other special rights or privileges as the Directors may determine and purchase or enter into a contract to purchase any of the Company's own shares of any class.

Alteration of share capital

The Company is entitled to increase, consolidate and divide its share capital as it may from time to time by ordinary resolution decide. Subject to the provisions of the Companies Act, the Company may by special resolution reduce its share capital, capital redemption reserve, share premium accounts or other undistributable reserves in any manner. In the event that any consolidation or sub-division of shares results in any Shareholder being entitled to fractions of shares, the directors have the right to settle the matter as they see fit.

Modifications to share class rights

If the Company's share capital is divided into shares of different classes, any rights attached to any class of shares may (subject to the rights attached to the shares of the class) be varied or abrogated in any manner, either with the written consent of the holders of not less than three-quarters in nominal value of the shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of such class of shares.

Share transfers

A Shareholder may transfer their certificated shares to another person by a written instrument of transfer in any usual form (or any other form approved by the Board) executed by or on behalf of the Shareholder and, in the case of a share which is not fully paid, by or on behalf of the transferee. The Board may refuse to register the transfer of a certificated share which is in respect of a partly paid share, in respect of more than one class of share, in favour of more than four joint transferees, a minor or to an entity which is not a natural or legal person, or if the transfer document is not duly stamped or not delivered for registration with appropriate evidence of the transferor's title to the Company's registered office or its share registrars.

A Shareholder may transfer uncertificated shares without a written instrument if such shares are a participating security held in uncertified form in accordance with the CREST Regulations. Uncertificated shares must be transferred by means of the relevant system in which the shares are held, subject to the rules of that system and the CREST Regulations. The Board is required to register a transfer of any uncertificated share in accordance with those regulations. The Board may refuse to register any such transfer which is in favour of more than four persons jointly or in any other circumstance permitted by the CREST Regulations.

Share warrants

The Company has the right to issue share warrants in accordance with the provisions of the Companies Act with such rights or restrictions as the Directors may prescribe and from time to time vary.

Dividends and other distributions

Subject to the rights attached to any Ordinary Share, all dividends and other distributions, including any surplus in the event of a liquidation, are to be apportioned and paid pro-rata according to the amounts paid up on the Ordinary Shares, or otherwise in accordance with the terms concerning entitlement to dividends on which shares were issued. Any dividend unclaimed for 12 years from the date on which it became payable shall revert to the Company.

The Board may, where authorised by an ordinary resolution of the Company, offer scrip dividends to Shareholders, whereby Shareholders can opt to receive an allotment of New Ordinary Shares in lieu of any dividend declared by the Board.

If a Shareholder or any person appearing to be interested in a share has been duly served with a notice under section 793 of the Companies Act and has failed in relation to any shares to give the Company the information thereby required within the prescribed period from the date of the service of the notice, then, unless the Board determines otherwise, the Shareholder shall not be entitled to attend or vote at any general meeting or any separate meeting of the holders of that class of shares or on a poll.

Where the holding represents at least 0.25% of the issued shares of that class, except in liquidation of the Company, no payment shall be made of any sums due from the Company on the shares including in respect of dividends or other distributions and such member shall not be entitled to transfer such shares unless the Shareholder himself is not in default, the transfer is an approved transfer or the registration of the transfer is required under the CREST Regulations.

Calls on shares and lien and forfeiture of shares

Subject to the terms on which shares are allotted, the Board may make calls on Shareholders in respect of any monies unpaid on their shares. Each Shareholder shall (subject to receiving at least 14 days' notice) pay to the Company the amount called on his shares. If a call or any instalment of a call remains unpaid in whole or in part after it has become due and payable, the Board may give the person from whom it is due notice requiring payment of the amount unpaid together with any interest which may have accrued and any costs, charges and expenses incurred by the Company by reason of such non-payment. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.

The Company has a first and paramount lien on every share which is not fully paid for all amounts payable to the Company (whether actually or contingently and whether presently or not) in respect of that share. The Board may forfeit or sell any share on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within the period set out in the notice sent to the holder of the share demanding payment and stating that if the notice is not complied with the share may be sold.

Appointment of Directors

Unless otherwise determined by the Company by ordinary resolution, the total number of Directors at any time may not be less than two or more than 15. The Company may by ordinary resolution appoint as a Director a person who is willing to act as such, either to fill a vacancy or as an addition to the existing Directors. The Board may appoint as a director any person who is willing to act as such, either to fill a vacancy or as an addition to the existing Board. Any Director so appointed by the Board is required to retire at the next annual general meeting. He will be eligible to stand for election as a Director at that meeting and will not be taken into account in determining the number or identity of Directors who are to retire by rotation at it.

Retirement by rotation and removal of Directors

At every annual general meeting of the Company, any director who has been appointed by the Board since the last annual general meeting, or who held office at the time of the two preceding annual general meetings and who did not retire at either of them, or who has held office with the Company (other than

as a director holding an executive position) for a continuous period of nine years or more at the date of the meeting, shall retire from office and may offer himself for re-appointment by the members. A Director who retires at an annual general meeting may, if willing to act, be reappointed at it.

The Company may remove any Director from office by ordinary resolution or by notice in writing served upon him by all of his co-directors. The Company may appoint as a Director another person who is willing to act as such in his place, in each case by ordinary resolution.

Directors' benefits

Other than for executive Directors appointed in accordance with the Articles, the maximum aggregate amount of fees that the Company may pay to Directors for their services as such is £2,000,000 per annum, or such larger amount as the Company may by ordinary resolution decide. These fees are to be divided among the Directors as the Board decides or, if no decision is made, equally. An executive Director may receive from the Company a salary or other remuneration in addition to or instead of such fees.

The Directors are entitled to be paid all travelling, hotel and other expenses properly incurred by them in connection with the discharge of their duties as Directors.

The Board may provide pensions, other retirement or superannuation benefits, death or disability benefits or other allowances or gratuities for persons who are or were Directors of the Company and their spouses and dependants.

Powers of the Board

Subject to the provisions of the Companies Act, the Articles and any directions given by the Company acting by special resolution, the Company's business is to be managed by the Board. The Board may exercise all of the Company's powers and may do on its behalf anything that can be done by the Company or on its behalf which is not required by law or the Articles to be exercised or done by the Company in general meeting.

The Board may delegate to any Director or any committee consisting of one or more Directors any of its powers on such terms as it thinks fit. The Board may grant to a director the power to sub-delegate, and may retain or exclude the right of the Board to exercise the delegated powers, authorities or discretions collaterally with the director. Any powers delegated may be revoked or altered.

Disclosure of interests in Ordinary Shares

Subject to the provisions of the Companies Act, a Director is not required (provided he has disclosed his interest in the matter) to account to the Company for any benefit which he derives from or in connection with: (i) any transaction or arrangement with the Company or in which the Company is otherwise interested; (ii) acting by himself or his firm in a professional capacity for the Company, otherwise that as auditor, and being entitled to such remuneration as the Board may arrange; or (iii) being a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested.

A Director may not vote on, or be counted in the quorum in relation to, any resolution of the Board concerning a matter in which he has an interest which is to his knowledge a material interest (otherwise than by virtue of his interests in shares or debentures or other securities of, or otherwise in or through, the Company), unless his interest arises only because the case falls within one or more of the following:

(a) the resolution relates to the giving to him of a guarantee, security or indemnity in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;

(b) the resolution relates to the giving to a third party of a guarantee, security or indemnity in respect of an obligation of the Company or any of its subsidiaries for which the Director has assumed responsibility in whole or part, alone or jointly with others under a guarantee or indemnity or by the giving of security;

(c) his interest arises in relation to the subscription or purchase by him of shares, debentures or other securities of the Company under an offer or invitation to members or debenture holders of the Company, or any class of them, or to the public or any section of them;

(d) his interest arises by virtue of his being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any shares, debentures or other securities of or by the Company or any of its subsidiaries for subscription, purchase or exchange;

(e) the resolution relates to a proposal concerning any other body corporate in which he is interested, directly or indirectly, and whether as an officer, shareholder, creditor or otherwise howsoever, provided that he is not the holder of or beneficially interested in 1% or more of any class of the equity share capital of such body corporate (or any other body corporate through which his interest is derived) or of the voting rights available to members of the relevant body corporate (any such interest being deemed for the purpose of this article to be a material interest in all circumstances);

(f) the resolution relates in any way to a retirement benefits scheme which has been approved, or is conditional upon approval, by HMRC for taxation purposes;

(g) the resolution relates to any contract or arrangement for the benefit of employees of the Company or of any of its subsidiaries and does not provide in respect of any Director as such any privilege or advantage not accorded to the employees to whom the contract or arrangement relates; or

(h) the resolution relates in any way to insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons who include the Directors.

The Board may authorise any matter proposed to it which, if not authorised, would involve a breach by a Director of his duty to avoid conflicts of interest under the Companies Act. The Board may make such authorisation subject to any limits or conditions it expressly imposes, but the authorisation is otherwise to be given to the fullest extent permitted. The authorisation may be varied or terminated by the Board at any time.

Indemnification of Directors

The Directors, the Company Secretary and other officers of the Company or an associated company (other than auditors), including persons formerly holding such positions, shall, to the fullest extent permitted under the Companies Act, be indemnified by the Company against all costs, charges, expenses or liabilities incurred in the exercise, execution or discharge of his powers or duties for the Company.

Borrowing powers

The Board may exercise all of the Company's powers to borrow money and to mortgage or charge the Company's undertaking, property and uncalled capital of the Company, or any part thereof and (subject to applicable laws) to create and issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of a third party.

Meetings of Shareholders and Shareholder voting

An annual general meeting shall be called by at least 21 clear days' notice in writing and all other general meetings shall be called by at least 14 clear days' notice to the Company. A general meeting may be called by shorter notice if the conditions set out in the Companies Act are met. The Company is required to give notice of a general meeting to each Shareholder (other than a person who, under the Articles or pursuant to any restrictions imposed on any shares, is not entitled to receive such a notice or to whom the Company, in accordance with applicable law, has not sent and is not required to send its latest annual accounts and reports), to the Directors and to the auditors.

Every Shareholder who is present at a general meeting in person or by proxy is entitled to one vote on a resolution put to the meeting on a show of hands and to one vote for every Ordinary Share of which he is the holder on a resolution put to the meeting on a poll. If two or more joint holders of an Ordinary Share tender a vote in respect of the same Ordinary Share, the vote tendered by the first named of those holders in the register of members will be accepted to the exclusion of the votes of the other

joint holders. Shareholders will not be permitted to vote unless all sums payable by him in respect of his Ordinary Share have been paid.

A Shareholder who is entitled to attend and vote at a general meeting is entitled to appoint another person, or two or more persons in respect of different shares held by him, as his proxy to exercise all or any of his rights to attend and to speak and to vote at the meeting.

8. Interests of the Directors, the Proposed Directors and Senior Management

8.1 The interests of the Directors, the Proposed Directors and the Senior Management and their immediate families (all of which are beneficial unless otherwise stated) in the issued share capital of the Company which have been notified to the Company (to the extent applicable) pursuant to section 324 and 328 of the Companies Act (or are required to be disclosed in the register of directors' interests pursuant to Section 325 of the Companies Act) and the interests of connected persons of a Director within the meaning of section 346 of the Companies Act which would, if the connected person were a Director, be required to be disclosed in accordance with the foregoing and the existence of which is known to or could with reasonable diligence be ascertained by that Director, as at the date of this document and as expected to be immediately following Admission are as follows:

	As at the date of this document		*On Admission*[1]	
Name	*Number of issued Ordinary Shares*	*Percentage of Existing Share Capital*	*Number of issued Ordinary Shares*	*Percentage of Enlarged Share Capital*
Christopher Mills	–	–	9,190,430	17.08%
James McCullough	2,853,960	8.06%	2,853,960	5.30%
O. James Sterling	1,902,640	5.37%	1,902,640	3.54%
Julian Baines	1,125,568	3.18%	1,231,236	2.29%
Richard Evans	673,128	1.90%	706,322	1.31%
Fergus Fleming	581,228	1.64%	584,481	1.09%
Barbara Murphy	150,800	0.43%	150,800	0.28%
Sally Bowden	–	–	12,882	0.02%

(1) Includes interests in Distribution Shares, but excludes indirect interests via EKF's holding in the Company.

8.2 Options over the Ordinary Shares are held by the Directors, the Proposed Directors (or, in the case of Mount Sinai, in respect of the service of a Proposed Director), the Senior Management, the Company Secretary, and the members of the Scientific Advisory Board on Admission as set out below:

Name	*Number of issued Ordinary Shares under Option*	*Percentage of Enlarged Share Capital*	*Exercise price (in pounds per Ordinary Share)*	*Exercise period*
Barbara Murphy	269,081	0.50%	£1.21	10 years from grant
Fergus Fleming	538,161	1.00%	£1.21	10 years from grant
Sally Bowden	322,897	0.60%	£1.21	10 years from grant
Girish Nadkarni	53,816	0.10%	£1.21	10 years from grant
Steven Coca	53,816	0.10%	£1.21	10 years from grant
Judy Cho	80,724	0.15%	£1.21	10 years from grant
John Cijiang He	80,724	0.15%	£1.21	10 years from grant
John Quackenbush	80,724	0.15%	£1.21	10 years from grant
Chirag Parikh	80,724	0.15%	£1.21	10 years from grant
Joseph Boystak	80,724	0.15%	£1.21	10 years from grant
Salim Hamir	80,724	0.15%	£1.21	10 years from grant
Mount Sinai in respect of Erik Lium's service	204,501	0.38%	£1.21	10 years from grant
Michael Donovan	269,081	0.50%	£1.21	10 years from grant

8.3 Save as set out in paragraphs 8.1 and 8.2 of this Part 9, none of the Directors, the Proposed Directors or the Senior Management is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company during the current or immediately preceding financial year and which was affected by the Company and remains in any respect outstanding or unperformed. There are no loans made or guarantees granted or provided by the Group to or for the benefit of any of the Directors, the Proposed Directors or the Senior Management which are outstanding.

8.4 None of the Directors, the Proposed Directors, the Senior Management or any major Shareholders have different voting rights to the other Shareholders.

8.5 None of the Directors, the Proposed Directors, the Senior Management or members of their respective families has a financial product whose value in whole or in part is determined directly or indirectly by reference to the price of Ordinary Shares.

9. Additional Information on the Directors, the Proposed Directors and the Senior Management

9.1 The Directors, the Proposed Directors and the Senior Management have not held any directorships of any company (other than the Company or the US Subsidiary) or partnerships within the five years prior to the date of this document, except as set forth below:

Name	*Current*	*Previous*
Julian Baines	360 Genomics Limited EKF Diagnostics Holdings plc EKF Diagnostics Limited EKF Molecular Diagnostics Limited J&K (Cardiff) Limited Quotient Diagnostics Limited	Lexington Corporate Advisors Limited
James McCullough	Renwick Capital, LLC Renwick Capital Management LLC Bonnie J Addario Lung Cancer Foundation BalletNext, Inc.	Exosome Diagnostics, Inc. Tavec, Inc.
O. James Sterling	Renwick Capital, LLC	Aleutian Capital Partners, LLC Brock Capital Group LLC
Fergus Fleming	FF Consultancy Ltd Tellevoi Limited	Smart MTS Limited
Sally Bowden	Bowden Consulting Group, Inc. Samco & Associates, Inc.	–
Michael Donovan	–	–
Barbara Murphy	–	–
Erik Lium	Mount Sinai Ambulatory Ventures Inc.	Amatheus Therapeutics, Inc.
Richard Evans	EKF Diagnostics Holdings plc EKF Diagnostics Limited EKF Molecular Diagnostics Limited 360 Genomics Limited Quotient Diagnostics Limited	–

Name	*Current*	*Previous*
	Bigblu Broadband plc	Tramworks Limited
	Augean plc	Stratifer Limited
	Ten Entertainment Group plc	Kelvinhaugh Student Accommodation Limited
	Sherwood Holdings Limited	CCH Advisers Limited
	EKF Diagnostics Holdings plc	Baltimore Technologies (UK) Limited
	Harwood Wealth Management Group plc	Baltimore Technologies (Holdings) Limited
	Coventbridge Group Limited	Valiant Sports Holdings Limited
	Jaguar Holdings Limited	Baltimore Capital plc
	Journey Group Limited	Jarvis Porter (Property Holdings) Limited
	MJ Gleeson plc	Quantum Pharma Holdings Limited
	Stratton Street (Mouse No.1) Limited	Team Rock Limited
	Harwood Multi Manager Limited	Essenden Limited
	Stratton Street (Anthony) Limited	Indoor Bowling Equity Limited
	Harwood Capital Nominees Limited	Indoor Bowling Acquisitions Limited
	Bioquell plc	Cyprotex Limited
	Harwood Real Estate Limited	Celsis Group Limited
	Harwood Capital Management Limited	Celsis International Limited
	Assetco plc	Nastor Investments Limited
	Goals Soccer Centre plc	Harwood Capital LLP
	Alba Investment Properties Holdings Limited	Nationwide Accident Repair Services Limited
	Alba Investment Properties Limited	W.G. Mitchell (Fifteen) Limited
	Catalyst Media Holdings Limited	W.G. Mitchell (Charlotte Square) Limited
	62 Pont Street (Freehold) Limited	W.G. Mitchell (2005) Limited
	Sports Information Services (Holdings) Limited	W.G. Mitchell (Seven) Limited
	Alternateport Limited	W.G. Mitchell (George Street) Limited
	01285055 Limited	W.G. Mitchell Enterprises Limited
	Catalyst Media Group plc	M J Gleeson Group Limited
	Hampton Investment Properties Limited	Academic Research Limited
	IR Media Group Limited	Forefront Group Limited
	Cross-Border Publishing (London) Limited	GTL Resources Overseas Investments Limited
	Harwood Holdco Limited	Sinav Limited
	Growth Financial Services Limited	GTL Resources Limited
	Consolidated Venture Finance Limited	Merchant Properties General Partner Limited
	North Atlantic Smaller Companies Investment Trust plc	Merchant Properties Nominees Limited
	Oryx International Growth Fund Limited	Merchant Properties Two Nominee 1 Limited
	Sunlink Health Systems, Inc.	Merchant Properties Two Nominee 2 Limited
	The Tagos Group	Merchant Properties Two General Partner Limited
	Curtis Gilmour Holding Company Inc.	Orthoproducts Limited
	Tradewise Holdings Limited	Agrisense Industrial Monitoring Limited
	Tradewise Insurance Company Limited	B&G (Europe) Holding Ltd

9.2 Save as described in paragraphs 9.3 and 9.4 none of the Directors, the Proposed Directors or the Senior Management has:

(a) any unspent convictions in relation to indictable offences;

(b) had any bankruptcy order made against him or entered into any voluntary arrangements;

(c) been a director of a company which has been placed in receivership, compulsory liquidation, administration, been subject to a voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;

(d) been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;

(e) been the owner of any assets or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;

(f) been publicly criticised by any statutory or regulatory authority (including recognised professional bodies); or

(g) been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of a company.

9.3 Julian Baines was a director of BB Electronics Limited, which went into liquidation in 1991 with a creditor shortfall of approximately £400,000. He was also a director of Calibre Communications Limited, which went into liquidation in 1991 with a creditor shortfall of approximately £20,000. Julian Baines was not the subject of public criticism by the liquidator in connection with the liquidations.

9.4 James McCullough was formerly a director of Quentra Networks, Inc., which filed for Chapter 11 bankruptcy in 2000 within 12 months of his ceasing to be a director. He was also a director of AusAm Biotechnologies, Inc. when it filed for Chapter 11 bankruptcy in 2006 as part of a pre-pack acquisition.

9.5 Christopher Mills was a director of Nationwide Security Group plc when it was placed into receivership, which was completed 2 March 2005; all creditors were paid in full. He was formerly a director of Tricor plc, which entered into administration in 2003 within 12 months of his ceasing to be a director. A creditors voluntary arrangement was completed in 2014; all creditors were paid in full.

9.6 Christopher Mills has also been a director of the following companies that have been placed into liquidation, receivership or administration:

(a) Companies that went into administration with a resulting creditor shortfall:

(i) Valiant Sports Holdings Limited – Creditors' voluntary liquidator appointed on 2 April 2013. The estimated deficiency to investors and creditors was £2,667,085;

(ii) Jarvis Porter Group plc – Administration completed on 28 August 2008. A dividend of 3 pence per share was paid to unsecured creditors;

(iii) United Industries plc – Administration completed on 26 January 2008. The estimated deficiency to investors and creditors was £48,142,869; and

(iv) Versatile Group Limited – Administrative receiver appointed on 3 September 1998 by Bank of Scotland, which had charges and cross guarantees supporting a debt of £2.4 million. In addition, the group had estimated deficiencies as regards creditors of £0.6 million and total estimated deficiencies in excess of £0.7 million. Versatile Group Limited was struck off the register on 15 May 2001.

9.7 Christopher Mills was formerly a director of Team Rock Limited, which entered into administration on 12 December 2016, the administration is still ongoing.

9.8 Christopher Mills was appointed a director of the following companies on 23 December 2009 after they were purchased by J O Hambro on 23 December 2009 whilst they were in Administration. The preferential creditor agreed to discharge part of the claim it held against the company and all other creditors were paid in full:

(i) W.G. Mitchell (2005) Limited

(ii) W.G. Mitchell (Charlotte Square) Limited

(iii) W.G. Mitchell (George Street) Limited

(iv) W.G. Mitchell (Enterprises) Limited

(v) W.G. Mitchell (Fifteen) Limited

(vi) W.G. Mitchell (Seven) Limited

9.9 Save as disclosed in this document, none of the Directors, the Proposed Directors or the Senior Management is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company and which was effected by the Company and remains in any respect outstanding or unperformed.

9.10 No loans made or guarantees granted or provided by the Company to or for the benefit of any of the Directors, the Proposed Directors or the Senior Management are outstanding.

10. Significant Shareholders

10.1 Insofar as is known to the Company, the Directors, and Proposed Directors as at the Latest Practicable Date, the following persons are, and will following the Fundraising and Admission, be interested directly or indirectly, in 3% or more of the Ordinary Shares:

	As at the date of this document		*On Admission*[1]	
Name	*Number of issued Ordinary Shares*	*Percentage of issued Share capital*	*Number of issued Ordinary Shares*	*Percentage of issued Share capital*
EKF Distribution Shareholders[2]	20,964,524	59.18%	–	–
Mount Sinai	6,730,784	19.00%	8,018,986	14.90%
Christopher Mills	–	–	9,190,430	17.08%
James McCullough	2,853,960	8.06%	2,853,960	5.30%
O. James Sterling	1,902,640	5.37%	1,902,640	3.54%
EKF	–	–	2,577,907	4.79%
Julian Baines	1,125,568	3.18%	1,231,236	2.29%
Richard Evans	673,128	1.90%	706,322	1.31%
Lombard Odier & Co Ltd	–	–	3,423,526	6.36%
Legal & General Investment Management	–	–	1,672,344	3.11%
Polar Capital, LLP	–	–	2,479,000	4.61%

(1) Includes interests in Distribution Shares, but excludes indirect interests via EKF's holding in the Company.

(2) Representing the interests of all relevant EKF Shareholders who received shares as a result of the distribution in specie of EKF's pre-existing interest in the Company; shown as zero from Admission as interests in these shares are attributed to specific shareholders in this table.

10.2 No significant holder of Ordinary Shares, as listed above in paragraphs 10.1 and 13.2 of this Part 9, has voting rights different to other Shareholders.

10.3 Save as disclosed in paragraph 10.1 of this Part 9, none of the Directors or the Proposed Directors are aware of any persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company. To the best knowledge of the Company there are no arrangements which may at a date subsequent to Admission result in a change of control of the Company.

11. Directors' service agreements and letters of appointment

11.1 *Executive Directors*

Service Agreement of James McCullough

James McCullough is employed by the US Subsidiary as Chief Executive Officer pursuant to a service agreement entered into between James McCullough, the US Subsidiary and the Company dated 2 November 2018 and effective on and from 1 November 2018 (the "**Service Agreement**"). James McCullough also has a separate appointment letter with the Company dated 22 October 2018 in relation to his appointment as a Director of the Company which took effect on 15 March 2018. He receives no compensation or benefits under this appointment letter in addition to those that will be provided under the Service Agreement.

Pursuant to the terms of the Service Agreement, James McCullough shall receive a gross salary of $350,000 per annum (which is subject to annual review by the Remuneration Committee and to a minimum annual increase of 3%). James McCullough also:

(a) will be eligible for an annual cash bonus in the sole discretion of the Remuneration Committee;

(b) is entitled to participate on the same basis as similarly situated employees in the Company's benefit plans in effect from time to time during his employment; and

(c) is entitled to five weeks' holiday per annum.

James McCullough will be employed at-will. If his employment is terminated by the US Subsidiary without "Cause" (as defined in the Service Agreement) and in circumstances constituting a "separation from service" (as defined in the US Treasury Regulation Section 1.409A-1(h)) or by James McCullough with "Good Reason" (as defined in the Service Agreement), James McCullough is entitled to be paid his salary and benefits in the usual way up to his termination date and, provided he complies with certain conditions (including execution of a release), is entitled to receive the following severance benefits:

(a) 12 months' base salary;

(b) if elected, continued coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 for himself and his covered dependents for up to 12 months following termination;

(c) any accrued but unpaid bonus in relation to any prior year's employment, together with a pro-rata bonus in respect of the portion of the then current year worked; and

(d) accelerated vesting of the portion of equity awards held by James McCullough which would have vested within one year following the termination date had James McCullough remained in employment for such period (or full vesting of all equity in the event of a change of control).

The severance benefits detailed above will not be payable if James McCullough's employment is terminated by the US Subsidiary for "Cause" or by James McCullough without "Good Reason" (each term as defined in the Service Agreement).

James McCullough has also entered into an employee confidential information and invention assignment agreement with the US Subsidiary which governs matters related to confidentiality, IP and post-termination covenants. James McCullough is subject to confidentiality obligations

which remain in place following termination of employment, and to non-solicitation and non-compete restrictive covenants for a period of 12 months post-termination of his employment.

James McCullough will have the benefit of a qualifying third party indemnity from the Company (the terms of which are in accordance with the Companies Act) and appropriate directors' and officers' liability insurance.

Service Agreement of Fergus Fleming

Fergus Fleming is employed by the Company as Chief Technology Officer pursuant to a service agreement entered into between Fergus Fleming and the Company dated 2 November 2018 and effective on and from 1 November 2018 (the "**FF Service Agreement**"). The FF Service Agreement also governs the terms of Fergus Fleming's appointment as a Director of the Company which took effect on 15 March 2018.

Pursuant to the terms of the FF Service Agreement, Fergus Fleming shall receive a gross salary of €200,000 on an annualised basis (which is subject to annual review). Fergus Fleming also:

(a) will be eligible to join any pension scheme operated by the Company from time to time and, should he so join, the Company shall make contributions to such pension scheme at a rate of 5% of Fergus Fleming's base salary each year;

(b) will receive a car allowance of €5,000 per year, for so long as he holds a driving licence;

(c) is entitled to participate at the Company's expense in the Company's private medical expenses insurance scheme; and

(d) is entitled to 25 days' holiday per annum, plus holiday pay during the period between Christmas and New Year each year.

Fergus Fleming's employment is terminable by either party on not less than 12 months' prior written notice. The Company may elect to terminate Fergus Fleming's employment prior to the expiration of any such notice by notifying him of such and paying him his basic salary in lieu of the remaining period of notice in full and final settlement of any claims he may have against the Company or any Group Company.

The Company may elect to put Fergus Fleming on garden leave for all or part of any period of notice, or if or if he seeks to or indicates an intention to resign as a Director of the Company or any Group Company or terminate his employment without notice.

The FF Service Agreement contains standard assignment provisions relating to the ownership of intellectual property. Fergus Fleming is subject to confidentiality obligations which remain in place following termination of employment, and to non-solicitation and non-compete restrictive covenants for a period of nine months post-termination of his employment.

11.2 ***Non-Executive Directors' Letters of Appointment***

There are five Non-Executive Directors including the chair. The principal terms of each letter of appointment (each, a "**Letter of Appointment**") are set out below:

Name	*Title*	*Date of first appointment to the Board*
Julian Baines, MBE	Non-Executive Chair	15 March 2018
Barbara Murphy, MD	Non-Executive Director	Admission Date
Erik Lium, PhD	Non-Executive Director	Admission Date
Richard Evans	Non-Executive Director	15 March 2018
Christopher Mills	Non-Executive Director	15 March 2018

Each of the Non-Executive Directors is entitled to be reimbursed for reasonable and properly documented expenses incurred after Admission in performing their duties as a Director.

An appointment can be terminated at any time by either the Company or the Non-Executive Director giving six months' written notice. On termination of the appointment, the Non-Executive Director shall only be entitled to such fees as may have accrued to the date of termination, together with reimbursement in the normal way of any expenses properly incurred prior to that date. An appointment may also be terminated with immediate effect by the Company if the Non-Executive Director: (i) commits a material breach of his obligations under the letter of appointment; (ii) commits a serious or repeated breach or non-observance of his obligations to the Company; (iii) is guilty of any fraud or dishonesty or acts in a manner which, in the Company's opinion, brings or is likely to bring him or the Company into disrepute or is materially adverse to the Company's interests; (iv) is convicted of an arrestable criminal offence other than a road traffic offence for which a fine or non-custodial penalty is imposed.

Each of the Non-Executive Directors will have the benefit of a qualifying third party indemnity from the Company (the terms of which are in accordance with the Companies Act) and appropriate directors' and officers' liability insurance.

Letter of Appointment of Julian Baines

In the letter of appointment dated 10 September 2018, Julian Baines agreed to act as the Non-Executive Chair of the Company, commencing on 15 March 2018. Subject to Admission occurring, he will be paid an annual fee of £25,000 which covers all duties, including service on any Board committee or subsidiary of the Company, with the exception of fees for chairing Board committees and certain additional responsibilities which shall be subject to a periodic review by the Board. Currently, Julian Baines is also chair of the Nominations and Remuneration Committee.

Letter of Appointment of Barbara Murphy

In the letter of appointment dated 30 October 2018, Barbara Murphy agreed to act as a Non-Executive Director of the Company acting in her personal capacity, conditional and effective upon Admission. Subject to Admission occurring, she will be paid an annual fee of £20,000 which covers all duties, including service on any Board committee or subsidiary of the Company, with the exception of fees for chairing Board committees and certain additional responsibilities which shall be subject to a periodic review by the Board. Barbara Murphy has been granted an Option, as detailed in paragraph 8.2 of Part 9 (*Additional Information*).

Letter of Appointment of Erik Lium

In the letter of appointment dated 30 October 2018, Erik Lium has agreed to act as a Non-Executive Director of the Company as Mount Sinai's representative (in accordance with the relationship agreement with Mount Sinai), conditional and effective upon Admission. Erik Lium has been appointed as a representative of Mount Sinai. Subject to Admission occurring, Mount Sinai will be paid an annual fee of £20,000 which covers all of Erik Lium's duties, including service on any Board committee or subsidiary of the Company, with the exception of fees for chairing Board committees and certain additional responsibilities which shall be subject to a periodic review by the Board. Any further fees or other compensation to be paid as consideration for him chairing committees or assuming additional responsibilities shall be paid to Mount Sinai. Options granted in relation to his service have been granted to Mount Sinai. Currently, Erik Lium is a member of the Audit Committee.

Letter of Appointment of Richard Evans

In the letter of appointment dated 31 August 2018, Richard Evans has agreed to act as a Non-Executive Director of the Company, commencing on 15 March 2018. Subject to Admission occurring, he will be paid an annual fee of £20,000 which covers all duties, including service on any Board committee or subsidiary of the Company, with the exception of fees for chairing Board committees and certain additional responsibilities which shall be subject to a periodic review by the Board. Currently, Richard Evans is chair of the Audit Committee.

Letter of Appointment of Christopher Mills

In the letter of appointment dated 10 September 2018, Christopher Mills has agreed to act as a Non-Executive Director of the Company, commencing on 15 March 2018. Subject to Admission occurring, he will be paid an annual fee of £20,000 which covers all duties, including service on any Board committee or subsidiary of the Company, with the exception of fees for chairing Board committees and certain additional responsibilities which shall be subject to a periodic review by the Board. Currently, Christopher Mills is a member of both the Nomination Committee and the Remuneration Committee.

11.3 ***Senior Management service contracts***

Service Agreement of O. James Sterling

O. James Sterling is employed by the US Subsidiary as Chief Financial Officer pursuant to a service agreement entered into between O. James Sterling, the US Subsidiary and the Company dated 2 November 2018 and effective on and from 1 November 2018 (the "**OJS Service Agreement**").

Pursuant to the terms of the OJS Service Agreement, O. James Sterling shall receive a gross salary calculated by reference to an initial full-time base salary of $275,000 on an annualized basis (which is subject to annual review by the Remuneration Committee and to a minimum annual increase of 3%). Unless otherwise agreed, O. James Sterling shall work 75% of full-time hours, and accordingly shall receive an annual base salary of $206,250. O. James Sterling also:

(a) will be eligible for an annual cash bonus in the sole discretion of the Remuneration Committee;

(b) is entitled to participate on the same basis as similarly situated employees in the Company's benefit plans in effect from time to time during his employment; and

(c) is entitled to five weeks' holiday per annum.

O. James Sterling is employed at-will. If the employment is terminated by the US Subsidiary without "Cause" (as defined in the OJS Service Agreement) and in circumstances constituting a "separation from service" (as defined in the US Treasury Regulation Section 1.409A-1(h)) or by O. James Sterling with "Good Reason" (as defined in the OJS Service Agreement), O. James Sterling is entitled to be paid his salary and benefits in the usual way up to his termination date and, provided he complies with certain conditions (including execution of a release), is entitled to receive the following severance benefits:

(a) 12 months' base salary;

(b) if elected, continued coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 for himself and his covered dependents for up to 12 months following termination;

(c) any accrued but unpaid bonus in relation to any prior year's employment, together with a pro-rata bonus in respect of the portion of the then current year worked; and

(d) accelerated vesting of the portion of equity awards held by O. James Sterling which would have vested within one year following the termination date had O. James Sterling remained in employment for such period (or full vesting of all equity in the event of a change of control).

The severance benefits detailed above will not be payable if O. James Sterling's employment is terminated by the US Subsidiary for "Cause" or by O. James Sterling without "Good Reason" (each term as defined in the OJS Service Agreement).

O. James Sterling has also entered into an employee confidential information and invention assignment agreement with the US Subsidiary which governs matters related to confidentiality, IP and post-termination covenants. O. James Sterling is subject to confidentiality obligations which remain in place following termination of employment, and to non-solicitation and non-compete restrictive covenants for a period of 12 months post-termination of his employment.

Service Agreement of Sally Bowden

Sally Bowden is employed by the US Subsidiary as Chief Operating Officer pursuant to a service agreement entered into between Sally Bowden, the US Subsidiary and the Company dated 2 November 2018 and effective on and from 1 November 2018 (the "**SB Service Agreement**").

Pursuant to the terms of the SB Service Agreement, Sally Bowden shall receive a gross salary calculated by reference to an initial full-time base salary of $240,000 per annum (which is subject to annual review by the Remuneration Committee and to a minimum annual increase of 3%). Sally Bowden also:

(a) will be eligible for an annual cash bonus in the sole discretion of the Remuneration Committee;

(b) is entitled to participate on the same basis as similarly situated employees in the Company's benefit plans in effect from time to time during her employment; and

(c) is entitled to five weeks' holiday per annum.

Sally Bowden is employed at-will. If the employment is terminated by the US Subsidiary without "Cause" (as defined in the SB Service Agreement) and in circumstances constituting a "separation from service" (as defined in the US Treasury Regulation Section 1.409A-1(h)) or by Sally Bowden with "Good Reason" (as defined in the SB Service Agreement), Sally Bowden is entitled to be paid her salary and benefits in the usual way up to her termination date and, provided she complies with certain conditions (including execution of a release), is entitled to receive the following severance benefits:

(a) 12 months' base salary;

(b) if elected, continued coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 for herself and her covered dependents for up to 12 months following termination;

(c) any accrued but unpaid bonus in relation to any prior year's employment, together with a pro-rata bonus in respect of the portion of the then current year worked; and

(d) accelerated vesting of the portion of equity awards held by Sally Bowden which would have vested within one year following the termination date had Sally Bowden remained in employment for such period (or full vesting of all equity in the event of a change of control).

The severance benefits detailed above will not be payable if Sally Bowden's employment is terminated by the US Subsidiary for "Cause" or by Sally Bowden without "Good Reason" (each term as defined in the SB Service Agreement).

Sally Bowden has also entered into an employee confidential information and invention assignment agreement with the US Subsidiary which governs matters related to confidentiality, IP and post-termination covenants. Sally Bowden is subject to confidentiality obligations which remain in place following termination of employment, and to non-solicitation and non- compete restrictive covenants for a period of 12 months post-termination of her employment.

Service Agreement of Dr. Donovan

Dr. Donovan is engaged as Chief Medical Officer pursuant to an independent contractor services agreement entered into between Michael Donovan and the US Subsidiary, dated 1 January 2018 (the "**MD Contractor Agreement"**).

Under the terms of the MD Contractor Agreement, Dr. Donovan is entitled to:

(a) in respect of any period prior to a capital financing of the US Subsidiary exceeding in aggregate $10,000,000 ("**Capital Financing**"), $5,000 per month (or part thereof)

(b) in respect of any period on and from a Capital Financing:

(i) a one-off payment equal to $5,000 multiplied by the number of months (or part thereof) between 1 January 2018 and the date of the Capital Financing;

(ii) $10,000 per month (or part thereof);

(iii) the grant of an Option as detailed in paragraph 8.2 of Part 9 (*Additional Information*).

The MD Contractor Agreement is terminable by either party at any time on ten days' written notice. On such termination, Dr. Donovan is entitled to receive fees accrued prior to the date of termination.

The MD Contractor Agreement contains standard assignment provisions relating to the ownership of intellectual property. Dr. Donovan is subject to confidentiality obligations which remain in place following termination of his engagement.

It is intended that the MD Contractor Agreement will be terminated on or shortly following Admission, and that Dr. Donovan will instead be engaged as a Scientific Advisory Board member, on terms similar to such other board members. Dr. Donovan is an employee of Mount Sinai and his services as Chief Medical Officer will be made available to the Company via the sponsored research agreement and lab lease being entered into with Mount Sinai.

11.4 ***Scientific Advisory Board contracts***

Each of the members of the Scientific Advisory Board has entered into a scientific advisor agreement with the US Subsidiary, effective on 1 November 2018 (the "**SAB Agreements**"). The SAB Agreements provide for fees to be paid at a rate of $500 per hour, up to a maximum of $5,000 per month, and for the grant of an Option as detailed in paragraph 8.2 of Part 9 (Additional Information). Each of the members of the Scientific Advisory Board is subject to intellectual property assignment provisions and to confidentiality obligations which remain in place following termination of his or her engagement.

11.5 ***General***

(a) Save as disclosed in this paragraph 11, the Company has not amended or entered into any service agreements with any Director within the last six months and no Director has a service agreement that has more than 12 months to run.

(b) Save as disclosed in paragraphs 11.1 and 11.2 above, there are no service contracts or agreements existing or proposed between any Director, or parties in which they are interested, and the Company.

(c) There are no proposals existing in connection with the Admission whereby any member of the administrative or management bodies of the Company or any other person and the Company which provide for benefits upon termination of employment or in connection with retirement from office.

(d) Save as disclosed in paragraph 22.1 below, from the date of the Company's incorporation, being 15 March 2018, to the date of this document, no remuneration has been paid, including pension contributions and benefits in kind, to any of the Directors.

(e) It is estimated that under the arrangements in force at the date of this document, the maximum aggregate remuneration and benefits in kind which will be paid for the services of the Directors for the financial period ending 30 June 2019 will be approximately £531,000.

12. Material contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company or the US Subsidiary during the two years immediately preceding the date of this document and contain provisions under which the Company or the US Subsidiary (which

will be the Company's sole wholly-owned subsidiary at Admission), respectively, has an obligation or entitlement which is material at the date of this document.

Agreements to which the Company is party

12.1 ***Mount Sinai Collaboration Agreement***

On 30 May 2018 (the "**Effective Date**"), the Company entered into the Mount Sinai Exclusive Licence and Collaboration Agreement ("**Mount Sinai Collaboration Agreement**") under which Mount Sinai will grant to the Company certain rights to data, information, technology and IP upon payment of the License Fee (defined below).

Subject matter

Mount Sinai has agreed to license, on a worldwide and sub-licensable basis, for use in the application of AI in development of diagnostics and prognostics for certain renal indications (excluding specific indications relating to oncology) ("**Field of Use**") in order to develop and commercialise products or services ("**Licensed Products**") the following:

(a) on an exclusive basis:

(i) rights to certain Mount Sinai inventions, covered by the "**Licensed Patent Rights**"; and

(ii) registered copyrights in certain Mount Sinai inventions, software, processes, protocols, techniques, algorithms, works of authorship and specifications relating to the Field of Use contained within the "**Licensed Copyrights**";

(b) on a non-exclusive basis:

(i) know-how, rights in inventions, software, processes, protocols, techniques, algorithms, works of authorship and specifications relating to the Field of Use to develop and commercialise Licensed Products within the Field of Use;

(ii) unregistered copyrights in certain Mount Sinai inventions, software processes, protocols, techniques, algorithms, works of authorship and specifications within the Field of Use contained within the "**Licensed Copyrights**"; and

(iii) the Licensed Technology to develop and commercialise Licensed Products relating to the Field of Use.

(c) information, including de-identified patient health and medical records, clinical records, data relating to testing, treatment and outcomes, certain genetic or genomic data, regarding any renal indication from the Mount Sinai data warehouse ("**Licensed Information**") in accordance with a data access agreement between the parties and on the following terms:

(i) exclusively during the period of 7 years starting on the Effective Date ("**Exclusivity Period**") (subject to agreements between Mount Sinai and Sema4, a spin-out from the Mount Sinai Health System, which has the non-exclusive right to use the data for any purpose); and

(ii) non-exclusively after the Exclusivity Period for the duration of the Access Period (three additional years of access).

Mount Sinai also grants to the Company an exclusive, time-limited, option to license Mount Sinai's rights in technology developed during the Exclusivity Period within the Field of Use, subject to mutual agreement between the parties, including agreement by applicable Mount Sinai inventors of any such technology, on a preliminary development plan. The preliminary development plan shall include financial terms for such license that reflect the fair market value of the technology. If Company exercises its option, any such technology shall be licensed to Company upon terms consistent with the preliminary development plan,

including the financial terms at fair market value. If the Company declines or otherwise fails to exercise its option during a three-month exercise period, Mount Sinai may dispose of its interest in the relevant technology and patent rights, and such technology will fall outside the Licensed Technology. Further, the option above converts to a non-exclusive option after the Exclusivity Period until the end of the Access Period

Within the Field of Use, Mount Sinai reserves rights to use the Licensed Patent Rights, Licensed Information, Licensed Technology and related IP: (i) (and sub-license the same) for non-commercial research and educational purposes and in the care of patients of Mount Sinai; (ii) in conducting clinical trials at Mount Sinai; and (iii) in funded research. Furthermore, the licenses granted by Mount Sinai are subject US governmental rules with the effects that: (i) any Licensed Product exploited by the Company in the US must be manufactured substantially in the US; and (ii) to the extent required by US law, the US government is granted a non-exclusive license to exploit for or on behalf of the US any Licensed Patent throughout the world.

Key payment obligations

The Company will pay:

(a) within 30 days of achieving a Fundraising, a license fee of $10 million ("**License Fee**"). A "**Fundraising**" for this purpose means an equity or convertible debt financing with gross proceeds of not less than $25,000,000 (to be achieved within six months of the Effective Date, i.e. by 30 December 2018).

(b) one-off milestone payments:

  (i) $1.5 million once worldwide sales of Licensed Products reach $50 million; and

  (ii) $7.5 million once worldwide sales of Licensed Products reach $300 million.

(c) a royalty of 3.5%-5.5% on net sales for all Licensed Products with the royalty on net sales of *KidneyIntelX*™ being either 4% or 5% (depending upon the extent to which it is covered by the Licensed Patent Rights;

(d) a percentage (of either 25% or 15% depending upon timing of receipt by Company) of all income arising from third parties derived from the rights granted to Company by Mount Sinai under the Mount Sinai Collaboration Agreement;

(e) within 30 days of the end of the Exclusivity Period and each anniversary of that date until the end of the Access Period, an annual non-refundable data transfer fee of $50,000;

(f) for, subject to successful completion of a clinical validation study by the Company, a clinical utility study for a diagnostic test using biomarker guided AI techniques for detecting renal functional decline.

Duration

The term of the Mount Sinai Collaboration Agreement is to the later of (i) the end of the Access Period (30 May 2028); or (ii) expiration of the last royalty term (the period, on a Licensed Product by Licensed Product basis from the first commercial sale until, the expiration of the last valid claim of a Licensed Patent covering the Licensed Product if any or, if none, on a territory-by-territory basis, 12 years from the first commercial sale in that territory) for the last licensed product.

Company's indemnification obligations

The Company has agreed to indemnify Mount Sinai and its personnel in respect of (a) any breach by the Company under the Mount Sinai Collaboration Agreement; (b) the use of the licensed information technology or IP rights by the Company or its sublicensees/affiliates; (c) the development or commercialisation of licensed products by or on behalf of the Company, its

sublicensees or affiliates or customers; and (d) the use of Mount Sinai's confidential information by the Company, its sublicensees or affiliates except to the extent such liabilities result from the gross negligence or wilful misconduct of Mount Sinai. Mount Sinai must notify the Company of any indemnification rights it intends to assert.

Each party is required to maintain insurance with respect to its activities under the Mount Sinai Collaboration Agreement.

Termination rights

The Company can terminate the Mount Sinai Collaboration Agreement by giving 90 days' written notice at any time.

Mount Sinai can terminate the Mount Sinai Collaboration Agreement:

(a) for cause, if Mount Sinai gives written notice of default for:

  (i) material breach of an obligation, condition, covenant, condition or undertaking of the Mount Sinai Collaboration Agreement; or

  (ii) failure to achieve a diligence event (and fail to cure such default within 60 days). These events include failure to achieve commercial exploitation of:

    (A) the first Licensed Product (*KidneyIntelX*™) within 36 months of meeting the Fundraising Condition; and

    (B) the second Licensed Product (*KidneyIntelX*™ APOL1) within 60 months of meeting the Fundraising Condition;

(b) if the Company experiences an event of bankruptcy; or

(c) if the Company or its affiliate or sublicensee challenges the validity or enforceability of any licensed patent rights under the Mount Sinai Collaboration Agreement in any forum through any means.

On termination, the Company would lose access to IP and data that is the subject matter of the contract. It is also required to provide Mount Sinai with a copy of certain data, which includes clinical utility data, which Mount Sinai is free to use for its own purposes.

The Mount Sinai Collaboration Agreement is governed by New York law.

12.2 ***Mount Sinai Professional Services Agreement***

On 10 August 2018, the Company entered into a professional services agreement effective as of 1 July 2018 with Mount Sinai under which the Company has agreed to provide data analysis services (the "**Mount Sinai Professional Services Agreement**"). Persistent Systems will perform the services as the Company's subcontractor, but is not party to the Mount Sinai Professional Services Agreement.

Subject matter

Under the Mount Sinai Professional Services Agreement, the Company, working with Persistent Systems, will use de-identified data from Bio*Me*™ to evaluate potential AI and machine learning platforms for use in the diagnosis and prognosis of kidney disease. Any algorithms, data or results developed during the evaluation process up to and including 31 December 2018 will be owned by Mount Sinai unless otherwise agreed and are subject to the Company's option to license the same from Mount Sinai under the Mount Sinai Collaboration Agreement. The Company will retain ownership of its own materials (including methodologies, processes, know-how and software) in existence before the provision of the services.

Duration

The Mount Sinai Professional Services Agreement expires on 31 December 2018 and is governed by New York law.

12.3 ***Mount Sinai FractalDx Option Agreement***

On 4 September 2018, the Company entered into an option agreement with Mount Sinai under which Mount Sinai granted the Company an option to enter into an exclusive license to technology and patents relating to diagnostics and prognostics for kidney transplant and rejection and a non-exclusive license to technical information and materials for exploitation of licensed products in the field (the "**Mount Sinai FractalDx Option Agreement**").

Key payment obligations

If the FractalDx Option Agreement is exercised, the Company will be required to pay $1 million (the "**Option Exercise Fee**") and make an upfront payment of approximately $300,000 to cover patent costs incurred to date.

Duration

If not exercised, the Mount Sinai FractalDx Option Agreement expires on 31 December 2018.

The Mount Sinai FractalDx Option Agreement is governed by New York law.

12.4 ***Mount Sinai FractalDx Licence Agreement***

Exhibit B to the Mount Sinai FractalDx Option Agreement is a draft Exclusive Licence Agreement (the "**Mount Sinai FractalDx Licence Agreement**") that would substantially form the basis of the technology licence to which the Mount Sinai FractalDx Option Agreement relates.

Subject matter

Mount Sinai agrees to license for the Term:

(a) on an exclusive and worldwide basis, certain patents ("**Licensed Patents**"), including specified existing patents, for use in the field of diagnostics and prognostics for kidney transplant rejection ("**Field of Use**") within products or services ("**Licensed Products**");

(b) on a non-exclusive and worldwide basis, technical information, including software, solely to the extent necessary to exploit Licensed Products within the Field of Use.

Within the Field of Use, Mount Sinai reserves rights to use the Licensed Patents: (i) (and sub-license the same) for non-commercial research and educational purposes and in the care of patients of Mount Sinai; (ii) in conducting clinical trials at Mount Sinai; and (iii) in funded research. Furthermore, the licenses granted by Mount Sinai are subject US governmental rules with the effects that: (i) any Licensed Product exploited by the Company in the US must be manufactured substantially in the US; and (ii) to the extent required by US law the US government is granted a non-exclusive license to exploit for or on behalf of the US any Licensed Patent throughout the world.

Key payment obligations

The Company will pay:

(a) a license fee of $1,000,000 ("**License Fee**"). The Company's obligation to pay the License Fee will be deemed satisfied if Mount Sinai has received the Option Exercise Fee;

(b) a sum to reimburse fees and expenses associated with prosecution and maintenance of the Licensed Patents that were accumulated prior to the date of signature of the Mount Sinai

FractalDx Licence Agreement. As at 1 July 2018 the reimbursement amount was estimated at $300,000 and is subject to change;

(c) all expenses for prosecuting and maintaining patents that are within the Licensed Patents arising after the date of signature of the Mount Sinai FractalDx Licence Agreement;

(d) one-off milestone payments on a per Licensed Product basis:

  a. $250,000 payable on receipt of certain regulatory clearance/approval;

  b. $250,000 payable on receipt of US CMS reimbursement code/PAMA reimbursement approval;

  c. $1 million once worldwide sales of Licensed Products reach $50 million; and

  d. $4 million once worldwide sales reach $250 million;

(e) on a per Licensed Product basis, an annual non-refundable license maintenance fee in accordance with the following schedule (such license maintenance fees are creditable against royalty payments due in that same calendar year – see paragraph (f) immediately below):

Time period	*Maintenance fee*
Years 1-2	$25,000
Years 3-4	$50,000
Years 5-8	$100,000
Year 9 and beyond	$200,000

(f) on a per Licensed Product basis, royalties on net sales of either 6% or 8% (depending upon the extent to which the Licensed Product is covered by the Licensed Patents); and

(g) a percentage (between 70% and 15% depending upon timing of receipt by Company) of all income arising from sublicensing the rights granted to Company by Mount Sinai under the Mount Sinai FractalDx Licence Agreement to third parties.

Duration

The term of the Mount Sinai FractalDx Licence Agreement is (the period, on a Licensed Product by Licensed Product basis) from the first commercial sale until the later of (i) the expiration of the last valid claim of a Licensed Patent covering a Licensed Product, expiration of any regulatory exclusivity period or (iii) fifteen years from first commercial sale.

Company's indemnification obligations

The Company has agreed to indemnify Mount Sinai and its personnel in respect of liability resulting from third party claims resulting from (a) any breach by the Company under the Mount Sinai FractalDx Licence Agreement; (b) the use of the technical information, materials, or Licensed Patents by the Company or its sublicensees, affiliates, assignees, vendors, or service providers; (c) the development or commercialisation of Licensed Products by or on behalf of the Company, its sublicensees, affiliates, customers or end-users; and (d) the use of Mount Sinai's confidential information by the Company, its sublicensees or affiliates except to the extent such liabilities result from the gross negligence or wilful misconduct of Mount Sinai.

Each party is required to maintain insurance with respect to its activities under the Mount Sinai FractalDx Option Agreement, and must notify the other in writing of any claim it intends to bring.

Termination rights

The Company can terminate the Mount Sinai FractalDx Licence Agreement by giving 90 days' written notice at any time.

Mount Sinai can terminate:

(a) if the Company fails to pay the License Fee;

(b) for cause, if Mount Sinai gives written notice of default for:

  (i) material breach of an obligation, condition, covenant, condition or undertaking of the Mount Sinai FractalDx Option Agreement; or

  (ii) failure to use commercially reasonable efforts with respect to Licensed Products;

  (iii) failure to make any payment at the time such payment is due;

  (iv) failure to timely and sufficiently submit any quarterly report or annual progress report; or

  (v) failure to achieve a diligence event (and fail to cure such default within 60 days);

(c) if the Company experiences an event of bankruptcy or is de-listed; and

(d) if the Company or its affiliate or sublicensee challenges the validity or enforceability of any licensed patent rights under the Mount Sinai FractalDx Option Agreement in any forum through any means.

The Company has a sixty day cure period for each item above following a thirty day good faith dispute negotiation period.

The Mount Sinai FractalDx Licence Agreement is governed by New York law.

12.5 ***Placing Agreement between the Company, the Directors, the Proposed Directors and N+1 Singer***

In connection with the Placing, the Company, the Directors, the Proposed Directors and N+1 Singer have entered into a placing agreement pursuant to which, conditional upon, among other things, the fulfilment by the Company of its obligations under the Placing Agreement; an AIM application in respect of the Enlarged Share Capital signed on behalf of the Company and all other documents submitted therewith having been delivered to the London Stock Exchange before publication of the Admission Document; the Company having allotted the Placing Shares; N+1 Singer not having exercised its right to terminate the Placing Agreement; and Admission occurring not later than 8.00 a.m. on 31 October 2018 or such later date as the Company and N+1 Singer may agree, but in any event not later than 8.00 a.m. on 30 November 2018, N+1 Singer has agreed to use its reasonable endeavours to procure placees for the Placing Shares at the Issue Price. The issue of the EIS/VCT Placing Shares is not conditional upon the Placing Agreement or Admission. The Company has agreed to pay N+1 Singer, whether or not the Placing Agreement becomes unconditional, a corporate finance fee and, provided the Placing Agreement becomes unconditional, a commission payment in respect of the gross aggregate value at the Placing Price of the Placing Shares, and a discretionary commission payment of the gross aggregate value at the Placing Price of the Placing Shares placed for the Company. The Company has agreed to pay all of the costs and expenses of and incidental to the Placing, together with any applicable VAT. The Company, the Directors and the Proposed Directors have given certain warranties to N+1 Singer as to the accuracy of the information in this document and as to other matters relating to the Group. The liability of the Directors and the Proposed Directors under these warranties is limited in time and amount, save in certain circumstances. The Company has given an indemnity to N+1 Singer against any losses or liabilities arising out of the proper performance by N+1 Singer of its duties under the Placing Agreement. N+1 Singer may terminate the Placing Agreement before Admission in certain circumstances, including for material breach of the warranties referred to above.

The Placing Agreement is governed by English law.

12.6 ***Lock-in and Orderly Market Agreements between each of the Lock-In Shareholders, the Company and N+1 Singer***

Lock-in and Orderly Market Agreements were entered into between each of the Lock-in Shareholders, the Company and N+1 Singer, on 6 November 2018. Pursuant to the terms of the Lock-in and Orderly Market Agreements , the Lock-in Shareholders have agreed not to dispose of any interest in Ordinary Shares for the period of 12 months following Admission, except in certain limited circumstances and for a further period of 12 months following the expiry of the initial 12 month period, only to dispose of an interest in Ordinary Shares following consultation with N+1 Singer and provided such disposal is effected through N+1 Singer and in such manner as they may reasonably require with a view to maintenance of an orderly market in the Ordinary Shares.

Salim Hamir, Christopher Mills, Julian Baines, Icahn School of Medicine at Mount Sinai, James Sterling, James McCullough, Fergus Fleming, Barbara Murphy and EKF are subject to lock-in arrangements under Rule 7 of the AIM Rules which do not allow for any disposals save in very limited circumstances and Michael Donovan, Sally Bowden, Steven Coca, Girish Nadkarni and EKF are subject to lock-in arrangements with customary market standard provisions allowing for disposals for disposals in certain limited circumstances.

The Lock-in and Orderly Market Agreements are each governed by English law.

12.7 ***Subscription Agreements***

The Subscribers have entered into Subscription Agreements with the Company pursuant to which they have conditionally agreed to subscribe a total of 2,334,739 Subscription Shares at the Issue Price. The Subscription Agreements are conditional on: (i) the Company entering into the Placing Agreement and that agreement becoming unconditional save as to Admission; and (ii) Admission occurring on or before 8.00 a.m. London time on 6 November 2018 (or such later date as the Company and N+1 Singer shall agree, not to be later than 30 November 2018). In accordance with the requirements of the Subscription Agreements the Subscribers are required to give certain customary confirmations.

The Subscription Agreements are governed by English law.

12.8 ***Relationship agreements with Mount Sinai and EKF***

Please see paragraphs 15 and 16 of this Part 9.

12.9 ***Joslin Licence***

On 25 July 2017, Joslin granted EKF the right to use the Joslin Biomarker Technology under and subject to a licence agreement, which was subsequently amended on 5 September 2018 and on 11 October 2018 (the "**Joslin Licence**"). The Joslin Licence was transferred from EKF to the Company on 23 October 2018.

Subject matter

Joslin has agreed to licence the exclusive worldwide right to use Joslin Biomarker Technology in products ("**Joslin Licenced Products**") and processes ("**Joslin Licenced Processes**"). The Company has the right to sublicense the manufacture, sale or supply of Licensed Products and Licensed Processes, subject to certain customary conditions, including Joslin's prior approval. The Company is responsible for any breach under a sub-licence that results in a material breach of the Joslin Licence.

Duration

The initial term of the Joslin Licence is to 31 July 2025, after which the license period will extend automatically to 31 July 2030, unless either party exercises its right not to extend. The parties are free to agree to further extensions.

Patent maintenance

The Company is responsible for preparing, filing, prosecuting and maintaining the patent applications and patents.

Key payments obligations

The Company is liable for the following cost and payments:

(a) royalty of 5% of the net selling price (i.e., net of discounts, rebates, cash in kind, taxes and duties and carriage) of Joslin Licenced Products and Joslin Licenced Processes sold by it in countries in which the relevant patents are granted;

(b) 25% of the royalty received by the Company from any sublicense on the net selling price of Joslin Licenced Products and Joslin Licenced Processes sold by a sub-licensee. Joslin is also entitled to receive 25% of any licensee fee charged by the Company to a sub-licensee; and

(c) One-off milestone payments of:

  (i) $300,000 where total net sales reach $2 million; and

  (ii) $1 million when total net sales reach $10 million.

Termination rights

Each party has a right to terminate the Joslin Licence in the event of either party's insolvency, serious un-remedied default or inability to perform its obligations for three consecutive months or six months in any 12 month period. The Company can abandon the licence with 90 days' written notice.

Joslin has additional termination rights which can be invoked if the Company ceases to develop, commercialise or abandons the sale of the Licensed Products/Licensed Processes or defaults on the payment of future patent expenses. Joslin can also terminate the Joslin Licence with immediate effect if the Company fails to procure and maintain insurance.

Company's Indemnification obligations and insurance

The Company has agreed to indemnify Joslin in relation to third party claims and judgments arising out of product liability claims and any other activities carried out pursuant to the Joslin Licence.

The Company is required to take out commercial general liability insurance on specified terms. Such insurance has been obtained.

Other points

Joslin has retained the right to use the Joslin Biomarker Technology for research. The Joslin Licence is governed by New York law.

12.10 ***Biomarker Business Purchase Agreement***

On 23 October 2018, the Company entered into a business purchase agreement with EKF (the "**Biomarker Business Purchase Agreement**") under which the Company purchased from EKF the business relating to the Joslin Biomarker Technology, including the Joslin Licence (the "**Biomarker Business**"), in consideration for the issue of 15,427,704 Ordinary Shares to EKF (the "**Consideration Shares**"). Prior to entering into the Biomarker Business Purchase Agreement, the Company was required (by a provision of the Companies Act) to circulate to its shareholders an independent valuation report in respect of the Biomarker Business and the Consideration Shares, which was provided by PKF Littlejohn LLP, and to obtain shareholder approval, which it duly received at the Pre-Admission General Meeting. The Joslin License and

other intellectual property rights were transferred under separate novation and assignment agreements that were ancillary to the Biomarker Business Purchase Agreement.

As a result of the relevant assignment, the Company became the licensee and obligor under the Joslin Licence, as described in paragraph 12.9 above.

The Biomarker Business Purchase Agreement is governed by English law.

12.11 ***Acquisition Agreement***

On 23 October 2018, the Company entered into and completed a share purchase agreement with EKF under which the Company purchased the share capital of the US Subsidiary from EKF for cash consideration of £1,000.

Completion of the Acquisition Agreement resulted in the US Subsidiary becoming a wholly-owned subsidiary of the Company.

The Acquisition Agreement is governed by English law.

Agreements to which the US Subsidiary is party

12.12 ***Persistent Systems Agreement***

On 10 July 2018, the US Subsidiary entered into a master services agreement with Persistent Systems for the provision of software product development services (the "**Persistent Systems Agreement**"). Under the Persistent Systems Agreement, Persistent Systems Inc., an affiliate of Persistent Systems, has agreed a statement of work under which it will provide services within the scope (see below).

Subject matter

Persistent Systems has been engaged as an independent contractor to develop software that is being designed to:

(a) apply Machine Learning algorithms, including those developed under the Mount Sinai Professional Services Agreement, to build classification models ("**Classification Models**") for stratification of patients at risk of progressive kidney function decline; and

(b) enable Classification Models to be applied to blood-based biomarker data, genetic factors and EHR derived data to provide a "Risk Score" for individual patients at risk of progressive renal function decline, potentially resulting in ESRD. The Risk Score results will be reported to ordering physicians in order to provide appropriate clinical and therapeutic intervention.

The Company will own the rights and title to work that is deliverable by Persistent Systems. Where the deliverables include intellectual property owned by Persistent Systems prior to or independently of delivering the services under the Persistent Systems Agreement, these are licensed to the US Subsidiary. The Company must obtain a license to Mount Sinai intellectual property through the option in Mount Sinai Collaboration Agreement prior to any use by either Persistent Systems or Company in the event that (i) the services contemplate use by Persistent Systems of intellectual property owned by Mount Sinai and/or (ii) deliverables include intellectual property owned by Mount Sinai prior to or independently of the services under the Persistent Systems Agreement, and Mount Sinai will retain ownership of any Mount Sinai intellectual property used or incorporated in either of the foregoing.

Duration

Initial term to 10 July 2021. Either party can terminate with 90 days' notice, 30 days in the event of a material breach by the other, and immediately on bankruptcy or similar insolvency process.

Payment obligations

The US Subsidiary will be liable for the following costs and payments under currently agreed statement of work:

- $1,160,000 in total (excluding taxes), payable in instalments on the achievement of specified milestones. An up-front payment of $90,500 has been made.
- Fees for any hardware and software required beyond that included under the original services. The US Subsidiary will be required to reimburse Persistent Systems for the reasonable travel and re-location expenses of its personnel (to the extent required).

The Persistent Systems Agreement is governed by Delaware law.

12.13 ***Meso Scale Agreement***

On 22 August 2018, the US Subsidiary and Meso Scale Diagnostics LLC ("**Meso Scale**") entered into an agreement under which Meso Scale has agreed to develop a multi-plexed biomarker panel consisting of human analytes, TNFR1, TNFR2 and KIM-1, for measurement of these three targets in serum or plasma (the "**Meso Scale Agreement**"). Meso Scale has existing individual (single-plex) assays for these three targets which are available for research use only. This agreement will allow the assays to be combined into a single test and will be developed in accordance with FDA requirements

Subject matter

The Meso Scale Agreement covers the development and verification of the three biomarker panel (TNFR1, TNFR2 and KIM-1) to be used in the *KidneyIntelX*™ product resulting in an efficient and accurate test format.

The development will be executed using Meso Scale's phase-gated development process in accordance with FDA requirements, thereby facilitating subsequent submission to the FDA.

Duration

Initial term to 22 August 2020, which will automatically renew for one year periods unless either party gives 30 days' notice to the other party.

Termination rights

Either party may terminate the Meso Scale Agreement for any or no reason, on 30 days' notice.

The Meso Scale Agreement is automatically terminable on 15 days' prior written notice of the other party becomes insolvent or liquidated, or if there is a petition for bankruptcy.

Key payment terms

The US Subsidiary has agreed to pay $250,000 per full time employee year. Meso Scale may purchase $120,000 of additional materials, which are charged at a flat fee. The total amount payable by the US Subsidiary is estimated to be $521,001.67.

Indemnities

The US Subsidiary shall indemnify Meso Scale against all liability, cost, loss, damage and claims by or to any third party arising out of or resulting in any manner arising from services performed under the US Subsidiary's use of the results of the services, the US Subsidiary's breach of the Meso Scale Agreement including any of its representations and warranties, and/or the US Subsidiary's negligent acts, omissions or wilful misconduct.

If any party intends to bring an action against the other, it shall promptly notify the other party obliged to indemnify.

The Meso Scale Agreement is governed by the State of Maryland.

13. Mandatory Bids and Compulsory Acquisition Rules relating to the Ordinary Shares

13.1 ***The City Code***

The City Code is issued and administered by the Panel. The City Code applies to, among others, all companies whose registered office is in the UK, the Channel Islands or the Isle of Man and whose securities are admitted to trading on a regulated market or multilateral trading facility in the UK (such as AIM) or on any stock exchange in the Channel Islands or the Isle of Man. The Company will therefore be subject to the City Code following Admission and Shareholders will be entitled to the protections afforded by the City Code.

(a) *Mandatory Bid*

The City Code governs, amongst other things, transactions which may result in a change of control of a company to which the City Code applies. Under Rule 9 of the City Code, where any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30% or more of the voting rights of a company which is subject to the City Code, that person is normally required by the Panel to make a general offer to all the remaining shareholders of that company to acquire their shares. Similarly, when any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30% of the voting rights of a company but does not hold shares carrying more than 50% of such voting rights and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, a general offer will normally be required in accordance with Rule 9.

"**Interest in shares**" is defined broadly in the City Code. A person who has long economic exposure, whether absolute or conditional, to changes in the price of shares will be treated as interested in those shares. A person who only has a short position in shares will not be treated as interested in those shares.

Unless the Panel otherwise consents, an offer under Rule 9 must be made in cash (or be accompanied by a cash alternative) and at not less than the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the company during the 12 months prior to the announcement of the offer.

(b) *Issue of Consideration Shares*

The issue of the Consideration Shares under the Biomarker Business Purchase Agreement resulted in EKF's holding in the Company increasing from 27.7% to 59.2%. The Takeover Panel agreed that, given EKF's intention to distribute its shares in the Company to EKF's shareholders, no formal waiver process was required in the circumstances.

13.2 ***Concert parties***

Under the City Code, a concert party arises when persons acting together pursuant to an agreement or understanding (whether formal or informal) cooperate to obtain or consolidate control of, or frustrate the successful outcome of an offer for, a company subject to the City Code. Control means an interest or interests in shares carrying an aggregate of 30% or more of the voting rights of the company, irrespective of whether the holding or holdings give *de facto* control.

In particular, people will be treated as having an interest in shares if:

(i) they own them;

(ii) they have the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to them or have general control of them;

(iii) by virtue of any agreement to purchase an option or derivative they:

(A) have the right or option to acquire them or call for their delivery; or

(B) are under an obligation to take delivery of them;

(iv) whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or

(v) they are party to any derivative:

(A) whose value is determined by reference to its price; and

(B) which results, or may result, in their having a long position in it.

When a Company undertakes an initial public offering all of its existing shareholders will be presumed to be acting in concert with each other for the purposes of the public offering unless the contrary is established. The Company has discussed these issues with the Panel and the Panel has agreed that the presumption that all of the shareholders are acting in concert may be rebutted and that three distinct concert parties exist at the time of the initial public offering. Details of these concert parties are set out below. It should be noted that the three distinct concert parties are not considered to be acting in concert as between each other.

Maximum potential holdings of the concert parties

The following table sets out the maximum potential holdings of the Concert Parties and their respective members: (1) Before Admission and after Biomarker Business Purchase; (2) Before Admission and after Distribution; (3) At Admission and post-Fundraising; and (4) on a fully diluted basis (assuming all options held by members of the relevant concert parties are exercised in full but that no other Options are exercised). The concert parties, their relevant make up and consequences are described below the table:

	Before Admission and after Biomarker Business Purchase		*Before Admission and after Distribution*		*At Admission and post-Fundraising*		*Post-Fundraising (assuming all Options exercised)*	
EKF Concert Party								
EKF	20,964,524	59.18%	–	0.00%	2,577,907	4.79%	2,577,907	4.60%
Christopher Mills	–	0.00%	6,277,205	17.72%	9,190,430	17.08%	9,190,430	16.41%
Julian Baines	1,125,568	3.18%	1,210,575	3.42%	1,231,236	2.29%	1,231,236	2.20%
Richard Evans	673,128	1.90%	681,322	1.92%	706,322	1.31%	706,322	1.26%
Adam Reynolds	–	0.00%	152,055	0.43%	152,055	0.28%	152,055	0.27%
Carl Dominic Contadini	–	0.00%	–	0.00%	–	0.00%	–	0.00%
Salim Hamir	–	0.00%	–	0.00%	–	0.00%	80,724	0.14%
Total	22,763,220	64.25%	8,321,157	23.49%	13,857,950	25.76%	13,938,674	24.89%
Mount Sinai Concert Party								
Mount Sinai	6,730,784	19.00%	6,730,784	19.00%	8,018,986	14.90%	8,018,986	14.32%
Steven G Coca	150,800	0.43%	150,800	0.43%	150,800	0.28%	204,616	0.37%
Girish Nadkarni	150,800	0.43%	150,800	0.43%	150,800	0.28%	204,616	0.37%
Barbara Murphy	150,800	0.43%	150,800	0.43%	150,800	0.28%	419,881	0.75%
Michael Donovan	–	0.00%	–	0.00%	–	0.00%	269,081	0.48%
Options granted to Mount Sinai in respect of Erik Lium's service	–	0.00%	–	0.00%	–	0.00%	204,501	0.37%
Total	7,183,184	20.28%	7,183,184	20.28%	8,471,386	15.75%	9,321,681	16.64%
Renwick Concert Party								
Renwick	–	0.00%	–	0.00%	–	0.00%	–	0.00%
James McCullough	2,853,960	8.06%	2,853,960	8.06%	2,853,960	5.30%	2,853,960	5.10%
O. James Sterling	1,902,640	5.37%	1,902,640	5.37%	1,902,640	3.54%	1,902,640	3.40%
Total	4,756,600	13.43%	4,756,600	13.43%	4,756,600	8.84%	4,756,600	8.49%

EKF Concert Party

For the purposes of Rule 9 of the City Code, EKF, Christopher Mills, Julian Baines, Richard Evans, Adam Reynolds, Carl Dominic Contadini and Salim Hamir are considered to be acting in concert in relation to the Company (the "**EKF Concert Party**").

The EKF Concert Party comprises:

- EKF, which will hold 2,577,907 Ordinary Shares representing 4.79% of the Enlarged Share Capital at Admission as a result of the Distribution and EKF Subscription;
- Christopher Mills, whose biographical details are in paragraph 4 of Part 1 (*Information on RenalytixAI, Investment Opportunity and Strategy*) and who is expected to hold 9,190,430 Ordinary Shares representing 17.08% of the Enlarged Share Capital at Admission. Mr. Mills having a significant interest in EKF Ordinary Shares for these purposes;
- Julian Baines, whose biographical details are in paragraph 4 of Part 1 (*Information on RenalytixAI, Investment Opportunity and Strategy*) and who is expected to hold 1,231,236 Ordinary Shares representing approximately 2.29% of the Enlarged Share Capital at Admission;
- Richard Evans, whose biographical details are in paragraph 4 of Part 1 (*Information on RenalytixAI, Investment Opportunity and Strategy*) and who is expected to hold 706,322 Ordinary Shares representing approximately 1.31% of the Enlarged Share Capital at Admission;
- Adam Reynolds, who is a non-executive director of EKF and who is expected to hold 152,055 Ordinary Shares representing approximately 0.28% of the Enlarged Share Capital at Admission;
- Carl Dominic Contadini, who is a non-executive director of EKF and holds no Ordinary Shares at Admission; and
- Salim Hamir, who is Company Secretary of EKF and RenalytixAI, and holds Options over 80,724 Ordinary Shares representing approximately 0.15% of the Enlarged Share Capital at Admission.

At Admission, the EKF Concert Party is expected to have an aggregate holding of 13,857,950 Ordinary Shares representing approximately 25.75% of the Enlarged Share Capital. The EKF Concert Party members will be able to increase their collective interests in voting rights up to 29.99% without incurring an obligation under Rule 9 of the City Code to make a general offer and would only be able, save in limited circumstances, to increase their interests in voting rights of Ordinary Shares without incurring such an obligation.

Mount Sinai Concert Party

As explained above, Mount Sinai is a shareholder in the Company and will subscribe further shares as part of the Subscription. Barbara Murphy, MD, Steven Coca, MD, Girish Nadkarni, MD, and Michael Donovan, MD are all associated with Mount Sinai and will therefore be deemed to be acting in concert with Mount Sinai (the "**Mount Sinai Concert Party**").

The Mount Sinai Concert Party currently comprises:

- Mount Sinai, which is expected to hold 8,018,986 Ordinary Shares representing approximately 14.90% of the Enlarged Share Capital at Admission, Mount Sinai will hold an option to acquire 204,501 Ordinary Shares (related to the directorship of Erik Lium) following Admission;
- Barbara Murphy, MD, is a Non-Executive Director of the Company whose biographical details are in paragraph 4 of Part 1(*Information on RenalytixAI, Market Opportunity and Strategy*) and who is expected to hold 150,800 Ordinary Shares representing approximately 0.28% of the Enlarged Share Capital at Admission;
- Steven Coca, MD, a co-founder of the Company and a member of its Scientific Advisory Board whose biographical details are in paragraph 4 of Part 1 (*Information on RenalytixAI, Market Opportunity and Strategy*). He is an Associate Professor, Medicine, Nephrology; and Associate Chair for Clinical and Translational Research for the

Department of Internal Medicine, Mount Sinai. Dr. Coca is expected to hold 150,800 Ordinary Shares representing approximately 0.28% of the Enlarged Share Capital at Admission; and

- Girish Nadkarni, MD, a co-founder of the Company and a member of its Scientific Advisory Board, whose biographical details are in paragraph 4 of Part 1 (*Information on RenalytixAI, Market Opportunity and Strategy*). He is an Assistant Professor of Medicine, Division of Nephrology; and Clinical Director of the Charles Bronfman Institute for Personalised Medicine, Mount Sinai. Dr. Nadkarni is expected to hold 150,800 Ordinary Shares representing approximately 0.28% of the Enlarged Share Capital at Admission.
- Michael J. Donovan, PhD, MD, the Company's Chief Medical Officer, whose biographical details are in paragraph 4 of Part 1 (*Information on RenalytixAI, Market Opportunity and Strategy*). He is Professor of Experimental Pathology and Director of the Biorepository and Pathology core at the Icahn School of Medicine at Mount Sinai. Dr. Donovan holds no Ordinary Shares at Admission.

If the Options held by members of the Mount Sinai Concert Party (as set out in paragraph 13.2 of this Part 9) were exercised, but no other options were exercised, the maximum potential holding of Mount Sinai and the Mount Sinai Concert Party would be 9,321,681 Ordinary Shares representing approximately 17.05% of the issued share capital at that time.

At Admission, the Mount Sinai Concert Party is expected to have an aggregate holding of 8,471,386 Ordinary Shares representing approximately 15.74% of the Enlarged Share Capital. The Mount Sinai Concert Party members will be able to increase their collective interests in voting rights up to 29.99% without incurring an obligation under Rule 9 of the City Code to make a general offer and would only be able, in limited circumstances, to be able to increase their interests in voting rights of Ordinary Shares without incurring such an obligation.

Renwick Concert Party

James McCullough and James Sterling are both members of Renwick and are therefore deemed to be acting in concert in relation to the Company (the "**Renwick Concert Party**"). Renwick originally held 4,756,600 Ordinary Shares (on a post-subdivision basis) but on 5 September 2018 these were transferred to James McCullough and James Sterling to be held in their personal capacities.

The Renwick Concert Party currently comprises:

- James McCullough, whose biographical details are in paragraph 4 of Part 1 (*Information on RenalytixAI, Investment Opportunity and Strategy*) and who is expected to hold 2,853,960 Ordinary Shares representing approximately 5.30% of the Enlarged Share Capital (as further detailed in paragraph 10 of Part 9 (*Additional Information*)); and
- James Sterling, whose biographical details are in paragraph 5 of Part 1 (*Information on RenalytixAI, Investment Opportunity and Strategy*) and who is expected to hold 1,902,640 Ordinary Shares representing approximately 3.54% of the Enlarged Share Capital (as further detailed in paragraph 10 of Part 9 (*Additional Information*).

At Admission, the Renwick Concert Party is expected to have an aggregate holding of 4,756,600 Ordinary Shares representing approximately 8.84% of the Enlarged Share Capital. The Renwick Concert Party members will be able to increase their collective interests in voting rights up to 29.99% without incurring an obligation under Rule 9 of the City Code to make a general offer and would only be able, in limited circumstances, to be able to increase their interests in voting rights of Ordinary Shares without incurring such an obligation.

13.3 ***Squeeze-out***

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

13.4 ***Sell-out***

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

14. Related party transactions

Save as described elsewhere in this document, there are no related party transactions (within the meaning of the requirements of the AIM Rules for Companies in relation to the contents of an admission document) which, as a single transaction or in their entirety, are or may be material to the Company and have been entered into by the Company during the periods for which historical financial information appears in this document and in respect of the period commencing on 1 July 2018 to the date of this document.

15. Relationship agreement with Mount Sinai

As at Admission, Mount Sinai is expected to hold 14.90% of the Enlarged Share Capital of the Company and Mount Sinai, the Company and N+1 Singer have entered into a relationship agreement dated 30 October 2018 under which Mount Sinai has agreed, conditional upon Admission, to regulate its (and its associates) (the "**Mount Sinai Related Party Group**") ongoing relationship with the Company, to ensure that the Group is capable of carrying on its business independently of the Mount Sinai Related Party Group.

Under the terms of the relationship agreement, for so long as the Mount Sinai Related Party Group beneficially owns at least 5% of the Ordinary Shares and the Company is admitted to AIM: (a) Mount Sinai, among other things, will not (and shall procure so far as it is able that each member of the Mount Sinai Related Party Group will not) take any action which is intended to prevent the Board from operating independently of the Mount Sinai Related Group or take any action that would have the effect of preventing the Group from complying with its obligations under the AIM Rules; and (b) any transaction, arrangement or agreement between any part of the Group and the Mount Sinai Related Party Group must have the prior approval of a majority of the independent non-executive directors.

Mount Sinai has the right to appoint a Director (and remove and replace such appointee as it sees fit), which for so long as the Company is listed on AIM is only exercisable when the Mount Sinai Related Group beneficially owns at least 5% of the Ordinary Shares. Mount Sinai also has the right to appoint an observer to the Board when the Mount Sinai Related Group beneficially owns at least 5% of the Ordinary Shares.

The relationship agreement applies for as long as the Mount Sinai Related Party Group holds any Ordinary Shares, unless it is terminated earlier by either party in an insolvency event.

The Company and Mount Sinai entered into a management rights letter (the "**Management Rights Letter**") setting out certain rights that Mount Sinai had in respect of, amongst other things, the appointment of a director and observer to the Board (subject to certain conditions). The Management Rights Letter will terminate upon execution of the relationship agreement, which materially reflects the provisions of the Management Rights Letter as set out above.

16. Relationship agreement with EKF

As at Admission, EKF is expected to hold 4.79% of the Enlarged Share Capital of the Company. The members of the EKF Concert Party, the Company and N+1 Singer are entering into a relationship agreement under which the EKF Concert Party agrees, conditional upon Admission, to regulate its (and its associates) (the "**EKF Related Party Group**") ongoing relationship with the Company, to ensure that the Group is capable of carrying on its business independently of the EKF Related Party Group.

Under the terms of the relationship agreement, for so long as the EKF Related Party Group (or any of its members) beneficially owns at least 10% of the Ordinary Shares or is otherwise deemed to be an associate of a party related to the Company and the Company is admitted to AIM: (a) the EKF Related Party Group, among other things, will not (and shall procure so far as it is able that each member of the EKF Related Party Group will not) take any action that is intended to prevent the Board from operating independently of the EKF Related Party Group or take any action that would have the effect of preventing the Group from complying with its obligations under the AIM Rules; and (b) any transaction, arrangement or agreement between any part of the Group and the EKF Related Party Group must have the prior approval of the Board excluding any Director who is a member of the EKF Concert Party.

The relationship agreement applies for as long as the EKF Related Party Group holds any Ordinary Shares, unless it is terminated earlier by either party in an insolvency event.

17. No governmental, legal or arbitration proceedings

No member of the Group is or has been involved in any governmental, legal or arbitration proceedings which may have, or have had during the last 12 months preceding the date of this document, a significant effect on the Company's financial position or profitability and, so far as the Directors and Proposed Directors are aware, there are no such proceedings pending or threatened against the Group.

18. Significant change

Save as disclosed in this document, there has been no significant change in the trading or financial position of the Company since 30 June 2018, being the date to which the historical financial information of the Company set out in Section B of Part 3 (*Special purpose historical financial information*) was prepared.

Save as disclosed in this document, there has been no significant change in the trading or financial position of the US Subsidiary since 30 June 2018, being the date to which the historical financial information of the US Subsidiary set out in Section D of Part 3 (*Special purpose historical financial information*) was prepared.

19. Working capital

The Directors and Proposed Directors are of the opinion, having made due and careful enquiry, and taking into account the net proceeds of the Fundraising, that the Company will have sufficient working capital for its present requirements, that is for at least the period of 12 months following the date of Admission.

20. IP

Save as disclosed in this document, the Company is not aware of any patents, licences, industrial or commercial or financial contracts or new manufacturing processes on which the Company is dependent, aside from:

- application has been made for trade mark "*KidneyIntelX*™" in the US; and
- the registered domain name that the Company owns, which as of the Latest Practicable Date was: renalytixai.com.

Save as disclosed in this document, there are no environmental issues that the Directors have determined may affect the Company's utilisation of tangible fixed assets.

21. Consents

21.1 N+1 Singer has given and not withdrawn its consent to the issue of this document with the inclusion of its name and references to it in the form and context in which they appear.

21.2 PKF Littlejohn LLP, the reporting accountant and auditor to the Company, is a firm of chartered accountants regulated by the Institute of Chartered Accountants in England and Wales. PKF Littlejohn LLP has given and not withdrawn its written consent to the inclusion in this document of its reports in relation to the historical financial information included in Part 3 and accepts responsibility for the same pursuant to Schedule Two of the AIM Rules for Companies.

22. General

22.1 Save as disclosed below and elsewhere in this document, no person (other than the Company's professional advisers named in this document and trade suppliers) has at any time within the 12 months preceding the date of application for admission to AIM received, directly or indirectly, from the Company or entered into any contractual arrangements to receive, directly or indirectly, from the Company on or after Admission any fees, securities in the Company or any other benefit to the value of £10,000 or more.

(a) Renwick Capital, a consultancy specialising in assisting emerging healthcare technology companies with strategic planning and business execution and controlled by James McCullough and O. James Sterling, has been paid a total of $155,000 in 2018 up to the date of application for admission, of which $135,000 was paid in respect of consultancy services provided by Mr. McCullough (who received $81,000 during the period) and Mr. Sterling (who received $54,000 during the period).

(b) Bowden Consulting Group, Inc., a consultancy specialising in regulatory affairs and quality systems, of which Sally Bowden is the principal shareholder, has been paid a total of $104,377 during the period for services.

(c) FF Consulting Limited, a consultancy vehicle owned by Fergus Fleming, was paid a total of $29,100 for consulting services in relation to the Joslin Biomarker Technology and the development and proposed development of the Company's products and delivery platform.

(d) Michael J. Donovan, contracting as Chief Medical Officer including advising the Company in connection with its planned clinical utility studies, has been paid $45,000 during the period and $50,000 payable on completion of the Fundraising.

(e) Steve Coca and Girish Nadkarni, acting as consultants in respect of development of the Company's strategy, have each received $12,500 in cash during the period and have each accrued an amount of $47,500 and will receive a one-time payment of $22,500, payable on completion of the Fundraising.

(f) Salim Hamir, Company Secretary, who holds an Option which will vest in full on Admission over 80,724 Ordinary Shares, representing approximately 0.15% of the Enlarged Share Capital at Admission and having a gross value of £97,676.04.

The service agreements and other arrangements relating to the roles of the above-named persons following Admission are described in paragraph 11 of this Part 9 .

22.2 The percentage dilution as a result of the Fundraising is 34.2%.

22.3 The total costs, charges and expenses of the Fundraising and Admission are estimated to amount to approximately £1.2 million (excluding any amounts in respect of VAT thereon).

22.4 The Company confirms that where information in this document has been sourced from a third party, the source of this information has been provided and information has been accurately reproduced. So far as the Company and the Directors are aware and are able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

23. Rule 26 website

The address of the Company's website, at which the information required by Rule 26 of the AIM Rules for Companies can be found, is www.renalytixai.com.

24. Availability of document

Copies of this document will be available for inspection normal business hours on any day (except Saturdays, Sundays and UK public holidays) at the registered office of the Company and on the Company's website at www.renalytixai.com from the date of this document until the date which is one month after Admission.

5 November 2018

PART 10

DEFINITIONS

"Acquisition"	the acquisition of the US Subsidiary by the Company;
"**Acquisition Agreement**"	the agreement described in paragraph 12.11 of Part 9 (*Additional Information*)
"**Admission**"	the admission of the Enlarged Share Capital to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules for Companies;
"**AIM**"	the market of that name operated by the London Stock Exchange;
"**AIM Rules for Companies**"	the AIM Rules for Companies published by the London Stock Exchange from time to time (including, without limitation, any guidance notes or statements of practice) and those other rules of the London Stock Exchange which govern the admission of securities to trading on, and the regulation of AIM;
"**AKESOgen**"	AKESOgen, Inc.;
"**Anti-Kickback Statute**"	US Federal Anti-Kickback Statute 42 US Code § 1320a–7b;
"**Applicant**"	a Qualifying EKF Shareholders who lodged a valid Application Form under the Restricted Offer;
"**Application Form**"	the application form for use by Qualifying EKF Shareholders to apply for Restricted Offer Shares pursuant to the Restricted Offer;
"**Articles**"	the articles of association of the Company, as amended from time to time;
"**BAA**"	Business Associates Agreement;
"**Biomarker Business**"	means the Joslin Licence and associated business;
"**Biomarker Business Purchase**"	means the purchase by the Company of the Biomarker Business;
"**Biomarker Business Purchase Agreement**"	the agreement described in paragraph 12.10 of Part 9 (*Additional Information*);
"**Bio*Me*™**"	Mount Sinai Bio*Me*™ Biobank Program™;
"**Board**"	the board of Directors from time to time;
"**Brexit**"	the expected withdrawal of the UK from the EU on 29 March 2019;
"**Business Day**"	any day on which banks are generally open in London for the transaction of business other than a Saturday or Sunday or public holiday;
"**certificated**" or "**in certificated form**"	a share or other security which is not in uncertificated form (i.e., not in CREST);

"**City Code**"	City Code on Takeovers and Mergers;
"**CLEP**"	Clinical Laboratory Evaluation Program;
"**CLIA**"	US Clinical Laboratory Improvement Amendments of 1988;
"**CMS**"	Centers for Medicare & Medicaid Services;
"**Code**"	US Internal Revenue Code of 1986;
"**Companies Act**"	Companies Act 2006;
"**Consideration Shares**"	the 15,427,704 Ordinary Shares issued by the Company to EKF in consideration for the Biomarker Business;
"**Company**" or "**RenalytixAI**"	Renalytix AI plc, a company incorporated in England and Wales with company number 11257655 and having its registered office at Avon House 19 Stanwell Road, Penarth, Cardiff CF64 2EZ;
"**CREST**"	the relevant system (as defined in the CREST Regulations) which enable title to securities to be evidenced and transferred without a written instrument, administered by Euroclear as the Operator (as defined in the CREST Regulations);
"**CREST Credit Date**"	6 November 2018;
"**CREST Regulations**"	the Uncertificated Securities Regulations 2001 (SI 2001 no. 3755) and any applicable rules made under those regulations;
"**Delivery Date**"	the date falling 180 days after the date of the Distribution;
"**Directors**"	prior to Admission, the directors of the Company whose names are set out on page 11, and following Admission, the directors of the Company from time to time, as required by the context;
"**Distribution**"	the distribution *in specie* of the Distribution Shares;
"**Distribution Shares**"	the Ordinary Shares held by EKF that are proposed to be distributed by EKF to EKF Shareholders by way of a distribution *in specie*;
"**EEA**"	European Economic Area;
"**EHR**"	electronic health records;
"**EIS**"	Enterprise Investment Scheme;
"**EIS Legislation**"	Part 5 of the Income Tax Act 2007 and any provisions of UK or European law referred to therein;
"**EIS Relief**"	relief from UK tax under the EIS Legislation;
"**EIS Shares**"	the shares intended to qualify for EIS Relief;
"**EIS/VCT Placing**"	the conditional placing of the EIS/VCT Placing Shares by the Broker pursuant to the Placing Agreement;
"**EIS/VCT Placing Shares**"	the 2,961,122 New Ordinary Shares to be issued and allotted at the Issue Price under the first tranche of the Placing to those

	Placees comprising certain VCTs and other investors seeking to qualify for VCT Relief or EIS Relief;
"**EIS Restricted Offer Shares**"	the 118,142 New Ordinary Shares to be issued and allotted at the Issue Price at the time of the first tranche of the Placing to those Qualifying EKF Shareholders seeking to qualify for EIS Relief;
"**EIS/VCT Shares**"	means the EIS/VCT Placing Shares and the EIS Restricted Offer Shares;
"**EKF**"	EKF Diagnostics Holdings plc;
"**EKF Board**"	the board of EKF;
"**EKF Concert Party**"	the concert party for the purposes of Rule 9 of the City Code, consisting of EKF, Christopher Mills, Julian Baines, Richard Evans, Adam Reynolds and Carl Dominic Contadini;
"**EKF Distribution**"	the proposed distribution *in specie* of the Ordinary Shares held by EKF at Admission;
"**EKF Ordinary Shares**"	the ordinary shares of £0.01 each in the capital of EKF;
"**EKF Related Party Group**"	EKF and its associates from time to time;
"**EKF Shareholders**"	holders of EKF Ordinary Shares;
"**EKF Subscription**"	the subscription by EKF of 2,577,907 New Ordinary Shares in the Placing;
"**EMI**"	Enterprise Management Incentives;
"**EMI Options**"	EMI options;
"**Enlarged Group**"	the Company and the US Subsidiary;
"**Enlarged Share Capital**"	the Existing Ordinary Shares and the New Ordinary Shares issued pursuant to the Fundraising;
"**EU**"	the European Union;
"**EU Medical Device Regulation**"	Medical Device Regulation (EU) 2017/745;
"**Euroclear**"	Euroclear UK & Ireland Limited;
"**Existing Ordinary Shares**" or "**Existing Share Capital"**	35,427,704 Ordinary Shares in issue at the date of this document, including the Consideration Shares;
"**False Claims Act**"	US False Claims Act 31 USC. §§ 3729 – 3733;
"**FCA**"	the Financial Conduct Authority or any successor thereof, the single statutory regulator under FSMA;
"**FDA**"	the US Food and Drug Administration;
"**Finance Act**"	Finance Act 1986;
"**FSMA**"	the Financial Services and Markets Act 2000;
"**FTC**"	US Federal Trade Commission;

"**Fundraising**"	the Placing, the Subscription and the Restricted Offer;
"**Fundraising Shares**"	the Placing Shares, the Subscription Shares and the Restricted Offer Shares;
"**GDPR**"	General Data Protection Regulation (EU) 2016/679;
"**Group**"	the Company and its subsidiaries and subsidiary undertakings from time to time;
"**HIPAA**"	US Health Insurance Portability and Accountability Act of 1996;
"**HMRC**"	Her Majesty's Revenue & Customs;
"**IEC Standards**"	International Electrotechnical Commission, an international standards organisation that prepares and publishes International Standards for all electrical, electronic and related technologies;
"**IP**"	intellectual property;
"**IRB**"	Institutional Review Board;
"**IRS Code**"	US Internal Revenue Code of 1986;
"**ISIN**"	International Securities Identification Number;
"**ISO Standards**"	International Organization for Standardization Standards;
"**Issue Price**"	£1.21 per New Ordinary Share;
"**IVD Directive**"	In Vitro Diagnostic Medical Device Directive 98/79/EC;
"**IVD Regulation**"	In Vitro Diagnostic Medical Devices Regulation (EU) 2017/746;
"**Joslin**"	the Joslin Diabetes Center;
"**Joslin Biomarker Technology**"	the TNFR1 and TNFR2 biomarkers claimed in the relevant approved patent;
"**Joslin Licence**"	the license described in paragraph 12.9 of Part 9 (*Additional Information*);
"**Latest Practicable Date**"	2 November 2018;
"**LDT**"	laboratory developed test;
"**LEI**"	Legal Entity Identifier;
"**Link Asset Services**"	a trading name of Link Market Services Limited;
"**Lock-in and Orderly Market Agreements**"	the lock-in and orderly market agreements described in paragraph 17 of Part 1 (*Information on RenalytixAI, Market Opportunity and Strategy*);
"**Lock-in Shareholders**"	Mount Sinai, EKF, Julian Baines, James McCullough, O. James Sterling, Barbara Murphy, Michael J. Donovan, Fergus Fleming, Richard Evans, Steven Coca, Girish Nadkarni, Christopher Mills, Sally Bowden and Salim Hamir who are restricted from selling their Ordinary Shares (including any arising from the exercise of

	Options) for a predetermined amount of time following Admission;
"**London Stock Exchange**"	London Stock Exchange plc;
"**Longstop Date**"	30 November 2018;
"**MAR**"	Market Abuse Regulation (EU) 596/2014;
"**Medical Device Directive**"	Medical Device Directive 93/42/EEC;
"**MiFID II**"	Markets in Financial Instruments Directive 2004/39/EC;
"**Money Laundering Regulations**"	Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, the Criminal Justice Act 1993, the Proceeds of Crime Act 2002;
"**Mount Sinai**"	the Icahn School of Medicine at Mount Sinai;
"**Mount Sinai Agreements**"	the Mount Sinai Collaboration Agreement and associated Professional Services Agreement;
"**Mount Sinai Collaboration Agreement**"	the agreement described in paragraph 12.1 of Part 9 (*Additional Information*);
"**Mount Sinai Concert Party**"	the concert party for the purposes of Rule 9 of the City Code, consisting of Barbara Murphy, MD, Steven Coca, MD, Girish Nadkarni, MD, Michael Donovan, MD and Mount Sinai;
"**Mount Sinai Data**"	Mount Sinai patient health records and Bio*Me*™ data;
"**N+1 Singer**" or "**Nomad**" or "**Broker**"	Nplus1 Singer Advisory LLP, incorporated and registered in England and Wales with company number OC364131, acting as the Company's nominated adviser and, together with its associates, as the Company's broker;
"**New Ordinary Shares**"	the Ordinary Shares to be issued in connection with the Fundraising;
"**Non-Employee Sub-Plan**"	the component of the Share Option Plan for the grant of Options to the Company's advisors, consultants and Non-Executive Directors, and entities providing, through an individual, such advisory, consultancy, or office holder services;
"**Non-UK Jurisdiction**"	a jurisdiction other than the United Kingdom;
"**NYS**"	New York state;
"**Options**"	the options outstanding over 2,195,697 Ordinary Shares;
"**Order**"	Financial Services and Markets Act 2000 (Financial Promotion) Order 2005;
"**Ordinary Shares**"	ordinary shares of £0.0025 each in the capital of Company;
"**Overseas EKF Shareholder**"	an EKF Shareholder with a registered address outside of the United Kingdom;
"**Panel**"	the UK Panel on Takeovers and Mergers;
"**PAMA**"	US Protecting Access to Medicare Act of 2014;

"**Persistent Systems**"	Persistent Systems Limited;
"**PFIC**"	a foreign-based corporation that exhibits either one of two conditions. The first condition, based on income, is that at least 75% of the corporation's gross income is "passive", income that is derived from investments rather than from the company's regular business operations. The second condition that determines a company as a passive foreign investment corporation, based on assets, is that at least 50% of the company's assets are investments that produce income in the form of earned interest, dividends or capital gains;
"**Placees**"	the subscribers for Placing Shares at the Issue Price pursuant to the Placing;
"**Placing**"	the conditional placing of the Placing Shares pursuant to the Placing Agreement;
"**Placing Agreement**"	the conditional agreement dated 22 October 2018 between N+1 Singer, the Company and the Directors relating to the Placing, further details of which are set out in Part 6 (*Placing Terms*);
"**Placing Participation**"	acceptance of any offer incorporating the Placing Terms (whether orally or in writing or evidenced by way of a contract note) to subscribe and pay for the relevant number of Placing Shares;
"**Placing Shares**"	14,829,739 New Ordinary Shares to be issued conditional on Admission by the Company pursuant to the Placing;
"**Pre-Admission Reorganisation**"	the transactions to transfer the Biomarker Business and the US Subsidiary from EKF to the Company, as described in paragraph 7 of Part 1 (*Information on RenalytixAI, Market Opportunity and Strategy*);
"**Pre-Admission General Meeting**"	the general meeting of the Company held on 23 October 2018 to approve the issue of the Consideration Shares and the Fundraising Shares;
"**Prospectus Directive**"	Prospectus Directive (Directive 2003/71/EC and amendments thereto, including Directive 2010/73/EU to the extent implemented in a relevant member state of the EEA);
"**Proposed Directors**"	the proposed directors of the Company whose names appear on page 11;
"**Prospectus Rules**"	rules published by the FCA under section 73A FSMA;
"**QCA Code**"	the corporate governance code published by the Quoted Companies Alliance as in effect from time to time;
"**QEF Election**"	qualified electing fund election;
"**Qualifying EKF Shareholders**"	persons recorded in the register of members of EKF as holders of EKF Ordinary Shares as at 8.00 p.m. on 10 October 2018 whose registered address is in the United Kingdom;
"**Qualified Investors**"	"qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Directive;

"**Receiving Agent**"	Link Asset Services of The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU;
"**Record Date**"	8.00 p.m. on 10 October 2018;
"**Registered Nominee**"	a beneficial holder of shares in EKF Ordinary Shares via a broker, nominee account, custodian or other similar arrangement;
"**Registrar**"	Link Asset Services of The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU;
"**Regulations**"	UK Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and/or any amendment, modification, and/or re-enactment of the same;
"**Regulation S**"	Regulation S under the Securities Act;
"**Related Party Group**"	EKF (and its associates) from time to time;
"**Relevant Persons**"	Qualified Investors who (i) are persons who have professional experience in matters relating to investments falling within article 19(5) of the Order, (ii) are persons who are high net worth entities falling within article 49(2)(a) to (d) of the Order, or (iii) are other persons to whom it may otherwise lawfully be communicated;
"**Relevant Funding**"	(a) any aid, investment, grant or loan which was received by the recipient pursuant to a measure approved by the European Commission as compatible with Article 107 of the Treaty on the Functioning of the European Union in accordance with the principles laid down in the Community Guidelines on Risk Capital Investments in Small and Medium-sized Enterprises (as those guidelines may be amended or replaced from time to time); and (b) any funding received pursuant to an investment, loan or grant from any investor who: (i) has claimed, or is intending to claim VCT Relief, or (ii) has claimed, or is intending to claim, EIS Relief;
"**Renwick**"	Renwick Capital, LLC;
"**Renwick Concert Party**"	the concert party for the purposes of Rule 9 of the City Code, consisting of Renwick, James McCullough and James Sterling;
"**Requirements**"	MiFID II Product Governance Requirements;
"**Restricted Jurisdiction**"	each and any of the US, Australia, Canada, Hong Kong, Japan, New Zealand and the Republic of South Africa and any other jurisdiction where the extension or the availability of the Restricted Offer would breach any applicable law;
"**Restricted Offer**"	the offer made to Qualifying EKF Shareholders to subscribe New Ordinary Shares;
"**Restricted Offer Close Date**"	26 October 2018;
"**Restricted Offer Shares**"	the 1,223,952 New Ordinary Shares being offered for subscription pursuant to the Restricted Offer;

"**Restricted Offer Terms**"	the terms of the Restricted Offer described in Part 7 (*Restricted Offer Terms*);
"**RIS**"	Regulatory Information Service, an incoming information society service that disseminates regulated information in accordance with the applicable minimum standards;
"**Scientific Advisory Board**"	as comprised in paragraph 5 in Part 1 (*Information on RenalytixAI, Market Opportunity and Strategy*);
"**SEC**"	US Securities and Exchange Commission;
"**Securities Act**"	Securities Act of 1933;
"**SEDOL**"	Stock Exchange Daily Official List, a list of security identifiers used in the United Kingdom and Ireland for clearing purposes;
"**Senior Management**"	the Company's senior management team from time to time, which as at the date of the document and will on Admission comprises O. James Sterling, Sally Bowden and Michael Donovan;
"**Share Dealing Code**"	the code to be adopted by the Company from Admission which governs the restrictions imposed on persons discharging managerial responsibility and persons closely associated with them in relation to dealings in the Company's securities;
"**Shareholders**"	holders of Ordinary Shares;
"**Share Option Plan**"	a share incentive arrangement adopted on 11 September 2018 providing the Board with authority to grant options over Ordinary Shares that represent in aggregate up to 10% of the Enlarged Share Capital;
"**Subscribers**"	a subscriber for Subscription Shares pursuant to the Subscription;
"**Subscription**"	the conditional subscription of Subscription Shares by the Subscribers at the Issue Price;
"**Subscription Agreements**"	the conditional agreements made between (1) the Company; and (2) the Subscribers, further details of which are set out in paragraph 12.7 of Part 9 (*Additional Information*);
"**Subscription Shares**"	the 2,334,739 New Ordinary Shares to be issued at the Issue Price by the Company pursuant to the Subscription;
"**TIDM**"	Tradable Instrument Display Mnemonic, a short, unique code used to identify UK-listed shares;
"**Transfer Date**"	the date falling 180 days from the date of the transfer of legal title to the Distribution Shares from EKF to the nominee;
"**UK**" or "**United Kingdom**"	United Kingdom of Great Britain and Northern Ireland;
"**UK Listing Authority**"	the FCA;
"**US**" or "**United States**"	United States of America, its territories and possession, any state in the United States, the District of Colombia and all other areas subject to its jurisdiction;

"**US Person**"	a US person for the purposes of Regulation S under the Securities Act;
"**US Subsidiary**"	Renalytix AI, Inc.;
"**US Sub-Plan**"	the component of the Share Option Plan for the grant of Options to eligible participants in the Share Option Plan and the Non-Employee Sub-Plan who are US residents and US taxpayers;
"**VAT**"	value added tax;
"**VCT**"	venture capital trust;
"**VCT Legislation**"	Part 6 of the Income Tax Act 2007 and any provisions of UK or European law referred to therein; and
"**VCT Relief**"	relief from UK tax under the VCT Legislation.

References to a "**company**" in this document shall be construed so as to include any company, corporation or other body corporate, wherever and however incorporated or established. All references to legislation in this document are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of any legislation 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. For the purpose of this document, "**subsidiary**" and "**subsidiary undertaking**" have the meanings given by the Companies Act.

PART 11

GLOSSARY

"**ACR**"	urine albumin to creatinine ratio, also known as urine microalbumin, helps identify kidney disease that can occur as a complication of diabetes;
"**AI**" or "**artificial intelligence**"	a field within computer science aimed at producing machines that emulate human intelligence, make rational decisions or take optimal actions;
"**APOL1**"	a gene found in humans that encodes the protein apolipoprotein L1;
"**biomarker**"	typically genes or proteins that can be measured from a simple blood sample;
"**CE marking**" or "**CE mark**"	European conformity marking which is a mandatory conformity mark for products placed on the market in the EEA which ensures that the products conform with the essential requirements of the applicable European regulations and directives;
"**CKD**"	chronic kidney disease;
"**CLEP**"	Clinical Laboratory Evaluation Program;
"**de-identified data**"	data which was previously identifiable and has undergone de-identification. De-identification is a process which reduces the likelihood that the data can identify an individual;
"**deep learning**"	an AI function that imitates the workings of the human brain in processing data and creating patterns for use in decision making using an autonomous, complex set of algorithms called an artificial neural network;
"**dialysis**"	a medical treatment that utilises a machine to filter wastes, salts and fluid from a patient's blood when the patient's kidneys are no longer healthy enough to do this work adequately;
"**EN ISO 13485**"	specifies requirements for a quality management system where an organisation needs to demonstrate its ability to provide medical devices and related services that consistently meet customer requirements and regulatory requirements applicable to medical devices and related services;
"**ESRD**"	end-stage renal disease;
"**GFR**"	glomerular filtration rate, a test used to check how well the kidneys are working. Specifically, it estimates how much blood passes through the glomeruli of the kidney each minute;
"**IBD**"	inflammatory bowel disease;
"***in vitro***"	a process performed or taking place in a test tube, culture dish, or elsewhere outside a living organism;

"**ISO Standards**"	an international standard-setting body composed of representatives from various national standards organisations that promotes worldwide proprietary, industrial and commercial standards;
"**IVDs**"	a device which, whether used alone or in combination, is intended by the manufacturer for the *in vitro* examination of specimens derived from the human body solely or principally to provide information for diagnostic, monitoring or compatibility purposes;
"**KIM-1**"	a novel biomarker for human renal proximal tubule injury;
"**LDT**"	a type of *in vitro* diagnostic test that is designed, manufactured and used within a single laboratory;
"**Medicare**"	a national health insurance programme administered by the Centers for Medicaid and Medicare Services of the US Federal Government which provides health care insurance for Americans aged 65 and older who have contributed to the fund via the payroll tax during the course of their working lives;
"**Medicaid**"	a national health insurance programme administered by the Centers for Medicaid and Medicare Services of the US Federal Government which assists with healthcare costs of Americans with limited income and/or resources;
"**SaMD**"	software as a medical device;
"**TNFR1**" or "**TNFR2**"	tumour necrosis factor receptor 1 and tumour necrosis factor receptor 2, that bind tumour necrosis factor-alpha;
"**Type 2 diabetes**"	a long-term metabolic disorder that is characterised by high blood sugar, insulin resistance, and relative lack of insulin; and
"**wet lab**"	laboratories where chemicals, drugs, or other material or biological matter are tested and analysed requiring water, direct ventilation, and specialised piped utilities.

PART 12

US RESTRICTION ON THE TRANSFER OF ORDINARY SHARES

Terms used in the following description that are defined in Regulation S are used as defined therein. The Ordinary Shares have not been, and will not be, registered under the Securities Act or under any securities laws of any state or other jurisdiction of the US. As more fully explained in this Part 12, the Ordinary Shares offered by the Company to non-US Persons in the Fundraising are subject to the conditions listed under Section 903(b)(3), or Category 3, of Regulation S.

Under Category 3, Offering Restrictions (as defined under Regulation S) must be in place in connection with the Fundraising and additional restrictions are imposed on resales of the Ordinary Shares. A subscriber for Ordinary Shares may not offer, sell, pledge or otherwise transfer Ordinary Shares, directly or indirectly, in or into the United States or to, or for the account or benefit of, any US Person, except pursuant to a transaction meeting the requirements of Rules 901 to 905 (including the Preliminary Notes) of Regulation S, pursuant to an effective registration statement under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act.

Hedging transactions in the Ordinary Shares may not be conducted, directly or indirectly, unless in compliance with the Securities Act and applicable US state securities laws. Once the Ordinary Shares are admitted to trading on AIM, Ordinary Shares held in the CREST system will be identified with the marker "REG S" and will be segregated into a separate trading system within CREST. The Ordinary Shares held in the CREST will also bear a legend to the following effect, unless the Company determines otherwise in compliance with applicable law:

"THE ORDINARY SHARES REPRESENTED HEREBY HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")). THE SHARES ARE BEING OFFERED ONLY TO NON-US PERSONS OUTSIDE THE UNITED STATES IN TRANSACTIONS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IN RELIANCE ON REGULATION S. THE ORDINARY SHARES ARE "RESTRICTED SECURITIES" AS DEFINED UNDER RULE 144 (A)(3) PROMULGATED UNDER THE SECURITIES ACT. THE ORDINARY SHARES MAY NOT BE TAKEN UP, OFFERED, SOLD, RESOLD, DELIVERED OR DISTRIBUTED, DIRECTLY OR INDIRECTLY WITHIN, INTO OR FROM THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS (AS DEFINED IN REGULATION S) EXCEPT: (I) IN AN OFFSHORE TRANSACTION MEETING THE REQUIREMENTS OF REGULATION S, (II) PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, OR (III) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. RESALES OR REOFFERS OF ORDINARY SHARES MADE OFFSHORE IN RELIANCE ON REGULATION S MAY NOT BE SOLD TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY US PERSON (AS DEFINED IN REGULATION S) DURING THE ONE YEAR DISTRIBUTION COMPLIANCE PERIOD UNDER REGULATION S. HEDGING TRANSACTIONS INVOLVING THESE ORDINARY SHARES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE SECURITIES ACT.

BY ACCEPTING THESE ORDINARY SHARES, THE HOLDER REPRESENTS AND WARRANTS THAT IT (A) IS NOT A US PERSON (AS DEFINED IN REGULATION S) AND (B) IS NOT HOLDING THE ORDINARY SHARES FOR THE ACCOUNT OR BENEFIT OF ANY US PERSON."

Certificated Ordinary Shares will bear a legend to the following effect, unless the Company determines otherwise in compliance with applicable law:

"THE ORDINARY SHARES OF THE COMPANY REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY SECURITIES ACTS OF ANY STATE OF THE UNITED STATES (THE "STATE ACTS"), AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, EXCEPT IF SUCH TRANSFER IS EFFECTED (1) IN A TRANSACTION MEETING THE REQUIREMENTS

OF RULES 901 THROUGH 905 (INCLUDING THE PRELIMINARY NOTES) OF REGULATION S UNDER THE SECURITIES ACT, (2) PURSUANT TO AN EFFECTIVE REGISTRATION UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE ACTS, OR (3) PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE ACTS, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE US SECURITIES LAWS AND IN THE CASE OF (3) AN OPINION OF COUNSEL SHALL BE DELIVERED TO THE COMPANY (AND UPON WHICH THE COMPANY MAY RELY) REGARDING THE AVAILABILITY OF SUCH EXEMPTION. HEDGING TRANSACTIONS INVOLVING THE ORDINARY SHARES OF THE COMPANY MAY NOT BE CONDUCTED, DIRECTLY OR INDIRECTLY, UNLESS IN COMPLIANCE WITH THE SECURITIES ACT. AS PROVIDED IN THE ARTICLES OF ASSOCIATION OF THE COMPANY, THE COMPANY IS REQUIRED BY UNITED STATES SECURITIES LAWS TO REFUSE TO REGISTER ANY TRANSFER OF ORDINARY SHARES NOT MADE IN ACCORDANCE WITH THE ABOVE RESTRICTIONS."

Prior to the end of the one-year distribution compliance period following the date of Admission (under Regulation S) in relation to the Ordinary Shares, the holder of Ordinary Shares represents that:

(a) any offer or sale of the Ordinary Shares held through CREST must be made to non US Persons in "offshore transactions" as defined in and pursuant to Regulation S;

(b) no directed selling efforts (as defined in Regulation S) may be made in the United States by, for purposes of Rule 903 of Regulation S, the Company, a Distributor (as defined in Regulation S), any of their respective Affiliates, or any person acting on behalf of any of the foregoing, or, for the purposes of Rule 904 of Regulation S, the seller, an Affiliate, or any person acting on their behalf;

(c) offering restrictions (as set out under section 903(b)(3)) must be implemented;

(d) any offer or sale of certificated Ordinary Shares must be made to non-US Persons in "offshore transactions" as defined in and pursuant to Regulation S, pursuant to an effective registration statement under the Securities Act or otherwise in transactions exempt from registration under the Securities Act;

(e) the Company may refuse to register any transfer of the Ordinary Shares not made in accordance with the provisions of Regulation S, pursuant to registration under the Securities Act, or pursuant to an available exemption from registration;

(f) any offer or sale, if made prior to the expiration of one-year distribution compliance period following the date of Admission (under Regulation S) in relation to the Ordinary Shares, must be made pursuant to the following conditions:

    (i) the purchaser of the Ordinary Shares (other than a Distributor) must certify that it is not a US Person and is not acquiring the Ordinary Shares for the account or benefit of any US Person or is a US Person who purchased Ordinary Shares in a transaction that did not require registration under the Securities Act;

    (ii) the purchaser of the Ordinary Shares must agree to resell such Ordinary Shares only in accordance with the provisions of Regulation S, pursuant to registration under the Securities Act, or pursuant to an available exemption from registration; and must agree not to engage in hedging transactions with regard to such Ordinary Shares unless in compliance with the Securities Act;

    (iii) the Ordinary Shares must contain the appropriate legend, set out above;

    (iv) the Company is required to refuse to register any transfer of the Ordinary Shares not made in accordance with the provisions of Regulation S, pursuant to registration under the Securities Act, or pursuant to an available exemption from registration; and

    (v) each Distributor selling Ordinary Shares to a Distributor, a dealer (as defined in Section 2(a)(12) of the Securities Act), or a person receiving a selling concession, fee or other remuneration, prior to the expiration of the one-year distribution compliance period following the date of Admission (under Regulation S) in relation to the Ordinary Shares, must send a

confirmation or other notice to the purchaser stating that the purchaser is subject to the same restrictions on offers and sales that apply to a Distributor;

(g) in the case of an offer or sale of Ordinary Shares prior to the expiration of the one-year distribution compliance period following the date of Admission (under Regulation S) in relation to the Ordinary Shares by a dealer (as defined in Section 2(a)(12) of the Securities Act), or a person receiving a selling concession, fee or other remuneration in respect of the Ordinary Shares offered or sold:

(i) neither the seller nor any person acting on its behalf may know that the offeree or buyer of the Ordinary Shares is a US Person; and

(ii) if the seller or any person acting on the seller's behalf knows that the purchaser is a dealer (as defined in Section 2(a)(12) of the Securities Act) or is a person receiving a selling concession, fee or other remuneration in respect of the Ordinary Shares sold, the seller or a person acting on the seller's behalf must send to the purchaser a confirmation or other notice stating that the Ordinary Shares may be offered and sold during the one-year distribution compliance period following the date of Admission (under Regulation S) in relation to the Ordinary Shares only in accordance with the provisions of Regulation S; pursuant to registration of the securities under the Securities Act; or pursuant to an available exemption from the registration requirements of the Securities Act; and

(h) in the case of an offer or sale of Ordinary Shares by an officer or director of the issuer or a Distributor, who is an affiliate of the issuer or Distributor solely by virtue of holding such position, no selling concession, fee or other remuneration may be paid in connection with such offer or sale other than the usual and customary broker's commission that would be received by a person executing such transaction as agent.

Ordinary Shares acquired from the Company, a Distributor, or any of their respective affiliates in a transaction subject to the conditions of Rule 901 or Rule 903 are deemed to be "restricted securities" as defined in Rule 144 under the Securities Act. Resales of any of such restricted securities by the offshore purchaser must be made in accordance with Regulation S, the registration requirements of the Securities Act or an exemption therefrom. Any "restricted securities", as defined in Rule 144, will continue to be deemed to be restricted securities, notwithstanding that they were acquired in a resale transaction made pursuant to Rule 901 or 904. Prior to the end of the one-year distribution compliance period following the date of Admission (under Regulation S) in relation to the Ordinary Shares and prior to any transfer of such Ordinary Shares, each purchaser of Ordinary Shares acquired through CREST and in reliance on Regulation S will be required, to represent and agree as follows, that:

(a) the purchaser is not a US Person and is not acting for the account or benefit of a US Person and is not located in the United States at the time the investment decision is made with respect to the Ordinary Shares;

(b) the purchaser understands that the Ordinary Shares have not been registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred by such purchaser except: (i) in an offshore transaction to non-US Persons and otherwise meeting the requirements of Rule 901 through Rule 905 (including Preliminary Notes) of Regulation S; (ii) pursuant to an effective registration statement under the Securities Act; or (iii) pursuant to an exemption from the registration requirements of the Securities Act, and in each case, in accordance with all applicable securities laws of the states of the United States and any other applicable jurisdictions;

(c) the purchaser understands and agrees that, if in the future it decides to resell, pledge or otherwise transfer any Ordinary Shares or any beneficial interests in any Ordinary Shares prior to the date which is one year after the later of: (i) the date when the Ordinary Shares are first offered to persons (other than distributors) pursuant to Regulation S or pursuant to another exemption from, or transaction not subject tom registration under the Securities Act; and (ii) Admission, it will do so only outside the United States in an offshore transaction to non-US Persons and otherwise in compliance with Rule 901 to Rule 905 (including the Preliminary Notes) under the Securities Act, pursuant to an effective registration statement under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act and in each of such cases in accordance with any applicable securities law of any state of the United States;

(d) the Company is required to refuse to register any transfer of the Ordinary Shares not made in accordance with the provisions of Regulation S, pursuant to registration under the Securities Act, or pursuant to an available exemption from registration;

(e) hedging transactions involving the Ordinary Shares may not be conducted, directly or indirectly, unless in compliance with the Securities Act;

(f) the purchaser agrees to, and each subsequent holder is required to, notify any purchaser of the Ordinary Shares from it of the resale restrictions referred to above, if then applicable;

(g) the purchaser acknowledges that, prior to any proposed transfer of Ordinary Shares other than pursuant to an effective registration statement, the transferee of Ordinary Shares will be required to provide certifications and other documentation relating to the non-US Person status of such transferee and that such transferee was not located in the United States at the time the investment decision was made with respect to the Ordinary Shares;

(h) the purchaser acknowledges that the Company, N+1 Singer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and warranties and agrees that if any such acknowledgement, representation or warranty deemed to have been made by virtue of its purchase of Ordinary Shares is no longer accurate, it shall promptly notify the Company and N+1 Singer; and

(i) the purchaser acknowledges that the Ordinary Shares will bear a restrictive legend to the following effect, unless the Company determines otherwise in compliance with applicable law:

"THE ORDINARY SHARES OF THE COMPANY REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY SECURITIES ACTS OF ANY STATE OF THE UNITED STATES (THE "STATE ACTS"), AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, EXCEPT IF SUCH TRANSFER IS EFFECTED (1) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULES 901 THROUGH 905 (INCLUDING THE PRELIMINARY NOTES) OF REGULATION S UNDER THE SECURITIES ACT, (2) PURSUANT TO AN EFFECTIVE REGISTRATION UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE ACTS, OR (3) PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE ACTS, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE US SECURITIES LAWS AND IN THE CASE OF (3) AN OPINION OF COUNSEL SHALL BE DELIVERED TO THE COMPANY (AND UPON WHICH THE COMPANY MAY RELY) REGARDING THE AVAILABILITY OF SUCH EXEMPTION. HEDGING TRANSACTIONS INVOLVING THE ORDINARY SHARES OF THE COMPANY MAY NOT BE CONDUCTED, DIRECTLY OR INDIRECTLY, UNLESS IN COMPLIANCE WITH THE SECURITIES ACT. AS PROVIDED IN THE ARTICLES OF ASSOCIATION OF THE COMPANY, THE COMPANY IS REQUIRED BY UNITED STATES SECURITIES LAWS TO REFUSE TO REGISTER ANY TRANSFER OF SHARES NOT MADE IN ACCORDANCE WITH THE ABOVE RESTRICTIONS."

Subject to various conditions including, among others, the availability of current information regarding the Company, applicable holding periods and volume and manner of sale restrictions, Rule 144 may be available for US resales of Ordinary Shares by affiliates of the Company. Ordinary Shares held by "Affiliates" (as defined in Rule 405 of the Securities Act) of the Company shall be held in certificated form and accordingly settlement shall not be permitted via CREST until such time as the relevant restrictions are no longer applicable. Affiliates of the Company at the time of the Fundraising, or investors that become Affiliates at any time after the Fundraising, should seek independent US legal counsel prior to selling or transferring any Ordinary Shares. A liquid trading market for the Ordinary Shares does not currently exist in the United States, and the Company does not expect such a market to develop soon. Rule 144 may be available for resales of Ordinary Shares on the market or otherwise after the first anniversary of the subscription for the Ordinary Shares in the Fundraising.

PRIOR TO SUBSCRIBING FOR OR PURCHASING ANY ORDINARY SHARES OR CONDUCTING ANY TRANSACTIONS IN ANY ORDINARY SHARES, INVESTORS ARE ADVISED TO CONSULT PROFESSIONAL ADVISERS REGARDING THE ABOVE RESTRICTIONS ON TRANSFER AND OTHER RESTRICTIONS REFERRED TO IN THIS DOCUMENT.

In this document, a "US Person" has the meaning set forth in Regulation S and includes:

- any natural person resident in the United States;
- any partnership or corporation organised or incorporated under the laws of the United States;
- any estate of which any executor or administrator is a US Person;
- any trust of which any trustee is a US Person;
- any agency or branch of a foreign entity located in the United States;
- any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person;
- any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the United States;
- any partnership or corporation if it is organised or incorporated under the laws of any foreign jurisdiction and formed by a US Person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organised or incorporated and owned, by accredited investors (as defined in Rule 501(a) under the Securities Act) who are not natural persons, estates or trusts.

In this document, the following are not "US Persons":

- any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US Person by a dealer or other professional fiduciary organised, incorporated, or (if an individual) resident in the United States;
- any estate of which any professional fiduciary acting as executor or administrator is a US Person if an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with respect to the assets of the estate; and the estate is governed by foreign law;
- any trust of which any professional fiduciary acting as trustee is a US Person, if a trustee who is not a US Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person;
- an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country;
- any agency or branch of a US Person located outside the United States if the agency or branch operates for valid business reasons; and the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; and
- the International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organisations, their agencies, affiliates and pension plans.