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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF REGULATION 2014/596/EU ("MAR"). IN ADDITION, MARKET SOUNDINGS WERE TAKEN IN RESPECT OF THE MATTERS CONTAINED IN THIS ANNOUNCEMENT, WITH THE RESULT THAT CERTAIN PERSONS BECAME AWARE OF SUCH INSIDE INFORMATION. UPON THE PUBLICATION OF THIS ANNOUNCEMENT, THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN AND SUCH PERSONS SHALL THEREFORE CEASE TO BE IN POSSESSION OF INSIDE INFORMATION.

22 July 2020

**Scancell Holdings plc**  
(“Scancell” or the “Company”)

**Proposed Capital Raise to raise up to £15 million**

*Proposed Capital Raise led by funds managed by Redmile Group, LLC and Vulpes Life Sciences Fund*

Scancell Holdings plc (AIM: SCLP), the developer of novel immunotherapies for the treatment of cancer, today announces a proposed conditional Capital Raise to raise in aggregate up to approximately £15 million before expenses, comprising:

- a Subscription for 90,909,090 New Ordinary Shares for £5 million at an Issue Price of 5.5 pence per share by funds managed by Redmile Group LLC, a US based specialist healthcare and life sciences investment firm;
- a subscription for Convertible Loan Notes with an aggregate principal amount of £6 million and conversion price of 6.2 pence per share (subject to customary adjustments), with £5 million in principal amount to be subscribed for by the Redmile Funds and £1 million in principal amount to be subscribed for by Vulpes;
- a Placing with new and existing institutional Shareholders to raise approximately £2 million at an Issue Price of 5.5 pence per New Ordinary Share, of which Vulpes intends to subscribe for 18,181,818 new Ordinary Shares for £1 million; and
- an open offer to Qualifying Shareholders of up to £2 million at the Issue Price of 5.5 pence per New Ordinary Share.

As noted above, in order to provide Qualifying Shareholders with an opportunity to participate in the Capital Raise at the Issue Price, subject to the successful closing of the Placing today, the Company proposes to make an Open Offer to all Qualifying Shareholders to raise gross proceeds of up to £2.0 million for the Company. The Open Offer is being made on the basis of 4 Open Offer Shares for every 51 Existing Ordinary Shares held by Qualifying Shareholders on the Record Date. Shareholders subscribing for their full Open Offer Entitlements will also be invited to apply for additional Open Offer Shares through an Excess Application Facility.

None of the Placing, the Open Offer or the Subscription are underwritten.

The net proceeds from the Capital Raise, in addition to the Company's existing cash resources and anticipated tax credits, will be used to:

- strengthen the Company's balance sheet to support potential partnering discussions for the Company's antibody technology;
- support clinical trials for Modi-1 Phase 1/2 and SCIB1 Phase 2; and
- continue initial COVID-19 vaccine development until non-dilutive funding or third-party partnering transaction.

The Placing will be conducted by way of an accelerated bookbuilding process which will be launched immediately following this Announcement in accordance with the terms and conditions set out in Appendix II. The Placing Shares are not being made available to the public. It is envisaged that the Bookbuild will be closed no later than 4:30 p.m. today, 22 July 2020. Details of the final number of Placing Shares and the approximate gross proceeds of the Placing will be announced as soon as practicable after the closing of the Bookbuild.

The Capital Raise is conditional, *inter alia*, on the approval of the relevant Resolutions by Shareholders at a General Meeting of the Company which is expected to be held at 10:00 a.m. on 11 August 2020 at the offices of Scancell Holdings plc at John Eccles House, Robert Robinson Avenue, Oxford Science Park, Oxford OX4 4GP, United Kingdom and on the Admission of the New Ordinary Shares to trading on AIM, which is expected to occur on or around 12 August 2020. The Subscription and issue of the Convertible Loan Notes are not conditional on the Placing and the Open Offer becoming effective. The Placing is conditional on the Subscription and the issue of the Convertible Loan Notes becoming unconditional (save for any condition relating to Admission) but is not conditional on the Open Offer. The Open Offer is conditional on the Placing becoming unconditional in all respects.

#### **Further information on the Capital Raise**

The terms and conditions of the Open Offer will be set out in the Circular to be sent to Qualifying Shareholders and to Excluded Overseas Shareholders who have notified an address in the United Kingdom for the service of documents in accordance with the Articles, which will also include a notice convening a General Meeting. It is expected that the Circular will be dispatched on or around 23 July 2020, and will also be available at this time on the Company's website at [www.scancell.co.uk](http://www.scancell.co.uk). Further information about the Company and the Capital Raise, including, *inter alia*, the terms and conditions of the Subscription, the issue of the Convertible Loan Notes and expected timetable of principal events is set out in Appendix I. Capitalised terms not otherwise defined in the text of this Announcement are defined in Appendix III.

Panmure Gordon is acting as nominated adviser, broker and Joint Bookrunner in relation to the Placing and Turner Pope is acting as Joint Bookrunner in relation to the Placing.

Application will be made for Admission of the New Ordinary Shares to trading on AIM which, subject to the terms and conditions of the Capital Raise, is expected to occur on or around 12 August 2020.

Application is expected to be made for block admission to trading on AIM for up to 96,774,193 Conversion Shares which would be issued in the event of partial or full conversion of the Convertible Loan Notes.

#### **Related Party Transaction**

Vulpes, a substantial shareholder of the Company (as defined by the AIM Rules) intends to subscribe for 18,181,818 Placing Shares at the Issue Price in addition to Convertible Loan Notes with a principal value of £1 million. The participation by Vulpes in the Capital Raise will constitute a related party transaction for the purposes of the AIM Rules. The independent Directors for the purpose of the

Capital Raise (being all of the Directors except Martin Diggle who is a co-founder and portfolio manager of Vulpes and a non-executive Director), having consulted with the Company's nominated adviser, Panmure Gordon, consider that the terms of the related party transaction are fair and reasonable insofar as Shareholders are concerned.

*For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055, the person responsible for arranging for the release of this announcement on behalf of the Company is Cliff Holloway, Chief Executive Officer.*

**For further information, please contact:**

**Scancell Holdings plc**

Dr John Chiplin, Executive Chairman +44 (0) 20 3727 1000

Dr Cliff Holloway, CEO

**Panmure Gordon (UK) Limited**

Freddy Crossley/Emma Earl (Corporate Finance) +44 (0) 20 7886 2500

James Stearns (Corporate Broking)

**Turner Pope Investments (TPI) Limited**

Andrew Thacker (Corporate Broking) +44(0)20 3657 0050

**FTI Consulting**

Simon Conway/Natalie Garland-Collins +44 (0) 20 3727 1000

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*Panmure Gordon, which is authorised by the FCA, is acting exclusively for the Company and no-one else in connection with the Capital Raise and will not regard any other person as a client in relation to the Capital Raise and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Capital Raise or any other matter referred to herein. Its responsibilities as nominated adviser and broker to the Company are owed to the London Stock Exchange and the Company and its responsibilities as Joint Bookrunner are owed to the Company, respectively, and not to any other person including, without limitation, in respect of any decision to acquire New Ordinary Shares or Convertible Loan Notes in reliance on any part of this Announcement.*

*Turner Pope, which is authorised by the FCA, is acting exclusively for the Company and no-one else in connection with the Capital Raise and will not regard any other person as a client in relation to the Capital Raise and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Capital Raise or any other matter referred to herein. Its responsibilities as Joint Bookrunner to the Company are owed to the London Stock Exchange and the Company and not to any other person including, without limitation, in respect of any decision to acquire New Ordinary Shares or Convertible Loan Notes in reliance on any part of this Announcement.*

*No public offering of New Ordinary Shares or Convertible Loan Notes is being made in the United Kingdom, any Restricted Jurisdiction or elsewhere. The distribution of this Announcement and the offering of the New Ordinary Shares or Convertible Loan Notes in certain jurisdictions may be restricted by law. No action has been taken by the Company, Panmure Gordon or Turner Pope that would permit an offering of such New Ordinary Shares or Convertible Loan Notes or possession or distribution of this Announcement or any other offering or publicity material relating to such New Ordinary Shares or Convertible Loan Notes in any jurisdiction where action for that purpose is required. Persons into whose possession this Announcement comes are required by the Company, Panmure Gordon and Turner Pope to inform themselves about, and to observe, such restrictions.*

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*There are matters set out within this Announcement that are forward-looking statements. Such statements are only predictions, and actual events or results may differ materially. For a discussion of important factors which could cause actual results to differ from forward-looking statements, refer to the Company's Annual Report and Accounts for the period ended 30 April 2019. None of the Company, Panmure Gordon and Turner Pope undertake any obligation to update publicly, or revise, forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Announcement. No statement in this Announcement is or is intended to be a profit forecast or profit estimate or to imply that the earnings of the Company for the current or future financial periods will necessarily match or exceed the historical or published earnings of the Company. The price of Ordinary Shares and the income from them may go down as well as up and investors may not get back the full amount invested on disposal of the Ordinary Shares.*

*It is expected that any New Ordinary Shares in the Company to be issued pursuant to the Capital Raise will not be admitted to trading on any stock exchange other than to trading on AIM, a market operated by the London Stock Exchange. It is not expected that any Convertible Loan Notes will be admitted to trading on any stock exchange. This Announcement is not an offering document, prospectus, prospectus equivalent document or AIM admission document. It is expected that no offering document,*

*prospectus, prospectus equivalent document or AIM admission document will be required in connection with the Capital Raise and no such document has been or will be prepared or submitted to be approved by the FCA or submitted to the London Stock Exchange in relation to the Capital Raise.*

*Neither the content of the Company's website nor any links on the Company's website is incorporated in, or forms part of, this Announcement.*

### **Information to Distributors**

*Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("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 MiFID II Product Governance Requirements) may otherwise have with respect thereto, the New Ordinary Shares have been subject to a product approval process, which has determined that the New Ordinary Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment").*

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

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

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

## APPENDIX I

### PROPOSED PLACING AND OPEN OFFER

#### Introduction

The Board proposes a placing of New Ordinary Shares to raise approximately £2 million, before expenses, at the Issue Price.

In order to provide Qualifying Shareholders with an opportunity to participate in the Capital Raise at the Issue Price, subject to the successful closing of the Placing today, the Company proposes to make an Open Offer to all Qualifying Shareholders to raise gross proceeds of up to £2.0 million for the Company. The Open Offer is being made on the basis of 4 Open Offer Shares for every 51 Existing Ordinary Shares held by Qualifying Shareholders on the Record Date. Shareholders subscribing for their full Open Offer Entitlements will also be invited to apply for additional Open Offer Shares through an Excess Application Facility.

The Open Offer provides Qualifying Shareholders with an opportunity to participate in the proposed issue of the Open Offer Shares on a pre-emptive basis whilst providing the Company with additional capital to invest in the business of the Group.

The Issue Price is at a discount of 19.7 per cent. to the closing middle market price of 6.85 pence per Existing Ordinary Share on 21 July 2020 (being the last practicable date before publication of this Announcement).

The Capital Raise is conditional, *inter alia*, on the passing (without amendment) of the Resolutions by Shareholders at the General Meeting, notice of which will be set out at the end of the Circular. If the Resolutions are passed, the New Ordinary Shares will be allotted immediately after the General Meeting. Admission is expected to occur no later than 8:00 a.m. on 12 August 2020 and/or such later time and/or date (being no later than the Final Date) as the Joint Bookrunners and the Company may agree.

None of the Placing, the Open Offer or Subscription are underwritten.

#### Description of Company

##### Product Portfolio

Scancell is developing novel immunotherapies for the treatment of cancer based on its technology platforms, ImmunoBody<sup>®</sup>, Moditope<sup>®</sup> and AvidiMab<sup>™</sup>, with four products in multiple cancer indications and development of a vaccine for COVID-19.

##### *ImmunoBody<sup>®</sup> platform*

ImmunoBody<sup>®</sup> is designed to generate potent T cell responses capable of specific anti-tumour effects in a wide range of cancer types. ImmunoBody<sup>®</sup> vaccines target dendritic cells and stimulate both CD4 and CD8 T cells with the ability to identify, target and eliminate cancer cells. These cancer vaccines have the potential to be used as monotherapy or in combination with checkpoint inhibitors and other agents. The Directors believe that this platform has the potential to enhance tumour destruction, prevent disease recurrence and extend survival.

SCIB1, Scancell's lead product, is being developed for the treatment of metastatic melanoma. In a Phase 1/2 clinical trial, survival with SCIB1 treatment appears superior to historical survival rates, with 14 of 16 resected patients receiving 2-4 mg doses of SCIB1 surviving for more than five years (as reported in February 2018).

SCIB2 is being developed for the treatment of non-small cell lung cancer (NSCLC) and other solid tumours. Scancell has entered into a clinical development partnership with Cancer Research UK (CRUK) for SCIB2.

#### *SCIB1 Phase 2 clinical trial in combination with a checkpoint inhibitor*

The Company is now undertaking a Phase 2 clinical trial which is designed to assess whether the addition of SCIB1 to the checkpoint inhibitor pembrolizumab (Keytruda) will result in an improvement in the tumour response rate, progression-free survival and overall survival in 25 patients with advanced melanoma. Part 1 of the study, the safety component, is expected to comprise of 6 patients.

Scancell submitted an Investigational New Drug (IND) application in the US to the Food and Drug Administration (FDA) in July 2018. Following the submission, the FDA requested additional information from Ichor Medical Systems on the TriGrid® 2.0 electroporation delivery system.

As reported in April 2019, the Company has received the necessary regulatory and ethical approvals to initiate the UK arm of the SCIB1 clinical trial and as announced in February 2020, the IND application to the FDA for SCIB1 was also approved. Following regulatory approval, patient screening was initiated in the UK, with Professor Poulam Patel, Professor of Clinical Oncology at the University of Nottingham as the Chief Investigator for the global study; however the impact of COVID-19 means other sites will be initiated later in the second half of 2020. Subject to completion of the Capital Raise, site initiation is expected to be focussed in the UK initially with commencement of patient enrolment later in the second half of 2020, with interim clinical data expected in the first half of 2021.

#### *SCIB2*

SCIB2, Scancell's second ImmunoBody® therapy, targets an antigen called NY-ESO-1, which is expressed on a range of solid tumours, including NSCLC, oesophageal, ovarian, bladder and prostate cancers, neuroblastoma, melanoma and sarcoma.

Pre-clinical studies have demonstrated that administration of SCIB2 as a liposomal nanoparticle results in potent immune responses and prolonged survival. The nanoparticle technology utilises known lipid carriers that are optimised to deliver SCIB2 DNA to immune cells. The liposomal nanoparticles protect the DNA from degradation and facilitate efficient uptake, expression and T-cell activation against cancer cells. The nanoparticle delivery system provides an alternative approach to electroporation, which has been used to deliver other ImmunoBody® agents to patients. Cancer Research UK are funding and sponsoring a Phase 1/2 clinical trial with an immune checkpoint inhibitor to target solid tumours.

#### *DNA vaccine against COVID-19*

As announced on 24 April 2020, Scancell initiated a research programme to develop a vaccine for COVID-19, in collaboration with scientists in the newly established Centre for Research on Global Virus Infections and the new Biodiscovery Institute at the University of Nottingham, and Nottingham Trent University.

Scancell's DNA vaccines target dendritic cells to stimulate high avidity T cells that survey and destroy diseased cells. This approach was highly successful with Scancell's lead ImmunoBody® cancer vaccine, SCIB1, which was safely administered to patients with malignant melanoma, and mediated excellent 5-year survival in a Phase 1/2 clinical trial. Scancell's aim is to utilise its proven clinical expertise in cancer to produce a simple, safe, cost-effective and scalable vaccine to induce both durable T cell responses and virus neutralising antibodies (VNABs) against COVID-19. As research data emerges, it is becoming increasingly clear that the induction of potent and activated T cells may play a critical role

in the development of long-term immunity and clearance of virus-infected cells. Although other vaccines may reach the clinic earlier, the Company believes its combined T cell and antibody approach should give more potent and long-lasting responses, ultimately leading to better protection.

SARS-CoV-2 is the virus that causes COVID-19. Scancell's DNA vaccine will target the SARS-CoV-2 nucleocapsid (N) protein and the key receptor-binding domain of the spike (S) protein to generate both T cell responses and VNABs against the SARS-CoV-2 virus. The N protein is highly conserved amongst coronaviruses; therefore, this new vaccine has the potential to generate protection not only against SARS-CoV-2, but also against new strains of coronavirus that may arise in the future.

Initial research is underway and Scancell is actively seeking development partners and additional funding (including non-dilutive funding from governments and global institutions) to support the rapid development of this vaccine. Subject to such funding being secured, Scancell anticipates initiating a Phase 1 clinical trial known as COVIDITY in the first quarter of 2021.

### ***Moditope® platform***

Scancell's Moditope® represents a completely new class of potent and selective immunotherapy agents based on stress-induced post-translational modifications (siPTMs). Examples of such modifications are citrullination, an enzyme-based conversion of arginine to citrulline, and homocitrullination (or carbamylation), in which lysine residues are converted to homocitrulline. Expression of peptides containing these modifications have been demonstrated to induce potent CD4 cytotoxic T-cells to eliminate cancer. Previous pre-clinical studies have demonstrated that conjugation of these Moditope® peptides to Amplivant® enhances anti-tumour immune responses 10-100 fold and resulted in highly efficient tumour eradication, including protection against tumour recurrence.

### ***Modi-1***

Mod-1 consists of two citrullinated vimentin peptides and one citrullinated enolase peptide each conjugated to Amplivant®. Vimentin and enolase peptides are highly expressed in triple negative breast, ovarian, head and neck, and renal cancer, as well as many other cancers.

In January 2020, the Company announced an update on progress towards initiating the Modi-1 Phase 1/2 clinical trial. This has been advanced further since then with successful completion of GMP drug substance manufacture for all three of the conjugates that comprise the Modi-1 product. Importantly, the technical challenges reported in January 2020 concerning one of the peptide components have been successfully resolved, enabling progression to GMP drug product manufacture and formulation of clinical supplies in the third quarter of 2020.

As reported in June 2020, formal regulatory-compliant toxicity studies have now been completed, with no evidence of any local or systemic toxicities being reported. In addition to the Scientific Advice meeting held with the Paul-Ehrlich-Institut regulatory authority in 2019, a further successful meeting was held with the UK Medicines and Healthcare products Regulatory Agency in February 2020. The Company continues to progress the necessary processes and documentation required for regulatory submission to start the planned clinical study in the UK in the first half of 2021, with clinical trial application targeted for the fourth quarter of 2020 (subject to completion of the Capital Raise). Based on these current timeline expectations, interim data is expected in the second half of 2021 which is likely to include safety data and potentially early efficacy indicators. A more extensive trial result read out is expected around the end of 2022.

### ***AvidiMab™ and antibodies targeting tumour associated glycans (TaGs)***

In April 2018 Scancell acquired several monoclonal antibodies (mAbs) and underlying antibody



enhancement technology, AvidiMab™, from the University of Nottingham. Since then the Company has been building on this portfolio as potential novel target cancer treatments.

Most mAbs for the treatment of cancer target proteins on the cancer cell surface and subsequently mediate an immune response to eliminate that cell. However, there remains an unmet need for new and improved therapeutic targets, as well as improved approaches to mediate cell killing. All cells are covered by a dense layer of sugar structures, called glycans, which change when a normal cell turns into a cancerous one. Hence, tumour-associated glycans (TaGs) are motifs that are associated with tumour malignancies which can be targeted by antibodies.

Scancell's development pipeline includes mAbs against specific TaGs with superior affinity and selectivity profiles, that have now been further engineered using the Company's AvidiMab™ technology; this confers the Scancell anti-TaG mAbs with the ability to directly kill tumour cells.

AvidiMab™ has broad potential to increase the avidity or potency of any therapeutic monoclonal antibody including those being developed for autoimmune diseases, as well as cancer. A patent application has been filed that seeks broad protection for the AvidiMab™ technology establishing it as Scancell's third proprietary immunotherapy platform technology, together with ImmunoBody® and Moditope®.

The Company has entered into three non-exclusive research agreements with leading antibody technology companies in Europe, the USA and China to evaluate the Company's anti-TaG mAbs including those enhanced with the AvidiMab™ technology. TaGs can be targeted by several other tumour cell killing approaches, including antibody drug conjugates (ADC), redirected T-cells, and also adoptive cell therapies such as chimeric antigen receptor (CAR) T cells. Under the terms of the collaboration and research agreements, Scancell and its partners will evaluate the potential of the anti-TaG mAbs, in these various formats. The Company expects these collaboration and research agreements could transition into potential partnerships. Advanced commercial discussions are currently underway with a global biotech with initial commercial collaboration potentially to be in the form of granting a partner an option to a future licence.

#### *Clinical Advisory Board*

The Company announced that it has appointed six world-leading clinicians to establish its Clinical Advisory Board (CAB). The Board is chaired by Professor Robert Coleman and will provide strategic guidance and support as the Company prepares for its lead Moditope® candidate, Modi-1, to enter the clinic in multiple tumour types, including head and neck, breast, renal and ovarian cancer.

#### *Patents*

The European Patent Office has announced its intention to grant Scancell's application for a European patent for its modified enolase peptides.

This patent will add to the protection of the Company's pipeline of Moditope® vaccines for the treatment of cancer. Commercial exclusivity will be provided in all major European territories such as: Austria, Belgium, Switzerland, Germany, Denmark, Spain, Finland, France, United Kingdom, Ireland, Italy, Netherlands, Norway, Poland, Portugal, Sweden and Turkey.

#### **Current Trading**

The Group made an operating loss (unaudited) for the six months to 31 October 2019 of £3.09 million (six months to 31 October 2018 (unaudited): loss of £3.68 million). At 31 October 2019, the net assets (unaudited) of the Group amounted to £10.66 million (30 April 2019: £9.34 million) including cash at

bank (unaudited) of £5.79 million (30 April 2019: £4.56 million). Cash at bank (unaudited) as at 30 June 2020 was approximately £2.8 million. The Company expects to announce its audited results for the year ended 30 April 2020 in the third quarter of 2020. Due to the impact of COVID-19, which has slowed site initiation for the Company's SCIB1 Phase 2 trial, the Company's loss before tax for the year is expected to be smaller than expected.

Subject to completion of the Capital Raise, which is expected to provide the Company with at least 12 months' working capital, the Company anticipates receipt of a research and development tax credit of approximately £1.2 million in the second half of 2020.

### **Reasons for the Capital Raise and use of proceeds**

It is the Board's expectation that the net proceeds from the Capital Raise, in addition to existing cash resources and anticipated tax credits, will be used to:

- strengthen the Company's balance sheet to support potential partnering discussions for the Company's antibody technology;
- initiate clinical trials for Modi-1 Phase 1/2 and SCIB1 Phase 2; and
- continue initial COVID-19 vaccine development until non-dilutive funding or third-party partnering transaction.

The net proceeds of the Placing (and assuming receipt of a £2.5 million tax credit) are expected to provide the Company with working capital to at least the fourth quarter of 2022. The net proceeds of the Open Offer, to the extent it is subscribed for, will further extend this cash runway.

### **Details of the Placing**

The Company proposes to raise approximately £2 million, before expenses, by way of the Placing at the Issue Price.

The Placing is conditional, *inter alia*, upon:

- (i) the passing (without amendment) of each of the Resolutions at the General Meeting;
- (ii) the Placing Agreement becoming or being declared unconditional in all respects and not having been terminated in accordance with its terms prior to Admission;
- (iii) each of the Subscription Letters (i) not having lapsed or been terminated and (ii) having become unconditional in all respects in accordance with its terms (save for any condition relating to Admission);
- (iv) the Company approving and executing the Convertible Loan Note Instrument; and
- (v) Admission becoming effective by no later than 8:00 a.m. on 12 August 2020 or such later time and/or date (being no later than the Final Date) as the Joint Bookrunners and the Company may agree.

If any of the conditions are not satisfied, the Placing Shares will not be issued and all monies received from the Placees will be returned to them (at the Placees' risk and without interest).

The Placing Shares are not subject to clawback and are not part of or subject to any condition related to the Open Offer.

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

### **Details of the Subscription**

The Redmile Funds have conditionally agreed to subscribe for 90,909,090 New Ordinary Shares at the Issue Price pursuant to the Redmile Subscription Letter. The Subscription is not underwritten.

The Subscription is conditional, *inter alia*, upon:

- the passing (without amendment) of each of the Resolutions at the General Meeting;
- each of the Subscription Agreements having become unconditional in all respects; and
- Admission of the Subscription Shares occurring and becoming effective by 8:00 a.m. (London time) on or prior to 12 August 2020 (or such later time and/or date, not being later than 22 August 2020).

The Subscription is not conditional on completion of the Placing or the Open Offer, however the Subscription and the issue of the Convertible Loan Notes are conditional upon each other.

### **Details of the Convertible Loan Notes**

The Redmile Funds have conditionally agreed to subscribe for £5 million and Vulpes has conditionally agreed to subscribe for £1 million in principal amount of Convertible Loan Notes pursuant to the Redmile Subscription Letter and the Vulpes Subscription Letter, respectively. The Convertible Loan Notes will be convertible into new Ordinary Shares at the option of the noteholder at a conversion price of 6.2 pence per share (subject to customary adjustments).

The key terms of the Convertible Loan Notes will be outlined in the Circular.

The terms of the Convertible Loan Notes will include:

- A principal amount of £6,000,000 split into denominations of £1 per Convertible Loan Note.
- No interest will be payable on the Convertible Loan Notes.
- The Convertible Loan Notes will be required to be redeemed on the redemption date which will be two years after the date of execution of the instrument creating the Convertible Loan Notes.
- The Convertible Loan Notes can be converted into Ordinary Shares at a conversion price of 6.2 pence per Ordinary Share. This conversion price is subject to customary adjustments.
- Subject to limited exceptions, the Convertible Loan Notes will not be transferable.

Issue of the Convertible Loan Notes is conditional, *inter alia*, upon:

- the passing (without amendment) of each of the Resolutions at the General Meeting; and
- each of the Subscription Agreements having become unconditional in all respects.

Issue of the Convertible Loan Notes is not conditional on completion of the Placing or the Open Offer, however the Subscription and the issue of the Convertible Loan Notes are conditional upon each other.

### **Details of the Open Offer**

The Company is proposing to raise up to a further £2.0 million (before expenses) by way of the Open Offer. The Open Offer is being made on the basis of 4 Open Offer Shares for every 51 Existing Ordinary Shares held by Qualifying Shareholders on the Record Date. Shareholders subscribing for their full Open Offer Entitlements will also be invited to apply for additional Open Offer Shares through an Excess Application Facility. The Open Offer is not underwritten.

Further details of the Open Offer and the terms and conditions on which it is being made, including the procedure for application and payment, will be set out in the Circular and, where relevant, on the accompanying Application Form.

The Open Offer is conditional on the Placing becoming or being declared unconditional in all respects and not being terminated before Admission. The other principal conditions to the Open Offer are:

- the passing (without amendment) of each of the Resolutions at the General Meeting;
- the Placing Agreement becoming or being declared unconditional in all respects and not terminated in accordance with its terms prior to Admission; and
- Admission becoming effective by no later than 8:00 a.m. on 12 August 2020 or such later time and/or date (being no later than the Final Date) as the Joint Bookrunners and the Company may agree.

### **General Meeting**

The Circular will contain a notice convening a General Meeting to be held at the offices of Scancell Holdings plc at John Eccles House, Robert Robinson Avenue, Oxford Science Park, Oxford OX4 4GP, United Kingdom at 10:00 a.m. on 11 August 2020 in order to consider and, if thought appropriate, pass the Resolutions to grant the issue of the New Ordinary Shares.

### EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record date for entitlement under the Open Offer	Close of business on 21 July 2020
Publication and posting of the Circular, the Form of Proxy and (to Qualifying Non-CREST Shareholders only) the Application Form	by 23 July 2020
Ex-entitlement Date	8:00 a.m. on 23 July 2020
Open Offer Entitlements credited to CREST Stock Accounts of Qualifying CREST Holders	24 July 2020
Recommended last time and date for requesting withdrawal of Open Offer Entitlements from CREST for Qualifying CREST Holders	4:30 p.m. on 4 August 2020
Latest time and date for depositing Open Offer Entitlements into CREST	3:00 p.m. on 5 August 2020
Latest time and date for splitting Application Forms (to satisfy <i>bona fide</i> market claims only)	3:00 p.m. on 6 August 2020
Latest time and date for receipt of completed Forms of Proxy and receipt of electronic proxy appointments via the CREST system to be valid at the General Meeting	10:00 a.m. on 7 August 2020
Latest time and date for acceptance of the Open Offer and receipt of completed Application Forms	11:00 a.m. on 10 August 2020
General Meeting	10:00 a.m. on 11 August 2020
Announcement of result of Open Offer and result of General Meeting	11 August 2020
Admission and commencement of dealings in the New Ordinary Shares	8:00 a.m. on 12 August 2020
New Ordinary Shares credited to CREST members' account in uncertificated form	12 August 2020
Despatch of definitive share certificates for New Ordinary Shares in certificated form	Within 14 days of allotment

*If any of the details contained in the timetable above should change, the revised times and dates will be notified by means of an announcement through a Regulatory Information Service.*

*Certain of the events in the above timetable are conditional upon, amongst other things, the approval of the Resolutions to be proposed at the General Meeting.*

*All references to times and dates are to times and dates in London unless stated otherwise.*

## APPENDIX II

### TERMS & CONDITIONS OF THE PLACING

#### IMPORTANT INFORMATION FOR PLACEES ONLY REGARDING THE PLACING

THIS ANNOUNCEMENT, INCLUDING THE APPENDICES (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 THE UNITED STATES, CANADA, AUSTRALIA, NEW ZEALAND, JAPAN, THE RUSSIAN FEDERATION, THE REPUBLIC OF IRELAND OR THE REPUBLIC OF SOUTH AFRICA OR ANY OTHER JURISDICTION IN WHICH SUCH PUBLICATION, RELEASE OR DISTRIBUTION WOULD BE UNLAWFUL.

IMPORTANT INFORMATION ON THE PLACING FOR PLACEES PROCURED BY PANMURE GORDON (UK) LIMITED AND TURNER POPE INVESTMENTS (TPI) LTD ONLY.

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT (INCLUDING THE APPENDICES) AND THE TERMS AND CONDITIONS SET OUT HEREIN ARE FOR INFORMATION PURPOSES ONLY AND ARE DIRECTED ONLY AT PERSONS WHOSE ORDINARY ACTIVITIES INVOLVE THEM IN ACQUIRING, HOLDING, MANAGING AND DISPOSING OF INVESTMENTS (AS PRINCIPAL OR AGENT) FOR THE PURPOSES OF THEIR BUSINESS AND WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND ARE: (A) PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA (THE "**EEA**") WHO ARE QUALIFIED INVESTORS WITHIN THE MEANING OF ARTICLE 2(E) OF THE PROSPECTUS REGULATION ((EU) 2017/1129, AS AMENDED FROM TIME TO TIME) (THE "**PROSPECTUS REGULATION**") ("**QUALIFIED INVESTORS**"); OR (B) IN THE UNITED KINGDOM, QUALIFIED INVESTORS WHO ARE PERSONS WHO: (I) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (AS AMENDED) (THE "**ORDER**"); (II) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) ("HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC") OF THE ORDER; OR (III) ARE PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "**RELEVANT PERSONS**"). THIS ANNOUNCEMENT 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 ANNOUNCEMENT AND THE TERMS AND CONDITIONS SET OUT HEREIN RELATE IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS ANNOUNCEMENT MUST NOT BE ACTED OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. PERSONS DISTRIBUTING THIS ANNOUNCEMENT MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO.

THIS ANNOUNCEMENT, INCLUDING THE APPENDICES, IS FOR INFORMATION PURPOSES ONLY AND DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN THE COMPANY. THIS ANNOUNCEMENT HAS BEEN ISSUED BY AND IS THE SOLE RESPONSIBILITY OF THE COMPANY.

THIS ANNOUNCEMENT, INCLUDING THE APPENDICES, 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 SUCH JURISDICTION. THIS ANNOUNCEMENT, INCLUDING THE APPENDICES, IS NOT AN OFFER OF OR SOLICITATION TO PURCHASE OR SUBSCRIBE FOR SECURITIES IN THE UNITED STATES.

THE SECURITIES REFERRED TO HEREIN HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT, NOR UNDER ANY SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED, TAKEN UP, EXERCISED, RESOLD,

TRANSFERRED OR DELIVERED TO, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, ABSENT REGISTRATION UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES.

NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE SECURITIES COMMISSION OR ANY OTHER REGULATORY AUTHORITY IN THE UNITED STATES HAS APPROVED OR DISAPPROVED OF AN INVESTMENT IN THE SECURITIES MENTIONED HEREIN, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE PLACING OR THE ACCURACY OR ADEQUACY OF THE CONTENTS OF THIS ANNOUNCEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES. NO MONEY, SECURITIES OR OTHER CONSIDERATION FROM ANY PERSON INSIDE THE UNITED STATES IS BEING SOLICITED AND, IF SENT IN RESPONSE TO THE INFORMATION CONTAINED IN THIS ANNOUNCEMENT, WILL NOT BE ACCEPTED. THERE WILL BE NO PUBLIC OFFER OF THE SECURITIES MENTIONED HEREIN IN THE UNITED KINGDOM, THE UNITED STATES, ANY OTHER RESTRICTED JURISDICTION OR ELSEWHERE.

EACH PLACEE SHOULD CONSULT WITH ITS OWN ADVISERS AS TO THE LEGAL, TAX, BUSINESS AND RELATED ASPECTS OF AN INVESTMENT IN THE PLACING SHARES. THE PRICE OF SHARES IN THE COMPANY 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 THE PLACING SHARES.

The distribution of this Announcement and the Placing and/or the offer or sale of the Placing Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company, Panmure Gordon or Turner Pope or any of its or their respective affiliates or any of its or their respective agents, directors, officers or employees which would permit an offer of the Placing Shares or possession or distribution of this Announcement or any other offering or publicity material relating to such Placing Shares in any jurisdiction where action for that purpose is required.

This Announcement is being distributed and communicated to persons in the UK only in circumstances to which section 21(1) of the FSMA does not apply. Subject to certain exceptions, the securities referred to in this Announcement may not be offered or sold in any Restricted Jurisdiction or to, or for the account or benefit of, a citizen or resident, or a corporation, partnership or other entity created or organised in or under the laws of a Restricted Jurisdiction.

None of the Company, Panmure Gordon or Turner Pope or any of its or their respective affiliates or any of its or their respective agents, directors, officers or employees makes any representation or warranty, express or implied to any Placees regarding any investment in the securities referred to in this Announcement under the laws applicable to such Placees.

For the purposes of this Appendix, “**Relevant Bookrunner**” means either of Panmure Gordon or Turner Pope.

Persons who are invited to and who choose to participate in the Placing, by making (or on whose behalf there is made) an oral or written offer to subscribe for Placing Shares (the “**Placees**”), will be deemed: (i) to have read and understood this Announcement, including the Appendices, in its entirety; and (ii) to be making such offer on the terms and conditions, and to be providing the representations, warranties, acknowledgements, and undertakings contained in this Appendix, including being deemed to be providing (and shall only be permitted to participate in the Placing on the basis that they have provided), the representations, warranties, acknowledgements and undertakings set out herein.

In particular, each such Placee represents, warrants and acknowledges that:

1. it is a Relevant Person (as defined above) and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;
2. in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Article 2(d) of the Prospectus Regulation, (i) that it understands the resale and transfer restrictions set out in this Appendix and that the Placing Shares acquired by it have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any member state of the EEA or to which the Prospectus Regulation otherwise applies other than Qualified Investors or in circumstances in which the prior consent of the Joint Bookrunners has 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; and/or
3. (a) (i) it is not in the United States and (ii) it is not acting for the account or benefit of a person in the United States, (b) it is a dealer or other professional fiduciary in the United States acting on a discretionary basis for a non-US person (other than an estate or trust) in reliance on Regulation S under the Securities Act; or (c) it is otherwise acquiring the Placing Shares in an "offshore transaction" meeting the requirements of Regulation S under the Securities Act.

The Company and each of the Joint Bookrunners will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

This Announcement does not constitute an offer, and may not be used in connection with an offer, to sell or issue or the solicitation of an offer to buy or subscribe for Placing Shares in any jurisdiction in which such offer or solicitation is or may be unlawful. No action has been taken by the Company or the Joint Bookrunners that would permit an offering of such securities or possession or distribution of this document or any other offering or publicity material relating to such securities in any jurisdiction where action for that purpose is required. This Announcement and the information contained herein is not for publication or distribution, directly or indirectly, to persons in the United States, Canada, Australia, New Zealand, Japan, the Russian Federation, the Republic of Ireland or the Republic of South Africa or in any jurisdiction in which such publication or distribution is unlawful. Persons into whose possession this Announcement may come are required by the Company to inform themselves about and to observe any restrictions of transfer of this Announcement. No public offer of the Placing Shares is being made in the United Kingdom, the United States or elsewhere.

In particular, the Placing Shares referred to in this Announcement have not been and will not be registered under the Securities Act or any laws of, or with any securities regulatory authority of, any state or other jurisdiction of the United States, and may not be offered, sold, pledged or otherwise transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and the securities laws of any state or other jurisdiction of the United States. The Placing Shares are being offered and sold outside the United States in accordance with Regulation S under the Securities Act.

The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or confirmed



the accuracy or determined the adequacy of this Announcement. Any representation to the contrary is a criminal offence in the United States.

The relevant clearances have not been, nor will they be, obtained from the securities commission of any province or territory of Canada; no prospectus has been lodged with or registered by the Australian Securities and Investments Commission or the Japanese Ministry of Finance; 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 Canada, Australia, New Zealand, Japan, the Russian Federation, the Republic of Ireland 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 Canada, Australia, New Zealand, Japan, the Russian Federation, the Republic of Ireland or the Republic of South Africa or any other jurisdiction outside the United Kingdom.

The Placing Shares will not be admitted to trading on any stock exchange other than AIM, the market operated by the London Stock Exchange.

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

In this Appendix, unless the context otherwise requires, "**Placee**" means a Relevant Person (including individuals, funds or others) by whom or on whose behalf a commitment to subscribe for Placing Shares has been given.

### **Details of the Placing**

The Joint Bookrunners have entered into the Placing Agreement with the Company under which the Joint Bookrunners have severally (and not jointly or jointly and severally) agreed, on the terms and subject to the conditions set out therein, undertaken to use their reasonable endeavours to procure, as the Company's placing agent and joint bookrunner for the purpose of the Placing, subscribers for the Placing Shares at the Issue Price.

The Placing Agreement contains customary undertakings and warranties given by the Company to the Joint Bookrunners including as to the accuracy of information contained in this Announcement and to be contained in the Circular, to matters relating to the Company and its business and a customary indemnity given by the Company to the Joint Bookrunners in respect of liabilities arising out of or in connection with the Placing and/or Admission.

The Company is also separately (i) making an Open Offer of such number of Ordinary Shares as will be set out in the Circular; (ii) proposing to issue the Subscription Shares to the Redmile Funds; and (iii) issuing the Convertible Loan Notes to the Redmile Funds and Vulpes.

The Capital Raise is conditional upon, *inter alia*:

- (a) the Circular being sent to Qualifying Shareholders and to Excluded Overseas Shareholders who have notified an address in the United Kingdom for the service of documents in accordance with the Articles. A copy of the Circular will be available from the Company's website at [www.scancell.co.uk](http://www.scancell.co.uk);
- (b) the passing of the Resolutions at the General Meeting;

- (c) Admission becoming effective;
- (d) each of the Subscription Letters (i) not having lapsed or been terminated and (ii) having become unconditional in all respects in accordance with its terms (save for any condition relating to Admission);
- (e) the Company approving and executing the Convertible Loan Note Instrument; and
- (f) the obligations of the Joint Bookrunners under the Placing Agreement not having been terminated in accordance with its terms.

The number of Placing Shares will be determined following completion of the Bookbuild as set out in this Announcement.

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

#### **Lock up**

As part of the Placing, the Company has agreed that it will not issue or sell any Ordinary Shares for a period of 120 days after the latest Admission without the prior written consent of the Joint Bookrunners. That agreement is subject to the customary exception of granting options under, and allotting and issuing Ordinary Shares in the ordinary course pursuant to, the Company's existing share schemes.

#### **Application for admission to trading**

Application will be made to the London Stock Exchange for Admission. It is expected that settlement of the New Ordinary Shares and Admission will become effective on or around 12 August 2020 and that dealings in the New Ordinary Shares will commence at that time.

#### **Bookbuild**

The Joint Bookrunners will today commence an accelerated bookbuilding process to determine demand for participation in the Placing by potential Placees. The Joint Bookrunners and the Company shall be entitled to effect the Placing by such alternative method to the Bookbuild as they may, in their sole discretion determine.

#### **Participation in, and principal terms of, the Placing**

1. Each Joint Bookrunner is arranging the Placing as placing agent and joint bookrunner of the Company for the purpose of using its reasonable endeavours to procure Placees at the Issue Price for the Placing Shares.
2. Participation in the Placing will only be available to persons who may lawfully be, and are, invited to participate by the Joint Bookrunners. The Joint Bookrunners and their respective

affiliates may participate in the Placing as principal.

3. 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.
4. The Bookbuild, if successful, will establish the number of Placing Shares to be issued at the Issue Price. The number of Placing Shares to be issued will be agreed between Panmure Gordon, Turner Pope and the Company following completion of the Bookbuild. The Issue Price will be a fixed price of 5.5 pence per Placing Share.
5. To bid in the Bookbuild, prospective Placees should communicate their bid by telephone or email to their usual sales contact at one of the Joint Bookrunners. Each bid should state the number of Placing Shares which the prospective Placee wishes to subscribe for at the Issue Price. Bids may be scaled down by the Joint Bookrunners on the basis referred to in paragraph 9 below.
6. The timing of the closing of the Bookbuild will be at the discretion of the Joint Bookrunners. The Company reserves the right (upon agreement with the Joint Bookrunners) to reduce or seek to increase the amount to be raised pursuant to the Placing, in its absolute discretion.
7. Each Placee's allocation will be confirmed to Placees orally or by email by the relevant Joint Bookrunner, and evidenced by a trade confirmation or contract note which will be dispatched as soon as practicable thereafter. The terms of this Appendix will be deemed incorporated by reference therein. The oral or email confirmation to such Placee will constitute an irrevocable legally binding commitment upon such person (who will at that point become a Placee) in favour of the Joint Bookrunners and the Company, under which it agrees to acquire the number of Placing Shares allocated to it at the Issue Price on the terms and conditions set out in this Appendix and in accordance with the Company's articles of association. Except as required by law or regulation, no press release or other announcement will be made by Panmure Gordon, Turner Pope 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.
8. The Company will make a further announcement following the close of the Bookbuild detailing the number of Placing Shares to be issued at the Issue Price.
9. Subject to paragraphs 5 and 6 above, the Joint Bookrunners may choose to accept bids, either in whole or in part, on the basis of allocations determined at their discretion (in agreement with the Company) and may scale down any bids for this purpose on such basis as they may determine. The Joint Bookrunners may also, notwithstanding paragraphs 5 and 6 above, subject to the prior consent of the Company: (a) allocate Placing Shares after the time of any initial allocation to any person submitting a bid after that time; and (b) allocate Placing Shares after the Bookbuild has closed to any person submitting a bid after that time.
10. Each Placee will have an immediate, separate, irrevocable and binding obligation, owed to the Joint Bookrunners, to pay in cleared funds immediately on the settlement date (or as separately agreed with the Joint Bookrunners in the case of certificated settlement), in accordance with the registration and settlement requirements set out below, an amount equal to the product of the Issue Price and the number of Placing Shares such Placee has

agreed to take up and the Company has agreed to allot.

11. 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 times and on the basis explained below under "Registration and Settlement".
12. All obligations under the Placing will be subject to fulfilment or (where applicable) waiver of, *inter alia*, the conditions referred to below under "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".
13. By participating in the Placing, each Placee will agree that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee.
14. To the fullest extent permissible by law, none of the Company, the Joint Bookrunners or any of their respective affiliates shall have any responsibility or liability (whether in contract, tort or otherwise) to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) under these terms and conditions. In particular, none of the Company, the Joint Bookrunners or any of their respective affiliates shall have any liability (whether in contract, tort or otherwise and including, to the fullest extent permissible by law, any fiduciary duties) in respect of the Joint Bookrunners' conduct of the Bookbuild or Placing. Each Placee acknowledges and agrees that the Company is responsible for the allotment of the Placing Shares to the Placees and the Joint Bookrunners shall have no liability to the Placees for the failure of the Company to fulfil those obligations.

### **Conditions of the Placing**

The Joint Bookrunners' obligations under the Placing Agreement in respect of the Placing Shares are conditional on, *inter alia*:

- (a) the passing of the Resolutions at the General Meeting;
- (b) the Company allotting, subject only to Admission, the Placing Shares and the Open Offer Shares in accordance with the Placing Agreement;
- (c) each of the Subscription Letters (i) not having lapsed or been terminated and (ii) having become unconditional in all respects in accordance with its terms (save for any condition relating to Admission);
- (d) the Company approving and executing the Convertible Loan Note Instrument; and
- (e) Admission taking place not later than 8:00 a.m. (London time) on 12 August 2020 or such later time and/or date as may be agreed between the Company and the Joint Bookrunners, not being later than the Final Date.

If (i) any of the conditions contained in the Placing Agreement in respect of the Placing Shares are not fulfilled or waived by the Joint Bookrunners by the time or date where specified (or such later time or date as the Company and the Joint Bookrunners may agree, not being later than the Final Date), or (ii) the Placing Agreement is terminated as described below, the Placing will lapse 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 the Placee in respect thereof. For the avoidance of doubt the Placing shall not be conditional on the Open Offer being subscribed for by Qualifying Shareholders.

Each Joint Bookrunner may, in its absolute discretion, waive, or extend the period (up to the Final Date) 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 certain conditions, including, the condition relating to the passing of the Resolutions at the General Meeting, Admission taking place and the Company allotting the Placing Shares and the Open Offer Shares subject only to Admission may not be waived and the period for compliance with such conditions may not be extended. Any such extension or waiver will not affect Placees' commitments as set out in this Announcement.

None of Panmure Gordon, Turner Pope or the Company, nor any of their respective affiliates, agents, directors, officers or employees, shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision 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 Panmure Gordon and Turner Pope.

#### **Right to terminate under the Placing Agreement**

Panmure Gordon and/or Turner Pope is entitled in its absolute discretion, at any time before Admission, to terminate the Placing Agreement by giving notice to the Company in the following circumstances:

- (a) in the opinion of Panmure Gordon or Turner Pope (acting in good faith), the warranties given by the Company to the Joint Bookrunners are not true and accurate or have become misleading (or would not be true and accurate or would be misleading if they were repeated at any time before Admission) by reference to the facts subsisting at the time when the notice referred to above is given, in each case in a way that is material in the context of the Placing, Open Offer and/or Admission; or
- (b) in the opinion of Panmure Gordon or Turner Pope (acting in good faith), the Company fails to comply with any of its obligations under the Placing Agreement and that failure is material in the context of the Placing, Open Offer and/or Admission;
- (c) in the opinion of Panmure Gordon or Turner Pope (acting in good faith), there has been a development or event (or any development or event involving a prospective change of which the Company is or might reasonably be expected to be, aware) which will or is likely to have a material adverse effect on or affecting the operations, the condition (financial, operational, legal or otherwise), prospects, management, results of operations, financial position, business or general affairs of the Company or the Group respectively whether or not foreseeable and whether or not arising in the ordinary course of business; or
- (d) there has been a change in national or international financial, political, economic or stock market conditions (primary or secondary); an incident of terrorism, outbreak or escalation of hostilities, war, declaration of martial law or any other calamity or crisis; a material deterioration in, or material escalation in the response to the COVID-19 pandemic; a suspension or material limitation in trading of securities generally on any stock exchange; any change in currency exchange rates or exchange controls or a disruption of settlement systems or a

material disruption in commercial banking, in each case as would be likely in the opinion of Panmure Gordon or Turner Pope (acting in good faith) to materially prejudice the success of the Placing and Open Offer.

The rights and obligations of the Placees shall terminate only in the circumstances described in these terms and conditions and in the Placing Agreement and will not be subject to termination by the Placee or any prospective Placee at any time or in any circumstances. By participating in the Placing, Placees agree that the exercise by either Joint Bookrunner of any right of termination or other discretion under the Placing Agreement shall be within the absolute discretion of that Joint Bookrunner, and that it need not make any reference to Placees and that it shall have no liability to Placees whatsoever in connection with any such exercise or decision not to exercise. Placees will have no rights against Panmure Gordon, Turner Pope, the Company or any of their respective directors or employees under the Placing Agreement pursuant to the Contracts (Rights of Third Parties) Act 1999 (as amended).

### **No admission document or prospectus**

The Placing Shares are being offered to a limited number of specifically invited persons only and will not be offered in such a way as to require an admission document or prospectus in the United Kingdom or in any other jurisdiction. No offering document, admission document or prospectus has been or will be submitted to be approved by the FCA or submitted to the London Stock Exchange in relation to the Placing, and Placees' commitments will be made solely on the basis of the information contained in the Announcement (including the Appendices) and the Exchange Information (as defined further below). 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 (defined below)), representation, warranty, or statement made by or on behalf of the Company, the Joint Bookrunners, or any other person and neither the Joint Bookrunners, 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 Joint Bookrunners, 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 Joint Bookrunners is 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 (ISIN: GB00B63D3314) following Admission will take place within CREST, provided that, subject to certain exceptions, the Joint Bookrunners reserve 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.

Following the close of the Bookbuild, each Placee allocated Placing Shares in the Placing will be sent a trade confirmation or contract note stating the number of Placing Shares allocated to it at the Issue Price, the aggregate amount owed by such Placee to the Relevant Bookrunner (as agent for the Company) and settlement instructions. Each Placee agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with either the CREST or certificated settlement instructions that it has in place with the Relevant Bookrunner. Settlement will be through Panmure Gordon or Jarvis Investment Management Limited acting as settlement agent and custodian for Turner Pope, through Panmure Gordon against CREST participant account: 83801 and through Turner Pope against CREST participant account: 842. For the avoidance of doubt, Placing allocations are expected to be booked with a trade date of 5 August 2020 and settlement date of 12 August 2020 on a T+5 basis in accordance with the instructions set out in the trade confirmation.

The Company will instruct its registrar to deliver the Placing Shares to the CREST account operated by the Relevant Bookrunner as agent for the Company and the Relevant Bookrunner will enter its delivery (DEL) instruction into the CREST system. The input to CREST by a Placee of a matching or acceptance instruction will then allow delivery of the relevant Placing Shares to that Placee against payment.

If a Placee wishes to receive its Placing Shares in certificated form, it should contact Panmure Gordon (020 7886 2902) or Turner Pope (020 3657 0050) as soon as possible after receipt of the allocation confirmation.

Placees who wish to receive their Placing Shares in certificated form are expected to receive their certificates for their Placing Shares within 14 days of allotment, provided payment in full has been made.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above at the rate of two percentage points above LIBOR as determined by the Joint Bookrunners.

Each Placee is deemed to agree that, if it does not comply with these obligations, the Joint Bookrunners 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 Joint Bookrunners' account and benefit (as agent for the Company), an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable and shall indemnify each Joint Bookrunner (as agent for the Company) 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 to the Relevant Bookrunner, each Placee confers on the Joint Bookrunners all such authorities and powers necessary to carry out any such sale and agrees to ratify and confirm all actions which each Joint Bookrunner lawfully takes in pursuance of such sale.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees should ensure that the trade confirmation or contract note 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. 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 Company and the Joint Bookrunners, namely that, each Placee (and any person acting on such Placee's behalf):

1. represents and warrants that it has read and understood the Announcement, including the Appendices, in its entirety and that its subscription 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 not in reliance on any information given or any representations, warranties or statements made at any time by any person in connection with Admission, the Company, the Placing, the Open Offer or otherwise, other than the information contained in this Announcement and undertakes not to redistribute or duplicate this Announcement or any part of it;
2. acknowledges that no offering document, admission document or prospectus has been prepared in connection with the Placing and represents and warrants that it has not received and will not receive a prospectus, admission document or other offering document in connection therewith;
3. acknowledges that the Ordinary Shares are admitted to trading on AIM and the Company is therefore required to publish certain business and financial information in accordance with the AIM Rules (collectively, "**Exchange Information**"), which includes a description of the nature of the Company's business, the Company's most recent balance sheet and profit and loss account and similar statements published in preceding years and that the Placee is able to obtain or access such information or comparable information concerning any other publicly traded company without undue difficulty;
4. acknowledges that none of the Joint Bookrunners, the Company, any of their respective affiliates or any person acting on behalf of any of them has provided it, and will not provide it, with any material regarding the Placing Shares or the Company other than this Announcement; nor has it requested any of the Joint Bookrunners, the Company, their respective affiliates or any person acting on behalf of any of them to provide it with any such information and has read and understood the Exchange Information;
5. acknowledges that the content of this Announcement is exclusively the responsibility of the Company, and that none of the Joint Bookrunners, their respective affiliates, agents, directors, officers or employees, or any person acting on its or their behalf has or shall have any liability for any information, representation or statement contained in this Announcement or any information previously or concurrently published by or on behalf of the Company, and will not be liable for any Placee's decision to participate in the Placing based on any information, representation or statement contained in this Announcement or otherwise. Each Placee further represents, warrants and agrees that the only information on which it is entitled to rely and on which such Placee has relied in committing itself to acquire the Placing Shares is contained in this Announcement and any Exchange Information, such information being all that it deems necessary to make an investment decision in respect of the Placing Shares and that it has neither received nor relied on any other information given or representations, warranties or statements made by the Joint Bookrunners, the Company or any of their respective affiliates, agents, directors, officers or employees or any person acting on behalf of any of them, or, if received, it has not relied upon any such information, representations,



warranties or statements (including any management presentation that may have been received by any prospective Placee or any material prepared by the Research Departments of either Joint Bookrunner (the views of such Research Departments not representing and being independent from those of the Company and the Corporate Finance Departments of each of the Joint Bookrunners and not being attributable to the same)), and neither Joint Bookrunner, nor the Company will be liable for any Placee's decision to accept an invitation to participate in the Placing based on any other information, representation, warranty or statement. Each Placee further acknowledges and agrees that it may not place the same degree of reliance on this Announcement as it may otherwise place on a prospectus or admission document. Each Placee further acknowledges and agrees that it has relied solely on its own investigation of the business, financial or other position of the Company in deciding to participate in the Placing and it will not rely on any investigation that the Joint Bookrunners, their affiliates, agents, directors, officers or employees or any other person acting on its or their behalf has or may have conducted;

6. represents and warrants that it has neither received nor relied on any 'inside information' as defined in the Market Abuse Regulation (Regulation 596/2014/EU) ("**MAR**") concerning the Company in accepting this invitation to participate in the Placing;
7. acknowledges that the Joint Bookrunners do not have any duties or responsibilities to it, or its clients, similar or comparable to the duties of "best execution" and "suitability" imposed by the Conduct of Business Sourcebook in the FCA's Handbook of Rules and Guidance and that the Joint Bookrunners are not acting for it or its clients and that the Joint Bookrunners will not be responsible for providing protections to it or its clients;
8. acknowledges that none of the Joint Bookrunners, any of their respective affiliates, agents, directors, officers or employees or any person acting on behalf of them has or shall have any liability for the Exchange Information, any publicly available or filed information or any representation relating to the Company, provided that nothing in this paragraph excludes the liability of any person for fraudulent misrepresentation made by that person;
9. neither of the Joint Bookrunners, their respective ultimate holding company nor any direct or indirect subsidiary undertakings of such holding company, nor any of their respective affiliates, agents, directors, officers or employees shall be liable to Placees for any matter arising out of the Joint Bookrunners' role as placing agent or otherwise in connection with the Placing and that where any such liability nevertheless arises as a matter of law each Placee will immediately waive any claim against any of such persons which you may have in respect thereof;
10. represents and warrants that (i) it is not in the United States and (ii) it is not acting for the account or benefit of a person in the United States;
11. acknowledges that the Placing Shares are being offered and sold only pursuant to Regulation S under the Securities Act in a transaction not involving a public offering of securities in the United States and the Placing Shares have not been and will not be registered under the Securities Act or with any state or other jurisdiction of the United States, nor approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other United States regulatory authority, and that the offer and sale of the Placing Shares to it has been made outside of the United States in an 'offshore transaction' (as such term is defined in Regulation S under the Securities Act) and agrees not to reoffer, resell, pledge or otherwise transfer the Placing Shares except pursuant to an

exemption from, or in a transaction not subject to, 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;

12. unless otherwise specifically agreed in writing with the Joint Bookrunners, represents and warrants that neither it nor the beneficial owner of such Placing Shares will be a resident of Canada, Australia, New Zealand, Japan, the Russian Federation, the Republic of Ireland or the Republic of South Africa;
13. acknowledges that the Placing Shares have not been and will not be registered under the securities legislation of Canada, Australia, New Zealand, Japan, the Russian Federation, the Republic of Ireland or the Republic of South Africa and, subject to certain exceptions, may not be offered, sold, taken up, renounced or delivered or transferred, directly or indirectly, within those jurisdictions;
14. represents and warrants that the issue to it, or the person specified by it for registration as holder, of Placing Shares will not give rise to a liability under any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and that the Placing Shares are not being acquired in connection with arrangements to issue depository receipts or to transfer Placing Shares into a clearance system;
15. represents and warrants that: (i) it has complied with its obligations under the Criminal Justice Act 1993 and MAR; (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 Payer) Regulations 2017 and any related rules, regulations or guidelines issued, administered or enforced by any government agency having jurisdiction in respect thereof; and (iii) it is not a person: (a) with whom transactions are prohibited under the Foreign Corrupt Practices Act of 1977 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 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 each Joint Bookrunner such evidence, if any, as to the identity or location or legal status of any person which the Joint Bookrunners 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 Joint Bookrunners on the basis that any failure by it to do so may result in the number of Placing Shares that are to be purchased by it or at its direction pursuant to the Placing being reduced to such number, or to nil, as the Joint Bookrunners may decide in their sole discretion;
16. if a financial intermediary, as that term is used in Article 5(1) of the Prospectus Regulation, represents and warrants that the Placing Shares purchased by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in a member state of the EEA or to which the Prospectus

Regulation otherwise applies other than Qualified Investors, or in circumstances in which the prior consent of the Joint Bookrunners has been given to the offer or resale;

17. represents and warrants that it has not offered or sold and will not offer or sell any Placing Shares to persons in the European Economic Area prior to Admission except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted in and which will not result in an offer to the public in any member state of the EEA within the meaning of the Prospectus Regulation (including any relevant implementing measure in any member state);
18. represents and warrants that 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 the FSMA) relating to the Placing Shares in circumstances in which section 21(1) of the FSMA does not require approval of the communication by an authorised person;
19. represents and warrants that it has complied and will comply with all applicable provisions of MAR and the FSMA with respect to anything done by it in relation to the Placing Shares in, from or otherwise involving, the United Kingdom;
20. if in a member state of the EEA, unless otherwise specifically agreed with the Joint Bookrunners in writing, represents and warrants that it is a Qualified Investor within the meaning of the Prospectus Regulation;
21. if in the United Kingdom, represents and warrants that it is a Qualified Investor and a person (i) who has professional experience in matters relating to investments falling within Article 19(1) of the Order; (ii) falling within Article 49(2)(A) to (D) ("High Net Worth Companies, Unincorporated Associations, etc.") of the Order; or (iii) to whom this Announcement may otherwise be lawfully communicated;
22. represents and warrants that it and any person acting on its behalf is entitled to acquire the Placing Shares under the laws of all relevant jurisdictions and that it has all necessary capacity and has obtained all necessary consents and authorities and taken any other necessary actions to enable it to commit to this participation in the Placing and to perform its obligations in relation thereto (including, without limitation, in the case of any person on whose behalf it is acting, all necessary consents and authorities to agree to the terms set out or referred to in this Announcement) and will honour such obligations;
23. where it is acquiring Placing Shares for one or more managed accounts, represents and warrants that 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 the 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 either of the Joint Bookrunners;
24. if it is acting as a "distributor" (for the purposes of MiFID II Product Governance Requirements):
  - 24.1 it acknowledges that the Target Market Assessment undertaken by the Joint Bookrunners 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 and each distributor is responsible for undertaking its own target market assessment in respect of the Placing Shares and determining appropriate distribution channels;

24.2 notwithstanding any Target Market Assessment undertaken by the Joint Bookrunners, it confirms that, other than where it is providing an execution-only service to investors, it has satisfied itself as to the appropriate knowledge, experience, financial situation, risk tolerance and objectives and needs of the investors to whom it plans to distribute the Placing Shares and that it has considered the compatibility of the risk/reward profile of such Placing Shares with the end target market; and

24.3 it acknowledges 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;

25. it is capable of being categorised as a person who is a “professional client” or an “eligible counterparty” within the meaning of Chapter 3 of the FCA’s Conduct of Business Sourcebook;
26. undertakes that it (and any person acting on its behalf) will make payment to the Relevant Bookrunner 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 Joint Bookrunners may in their sole discretion determine and without liability to such Placee and it will remain liable and will indemnify the Joint Bookrunners on demand for any shortfall below the net proceeds of such sale and the placing proceeds of such Placing Shares and may be required to bear the liability for any stamp duty or stamp duty reserve tax or security transfer tax (together with any interest or penalties due pursuant to or referred to in these terms and conditions) which may arise upon the placing or sale of such Placee's Placing Shares on its behalf;
27. acknowledges that none of the Joint Bookrunners, any of their respective affiliates, or any person acting on behalf of it or any of them, is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing and that participation in the Placing is on the basis that it is not and will not be treated for these purposes as a client of either Joint Bookrunner and that neither Joint Bookrunner has any duties or responsibilities to it for providing the protections afforded to their clients or customers or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor for the exercise or performance of any of their rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;
28. undertakes that the person whom it specifies for registration as holder of the Placing Shares will be (i) itself or (ii) its nominee, as the case may be. Neither of the Joint Bookrunners, nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. Each Placee and any person acting on behalf of such Placee agrees to participate in the Placing and it agrees to indemnify the Company and the Relevant Bookrunner in respect of the same on the basis that the Placing

Shares will be credited to the CREST stock accounts of the Relevant Bookrunner who will hold them as nominee on behalf of such Placee until settlement in accordance with its standing settlement instructions;

29. acknowledges that these terms and conditions and any agreements entered into by it pursuant to these terms and conditions and any non-contractual obligations arising out of or in connection with such agreement 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 (including non-contractual matters) 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 either Joint Bookrunner in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange;
30. acknowledges that time shall be of the essence as regards to obligations pursuant to this Appendix;
31. agrees that the Company, the Joint Bookrunners and their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings which are given to the Joint Bookrunners on their own behalf and on behalf of the Company and are irrevocable and are irrevocably authorised to produce this Announcement or a copy thereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby;
32. agrees to indemnify on an after-tax basis and hold the Company, the Joint Bookrunners 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 provisions of this Appendix shall survive after completion of the Placing;
33. acknowledges that no action has been or will be taken by any of the Company, the Joint Bookrunners or any person acting on behalf of the Company or the Joint Bookrunners that would, or is intended to, permit a public offer of the Placing Shares in any country or jurisdiction where any such action for that purpose is required;
34. acknowledges that it is an institution that has knowledge and experience in financial, business and international investment matters as is required to evaluate the merits and risks of subscribing for the Placing Shares. It further acknowledges that it is experienced in investing in securities of this nature and in this sector 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. It has relied upon its own examination and due diligence of the Company and its associates taken as a whole, and the terms of the Placing, including the merits and risks involved;
35. acknowledges that its commitment to subscribe for Placing Shares on the terms set out herein and in the trade confirmation or contract note will continue notwithstanding any amendment that may in future be made to the terms of the Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company's conduct of the Placing;

36. acknowledges that the Joint Bookrunners, or any of their respective affiliates acting as an investor for its own account may take up shares in the Company and in that capacity may retain, purchase or sell for their own account such shares and may offer or sell such shares other than in connection with the Placing;
37. represents and warrants that, if it is a pension fund or investment company, its purchase of Placing Shares is in full compliance with all applicable laws and regulation; and
38. to the fullest extent permitted by law, it acknowledges and agrees to the disclaimers contained in the Announcement including these Appendices.

The representations, warranties, acknowledgments and undertakings contained in this Appendix are given to the Joint Bookrunners and the Company and are irrevocable and shall not be capable of termination in any circumstances.

The agreement to settle a Placee's subscription (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 none of the Company or the Joint Bookrunners 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 Joint Bookrunners in the event that any of the Company or the Joint Bookrunners has 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 Joint Bookrunners 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 by them of any Placing Shares or the agreement by them to subscribe for any Placing Shares.

Each Placee, and any person acting on behalf of the Placee, acknowledges that neither Joint Bookrunner owes any fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings or indemnities in the Placing Agreement.

When a Placee or person acting on behalf of the Placee is dealing with the Joint Bookrunners, any money held in an account with either Joint Bookrunner on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the rules and regulations of the FCA made under the FSMA. The Placee acknowledges that the money will not be subject to the protections conferred by the client money rules; as a consequence, this money will not be segregated from the Relevant Bookrunner's money in accordance with the client money rules and will be used by the Relevant Bookrunner in the course of its own business and the Placee will rank only as a general creditor of the Relevant Bookrunner.

All times and dates in this Announcement may be subject to amendment. The Joint Bookrunners shall notify the Placees and any person acting on behalf of the Placees of any changes.

Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser.

## APPENDIX III

### DEFINITIONS

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

**'Admission'** means the proposed admission of the Placing Shares, the Subscription Shares and the Open Offer Shares to trading on AIM becoming effective in accordance with the AIM Rules;

**'AIM'** means the market of that name operated by the London Stock Exchange;

**'AIM Rules'** means the provisions of the London Stock Exchange's AIM Rules for Companies as amended from time to time governing, amongst other things, admission to AIM and the continuing obligations of AIM companies;

**'Announcement'** means this announcement (including the appendices to this announcement);

**'Application Form'** means the personalised application form which will accompany the Circular on which Qualifying Non-CREST Shareholders may apply for Open Offer Shares under the Open Offer;

**'Articles'** means the articles of association of the Company;

**'Bookbuild'** means the accelerated bookbuilding process to be carried out by Panmure Gordon and Turner Pope in seeking to procure Places for the Placing Shares;

**'Capital Raise'** means the Placing, the Open Offer, the Subscription and the issue of the Convertible Loan Notes, taken together;

**'Circular'** means the circular to be issued by the Company to Qualifying Shareholders and to Excluded Overseas Shareholders who have notified an address in the United Kingdom for the service of documents in accordance with the Articles including, amongst other things, details and terms of the Open Offer and attaching, to Qualifying Non-Crest Shareholders (other than certain overseas Qualifying Non-CREST Shareholders), the Application Form;

**'Company'** means Scancell Holdings plc, registered in England and Wales with number 06564638, whose registered office is at John Eccles House, Robert Robinson Avenue, Oxford Science Park, Oxford OX4 4GP, United Kingdom;

**"Conversion Shares"** means the new Ordinary Shares to be issued in the event of conversion of the Convertible Loan Notes

**'Convertible Loan Note Instrument'** means the deed constituting the Convertible Loan Notes to be executed by the Company on or around the date of the General Meeting;

**"Convertible Loan Notes"** means the unsecured convertible loan notes issued in denominations or multiples of £1 in principal amount due in August 2022 with an aggregate value of £6 million to be constituted by the Convertible Loan Note Instrument;

**'CREST'** means the relevant system (as defined in the CREST Regulations) in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in the CREST Regulations);



'**CREST Regulations**' means the Uncertificated Securities Regulations 2001 (SI 2001/3755) as amended from time to time;

'**Directors**' or '**Board**' means the directors of the Company as at the date of this Announcement;

'**Excess Application Facility**' means the arrangement pursuant to which Qualifying Shareholders may apply for additional Open Offer Shares in excess of their Open Offer Entitlements in accordance with the terms and conditions of the Open Offer;

'**Excluded Overseas Shareholders**' means Shareholders with registered addresses in or who are resident in a Restricted Jurisdiction;

'**Existing Ordinary Shares**' means the 465,355,867 Ordinary Shares in issue at the date of this Announcement and, for the avoidance of doubt, excludes the New Ordinary Shares;

'**FCA**' means the Financial Conduct Authority of the United Kingdom;

'**Final Date**' means 8:30 a.m. (London time) on 22 August 2020;

'**Form of Proxy**' means the form of proxy for use in the General Meeting to accompany the Circular;

'**FSMA**' means the Financial Services and Markets Act 2000 (as amended);

'**General Meeting**' means the general meeting of the Company to be held on 11 August 2020, notice of which will be set out in the Circular;

'**Group**' means the Company and its subsidiary undertakings from time to time;

'**Issue Price**' means 5.5 pence per New Ordinary Share;

'**Joint Bookrunners**' means, together, Panmure Gordon and Turner Pope;

'**London Stock Exchange**' means London Stock Exchange plc;

'**New Ordinary Shares**' means, together, the Placing Shares, the Subscription Shares and the Open Offer Shares;

'**Open Offer**' means the conditional invitation to Qualifying Shareholders to apply to subscribe for Open Offer Shares at the Issue Price on the terms and subject to the conditions to be set out in the Circular and, in the case of Qualifying Non-CREST Shareholders only, the Application Form;

'**Open Offer Entitlement**' means the entitlement of Qualifying Shareholders to subscribe for Open Offer Shares allocated to Qualifying Shareholders on the Record Date pursuant to the Open Offer;

'**Open Offer Shares**' means such number of new Ordinary Shares as will be set out in the Circular, to be offered to Qualifying Shareholders;

'**Ordinary Shares**' means the ordinary shares of nominal value 0.1 pence (£0.001) each in the capital of the Company;

'**Overseas Shareholders**' means Shareholders with registered addresses outside the United Kingdom or who are citizens or residents of countries outside of the United Kingdom;

**'Panmure Gordon'** means Panmure Gordon (UK) Limited, registered in England and Wales with number 04915201, whose registered office is at One New Change, London EC4M 9AF, United Kingdom;

**'Placing'** means the conditional placing of the Placing Shares at the Issue Price by Panmure Gordon with Placees in order to raise approximately £2 million pounds, on behalf of the Company, pursuant to the Placing Agreement;

**'Placing Agreement'** means the placing agreement dated the date of this Announcement between the Company, Panmure Gordon and Turner Pope in respect of the Placing and the Open Offer;

**'Placing Shares'** means such number of new Ordinary Shares which will be established by the Bookbuild and set out in the executed Term Sheet;

**'Prospectus Regulation'** means Regulation (EU) 2017/1129;

**'Qualifying CREST Shareholders'** means Qualifying Shareholders holding Ordinary Shares in uncertificated form in CREST at the Record Date;

**'Qualifying Non-CREST Shareholders'** means Qualifying Shareholders holding Ordinary Shares in certificated form at the Record Date;

**'Qualifying Shareholders'** means holders of Ordinary Shares on the register of members of the Company at the Record Date with the exclusion of Overseas Shareholders with a registered address or who are resident in any Restricted Jurisdiction;

**'Record Date'** means close of business on 21 July 2020;

**'Redmile Funds'** means Redmile Biopharma Investments II, L.P. and RedCo I, L.P. (funds managed by Redmile Group, LLC);

**'Redmile Subscription Letter'** means the subscription letter entered into between the Company and the Redmile Funds dated the date of this Announcement pursuant to which the Redmile Funds have conditionally agreed to subscribe for the Subscription Shares and £5 million of the Convertible Loan Notes;

**'Resolutions'** means resolutions to be proposed at the General Meeting;

**'Restricted Jurisdiction'** means each and any of the United States, Australia, New Zealand, Canada, the Republic of South Africa, Japan, the Russian Federation, the Republic of Ireland or any other jurisdiction where the extension or the availability of the Placing or the Open Offer would breach any applicable law;

**'Securities Act'** means the US Securities Act of 1933, as amended;

**'Shareholders'** means holders of Ordinary Shares;

**'Subscription'** means the proposed subscription of the Subscription Shares at the Issue Price at an aggregate value of £5 million by the Redmile Funds on the terms and subject to the conditions contained in the Redmile Subscription Letter;

**"Subscription Letters"** means the Redmile Subscription Letter and the Vulpes Subscription Letter;

**“Subscription Shares”** means the ninety million nine hundred and nine thousand and ninety (90,909,090) new Ordinary Shares to be subscribed for in cash at the Issue Price by Redmile pursuant to the Redmile Subscription Letter;

**‘Term Sheet’** means those terms of the Placing in the form set out in the Placing Agreement to be executed by the Company, Panmure Gordon and Turner Pope following the close of the Bookbuild;

**‘Turner Pope’** means Turner Pope Investments (TPI) Ltd, registered in England and Wales with number 09506196, whose registered office is at 8 Frederick’s Place, London EC2R 8AB, United Kingdom;

**‘United Kingdom’** or **‘UK’** means the United Kingdom of Great Britain and Northern Ireland;

**‘United States’** or **‘US’** means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

**‘Vulpes’** means Vulpes Life Sciences Fund; and

**‘Vulpes Subscription Letter’** means the subscription letter entered into between the Company and Vulpes dated the date of this Announcement pursuant to which Vulpes has conditionally agreed to subscribe for £1 million of the Convertible Loan Notes;