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20 January 2020

IG Design Group PLC

("Design Group", the "Company" or the "Group")

Proposed Acquisition of CSS Industries, Inc. ("CSS")

and

Accelerated Bookbuild to raise £120.0 million

IG Design Group plc, one of the world's leading designers, innovators and manufacturers of celebrations, gifting, stationery and creative play products, today announces that a newly formed wholly owned subsidiary of IG Design Group Americas, Inc., Tom Merger Sub Inc., has entered into a merger agreement to acquire 100 per cent. of the equity interest in CSS Industries, Inc., a US based designer and manufacturer of craft, seasonal and gift products, for \$9.40 per share, which represents an Enterprise Value of approximately £89.7 million¹ (the "Acquisition") and an approximate Adjusted EBITDA multiple² for the current financial year of 5.0 times. The Directors expect the Acquisition to be earnings enhancing in the first full year of acquisition.

CSS specialises in the creative development, manufacture and sale of its products through a multi-channel distribution model to a broad base of leading mass, speciality and online retailers and distributors, predominately within the US. CSS is expected to deliver net sales between \$346.0 million to \$352.0 million and adjusted EBITDA of \$22.1 million to \$24.1 million for the financial year ended March 2020.³

In conjunction with the Acquisition, the Company is also pleased to announce its intention to conduct an accelerated bookbuild placing to raise gross proceeds of £120.0 million (the "Placing"), at a price of 694.0 pence per new ordinary share of 5 pence each (the "Placing Price") to fund the cash consideration for the Acquisition and related transaction expenses, repayment of the net debt of CSS and provide further balance sheet growth capital.

Acquisition Highlights:

The Acquisition broadens Design Group's product portfolio and provides customers with a substantially enhanced "one-stop-shop", establishing a leading presence within the US craft market. The Acquisition also:

- reinforces Design Group's position as the global industry leader in gift packaging;
- rapidly scales Design Group's "Everyday" product category, online revenues and presence within the floral decorative packaging industry;
- substantially increases the manufacturing and distribution capability of the Group;
- is expected to be earnings enhancing with EPS accretion from the first full year of acquisition; and
- is anticipated to yield operational and financial synergies of £10.0 million per annum by 2023.

Placing Highlights:

- Proposed Placing to raise gross proceeds of £120.0 million.
- Placing Price of 694.0 pence per ordinary share of 5 pence each. The Placing Price represents a discount of 0.3 per cent. to the three day volume weighted average price of 696.0 pence per share to 17 January 2020.
- The Company is proposing to raise £54.7 million under the Company's existing authorities with a further £65.3 million being raised conditional on the passing of Resolutions at a General Meeting (together, the "Placing Shares"). By utilising the existing authorities of the Company, the Company will have financing certainty for a significant proportion of the Acquisition consideration.
- The Placing is being conducted via an accelerated bookbuilding process which will commence immediately following the publication of this Announcement in accordance with the terms and conditions set out in the Appendix.

The Placing is being conducted by Canaccord Genuity Limited ("Canaccord Genuity") as Nomad, Sole Bookrunner and Sole Broker (the "Bookrunner"). Canaccord Genuity Limited is Financial Adviser to Design Group for the Acquisition.

Paul Fineman, Chief Executive Officer of IG Design Group plc, said:

"As well as doubling the scale of our US business, the combination of CSS and Design Group further strengthens our position as the global leader in consumer gift packaging and establishes us as a major supplier to the creative craft market.

The acquisition significantly enhances the portfolio of products, brands and services that we offer to our global customer base of 'winning' retailers, as well as providing access to many new channels and markets. Through leveraging CSS' quality customer base, manufacturing capability and recognised brand portfolio together with the strength of our existing business in the US, this transaction delivers substantial opportunities for synergies across the Group and further accelerates the Group's positive momentum.

We are delighted to have once again identified a compelling opportunity that meets our clear criteria, whilst maintaining prudent levels of average leverage. This acquisition is not only earnings enhancing, it also provides us with tremendous prospects to create further value for our shareholders."

¹ Enterprise Value calculated by the Company using the average expected net debt for CSS for the financial year ending March 2020 of £21.7 million.

² Based upon mid-range CSS market guidance adjusted EBITDA for the financial year ending March 2020 of \$22 million, adjusted to \$23.1 million to give effect to an add back for estimated share based compensation in the period of approximately \$1.1 million.

³ Based on CSS market guidance published on 14 November 2019, with the published adjusted EBITDA range of \$21 million to \$23 million adjusted to \$22.1m and \$24.1 million respectively to give effect to an add back for estimated share based compensation in the period of approximately \$1.1 million.

For further information, please contact:

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This Announcement should be read in its entirety. In particular, you should read and understand the information provided in the "Important Notices" section below.

The Appendix to this Announcement (which forms part of this Announcement) sets out the terms and conditions of the Placing. Persons who have chosen to participate in the Placing, by making an oral or written offer to acquire Placing Shares, will be deemed to have read and understood this Announcement in its entirety (including the Appendix) and to be making such offer on the terms and subject to the conditions herein, and to be providing the representations, warranties, agreements, acknowledgements and undertakings contained in the Appendix.

The person responsible for arranging the release of this information is Paul Fineman, Chief Executive Officer of the Company.

About IG Design Group plc:

IG Design Group plc, the largest consumer gift packaging business in the world, is a designer, innovator and manufacturer of products that help people celebrate life's special occasions. Design Group works with more than 11,000 customers in over 80 countries throughout the UK, Europe, Australia and the USA. Its products are found in over 210,000 retail outlets, including several of the world's biggest retailers, for example Walmart, Tesco, Amazon, Carrefour and Aldi. Its brand, Tom Smith, also holds the Royal Warrant for the supply of Christmas crackers and Christmas wrapping paper to the Royal family.

Design Group is a diverse business operating across multiple regions, categories, seasons and brands. Its four major product categories are: Celebrations, Stationery and Creative Play, Gifting, and 'Not-for-resale' consumables. It offers customers a full end-to-end service from design through to distribution, offering both branded and bespoke products from the value-focused through to the higher-margin ends of the market. The acquisition of Impact Innovations Inc. has significantly increased the scale of the Group and added to the Celebrations category with seasonal home décor product range providing a further opportunity for growth.

The Company was admitted to the Alternative Investment Market of the London Stock Exchange in 1995 under the name 'International Greetings plc' and rebranded to IG Design Group plc in 2016. For further information please visit www.thedesigngroup.com.

About CSS Industries, Inc.:

CSS is a creative consumer products company, focused on the craft, gift and seasonal categories. For these design-driven categories, CSS engage in the creative development, manufacture, procurement, distribution and sale of its products with an omni-channel approach focused primarily on mass market retailers. CSS' core products within the craft category include sewing patterns, ribbons, trims, buttons, needle arts and kids' crafts. For the gift category, its core products are designed to celebrate certain life events or special occasions, with a focus on packaging items, such as ribbons, bows, bags and wrap, as well as stationery, baby gift items, and party and entertaining products. For the seasonal category, CSS focus on holiday gift packaging items including ribbons, bows, bags, tags and gift card holders, in addition to specific holiday-themed decorations and activities, including Easter egg dyes and Valentine's Day classroom exchange cards. In keeping with CSS' corporate mission, all of its products are designed to help make life memorable.

ADDITIONAL INFORMATION

Expected Timetable

The expected timetable relating to the Placing is set out below.

EXPECTED TIMETABLE

Announcement of the proposed Placing and the Acquisition	20 January 2020
Admission of the First Tranche Placing Shares	8.00 a.m. on 24 January 2020
Expected date for CREST accounts to be credited in relation to the First Tranche Placing Shares	24 January 2020
Dispatch of definitive share certificates (where applicable) in relation to new Ordinary Shares for First Tranche Placing	by 7 February 2020
Latest time and date for receipt of proxy appointments for the General Meeting	1.00 p.m. on 9 February 2020
General Meeting	1.00 p.m. on 11 February 2020
Announcement of the results of the General Meeting	11 February 2020
Expected Admission of the Second Tranche Placing Shares	8.00 a.m. on 12 February 2020
Expected date for CREST accounts to be credited in relation to the Second Tranche Placing Shares	12 February 2020

Dispatch of definitive share certificates (where applicable) in relation
to new Ordinary Shares Second Tranche Placing Shares

by 26 February 2020

Notes:

- 1. Certain of the events in the above timetable are conditional upon, amongst other things, the passing of the Resolutions at the General Meeting.*
- 2. If any of the events contained in the indicative timetable should change, the revised times and dates will be notified by means of an announcement through a Regulatory Information Service.*
- 3. Different deadlines and procedures for applications may apply in certain cases. For example, if you hold your Ordinary Shares through a CREST member or other nominee, that person may set an earlier date for application and payment than the dates noted above.*

Introduction

The Company is pleased to announce that a newly formed wholly owned subsidiary of IG Design Group Americas, Inc., Tom Merger Sub Inc., has entered into a Merger Agreement to acquire 100 per cent. of the equity interest in CSS, a US based and NYSE listed designer and manufacturer of craft, seasonal and gift products, for \$9.40 per share, which represents an Enterprise Value of approximately £89.7 million.

The Company is proposing to finance the Acquisition consideration via a proposed placing to issue 7,887,347 Ordinary Shares under the Company's existing authorities as the First Tranche Placing Shares, at the Placing Price of 694.0 pence, raising approximately £54.7 million. A further 9,403,720 Ordinary Shares will be issued conditional on the passing of Resolutions at the General Meeting as the Second Tranche Placing Shares, at the Placing Price of 694.0 pence, raising approximately £65.3 million. The total gross proceeds of the Placing will be approximately £120.0 million.

By undertaking the First Tranche Placing, the Company has financing certainty for a significant proportion of the Acquisition consideration. The Placing is being conducted via an accelerated bookbuilding process which will commence immediately following the publication of this Announcement in accordance with the terms and conditions set out in the Appendix.

The Acquisition and Placing are not inter-conditional. The Directors anticipate completing the First Tranche Placing and Second Tranche Placing by 8.00 a.m. on 12 February 2020. The Acquisition is expected to be completed during calendar Q1 2020. The Placing will therefore be completed ahead of the Acquisition and before there is certainty that the Acquisition will complete. In the event the Acquisition does not complete, the Placing proceeds will be retained by the Company as the Directors have a number of alternative acquisition opportunities they would seek to execute in order to utilise the net proceeds from both the First Tranche Placing and the Second Tranche Placing.

1. CSS Industries

CSS is a NYSE listed designer and manufacturer of craft, seasonal and gift products. CSS specialises in the creative development, manufacture and sale of products through a multi-channel distribution model to a broad base of mass, specialty and online retailers and distributors. Its core products within each category are as follows:

- Craft - sewing patterns, ribbons, trims, buttons, needle arts and kids' crafts;
- Gift - products designed to celebrate certain life events or special occasions, with a focus on ribbons, bows, bags and wrap, as well as stationery, baby gift items, and party and entertaining products; and
- Seasonal - holiday gift packaging items including ribbons, bows, bags, tags and gift card holders, in addition to specific holiday-themed decorations and activities.

2. Background to and strategic rationale for the Acquisition

The Company has historically stated that it would seek to create value through both organic growth and well considered acquisitions.

In August 2018, the Company acquired Impact Innovations Inc. ("Impact") a leading supplier of gift packaging and seasonal décor products in the US. The acquisition enabled the Company to significantly increase its scale in the US and become the largest consumer gift packaging business in the world. As well as being earnings

accretive, the Directors believe the acquisition of Impact was a success as demonstrated by the interim results for the six months ended 30 September 2019 published on 26 November 2019. The Impact acquisition highlighted the benefit to the Group both operationally and financially of selective acquisitions.

The Directors believe the combination of the Company and CSS has a compelling strategic rationale. It brings together the world's largest gift packaging organisation with a leading craft company.

The Directors believe that the Acquisition is in the best interests of Shareholders as it:

- broadens the Group's product portfolio and provides its customers with a substantially enhanced "one-stop-shop" product and service offering;
- allows Design Group entry into the craft market and accelerates online revenues;
- has established leading brands in SKU intensive categories with new market channels within the non-seasonal, "Everyday" product category;
- provides for tangible operating synergies through the combination of the Group's US business with CSS, including economies of scale, enhanced US manufacturing capacity and combined US distribution network;
- is anticipated to deliver substantial estimated annual synergies of £10.0 million by March 2023;
- is expected to be earnings accretive in each of the next three years, commencing from the first full year of ownership;
- has a strong balance sheet with significant tangible asset value (including freehold property and net operating losses); and
- enables the Group's average leverage post the Acquisition and Placing, for the year ending 31 March 2020, to remain below 1.3 times Adjusted EBITDA.

3. Key terms of the Acquisition

The Merger Agreement provides that Tom Merger Sub Inc., a newly formed wholly owned subsidiary of IG Design Group Americas, Inc., will commence an offer to purchase all of the shares of CSS at a price per share of \$9.40 and following the consummation of the offer, Tom Merger Sub Inc. will merge into and with CSS by way of a merger under the laws of the State of Delaware, with CSS surviving the merger as the surviving corporation and thereby becoming a wholly owned subsidiary of IG Design Group Americas, Inc. The Company has agreed to pay equity consideration for the Acquisition of CSS of £68.0 million in cash, plus the repayment of CSS' net debt at close, which is estimated to be £17.6 million.

Completion of the Acquisition is conditional on, amongst other things, at least 51 per cent. of the CSS' shares being validly tendered, the Merger Agreement not having been terminated and no material adverse effect in respect of CSS having occurred. The Merger Agreement may be terminated and the Acquisition abandoned if, amongst other things:

- (i) the time for acceptance of payment has not occurred by 11:59 p.m. New York City time on 4 June 2020 (the "Termination Date");
- (ii) if a change in CSS' board recommendation has occurred or if CSS enters into a definitive agreement with a third party in respect of a competing and superior proposal (and in both cases CSS will be required to pay to the Company a termination fee of \$3.0 million);
- (iii) if (A) Tom Merger Sub Inc. shall have failed to effect the offer closing by the Termination Date and (B) if all of the conditions to the Acquisition, other than receipt by the Company of the financing for the Acquisition, have been satisfied as at the time of expiration of the offer

- (in which case the Company will be required to pay to CSS a termination fee of \$4.5 million);
or
- (iv) if the Resolutions are not passed at the General Meeting and the Company has not confirmed to CSS that it has available cash to pay the consideration within thirty-five business days of such failure to pass (in which case the Company will be required to pay to CSS a termination fee of \$2.25 million).

The Merger Agreement contains customary warranties from CSS relating to corporate authorisation and capacity and capitalisation of CSS, as well as customary business and commercial warranties. The Merger Agreement also regulates the conduct of business of CSS until completion of the Acquisition.

The Merger Agreement is governed by federal law and the laws of the State of Delaware. If a merger objection lawsuit is brought in connection with the Acquisition, it may result in the Company incurring additional costs to defend or settle any suit, regardless of whether or not the relevant suit has any merit.

4. Financial Summary

For the year ended 31 March 2019, Design Group reported Group revenue of £448.4 million, with an Adjusted EBITDA of £38.7 million, adjusted profit before tax of £30.3 million and total gross assets of £261.7 million. During the same period, CSS reported net sales of \$382.3 million, adjusted EBITDA of \$17.0 million⁴, loss before tax of \$45.4 million and gross assets of \$285.6 million.

The Enlarged Group's pro forma revenue for the year ending 31 March 2020 is expected to be approximately £770.3 million. This is based on Canaccord Genuity's published analyst forecasts (forecasts published on 26 November 2019) for Design Group to achieve revenue of approximately £499.8 million, plus using the mid-range CSS' guidance to generate approximately \$349.0 million in net sales (approximately £270.5 million) for the same period, as stated within CSS' Q2 fiscal 2020 results dated 14 November 2019.

The Enlarged Group's pro forma Adjusted EBITDA for the year ending 31 March 2020 is expected to be approximately £79.1 million (before synergies). This is based on Canaccord Genuity's published analyst forecasts (forecasts published on 26 November 2019) for Design Group to achieve Adjusted EBITDA of approximately £53.4 million, plus using the mid-range of CSS' adjusted EBITDA guidance of approximately \$33.1 million (approximately £25.7 million), after adjusting for estimated share based compensation of approximately \$1.1 million and a potential IFRS 16 adjustment of approximately \$10.0 million.

⁴After an add back for share based compensation in the period of approximately \$2.0 million.

5. Current trading and outlook

Design Group

Since the Company's published trading update on 26 November 2019, Design Group has traded positively throughout the Christmas period and as a result, the Group remains on course to deliver full year performance in line with expectations. The management team of Design Group confirms the business continues to be well positioned to exploit opportunities for further growth in 2021.

CSS

On 14 November 2019, CSS announced their Q2 fiscal 2020 results, which confirmed its outlook for net sales to be between \$346.0 million to \$352.0 million and an adjusted EBITDA range of between \$22.1 million to \$24.1 million⁵ for the full year to 31 March 2020.

Based on due diligence by Design Group on the current trading of CSS, Design Group believe CSS is trading in line with the guidance figures announced on 14 November 2019.

⁵ CSS published adjusted EBITDA guidance of \$21 million to \$23 million adjusted to give effect to an add back for estimated share based compensation in the period of approximately \$1.1m.

6. Details of the Placing

The Company is seeking to raise £120.0 million (before expenses) through the placing of 17,291,067 Placing Shares. The Placing Price of 694.0 pence per Placing Share represents a discount of 0.3 per cent. to the three day volume weighted average price of 696.0 pence to 17 January 2020 (being the last practical date prior to the publication of this Announcement). The Placing is not conditional upon completion of the Acquisition and is not underwritten. The Directors intend to fund the Acquisition through two Placings, a First Tranche Placing and a Second Tranche Placing.

The Company intends to raise approximately £54.7 million gross through the issue of the First Tranche Placing Shares through Canaccord Genuity at the Placing Price. The First Tranche Placing utilises in full the general authorities approved by Shareholders to place shares for cash granted to the Directors at the 2019 Company Annual General Meeting. By undertaking the First Tranche Placing, the Company has financing certainty for a significant proportion of the Acquisition consideration. The remaining £35.6 million required by the Company to fund the Acquisition, repay CSS' net debt and to fund the associated expenses relating to the transaction will be financed by the Second Tranche Placing.

The First Tranche Placing is not subject to shareholder approval. The Second Tranche Placing Shares will be subject to shareholder approval of related resolutions at a General Meeting. The Directors have provided irrevocable undertakings, which in aggregate represent their beneficial interest in 24,748,679 or 31.3 per cent. of the Existing Ordinary Shares, in support of the related resolutions at the General Meeting.

The Directors anticipate completing the Acquisition during calendar Q1 2020. In the event the Acquisition does not complete the Directors have a number of alternative acquisition opportunities which would utilise the net proceeds from both the First Tranche Placing and the Second Tranche Placing. The First Tranche Placing and the Second Tranche Placing are not being underwritten by Canaccord Genuity.

In considering the size of the Placing, the Directors have given due consideration to the Placing Price and the Company's shareholder commitment to have average net debt over the course of the financial year at less than two times Adjusted EBITDA. It is expected that the Enlarged Group's average leverage, post the Acquisition and Placing for the year ending 31 March 2020 will be below 1.3 times Adjusted EBITDA. The Directors believe this leverage level is prudent, encourages further investment for future growth and also allows the Group to payout suitable dividends.

The Placing also allows the Company to retain a strong balance sheet with the necessary resources to capitalise on other acquisition opportunities that may arise in line with the Group's acquisition strategy. The Directors would aim to undertake future acquisitions which are expected to be earnings enhancing, adding further scale

and product lines to the Company's existing operations, providing tangible operating synergies and being advantageous compared to organic growth alternatives.

First Tranche Placing

The Company proposes to raise approximately £54.7 million gross through the issue of 7,887,347 Placing Shares, being the First Tranche Placing Shares, at the Placing Price through Canaccord Genuity.

Application will be made to the London Stock Exchange for the First Tranche Placing Shares to be admitted to trading on AIM. It is expected that Admission will become effective and dealings in the First Tranche Placing Shares will commence at 8.00 a.m. on or around 24 January 2020.

Second Tranche Placing

The Company proposes to raise approximately £65.3 million gross through the issue of 9,403,720 Placing Shares, being the Second Tranche Placing Shares, at the Placing Price through Canaccord Genuity.

As set out above, the Company's existing share authorities, which allow it to issue shares on a non pre-emptive basis, were sufficient for the First Tranche Placing, but insufficient to allow the Second Tranche Placing to proceed. Therefore, the Second Tranche Placing is conditional on the passing of the Resolutions at the General Meeting.

If the Resolutions are not passed at the General Meeting, the Second Tranche Placing Shares will not be issued and the proceeds of the Second Tranche Placing will not be available to the Company. In the event the Second Tranche Placing does not proceed, the Directors intend to source further debt financing to fully finance the Acquisition and associated expenses.

The Second Tranche Placing Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of Second Admission.

Application will be made to the London Stock Exchange for the Second Tranche Placing Shares to be admitted to trading on AIM. Subject to the passing of the Resolutions, it is expected that Second Admission will take place and that trading will commence at 8.00 a.m. on or around 12 February 2020.

7. Use of Proceeds

The proceeds of the Placing will enable the Company to continue to drive its strategy, by being used to fund the Acquisition consideration and related transaction expenses, as well as the repayment of CSS net debt. In addition, the proceeds will provide further balance sheet growth capital, enabling the Company to continue to execute its stated M&A strategy and undertake future potential acquisitions in a competitive timeframe.

The Company currently intends to use the £120.0 million gross proceeds of the Placing as outlined below:

- Acquisition consideration: £68.0 million to fund the equity consideration;
- Repayment of £17.6 million, being the estimated net debt of CSS at close;
- Expenses: £4.7 million to cover all transaction related costs; and

- Future acquisitions: up to c.£29.7 million to enable further acquisitions of appropriate M&A targets, where relevant.

The Board notes that if for any reason the Acquisition does not complete, the Company will seek to invest the Placing proceeds in other acquisition opportunities.

8. Placing Agreement

Pursuant to the terms of the Placing Agreement, Canaccord Genuity, as agent for the Company, conditionally agrees to use its reasonable endeavours to place the Placing Shares on a non-underwritten basis at the Placing Price.

The Placing Agreement contains customary warranties and an indemnity from the Company in favour of Canaccord Genuity, together with provisions which enable Canaccord Genuity to terminate the Placing in certain circumstances prior to Admission, including, *inter alia*, (i) where any warranties are found to be untrue or inaccurate in any material respect or misleading; and (ii) in the event of a material adverse change or any development reasonably likely to involve a material adverse change in the financial position or prospects of the Company or the Company's group which would have a material adverse impact on the Placing.

The First Tranche and Second Tranche Placing Shares will be admitted to trading on AIM before completion of the Acquisition and the Merger Agreement will not be unconditional as at the date of Second Admission. If, following such time but before completion of the Acquisition, there is a material breach of warranty under the Merger Agreement by CSS or one or more conditions are not satisfied (or waived), the Company will have the right to terminate the Merger Agreement and, if that were the case, the Acquisition may not go ahead, including in circumstances where the Placing has completed. If the Merger Agreement is terminated, the Company has identified a number of alternative acquisition opportunities which it would utilise the net proceeds from both the First Tranche Placing and the Second Tranche Placing to finance.

The Placing Agreement provides, *inter alia*, for payment by the Company to Canaccord Genuity of commissions based on the number of Placing Shares placed by Canaccord Genuity multiplied by the Placing Price.

The Company will bear all other expenses of, and incidental to, the Placing including printing costs, registrar's fees and all legal and accounting fees of the Company.

9. Change in Financial Reporting Currency

The Company intends to change the presentation currency of the Enlarged Group from pound sterling to US dollars effective 1 April 2020 should the Acquisition complete.

Following the Acquisition, a significant majority of the Enlarged Group earnings will be denominated in US dollars. The Board believes that the presentation currency change will give investors and other stakeholders a clearer understanding of the Design Group's financial performance over time. In addition, the change will reduce the volatility of the Enlarged Group's earnings due to foreign exchange movements, in relation to the translation of foreign currency balances.

10. Proposed new incentive scheme

The Company proposes to introduce a new long-term incentive plan alongside the Acquisition. The new scheme will seek to create an incentive that is directly aligned with any increase in shareholder value above the Placing Price and is planned to strongly incentivise management and eligible employees at all levels to further develop the Company's growth and profitability to the benefit of all stakeholders,

The Group's Remuneration Committee intend to consult with key shareholders before the new long-term incentive plan is formally approved.

11. General Meeting

A General Meeting to consider and approve the Second Tranche Placing Shares will be held at IG Design Group plc, 7 Water End Barns, Eversholt, Bedfordshire MK17 9EA, United Kingdom at 1.00 p.m. on 11 February 2020. A circular will be made available to shareholders on 21 January 2020 and will also be made available on the Company's website at www.thedesigngroup.com/investors/reports-presentations/.

12. Total Voting Rights

Following admission of the First Tranche Placing Shares, the Company's issued ordinary share capital will comprise 86,963,076 Ordinary Shares, none of which are held in treasury. Therefore, the total number of Ordinary Shares with voting rights in the Company following admission of the First Tranche Placing Shares will be 86,963,076.

Further announcements will be made on the total voting rights following the admission of the Second Tranche Placing Shares.

The above figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the FCA's Disclosure Guidance and Transparency Rules.

13. Recommendation

The Board believes that the Acquisition and Placing is in the best interests of the Company and its shareholders.

The Board recommends Shareholders to vote in favour of the Resolutions to be put to the General Meeting in order to issue the Second Tranche Placing Shares and have undertaken to do in respect of their beneficial shareholdings amounting to 24,748,679 or 31.3 per cent. of the Existing Ordinary Shares.

IMPORTANT NOTICE

The information contained in this Announcement is for information purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this Announcement or its accuracy, fairness or completeness. The information in this Announcement is subject to change. This Announcement, including the Appendix, is not for publication or distribution, directly or indirectly, in or into the United States of America. This Announcement, including the Appendix, is not an offer of securities for sale in the United States. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States, except pursuant to an applicable exemption from registration. No public offering of securities is being made in the United States.

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This Announcement does not constitute a prospectus or offering memorandum or an offer in respect of any securities and is not intended to provide the basis for any decision in respect of the Company or other evaluation of any securities of the Company or any other entity and should not be considered as a recommendation that any investor should subscribe for, purchase, otherwise acquire, sell or otherwise dispose of any such securities.

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Recipients of this Announcement and/or the circular who are considering acquiring Placing Shares pursuant to the Placing are reminded that they should conduct their own investigation, evaluation and analysis of the business, data and property described in this Announcement and/or the circular. This Announcement does not constitute a recommendation concerning any investor's options with respect to the Placing. The price and value of securities can go down as well as up. Past performance is not a guide to future performance. The contents of this Announcement are not to be construed as legal, business, financial or tax advice. Each investor or prospective investor should consult his, her or its own legal adviser, business adviser, financial adviser or tax adviser for legal, financial, business or tax advice. Canaccord Genuity is authorised and regulated by the

Financial Conduct Authority ("FCA") in the United Kingdom and is acting exclusively for the Company and no one else in connection with the Placing and will not regard any other person as a client in relation to the Placing, and Canaccord Genuity will not be responsible to anyone (including any Placees) other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Placing or any other matters referred to in this Announcement. Canaccord Genuity's responsibilities as the Company's nominated adviser under the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person.

In connection with the Placing, Canaccord Genuity and any of its affiliates, acting as investors for its own account, may subscribe for or purchase Ordinary Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for its own account in such Ordinary Shares and other securities of the Company or related investments in connection with the Placing or otherwise. Accordingly, references to the Ordinary Shares being offered, subscribed, acquired, placed or otherwise dealt in should be read as including any offer to, or subscription, acquisition, placing or dealing by Canaccord Genuity and any of its affiliates acting as investors for its own account. In addition, Canaccord Genuity or its affiliates may enter into financing arrangements and swaps in connection with which it or its affiliates may from time to time acquire, hold or dispose of Ordinary Shares. Canaccord Genuity has no intention to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

No representation or warranty, expressed or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by Canaccord Genuity or by any of its affiliates or agents as to, or in relation to, the accuracy or completeness of this Announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefore is expressly disclaimed.

No statement in this Announcement is intended to be a profit forecast or estimate, and no statement in this Announcement 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.

This Announcement contains (or may contain) certain forward-looking statements with respect to certain of the Company's current expectations and projections about future events and the Company's future financial condition and performance. These statements, which sometimes use words such as "aim", "anticipate", "believe", "may", "will", "should", "intend", "plan", "assume", "estimate", "expect", "target", "anticipate", "could", "predict", "continue", "positioned", "risk" (or the negative thereof) and words of similar meaning, reflect the Directors' current beliefs and expectations and involve known and unknown risks, uncertainties and assumptions, many of which are outside the Company's control and difficult to predict, that could cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statement. Any forward-looking statements made in this Announcement by or on behalf of the Company speak only as of the date they are made. These forward-looking statements reflect the Company's judgment at the date of this Announcement and are not intended to give any assurance as to future results and cautions that its actual results of operations and financial condition, and the development of the industry in which it operates, may differ materially from those made in or suggested by the forward-looking statements contained in this Announcement and/or information incorporated by reference into this Announcement. Except as required by the FCA, the London Stock Exchange, the AIM Rules or applicable law, the Company expressly disclaims any obligation or undertaking to release publicly any updates, supplements or revisions to any forward-looking statements contained in this Announcement to reflect any changes in the Company's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based, except where required to do so under applicable law.

The market guidance published by CSS on 14 November 2019, as referred to in this Announcement, was based on the assumptions, estimates and expectations of CSS as of such date, and is subject to a number of known and unknown risks and significant business, economic and competitive uncertainties that may cause actual results to differ materially from expectations. Numerous factors could cause actual future results to differ materially from current expectations, including the risks and other risk factors detailed in various publicly

available documents filed by CSS from time to time with the Securities and Exchange Commission, which are available at www.sec.gov, including but not limited to, such information appearing under the caption "Risk Factors" in CSS' Annual Report on Form 10-K filed with the SEC on 31 May 2019.

Neither the contents of Design Group's website nor any website accessible by hyperlinks on Design Group's website is incorporated in or forms part of this Announcement.

APPENDIX

TERMS AND CONDITIONS OF THE PLACING

THIS ANNOUNCEMENT, INCLUDING THIS APPENDIX (TOGETHER, THE "ANNOUNCEMENT"), AND THE INFORMATION IN IT IS RESTRICTED AND IS NOT FOR PUBLICATION, RELEASE OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO OR FROM THE UNITED STATES, AUSTRALIA, CANADA, NEW ZEALAND, THE REPUBLIC OF IRELAND, SWITZERLAND, JAPAN, THE REPUBLIC OF SOUTH AFRICA OR ANY OTHER JURISDICTION IN WHICH SUCH PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL.

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN ARE FOR INFORMATION PURPOSES ONLY AND ARE DIRECTED ONLY AT: (A) IN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA, PERSONS WHO ARE, UNLESS OTHERWISE AGREED BY THE BOOKRUNNER, "QUALIFIED INVESTORS" AS DEFINED IN ARTICLE 2(E) OF THE EU PROSPECTUS REGULATION (WHICH MEANS REGULATION (EU) 2017/1129 AND INCLUDES ANY RELEVANT IMPLEMENTING MEASURE IN ANY MEMBER STATE) (THE "PROSPECTUS REGULATION"); AND (B) IN THE UNITED KINGDOM, PERSONS WHO ARE: (I) "INVESTMENT PROFESSIONALS" WITHIN THE MEANING OF ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE "ORDER"); (II) PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) ("HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC") OF THE ORDER; OR (III) PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN RELATE IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. PERSONS INTO WHOSE POSSESSION THIS ANNOUNCEMENT (INCLUDING THE APPENDIX) COMES ARE REQUIRED BY THE COMPANY AND THE BOOKRUNNER TO INFORM THEMSELVES ABOUT AND TO OBSERVE ANY SUCH RESTRICTIONS.

THIS ANNOUNCEMENT IS NOT AN OFFER FOR SALE OR SUBSCRIPTION IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL UNDER THE SECURITIES LAWS OF ANY JURISDICTION. THIS ANNOUNCEMENT DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN THE COMPANY.

THIS ANNOUNCEMENT IS NOT FOR PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA. THIS ANNOUNCEMENT IS NOT AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES. THE SECURITIES REFERRED TO HEREIN HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE OFFERED OR SOLD, RESOLD, TRANSFERRED OR DELIVERED, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, EXCEPT PURSUANT TO AN APPLICABLE EXEMPTION FROM REGISTRATION. NO PUBLIC OFFERING OF SECURITIES IS BEING MADE IN THE UNITED STATES.

THE SECURITIES MENTIONED HEREIN HAVE NOT BEEN AND WILL NOT BE APPROVED OR DISAPPROVED BY THE US SECURITIES AND EXCHANGE COMMISSION (THE SEC), ANY STATE SECURITIES COMMISSION OR ANY 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 ANNOUNCEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

EACH PLACEE SHOULD CONSULT WITH ITS OWN ADVISERS AS TO LEGAL, TAX, BUSINESS AND RELATED ASPECTS OF AN INVESTMENT IN PLACING SHARES. THE PRICE OF SHARES AND THE INCOME FROM THEM (IF ANY) MAY GO DOWN AS WELL AS UP AND INVESTORS MAY NOT GET BACK THE FULL AMOUNT INVESTED ON DISPOSAL OF SHARES.

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 or the South African Reserve Bank; and the Placing Shares have not been, nor will they be, registered under or offered 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, the Republic of South Africa or any other jurisdiction in which such offer, sale, resale or delivery would be unlawful.

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that the Placing Shares are: (i) compatible with an end target market of: (a) retail investors, (b) investors who meet the criteria of professional clients and (c) eligible counterparties (each as defined in MiFID II); and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing 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 offer.

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 Placing Shares.

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

Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of this Appendix or this Announcement of which it forms part should seek appropriate advice before taking any action.

These terms and conditions apply to persons making an offer to acquire Placing Shares. Each Placee will be deemed to have read and understood this Announcement and hereby agrees with the Bookrunner and the Company to be bound by these terms and conditions as being the terms and conditions upon which Placing

Shares will be issued or acquired. A Placee shall, without limitation, become so bound if the Bookrunner confirms to such Placee its allocation of Placing Shares.

Upon being notified of its allocation of Placing Shares, a Placee shall be contractually committed to acquire the number of Placing Shares allocated to it at the Placing Price and, to the fullest extent permitted by law, will be deemed to have agreed not to exercise any rights to rescind or terminate or otherwise withdraw from such commitment.

In this Appendix, unless the context otherwise requires, "Placee" means a Relevant Person (including individuals, funds or others) who has been invited to participate in the Placing and on whose behalf a commitment to subscribe for or acquire Placing Shares has been given.

Details of the Placing Agreement and the Placing Shares

The Bookrunner and the Company have entered into a Placing Agreement, under which the Bookrunner has, on the terms and subject to the conditions set out therein, undertaken to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price. It is expected that the Placing will raise £120.0 million in gross proceeds. The Placing is not being underwritten by the Bookrunner or any other person.

The Placing Shares will, when issued, be subject to the articles of association of the Company, will be credited as fully paid and will rank *pari passu* in all respects with the existing Ordinary Shares, including the right to receive all dividends and other distributions (if any) declared, made or paid on or in respect of Ordinary Shares after the date of issue of the Placing Shares.

The Placing Shares will trade on AIM under IGR with ISIN GB0004526900.

Application for admission to trading of the Placing Shares

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. It is expected that Admission will become effective and dealings in the First Tranche Placing Shares will commence at 8.00 a.m. on or around 24 January 2020, with admission of and dealings in the Second Tranche Placing Shares expected to become effective by 8.00 a.m. on or around 12 February 2020 (together, "Admission"). In any event, the latest date for Admission is 28 February 2020 (the "Long Stop Date").

Placing

This Appendix 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.

Participation in, and principal terms of, the Placing are as follows:

1. The Bookrunner is arranging the Placing as agent for, and as sole broker of, the Company.
2. The number of Placing Shares to be issued will be agreed between the Bookrunner and the Company following completion of a bookbuilding exercise by the Bookrunner (the "Bookbuild"). The results of the Bookbuild will be released via a Regulatory Information Service following the completion of the Bookbuild.
3. The Bookbuild is expected to close no later than 6:30 p.m. on 21 January 2020 but may be closed earlier or later at the discretion of the Bookrunner. The Bookrunner may, in agreement with the Company, accept bids received after the Bookbuild has closed.

4. Participation in the Placing is only available to persons who are lawfully able to be, and have been, invited to participate by the Bookrunner. The Bookrunner and its affiliates are entitled to participate in the Placing as principal.
5. The Company and the Bookrunner reserve the right (i) to scale back the number of Placing Shares to be subscribed for by any Placee in the event of the Placing being over-subscribed; and (ii) not to accept offers for Placing Shares or to accept such offers in part rather than in full. The Company reserves the right to reduce the amount to be raised pursuant to the Placing, in agreement with the Bookrunner.
6. Each Placee's allocation of First Tranche Placing Shares and Second Tranche Placing Shares has been or will be confirmed to Placees orally, or in writing (which can include email), by the Bookrunner and a trade confirmation or contract note has been or will be dispatched as soon as possible thereafter. The Bookrunner's oral or written confirmation will give rise to an irrevocable, legally binding commitment by that person (who at that point becomes a Placee), in favour of the Bookrunner and the Company, under which it agrees to acquire by subscription the number of Placing Shares allocated to it at the Placing Price and otherwise on the terms and subject to the conditions set out in this Appendix and in accordance with the Company's articles of association. Except with the Bookrunner's consent, such commitment will not be capable of variation or revocation.
7. Each Placee's allocation will, unless otherwise agreed between the Placee and the Bookrunner, be evidenced by a trade confirmation or contract note issued to each such Placee by the Bookrunner. The terms and conditions of this Announcement (including this Appendix) will be deemed to be incorporated in that trade confirmation, contract note or such other confirmation and will be legally binding on the Placee on behalf of which it is made and except with the Bookrunner's consent will not be capable of variation or revocation from the time at which it is issued.
8. Each Placee will have an immediate, separate, irrevocable and binding obligation, owed to the Bookrunner (as agent for the Company), to pay to the Bookrunner (or as the Bookrunner may direct) in cleared funds an amount equal to the produce 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.
9. Except as required by law or regulation, no press release or other announcement will be made by the Bookrunner or the Company using the name of any Placee (or its agent), in its capacity as Placee (or agent), other than with such Placee's prior written consent.
10. Irrespective of the time at which a Placee's allocation pursuant to the Placing is 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".
11. All obligations of the Bookrunner under the Placing will be subject to fulfilment of the conditions referred to below "Conditions of the Placing" and to the Placing not being terminated on the basis referred to below under "Right to terminate under the Placing Agreement".
12. By participating in the Placing, each Placee agrees 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.
13. The Company requires authority to allot the Second Tranche Placing Shares and to disapply pre-emption rights in relation to the Second Tranche Placing Shares and will therefore require the passing of a special resolution seeking to allot the Second Tranche Placing Shares and to disapply pre-emption rights in respect of the Second Tranche Placing Shares at the General Meeting (as set out in

the notice of General Meeting contained in the circular). If passed, the Resolutions will grant authority to the Directors to allot the Second Tranche Placing Shares for cash on a non pre-emptive basis.

14. To the fullest extent permissible by law and the applicable rules of the Financial Conduct Authority, neither the Bookrunner, nor the Company nor any of their affiliates shall have any liability to Placees (or to any other person whether acting on behalf of a Placee or otherwise whether or not a recipient of these terms and conditions) in respect of the Placing. Each Placee acknowledges and agrees that the Company is responsible for the allotment of the Placing Shares to the Placees and the Bookrunner and their affiliates shall have no liability to the Placees for the failure of the Company to fulfil those obligations. In particular, neither the Bookrunner, nor the Company nor any of their affiliates shall have any liability (including to the extent permissible by law, any fiduciary duties) in respect of the Bookrunner's conduct of the Placing.

As part of the Placing, the Company has agreed that it will not, inter alia, issue or sell any Ordinary Shares for a period of 60 days after Second Admission without prior consent from the Bookrunner.

Conditions of the Placing

The Bookrunner's obligations under the Placing Agreement in respect of, amongst other things, the First Tranche Placing are conditional on, *inter alia*:

1. the release of this Announcement to an RIS by no later than 6:30 p.m. on 20 January 2020;
2. the release of an announcement to an RIS in respect of the results of the Placing by no later than 8.00 a.m. on the Business Day following the completion of the Bookbuild;
3. the delivery by the Company to the Bookrunner of certain documents required under the Placing Agreement;
4. the Company having complied with all of its obligations under the Placing Agreement in all material respects in the context of the Placing to the extent that such obligations fall to be performed prior to First Admission;
5. the warranties given in the Placing Agreement being true and accurate in all material respects in the context of the Placing and not misleading in any respect at any time between the date of the Placing Agreement and First Admission and no fact or circumstance having arisen which would render any of the warranties untrue or inaccurate in any material respect in the context of the Placing or misleading in any respect if it was repeated as at First Admission;
6. there having been no material adverse change (in the opinion of the Bookrunner acting in good faith);
7. First Admission taking place by not later than 8.00 a.m. on 24 January 2020 (or such other date as may be agreed between the parties, being not later than 3.00 p.m. on the Long Stop Date); and
8. the Placing Agreement not having been terminated by the Bookrunner.

The Bookrunner's obligations under the Placing Agreement in respect of, amongst other things, the Second Tranche Placing are conditional on, *inter alia*:

1. First Admission having occurred;
2. the delivery by the Company to the Bookrunner of certain documents required under the Placing Agreement;

3. the issue by no later than 31 January 2020 of the circular to Shareholders and such other persons (if any) entitled to receive notice of the General Meeting in accordance with the Company's articles of association;
4. the Company having complied with all of its obligations under the Placing Agreement in all material respects in the context of the Placing to the extent that such obligations fall to be performed prior to Second Admission;
5. the warranties given in the Placing Agreement being true and accurate in all material respects in the context of the Placing and not misleading in any respect at any time between the date of the Placing Agreement and Second Admission and no fact or circumstance having arisen which would render any of the warranties untrue or inaccurate in any material respect in the context of the Placing or misleading in any respect if it was repeated as at Second Admission;
6. there having been no material adverse change (in the opinion of the Bookrunner acting in good faith);
7. the passing of the Resolutions without material amendment at the General Meeting (or at any adjournment thereof);
8. the issue and allotment of the Second Placing Shares, prior to and conditional only upon Second Admission by 8.00 a.m. on 12 February 2020 or such later time as may be agreed between the Company and the Bookrunner, being not later than 3.00 p.m. on the Long Stop Date;
9. Second Admission taking place on or before 8.00 a.m. on 12 February 2020 (or such later time as may be agreed between the Company and the Bookrunner, being not later than 3.00 p.m. on the Long Stop Date); and
10. the Placing Agreement not having been terminated by the Bookrunner.

If: (i) any of the conditions contained in the Placing Agreement, including those described above, are not fulfilled or (where applicable) waived by the Bookrunner by the respective time or date where specified (or such later time or date as the Bookrunner may notify to the Company); (ii) any of such conditions becomes incapable of being fulfilled; or (iii) the Placing Agreement is terminated in the circumstances specified below, the Placing will not proceed and the Placees' rights and obligations hereunder in relation to the Placing Shares 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. The Bookrunner may, at its discretion and upon such terms as it thinks fit, waive, or extend the period for, compliance by the Company with the whole or any part of any of the Company's obligations in relation to the conditions in the Placing Agreement save that the condition relating to Admission taking place by the Long Stop Date may not be waived. Any such extension or waiver will not affect Placees' commitments as set out in this Announcement.

Neither the Bookrunner, the Company nor any of their respective affiliates 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 they 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 they 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 the Bookrunner. Placees will have no rights against the Bookrunner, the Company or any of their respective members, directors or employees under the Placing Agreement pursuant to the Contracts (Rights of Third Parties) Act 1999 (as amended) or otherwise.

Right to terminate the Placing Agreement

The Bookrunner is entitled to terminate the Placing Agreement by giving notice to the Company in certain circumstances, including, inter alia, if before Second Admission (in respect of the Placing):

1. in respect of the Second Placing only, the circular is not issued to the Shareholders and such other persons (if any) entitled to receive notice of the General Meeting in accordance with the articles of association of the Company by 31 January 2020;
2. the Company is in material breach of any of its obligations under of the Placing Agreement (to the extent such obligations fall to be performed prior to First Admission or Second Admission, as the context requires);
3. the Bookrunner becomes aware of any circumstance which results in any of the warranties given in the Placing Agreement being not true or inaccurate in any material respect or misleading in any respect when given at the date of the Placing Agreement;
4. the Bookrunner becomes aware that any statement contained in any of the Issue Documents (as defined in the Placing Agreement) is untrue or inaccurate in any material respect or misleading in any respect or that matters have arisen which would, if the Issue Documents were issued at that time, constitute a material omission therefrom or a misleading inaccuracy in any announcements released by the Company through an RIS or other document issued to Shareholders of the Company or otherwise to the public;
5. there is a significant change affecting any matter contained in the Issue Documents or a matter, fact, circumstance or event having arisen such that in the opinion of the Bookrunner a supplementary public announcement or supplementary circular is required to be released;
6. in the opinion of the Bookrunner any material adverse change in the condition (financial, operational, legal or otherwise) or in the earnings, business affairs, solvency or credit rating of the Company and/or any other member of the Group whether or not arising in the ordinary course;
7. in respect of Second Admission only, the Resolutions not being passed without amendment at the General Meeting (or at any adjournment thereof);
8. the AIM Application being refused by the London Stock Exchange;
9. the cancellation or suspension by the London Stock Exchange of trading in the Company's securities;
or
10. any of the following has occurred:
 - the suspension of trading in securities generally on the London Stock Exchange or the New York Stock Exchange trading is limited or minimum prices established on any such exchange; or
 - the declaration of a banking moratorium in London or by the US federal or New York State authorities or any material disruption to commercial banking or securities settlement or clearance services in the US or the UK; or
 - any change (whether or not foreseeable at the date of this Agreement), or development involving a prospective change, in national or international financial, economic, political, industrial or market conditions or currency exchange rates or exchange controls, or any incident of terrorism or outbreak or escalation of hostilities or any declaration by the UK, the US or any member state of the European Union of a national emergency or war or any other calamity or crisis;

and the Bookrunner considers such events would be reasonably likely to have an adverse effect on the financial or trading position or the business or prospects of the Group which is material in the context of the Group as a whole and which materially prejudices the Company or renders the Placing impractical or inadvisable.

If the Placing Agreement is terminated prior to First Admission then the Placing will not occur. If the Placing Agreement is terminated following First Admission but prior to Second Admission then the Second Tranche Placing will not occur.

The rights and obligations of the Placees will not be subject to termination by the Placees or any prospective Placees at any time or in any circumstances. By participating in the Placing, Placees agree that the exercise by the Bookrunner of any right of termination or other discretion under the Placing Agreement shall be within the absolute discretion of the Bookrunner and that the Bookrunner need not make any reference to Placees in this regard and that neither the Bookrunner nor any of their respective affiliates shall have any liability to Placees whatsoever in connection with any such exercise or failure so to exercise.

No Admission Document or Prospectus

The Placing Shares are being offered to a limited number of specifically invited persons only and have not been nor will be offered in such a way as to require the publication of an admission document or prospectus in the United Kingdom or any equivalent document in any other jurisdiction. No offering document, admission document or prospectus has been or will be submitted to be approved by the FCA or the London Stock Exchange in relation to the Placing, and Placees' commitments will be made solely on the basis of the information contained in this Announcement (including this Appendix) and the business and financial information that the Company is required to publish in accordance with the AIM Rules (the "Exchange Information") or has published via a Regulatory Information Service ("Publicly Available Information") (save that in the case of Exchange Information and Publicly Available Information, a Placee's right to rely on that information is limited to the right that such Placee would have as a matter of law in the absence of this paragraph). Each Placee, by accepting a participation in the Placing, agrees that the content of this Announcement is exclusively the responsibility of the Company and confirms that it has neither received nor relied on any other information (other than the Exchange Information and/or Publicly Available Information), representation, warranty, or statement made by or on behalf of the Company or the Bookrunner or any other person and neither the Bookrunner, the Company nor any other person will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placees may have obtained or received and, if given or made, such information, representation, warranty or statement must not be relied upon as having been authorised by the Bookrunner, the Company or their respective officers, directors, employees or agents. 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. Neither the Company nor the Bookrunner are making any undertaking or warranty to any Placee regarding the legality of an investment in the Placing Shares by such Placee under any legal, investment or similar laws or regulations. Each Placee should not consider any information in this Announcement to be legal, tax or business advice. Each Placee should consult its own solicitor, tax adviser and financial adviser for independent legal, tax and financial advice regarding an investment in the Placing Shares. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

Registration and Settlement

Settlement of transactions in the Placing Shares will, unless otherwise agreed, take place on a delivery versus payment basis within CREST. 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 the Bookrunner in accordance with the standing CREST settlement instructions which they have in place with the Bookrunner.

Settlement of transactions in the Placing Shares (ISIN: GB0004526900) following Admission will take place within the system administered by Euroclear UK & Ireland Limited ("CREST") provided that, subject to certain exceptions, the Bookrunner reserves the right to require settlement for, and delivery of, the Placing Shares (or a portion thereof) to Placees by such other means that it deems necessary if delivery or settlement is not possible or practicable within CREST within the timetable set out in this Announcement or would not be consistent with the regulatory requirements in any Placee's jurisdiction.

It is expected that settlement of the First Tranche Placing Shares will be on 24 January 2020 and settlement of the Second Tranche Placing Shares will be on 12 February 2020 unless otherwise notified by the Bookrunner. First Admission is expected to occur by 24 January 2020 and Second Admission is expected to occur by 12 February 2020 or in either case such later time as may be agreed between the Company and the Bookrunner, not being later than the Long Stop Date.

Each Placee is deemed to agree that, if it does not comply with these obligations, the Bookrunner may sell any or all of the Placing Shares allocated to that Placee on such Placee's behalf and retain from the proceeds, for the Bookrunner's account and benefit (as agent for the Company), an amount equal to the aggregate amount owed by the Placee plus any interest due (chargeable daily on payments not received from Placees on the date due). The relevant Placee will, however, remain liable and shall indemnify the Bookrunner on demand for any shortfall below the aggregate amount owed by it and may be required to bear any stamp duty or stamp duty reserve tax or securities transfer tax (together with any interest or penalties) which may arise upon the sale of such Placing Shares on such Placee's behalf. By communicating a bid for Placing Shares, each Placee confers on the Bookrunner such authorities and powers necessary to carry out any such sale and agrees to ratify and confirm all actions which the Bookrunner lawfully takes in pursuance of such sale. Legal and/or beneficial title in and to any Placing Shares shall not pass to the relevant Placee until 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 any 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 UK stamp duty or stamp duty reserve tax or securities transfer tax. Neither the Bookrunner nor the Company will be liable in any circumstances for the payment of stamp duty, stamp duty reserve tax or securities transfer tax in connection with any of the Placing Shares. Placees will not be entitled to receive any fee or commission in connection with the Placing.

Representations, Warranties and Further Terms

By participating in the Placing, each Placee (and any person acting on such Placee's behalf) makes the following representations, warranties, acknowledgements, agreements and undertakings (as the case may be) to the Bookrunner (for itself and on behalf of the Company):

1. that it has read and understood this Announcement, including this Appendix, in its entirety and that its subscription for or purchase of Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained herein and undertakes not to redistribute or duplicate this Announcement;
2. it is relying solely on this Announcement and not on any other information given, or representation or statement made at any time, by any person concerning the Company, the Placing Shares or the Placing. It agrees that neither the Company nor the Bookrunner, or any of their respective officers, agents, employees or affiliates will have any liability for any other information or representation. It irrevocably and unconditionally waives any rights it may have in respect of any other information or representation;

3. that the shares in the capital of the Company are admitted to trading on AIM, and the Company is therefore required to publish the Exchange Information, 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 Exchange 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. that its obligations are irrevocable and legally binding and shall not be capable of rescission or termination by it in any circumstances;
5. that the exercise by the Bookrunner of any right or discretion under the Placing Agreement shall be within the absolute discretion of the Bookrunner and the Bookrunner need not have any reference to it and shall have no liability to it whatsoever in connection with any decision to exercise or not to exercise any such right and each Placee agrees that it has no rights against the Bookrunner or the Company, or any of their respective officers, directors or employees, under the Placing Agreement pursuant to the Contracts (Rights of Third Parties Act) 1999;
6. that these terms and conditions represent the whole and only agreement between it, the Bookrunner and the Company in relation to its participation in the Placing and supersedes any previous agreement between any of such parties in relation to such participation. Accordingly, each Placee, in accepting its participation in the Placing, is not relying on any information or representation or warranty in relation to the Company or any of its subsidiaries or any of the Placing Shares other than as contained in this Announcement, the Exchange Information and the Publicly Available Information (save that in the case of Exchange Information and Publicly Available Information, a Placee's right to rely on that information is limited to the right that such Placee would have as a matter of law in the absence of this paragraph), such information being all that it deems necessary to make an investment decision in respect of the Placing Shares. Each Placee agrees that neither the Company, the Bookrunner nor any of their respective officers, directors or employees will have any liability for any such other information, representation or warranty, express or implied;
7. it acknowledges that no person is authorised in connection with the Placing to give any information or make any representation other than as contained in this document and, if given or made, any information or representation must not be relied upon as having been authorised by the Bookrunner or the Company;
8. that in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Article 5(2) of the Prospectus Regulation, (i) 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 Member State of the European Economic Area which has implemented the Prospectus Regulation other than Qualified Investors or in circumstances in which the prior consent of the Bookrunner have been given to the offer or resale; or (ii) 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 Regulation as having been made to such persons;
9. that neither it nor, as the case may be, its clients expect the Bookrunner 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 the Bookrunner is not acting for it or its clients, and that the Bookrunner will not be responsible for providing the protections afforded to customers of the Bookrunner or for providing advice in respect of the transactions described herein;
10. that 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 the Bookrunner or 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 Announcement or the Publicly Available Information; nor has it requested the Bookrunner, the Company or 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;

11. that 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 this Announcement, the Exchange Information and the Publicly Available Information (save that in the case of Exchange Information and Publicly Available Information, a Placee's right to rely on that information is limited to the right that such Placee would have as a matter of law in the absence of this paragraph), 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 this Announcement, the Exchange Information and the Publicly Available Information;
12. that neither the Bookrunner or 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 this Announcement, the Exchange Information or the Publicly Available Information;
13. that it and the person(s), if any, for whose account or benefit it is subscribing for the Placing Shares is not subscribing for and/or purchasing Placing Shares as a result of any "directed selling efforts" as defined in Regulation S;
14. that, unless specifically agreed with the Bookrunner, it is not and was not acting on a non-discretionary basis for the account or benefit of a person located within the United States at the time the undertaking to subscribe for and/or purchase Placing Shares was given and it is not acquiring Placing Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any Placing Shares into the United States and it will not reoffer, resell, pledge or otherwise transfer the Placing Shares except pursuant to an exemption from the registration requirements of the Securities Act and otherwise in accordance with any applicable securities laws of any state or jurisdiction of the United States;
15. that it is not a national or resident of Canada, Australia, New Zealand, the Republic of Ireland, Switzerland, the Republic of South Africa or Japan or a corporation, partnership or other entity organised under the laws of Canada, Australia, New Zealand, the Republic of Ireland, Switzerland, the Republic of South Africa or Japan and that it will not offer, sell, renounce, transfer or deliver, directly or indirectly, any of the Placing Shares in Canada, Australia, New Zealand, the Republic of Ireland, Switzerland, the Republic of South Africa or Japan or to or for the benefit of any person resident in Canada, Australia, New Zealand, the Republic of Ireland, Switzerland, the Republic of South Africa or Japan and each Placee acknowledges that the relevant exemptions are not being obtained from the Securities Commission of any province of Canada, that no document has been or will be lodged with, filed with or registered by the Australian Securities and Investments Commission or Japanese Ministry of Finance and that the Placing Shares are not being offered for sale and may not be, directly or indirectly, offered, sold, transferred or delivered in or into Canada, Australia, New Zealand, the Republic of Ireland, Switzerland, the Republic South Africa or Japan;
16. if it is outside the United Kingdom, neither this document nor any other offering, marketing or other material in connection with the Placing constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for Placing Shares pursuant to the Placing unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to

it or such person and Placing Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;

17. that it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the Placing Shares and it is not acting on a non-discretionary basis for any such person;
18. that it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted, and will not, directly or indirectly, distribute, forward, transfer or otherwise transmit, any presentation or offering materials concerning the Placing or the Placing Shares to any persons within the United States;
19. that it (and any person acting on its behalf) will make payment for the Placing Shares allocated to it in accordance with this Announcement on the due time and date set out herein, failing which the relevant Placing Shares may be placed with other subscribers or sold as the Bookrunner may in its discretion determine and without liability to such Placee;
20. that it is entitled to subscribe for and/or purchase Placing Shares under the laws of all relevant jurisdictions which apply to it and that it has fully observed such laws and obtained all governmental and other consents which may be required thereunder or otherwise and complied with all necessary formalities and that it has not taken any action which will or may result in the Company or the Bookrunner or any of their respective directors, officers, employees or agents acting in breach of any regulatory or legal requirements of any territory in connection with the Placing or its acceptance;
21. that it has obtained all necessary consents and authorities to enable it to give its commitment to subscribe for and/or purchase the Placing Shares and to perform its subscription and/or purchase obligations;
22. that where it is acquiring Placing Shares for one or more managed accounts, it is authorised in writing by each managed account: (a) to acquire the Placing Shares for each managed account; (b) to make on its behalf the representations, warranties, acknowledgements, undertakings and agreements in this Appendix and this Announcement of which it forms part; and (c) to receive on its behalf any investment letter relating to the Placing in the form provided to it by the Bookrunner;
23. that it is either: (a) a person of a kind described in paragraph 5 of Article 19 (persons having professional experience in matters relating to investments and who are investment professionals) of the Order; or (b) a person of a kind described in paragraph 2 of Article 49 (high net worth companies, unincorporated associations, partnerships or trusts or their respective directors, officers or employees) of the Order; or (c) a person to whom it is otherwise lawful for this Announcement to be communicated and in the case of (a) and (b) undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;
24. that, unless otherwise agreed by the Bookrunner, it is a qualified investor (as defined in section 86(7) of the Financial Services and Markets Act 2000, as amended ("FSMA"));
25. that, unless otherwise agreed by the Bookrunner, 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;
26. it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of

section 21 of FSMA) relating to the Placing Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person;

27. that any money held in an account with the Bookrunner (or its nominees) on its behalf and/or any person acting on its behalf will not be treated as client money within the meaning of the rules and regulations of the FCA. Each Placee further acknowledges that the money will not be subject to the protections conferred by the FCA's client money rules. As a consequence, this money will not be segregated from the Bookrunner (or its nominee) money in accordance with such client money rules and will be used by the Bookrunner in the course of its own business and each Placee will rank only as a general creditor of the Bookrunner;
28. 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;
29. that it is not, and it is not acting on behalf of, a person falling within subsections (6), (7) or (8) of sections 67 or 70 respectively or subsections (2) and (3) of section 93 or subsection (1) of section 96 of the Finance Act 1986;
30. that it will not deal or cause or permit any other person to deal in all or any of the Placing Shares which it is subscribing for and/or purchasing under the Placing unless and until Admission of the relevant Placing Shares becomes effective;
31. that it appoints irrevocably any director of the Bookrunner as its agent for the purpose of executing and delivering to the Company and/or its registrars any document on its behalf necessary to enable it to be registered as the holder of the Placing Shares;
32. that, as far as it is aware it is not acting in concert (within the meaning given in The City Code on Takeovers and Mergers) with any other person in relation to the Company;
33. that this Announcement does not constitute a securities recommendation or financial product advice and that neither the Bookrunner nor the Company has considered its particular objectives, financial situation and needs;
34. that it has sufficient knowledge, sophistication and experience in financial, business and investment matters as is required to evaluate the merits and risks of subscribing for or purchasing the Placing Shares and is aware that it may be required to bear, and it, and any accounts for which it may be acting, are able to bear, the economic risk of, and is able to sustain, a complete loss in connection with the Placing;
35. that it will indemnify and hold the Company and the Bookrunner and their respective affiliates 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 in this Appendix and further agrees that the Company and the Bookrunner will rely on the truth and accuracy of the confirmations, warranties, acknowledgements and undertakings herein and, if any of the foregoing is or becomes no longer true or accurate, the Placee shall promptly notify the Bookrunner and the Company. All confirmations, warranties, acknowledgements and undertakings given by the Placee, pursuant to this Announcement (including this Appendix) are given to the Bookrunner for itself and on behalf of the Company and will survive completion of the Placing and Admission;
36. that time shall be of the essence as regards obligations pursuant to this Appendix;

37. that it is responsible for obtaining any legal, financial, 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 the Bookrunner to provide any legal, financial, tax or other advice to it;
38. that all dates and times in this Announcement (including this Appendix) may be subject to amendment and that the Bookrunner shall notify it of such amendments;
39. that (i) it has complied with its obligations under the Criminal Justice Act 1993, Part VIII of FSMA and the Market Abuse Regulation, (ii) in connection with money laundering and terrorist financing, it has complied with its obligations under the Proceeds of Crime Act 2002 (as amended), the Terrorism Act 2000 (as amended), the Terrorism Act 2006 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and (iii) it is not a person: (a) with whom transactions are prohibited under the applicable law or any economic sanction programmes administered by, or regulations promulgated by, the Office of Foreign Assets Control of the U.S. Department of the Treasury; (b) named on the Consolidated List of Financial Sanctions Targets maintained by HM Treasury of the United Kingdom; or (c) subject to financial sanctions imposed pursuant to a regulation of the European Union or a regulation adopted by the United Nations (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 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 and has obtained all governmental and other consents (if any) which may be required for the purpose of, or as a consequence of, such purchase, and it will provide promptly to the Bookrunner such evidence, if any, as to the identity or location or legal status of any person which the Bookrunner may request from it in connection with the Placing (for the purpose of complying with such Regulations or ascertaining the nationality of any person or the jurisdiction(s) to which any person is subject or otherwise) in the form and manner requested by the Bookrunner on the basis that any failure by it to do so may result in the number of Placing Shares that are to be subscribed for and/or purchased by it or at its direction pursuant to the Placing being reduced to such number, or to nil, as the Bookrunner may decide in its absolute discretion;
40. that it will not make any offer to the public of those Placing Shares to be subscribed for and/or purchased by it for the purposes of the Prospectus Regulation Rules made by the FCA pursuant to Prospectus Regulation Rules Instrument 2019 (FCA 2019/80);
41. that 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 and it does not have any contract, understanding or arrangement with any person to sell, pledge, transfer or grant a participation therein to such person or any third person with respect of any Placing Shares; save that if it is a private client stockbroker or fund manager it confirms that in purchasing the Placing Shares it is acting under the terms of one or more discretionary mandates granted to it by private clients and it is not acting on an execution only basis or under specific instructions to purchase the Placing Shares for the account of any third party;
42. that it acknowledges that these terms and conditions and any agreements entered into by it pursuant to these terms and conditions shall be governed by and construed in accordance with the laws of England and Wales and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards 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 the Bookrunner in any jurisdiction in which the relevant Placee is incorporated or in which its assets are located or any of its securities have a quotation on a recognised stock exchange;

43. that any documents sent to Placees will be sent at the Placees' risk. They may be sent by post to such Placees at an address notified to the Bookrunner;
44. that the Bookrunner owes no fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings or indemnities in the Placing Agreement;
45. the Bookrunner and the Company are entitled to exercise any of their rights under the Placing Agreement or any other right in their absolute discretion without any liability whatsoever to them;
46. any of the Placee's clients, whether or not identified to any Bookrunner, will remain its sole responsibility and will not become clients of the Bookrunner for the purposes of the rules of the FCA or for the purposes of any other statutory or regulatory provision;
47. that the Bookrunner or any of its respective Affiliates may, at their absolute discretion, agree to become a Placee in respect of some or all of the Placing Shares;
48. that no prospectus, admission document or other offering document has been or will be prepared in connection with the Placing and it has not received and will not receive a prospectus, admission document or other offering document in connection with the Placing or the Placing Shares; and
49. that if it has received any confidential inside information concerning the Company in advance of the publication of this Announcement, it has not: (i) dealt in the securities of the Company; (ii) encouraged, required, recommended or induced another person to deal in the securities of the Company; or (iii) disclosed such information to any person, prior to such information being made publicly available; and
50. that the Placing is not conditional on completion of the Acquisition and that the Acquisition is dependent on certain conditions being satisfied and that accordingly neither the Company nor the Bookrunner warrants or represents that the Acquisition will complete.

The Company, the Bookrunner and their respective affiliates will rely upon the truth and accuracy of each of the foregoing representations, warranties, acknowledgements and undertakings which are given to the Bookrunner for themselves and on behalf of the Company and are irrevocable.

The provisions of this Appendix may be waived, varied or modified as regards specific Placees or on a general basis by the Bookrunner.

The agreement to settle a Placee's subscription and/or purchase (and/or the subscription of a person for whom such Placee is contracting as agent) free of stamp duty and stamp duty reserve tax depends on the settlement relating only to a subscription by it and/or such person direct from the Company for the Placing Shares in question. Such agreement assumes that the Placing Shares are not being subscribed for 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 relates to any other subsequent dealing in the Placing Shares, stamp duty or stamp duty reserve tax may be payable, for which neither the Company or the Bookrunner will be responsible, and the Placee to whom (or on behalf 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 UK stamp duty or stamp duty reserve tax undertakes to pay such UK stamp duty or stamp duty reserve tax forthwith and to indemnify on an after-tax basis and to hold harmless the Company and the Bookrunner in the event that any of the Company and/or the Bookrunner have incurred any such liability to UK

stamp duty or stamp duty reserve tax. If this is the case, each Placee should seek its own advice and notify the Bookrunner accordingly.

In addition, Placees should note that they will be liable for any 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 UK by them or any other person on the subscription or purchase by them of any Placing Shares or the agreement by them to subscribe for or purchase any Placing Shares.

This Announcement has been issued by, and is the sole responsibility, of the Company. No representation or warranty expressed or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by the Bookrunner or by any of their respective affiliates or agents as to or in relation to, the accuracy or completeness of this Announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefore is expressly disclaimed.

DEFINITIONS

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

“Acquisition”	the acquisition by Tom Merger Sub Inc., a newly formed wholly owned subsidiary of IG Design Group Americas, Inc., of 100 per cent. of the equity interest in CSS pursuant to the Merger Agreement
“Adjusted EBITDA”	non-IFRS measure, defined by Design Group as profit/loss for the period before interest, tax, depreciation, amortisation and adjustments including exceptional items and Long-Term Incentive Plan charges
“Admission”	together, First Admission and Second Admission
“AIM”	AIM, a market operated by the London Stock Exchange
“AIM Rules”	the AIM rules for companies published by London Stock Exchange
“Announcement”	this announcement, including the Appendix
“Business Day”	a day (other than a Saturday or Sunday) on which commercial banks are open for general business in London, England
“Canaccord Genuity” or the “Bookrunner”	Canaccord Genuity Limited (registered number 01774003)
“Company” or “Design Group” or the “Group”	IG Design Group plc (registered number 01401155)
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations)
“CREST Manual”	the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules,

	CREST Courier and Sorting Services Manual, Daily Timetable, CREST Application Procedures and CREST Glossary of Terms (all as defined in the CREST Glossary of Terms promulgated by Euroclear on 15 July 1996 and as amended since) as published by Euroclear
“CREST member”	a person who has been admitted by Euroclear as a system member (as defined in the CREST Regulations)
“CREST Participant”	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations)
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended)
“CREST sponsor”	a CREST Participant admitted to CREST as a CREST sponsor
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member (which includes all-CREST personal members)
“CSS”	CSS Industries, Inc.
“Directors” or “Board”	the directors of the Company
“Enlarged Group”	the Company and its subsidiaries following completion of the Acquisition
“Enterprise Value”	the equity consideration to be paid by Design Group for CSS plus CSS' expected average net debt for the financial year ending 31 March 2020, which is estimated to be £21.7 million
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“Executive Directors”	being Paul Fineman, Giles Willits and Lance Burn
“Existing Ordinary Shares”	the Ordinary Shares in issue as at 20 January 2020
“First Admission”	admission of the First Tranche Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules which will occur at 8.00 a.m. on 24 January 2020
“First Tranche Placing”	the placing of the First Tranche Placing Shares at the Placing Price pursuant to the Placing Agreement
“First Tranche Placing Shares”	the 7,887,347 new Ordinary Shares to be issued by the Company at the Placing Price as part of the Placing pursuant to the existing allotment authority obtained by the Directors at the 2019 Annual General Meeting of the Company
“Form of Proxy”	the form of proxy accompanying for use at the General

	Meeting
“FCA”	the Financial Conduct Authority of the UK
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“General Meeting”	the general meeting of the Company to be held at 1.00 p.m. on 11 February 2020 at No. 7 Water End Barns, Water End, Eversholt, Bedfordshire, MK17 9EA
“London Stock Exchange”	London Stock Exchange plc
“Merger Agreement”	Agreement and Plan of Merger dated as of 20 January 2020 by and among Design Group, IG Design Group Americas, Inc., a Georgia corporation, Tom Merger Sub Inc., a Delaware corporation and CSS
“Ordinary Shares”	ordinary shares of 5 pence each in the capital of the Company
“Overseas Holders”	Shareholders with registered addresses in, or who are citizens, residents or nationals of, jurisdictions outside the UK
“Participant ID”	the identification code or membership number used in CREST to identify a particular CREST member or other CREST Participant
“Placing”	the proposed issue and allotment at the Placing Price of the First Tranche Placing Shares, and the proposed issue and allotment at the Placing Price of the Second Tranche Placing Shares, as described in this Announcement
“Placing Agreement”	the conditional agreement dated 20 January 2020 and made between Canaccord Genuity and the Company in relation to the Placing
“Placing Price”	694.0 pence per Placing Share
“Placing Shares”	the First Tranche Placing Shares and the Second Tranche Placing Shares, being in aggregate 17,291,067 new Ordinary Shares to be issued by the Company pursuant to the Placing
“Prospectus Regulation Rules”	the Prospectus Regulation Rules made in accordance with the Prospectus Regulation Rules Instrument 2019 (FCA: 2019/80)
“Resolutions”	the resolutions to be proposed at the General Meeting, as set out in the notice of General Meeting at the end of this Announcement
“RIS”	a regulatory information service as defined by the Listing

Rules

“Second Admission”	admission of Second Tranche Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules which is expected to occur at 8.00 a.m. on or around 12 February 2020
“Second Tranche Placing”	the Placing of the Second Tranche Placing Shares and which is conditional on, inter alia, the passing of the Resolutions
“Second Tranche Placing Shares”	the 9,403,720 new Ordinary Shares to be issued by the Company at the Placing Price, conditional on, inter alia, the passing of the Resolutions
“Shareholders”	holders of Ordinary Shares
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“US or “United States”	the United States of America