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Application will be made to the London Stock Exchange for the issued Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and dealings in the Ordinary Shares will commence on AIM on or around 23 December 2014.

The Company and the Directors, whose names and functions appear on page 3 of this document, accept responsibility, individually and collectively, for the information contained in this document including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Directors (having taken all reasonable care to ensure that such is the case) the information contained in this document, for which they are responsible, is in accordance with the facts and does not omit anything likely to affect the import of such information.

**AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the Financial Conduct Authority.**

**A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.**

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

**The London Stock Exchange has not itself examined or approved the contents of this document.**

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## PURICORE PLC

*(a public limited company incorporated in England and Wales with registered number 05789798)*

### Appendix to the Schedule One Announcement

### Further Information relating to PuriCore plc in connection with its proposed Admission to trading on AIM

**N+1 SINGER**

*Nominated Adviser and Broker*

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This document has been prepared in accordance with the requirements of Schedule One (including the supplement for quoted applicants) of the AIM Rules, including, amongst other things, that for a quoted applicant all information that is equivalent to that required for an admission document which is not currently public shall be made public. Information which is public includes, without limitation, all regulatory announcements made by the Company to the London Stock Exchange (available at [www.londonstockexchange.com](http://www.londonstockexchange.com)), all information available in respect of the Company on the FCA's National Storage Mechanism (available at [www.morningstar.co.uk/uk/NSM](http://www.morningstar.co.uk/uk/NSM)), including the information contained in the 2012 Prospectus, the June 2014 Circular and the shareholder circular dated 7 November 2014, all information available on the Company's website ([www.puricore.com](http://www.puricore.com)) and the contents of this document (together comprising the "Company's Public Record"). This document should be read in conjunction with the Schedule One Announcement to be made at least 20 clear Business Days prior to Admission.

**You should read the whole of this document together with the Schedule One Announcement. Your attention is drawn to paragraph 13 on pages 19 to 25 entitled "Risk factors".**

The distribution of this document in or into jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, such restrictions and applicable legal requirements. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. Subject to certain exceptions, this document is not for release, publication or distribution, directly or indirectly, in or into the United States, Australia, Canada, the Republic of South Africa, Japan or any jurisdiction where to do so might constitute a violation of local securities laws or regulations. This document has been prepared for the purpose of complying with English law and the AIM Rules and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws outside the United Kingdom.

Nplus1 Singer Advisory LLP ("**N+1 Singer**") is authorised and regulated by the Financial Conduct Authority and is acting exclusively for the Company and no-one else in connection with the Admission and is not, 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 Admission or the contents of this document or any other matter referred to herein. Nothing in this paragraph shall serve to exclude or limit any responsibilities which N+1 Singer may have under FSMA or the regulatory regime established thereunder.

No person has been authorised to give any information or make any representation other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been so authorised. The delivery of this document shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in it is correct as of any subsequent time.

This document does not contain an offer to the public within the meaning of FSMA or otherwise. Accordingly, this document does not comprise a prospectus for the purposes of section 85 of FSMA and has not been drawn up in accordance with the Prospectus Rules issued by the Financial Conduct Authority and has not been approved by or delivered to the Financial Conduct Authority in accordance with such rules.

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## DIRECTORS, COMPANY SECRETARY AND ADVISERS

<b>Directors</b>	Charles Spicer ( <i>Non-Executive Chairman</i> ) Michael Ashton ( <i>Chief Executive Officer</i> ) Marella Thorell ( <i>Chief Financial Officer and Chief Operating Officer</i> ) William Birkett ( <i>Senior Independent Non-Executive Director</i> ) Peter Larkin ( <i>Independent Non-Executive Director</i> ) Matthew Hammond ( <i>Non-Executive Director</i> ) Daniel Hegglin ( <i>Non-Executive Director</i> )
<b>Registered Office</b>	Mitre House 160 Aldersgate Street London EC1A 4DD
<b>Corporate Headquarters</b>	508 Lapp Road Malvern Pennsylvania 19355 United States of America
<b>Company Website</b>	<a href="http://www.puricore.com">www.puricore.com</a>
<b>Company Secretary</b>	Marella Thorell
<b>Nominated Adviser and Broker</b>	N+1 Singer One Bartholomew Lane London EC2N 2AX
<b>Solicitors to the Company</b>	CMS Cameron McKenna LLP Mitre House 160 Aldersgate Street London EC1A 4DD
<b>Solicitors to N+1 Singer</b>	Taylor Wessing LLP 5 New Street Square London EC4A 3TW
<b>Registrars</b>	Equiniti Limited Aspect House Spencer Road Lancing West Sussex BN99 6DA
<b>Auditors</b>	KPMG LLP St James' Square Manchester M2 6DS

## KEY STATISTICS

Number of Ordinary Shares on Admission	50,135,432
Percentage of issued share capital on Admission not in public hands	39.8%
AIM ticker on Admission	PURI
ISIN number	GB00B3XBCR18

## **INFORMATION RELATING TO PURICORE**

### **1. Responsibility**

- 1.1 The Company and the Directors, whose names and functions appear on page 3 of this document, accept responsibility, individually and collectively, for the information contained in this document including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Directors (having taken all reasonable care to ensure that such is the case) the information contained in this document, for which they are responsible, is in accordance with the facts and does not omit anything likely to affect the import of such information.

### **2. History, Development and Business Activities**

- 2.1 PuriCore was incorporated on 21 April 2006 under the laws of England and Wales as a public limited company with registered number 05789798 and became the holding company of the Group. PuriCore, Inc. (formerly known as Sterilox Technologies, Inc.), the US operating subsidiary of the Group, was incorporated in 1997 under the laws of Delaware to acquire and commercialise new intellectual property in the biocide industry and began trading later that year.
- 2.2 PuriCore completed its initial public offering and its shares were admitted to listing on the Official List and to trading on the London Stock Exchange's main market for listed securities on 30 June 2006.
- 2.3 The principal legislation under which the Company operates is the Act and the regulations thereunder.
- 2.4 The registered office of the Company is Mitre House, 160 Aldersgate Street, London EC1A 4DD. The corporate headquarters of the Group are at 508 Lapp Road, Malvern, Pennsylvania 19355, USA. The telephone number of its corporate headquarters is +1 484 321 2700.
- 2.5 PuriCore is an international company focused on developing and commercialising safe and effective solutions to protect against the spread of infectious pathogens. PuriCore's antimicrobial technologies and complementary products are used in the core business and emerging sectors of two broad markets: Supermarket Retail and Health Sciences. PuriCore's solutions do not cause harm to human or animal life or to the environment.
- 2.6 In the Supermarket Retail segment, PuriCore offers products to US supermarket retailers for use in their fresh produce departments to improve food safety and quality, to extend shelf life, and to decrease food wastage. Additionally, the Company's products protect against fungal growth and extend the life of cut flowers, with an initial focus on supermarket floral departments.
- 2.7 In Health Sciences, PuriCore's Wound Care and Dermatology businesses provide products that are used primarily in the US as well as some international markets to treat chronic and acute wounds, including diabetic ulcers and burns in humans, for dermatology treatments in humans, currently focused on atopic dermatitis, and to manage wounds in companion and farm animals.
- 2.8 On 30 June 2014, PuriCore completed the disposal of its UK endoscopy business through the sale of its wholly owned subsidiary, PuriCore International Limited, and its indirect subsidiary, Labcaire Systems Limited, as the Board concluded that PuriCore International Limited had diversified beyond the Group's core disinfection chemistry technology (hypochlorous acid) which was the platform of the original business and is the cornerstone of the Group's other businesses.

2.9 In conjunction with the disposal, the Company announced the initiation of a comprehensive strategic and operational review to determine the optimal use of proceeds from the sale, including evaluating growth investment strategies, operational efficiency initiatives, R&D programmes, potential strategic acquisitions and/or a potential return to Shareholders. The review is on-going; however, on 25 November 2014, the Company announced an update to the review with preliminary decisions having been taken, and actions underway as summarised below.

The overall strategy of the Company remains focused on commercially leveraging its proprietary hypochlorous acid platform technology, particularly in markets and applications for which its unique properties provide a competitive advantage. The Board believes that sustainable growth can be driven by increasing recurring revenues in its existing business segments through prudent and measured investments. The focus of these investments will be in activities that reasonably can be expected to deliver top line and margin growth over time.

A potential return to Shareholders has been evaluated. The Board believes that better total returns can ultimately be achieved for Shareholders by investment in growth initiatives to drive share value. Funding of these investments out of the sale proceeds is considered the most cost-effective and non-dilutive approach. As such, a return to Shareholders is not contemplated at this time. However, the Board will continue to re-evaluate this position as strategic initiatives are implemented and progress toward strategic goals is measured.

#### *Supermarket Retail*

In the Supermarket Retail segment, the Company remains focused on its growth strategy of delivering more predictable recurring revenue and improving margins. The rebalancing of product mix from capital equipment to consumable products which create recurring revenue is, as expected, resulting in reduced revenues in the near-term. However, as growing market share with a goal of securing a larger recurring revenue base remains the strategic intent, the Company continues to identify new and converting customers for its concentrate products and invests in placement of concentrate delivery systems at these customer locations.

Further, as previously announced, the Company is investing in sales and marketing initiatives to drive more rapid but prudently paced market share growth. Other elements of the marketing plan include investing in regulatory approvals and academic studies to independently validate product claims and efficacy and ultimately drive increased demand for product. The Company is also evaluating new product offerings, which will similarly deliver food safety and produce and floral quality enhancement, to expand placements in existing and new customer operations.

While the Company focuses on top-line growth within Supermarket Retail, there is also a focused effort to improve gross margins by reducing service costs, improving operational efficiencies and leveraging higher demand in the supply chain, as demand increases.

#### *Health Sciences*

In the Health Sciences segment, the Company's evolving strategy includes developing new products and seeking new regulatory clearances to permit entry into new geographies and markets, primarily through partnerships. New regulatory clearances facilitate both entry into new geographies with existing products as well as expansion of product claims to enable broader marketing initiatives. The Board remains confident in the growth potential within Wound Care and Dermatology – two segments with existing commercial products. The Board also believes developing products in naturally complementary areas, such as infection control within the hospital market, will broaden the scope and diversity of the product portfolio and address a market need for new solutions to fight germs, particularly those which are antibiotic resistant.

Investment will be required to support the research and development, regulatory and commercialisation strategies. Investment requirements and regulatory and development timelines are being considered. The Board has implemented a staged approach to approving investments in these newer markets to ensure continued investment is supported by milestones achieved.

- 2.10 In its half-year results released on 8 August 2014, the Company provided a financial update and further reported on recent revenue trends in its Interim Management Statement issued on 31 October 2014.

#### *Half-Year Results*

Group revenue, for the Continuing Operations (being the Supermarket Retail and Health Sciences businesses), for the half-year to 30 June 2014 was 30.5% lower at \$8.6 million (H1 2013: \$12.3million) and gross margin reduced to 28.2% (H1 2013: 33.1%). It was reiterated that the rebalancing of the product mix in Supermarket Retail (from primarily capital equipment sales to a greater proportion of consumable product sales), the absence of milestone payments in Wound Care and Dermatology as received in the first half of 2013, and higher service costs from rapid roll-out of dilution equipment to customer premises had combined to affect period results adversely. EBITDA (earnings before interest, tax, depreciation, amortisation and non-cash equity related charges) loss had increased to \$2.2 million (H1 2013: loss of \$1.1 million) as a consequence of the reduced revenue.

As at 1 July 2014 (the day after the half-year results balance sheet date and following completion of the disposal of PuriCore International Limited), cash and cash equivalents were robust at \$26.8 million after receipt of the gross sale proceeds, following pay-down of the line of credit and payment of a limited portion of deal expenses.

In the Supermarket Retail segment, the Group reported an increase in market share to 26% of the produce target market (excluding the effects of converting existing customers from capital equipment sales to consumable product sales), and to 13% of the floral target market within Supermarket Retail. In the Health Sciences segment, the Group successfully launched its NovaZo<sup>®</sup> Wound Hydrogel Dressing for animals and developed two new products, Vashe<sup>®</sup> Wound Hydrogel and PURICIDE<sup>®</sup> (a hospital-grade hard surface disinfectant), expected to launch in the Middle East and North Africa through a regional distribution partner.

#### *Interim Management Statement*

The Company further reported on revenue trends in the business in its Interim Management Statement, issued on 31 October 2014. Group revenue for the Continuing Operations for the nine months ended 30 September 2014 decreased 39.5% to \$13.2 million (2013: \$21.9 million). This reflects the ongoing impact of the continued rebalancing of the Supermarket Retail product mix, as consumable product sales increase and capital equipment sales decline, in line with the fundamental change in the Supermarket Retail business model implemented last year.

In the Supermarket Retail segment, revenue decreased 39.6% to \$11.9 million for the nine months (2013: \$19.8 million). There were continued conversions of existing customers from capital equipment to ProduceFresh<sup>®</sup> (the Company's proprietary solution for use with produce concentrate delivery systems), as well as new FloraFresh<sup>®</sup> implementations (the equivalent for use in floral departments), which created new recurring revenue streams. Wound Care and Dermatology's revenue, excluding milestone payments, was constant at \$1.3 million for the first nine months of 2014 (2013: \$1.3 million, excluding \$0.8 million of milestone payments). Cash and cash equivalents were \$22.7 million as at 30 September 2014.

### *Outlook*

The Board remains confident in PuriCore's ability to deliver value to Shareholders by leveraging its unique hypochlorous acid technology in markets and applications for which it delivers a competitive advantage. As expected, 2014 revenues and earnings will be lower than the prior year as the business model in Supermarket Retail transitions and investments are made across the Group to support longer term growth. The Company will remain vigilant in controlling costs and preserving cash while prudently investing for the future.

## 3. **Organisational Structure**

3.1 PuriCore is the holding company of the Group and has the following direct and indirect subsidiaries:

- PuriCore, Inc., incorporated under the laws of Delaware (100% owned by PuriCore);
- PuriCore Scientific Limited, incorporated under the laws of England and Wales (100% owned by PuriCore); and
- PuriCore Europe Limited, incorporated under the laws of England and Wales (100% owned by PuriCore, Inc.).

PuriCore, Inc. is currently the Group's sole operating company and is located in the US.

## 4. **Intellectual Property**

4.1 The Group owns intellectual property encompassing patents, trademarks, trade secrets and copyrights related to the electrolytic cells, systems, solutions and formulations utilised in various markets, including Food Safety, Agriculture, Floral, Wound Care, Dermatology, Infection Control, Animal Health, Dental and Water Treatment. The Company has 35 granted patents with expiry dates ranging from 2017 to 2032 and another 42 patent applications that are currently pending in various jurisdictions. The Company also has 34 registered trademarks, 7 allowed and 10 pending trademark applications. The Company possesses certain proprietary know-how and trade secrets. Further, the Company has copyright protection in certain of its original works of authorship.

In connection with the sale of Puricore International Limited, the Company granted the purchaser limited scope licences to certain trademarks and patents that were utilised in the endoscopy business. These licences do not interfere with the Company's ability to operate in its other core businesses.

### **(a) Patents**

The Directors are aware of the importance of protecting the Company's inventions and continue to seek patent protection where appropriate in the relevant jurisdictions. The Company's 35 granted patents have been issued in the United States, Canada, Germany, France, Italy, the United Kingdom and South Africa. International applications have been filed pursuant to the Patent Cooperation Treaty (which gives the applicant the option to seek patent protection in over 150 countries and regions) and in the European Patent Office (which gives the applicant the option to seek patent protection in various countries within the European Union), Canada, the United Kingdom, Germany, France, Italy and the United States. Recently, China, the Middle East and a number of South American countries have been added to the international application list. The granted and pending patent applications relate to the

following:

- catholyte recirculation processes used in the electrolytic systems;
- systems and methods of process control used in the electrolytic systems;
- ceramic membrane for use in the electrolytic systems;
- biocidal solutions;
- solutions for treatment of wounds, infected tissues and conditions associated with infection and inflammation;
- stabilised solutions and formulations for woundcare, dermatology, infection control, food safety, floral and agricultural applications; and
- methods of injecting solution into misting lines.

**(b) Trademarks**

The Company protects its most significant trademarks and currently holds, in addition to its common law (non-registered) rights, various registrations and pending applications in China, the European Union, the United Kingdom and the United States. The registrations and applications encompass 51 marks (34 registered, 7 allowed and 10 pending), including ActiveIce™, ActiVita™, FloraFresh™, ProduceFresh™, PuriCide™, PuriCore™, SafeMist™, Sterilox™ and Vashe®. The Company also has trademarks pending in the Argentina, Brazil, Canada, Mexico and the United States.

**(c) Trade Secrets**

The Company is careful to take reasonable measures to protect the substantial body of knowledge and confidential information (“know-how”) that it has created while conducting extensive research and development directed at the Company’s technology and while expanding its business activities. Such trade secret information concerns both technical (e.g. production details, control systems, solution chemistries, market applications, methods and processes) and operational (customer lists, vendor lists and economic data) aspects of the business. In addition to the Company’s published intellectual property, the Directors believe that this trade secret information gives the Company a significant advantage over competitors who would similarly need to invest heavily in research and development in order to generate the information encompassed within the Company’s protected trade secrets.

**(d) Copyrights**

The Company has copyright protection in certain of its original works of authorship (e.g. advertising materials, product brochures and reports).

**5. Share Capital of the Company**

5.1 The Company does not have an authorised share capital and its articles of association do not place any limit on the number of shares which the Company may issue.

5.2 The issued share capital of the Company: (i) as at the date of this document; and (ii) as it is expected to be immediately following Admission (assuming no Ordinary Shares are issued following the date of this document under the Share Schemes or otherwise, including under the warrants referred to in paragraph 5.7 below), is as set out below:

	<i>Number of Ordinary Shares of 10 pence each</i>	<i>Amount</i>
<b>At the date of this document and on Admission</b>	50,135,432	£5,013,543.20

- 5.3 The issued share capital of the Company as at 1 January 2013 comprised 25,292,164 fully paid Ordinary Shares and as at 31 December 2013 comprised 50,135,432 fully paid Ordinary Shares. The increase was the result of the conversion of the substantial majority of outstanding convertible loan notes as well as a small placing of new Ordinary Shares in January 2013.
- 5.4 There are no Ordinary Shares in the Company which are held by, or on behalf of, the Company and the Company's subsidiaries do not hold any Shares in the Company.
- 5.5 All Ordinary Shares have equal voting rights. No major Shareholder of the Company has any different voting rights from the other Shareholders.
- 5.6 Details of the Share Schemes are disclosed in the Company's Public Record. Please see pages 85 to 90 of the 2012 Prospectus and pages 19 to 21 of the June 2014 Circular, as well as the Company's 2013 annual report and accounts for further information. The outstanding share options as at 31 December 2013 are set out on page 80 of the Company's 2013 annual report and accounts.
- 5.7 In conjunction with the Revolving Credit Agreement entered into in December 2013, the Company issued warrants to Square 1 Bank to subscribe for 154,229 Ordinary Shares. The warrants are exercisable at 49.43 pence per Ordinary Share and have an exercise period of five years from the date of issue.
- 5.8 The Ordinary Shares are in registered form and capable of being held in certificated and uncertificated form. Following Admission, Ordinary Shares that are currently held in uncertificated form will continue to be held and dealt with through CREST. Share certificates in respect of those Ordinary Shares held in certificated form will continue to be valid and no new certificates will be issued in respect of such Ordinary Shares. The ISIN number of the Ordinary Shares is, and will continue to be, GB00B3XBCR18.
- 5.9 The Ordinary Shares have been created under the Companies Acts. Following Admission, the Company will continue to have one class of Ordinary Shares, the rights attached to which are set out in the articles of association of the Company adopted by special resolution on 30 June 2010. A summary of the articles of association, including the rights attaching to the Ordinary Shares, can be found on pages 71 to 78 of the 2012 Prospectus.
- 5.10 In accordance with the Act, any equity shares issued by the Company for cash must first be offered to Shareholders in proportion to their holdings of Ordinary Shares. These pre-emption rights were waived by a special resolution of the Shareholders which was passed on 19 June 2014 at the Company's Annual General Meeting up to a maximum nominal amount of £501,354, such authority to expire at the end of the next Annual General Meeting.
- 5.11 The Directors are not aware of any person who does, or who will, directly or indirectly, exercise control over the Company or any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

## 6. Information on the Directors

6.1 The interests of the Directors and, so far as is known to the Directors having made appropriate enquiries, persons connected with them (within the meaning of section 252 of the Act), in the existing issued share capital of the Company as at 24 November 2014 (being the last practicable date prior to the publication of this document) and as expected to be immediately following Admission (assuming no Ordinary Shares are issued following the date of this document under the Share Schemes or otherwise, including under the warrants referred to in paragraph 5.7 above), are set out below:

<i>Name of Director</i>	<i>Number of Ordinary Shares held at the date of this document</i>	<i>Percentage of issued Ordinary Share capital at the date of this document</i>	<i>Number of Ordinary Shares to be held immediately following Admission</i>	<i>Percentage of issued Ordinary Share capital immediately following Admission</i>
Charles Spicer	24,390	0.04	24,390	0.04
Michael Ashton	169,350	0.34	169,350	0.34
Marella Thorell	-	-	-	-
William Birkett	92,686	0.18	92,686	0.18
Peter Larkin	-	-	-	-
Matthew Hammond	-	-	-	-
Daniel Hegglin	4,909,091	9.79	4,909,091	9.79
<b>Total</b>	<b>5,195,517</b>	<b>10.36</b>	<b>5,195,517</b>	<b>10.36</b>

6.2 As at 24 November 2014 (being the last practicable date prior to the publication of this document) and as expected to be immediately following Admission, the following options have been granted to the Directors and, so far as is known to the Directors having made appropriate enquiries, persons connected with them (within the meaning of section 252 of the Act), and are outstanding under the Share Schemes:

<i>Name of Director</i>	<i>Number of Ordinary Shares under option</i>	<i>Number of options exercisable</i>	<i>Expiry date</i>	<i>Exercise Price per Ordinary Share</i>	<i>Share Scheme</i>
Charles Spicer	35,000	17,500	9 August 2018	0.41	Individual Arrangement for Non-Executive

					Directors
Michael Ashton	100,000	-	7 August 2019	0.54	Executive Omnibus Incentive Plan
	35,000	35,000	2 February 2017	0.6143	Individual Arrangement for Non-Executive Directors
Marella Thorell	7,500	7,500	20 February 2018	3.05	Executive Omnibus Incentive Plan
	80,000	80,000	22 September 2016	0.245	Executive Omnibus Incentive Plan
	20,000	20,000	9 November 2015	0.555	Executive Omnibus Incentive Plan
William Birkett	5,000	5,000	20 February 2018	3.05	Individual Arrangement for Non-Executive Directors
	70,000	70,000	2 February 2017	0.6143	Individual Arrangement for Non-Executive Directors
Peter Larkin	35,000	17,500	1 May 2018	0.475	Individual Arrangement for Non-Executive Directors
Matthew Hammond	35,000	35,000	2 February 2017	0.6143	Individual Arrangement for Non-Executive Directors

Daniel Hegglin	35,000	17,500	8 February 2018	0.40	Individual Arrangement for Non-Executive Directors
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<b>Total</b>	457,500
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6.3 Michael Ashton and Marella Thorell, as the Company's executive Directors, have been granted awards under the Company's Value Creation Plan. Michael Ashton has been awarded 30 per cent. of the allocation of performance units under the Value Creation Plan and Marella Thorell has been awarded 15 per cent. Such allocations create the opportunity for future share awards conditional on the achievement of certain performance criteria, which includes minimum share price growth. No shares have been issued to date under the Value Creation Plan.

6.4 Save as stated above or as otherwise disclosed in the Company's Public Record:

6.4.1 none of the Directors (nor any person connected with any of them within the meaning of section 252 of the Act) has any interest, whether beneficial or non-beneficial, in the share or loan capital in the Group or in any related financial product (as defined in the AIM Rules) referenced to the Ordinary Shares;

6.4.2 there are no outstanding loans granted or guarantees provided by any member of the Group to or for the benefit of the Directors or provided by any Director to any member of the Group;

6.4.3 none of the Directors has any interest, direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by, or leased to, any member of the Group;

6.4.4 none of the Directors has any other option or warrant to subscribe for any shares in the Company; and

6.4.5 none of the Directors has any interest, direct or indirect, in any contract or arrangement which is or was unusual in its nature or conditions or significant to the business of the Group taken as a whole, which were effected by any member of the Group and which remains in any respect outstanding or unperformed.

6.5 In addition to their directorships in the Group, the Directors hold, or have held during the five years preceding the date of this document, the following directorships or partnerships:

<i>Director (age)</i>	<i>Current Directorships/Partnerships</i>	<i>Past Directorships/Partnerships</i>
Charles Spicer (49)	SIW Holdings Limited Aircraft Medical Limited. IXICO plc IXICO Technologies Limited IXITECH Limited Gresham's School Phytodevelopments Limited Fishmongers' Company The Royal Humane Society	Ark Therapeutics Group plc Trust William Limited XCounter AB

Michael Ashton (68)	Transition Therapeutics Inc Hikma Pharmaceuticals Public Limited Company Komixx Entertainment Limited	Proximagen Group Limited Miphro Pty Limited Phosphagenics Limited
Marella Thorell (47)	-	-
William Birkett (67)	-	-
Peter Larkin (60)	National Grocers Association National Cooperative Bank	-
Matthew Hammond (39)	Mail.Ru Group Limited Strike Resources Limited	Nautilus Minerals Inc. Qivi plc Ingenious Film Partners 2 LLP
Daniel Hegglin (53)	BML Capital II LLP Rosetta Capital I, LP Roseway Capital LP	BML Capital I LLP TT International (London) Limited <sup>1</sup> TT International (London) Limited <sup>2</sup> TT International (Hong Kong) Limited

<sup>1</sup> incorporated in the United Kingdom

<sup>2</sup> incorporated in Hong Kong

None of the Directors has:

- 6.6.1 any unspent convictions relating to indictable offences;
- 6.6.2 had a bankruptcy order made against him or entered into any individual voluntary arrangements;
- 6.6.3 been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation or administration or entered into a company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company at the time of, or within the twelve months preceding, such events;
- 6.6.4 been a partner of a firm which has been placed in compulsory liquidation or administration or which has entered into a partnership voluntary arrangement whilst he was a partner of that firm at the time of, or within twelve months preceding, such events;
- 6.6.5 had any asset belonging to him placed in receivership or been a partner of a partnership whose assets have been placed in receivership whilst he was a partner at the time of, or within twelve months preceding, such receivership; or

- 6.6.6 been publicly criticised by any statutory or regulatory authority (including any recognised professional body) or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.
- 6.7 The Company is not aware of any person or persons who directly or indirectly, jointly or severally, exercise(s) or could exercise control of the Company or any arrangements the operation of which may, at a subsequent date, result in a change in the control of the Company.
- 6.8 There is no arrangement under which any Director has agreed to waive future emoluments nor has there been any waiver of emoluments during the financial year immediately preceding the date of this document, save as disclosed in the Company's 2013 annual report and accounts in respect of Mr Daniel Hegglin who waived his fees for the financial year ended 31 December 2013 and future periods.

## 7. **Directors' service agreements and letters of appointment**

- 7.1 Save as disclosed by this paragraph 7, a summary of the terms of the service agreements of the executive Directors and the letters of appointment of the non-executive Directors is set out on pages 20 to 21 of the June 2014 Circular, which is in the Company's Public Record.
- 7.2 Following his appointment as Non-Executive Chairman on 23 June 2014, Charles Spicer entered into a new letter of appointment dated 2 August 2014. The key terms of the letter of appointment are as follows:

- Initial term of three years commencing on 23 June 2014 until the conclusion of the Company's annual general meeting in 2017, unless terminated earlier by either party giving six months' prior written notice.
- Mr Spicer is required to retire and seek re-election pursuant to the Articles or as the Board resolves. If Mr Spicer is not re-elected or retires from office, his appointment shall terminate automatically, with immediate effect and without compensation.
- Continuation of appointment is contingent upon continued satisfactory performance and re-election by the Shareholders and any relevant statutory provisions relating to removal of a director.
- The Company may also terminate the appointment with immediate effect if, *inter alia*, Mr Spicer commits a material breach of his obligations under the letter of appointment or any serious or repeated breach of his obligations to the Company, has been guilty of fraud or dishonesty or has acted in a way which might bring the Company into disrepute or is materially adverse to the Company's interests, is convicted of a criminal offence (other than a road traffic offence for which a fine or non-custodial penalty is imposed), is declared bankrupt, is disqualified from acting as a director or is in breach of the Company's anti-corruption and bribery policy.
- In addition, the Company may, in its sole discretion, terminate the appointment at any time with immediate effect by paying a sum in lieu of notice. Subject to this, he is not entitled to any further compensation on termination of his appointment (save for any fees which have accrued up to the date of termination and any expenses properly incurred prior to that date).
- Mr Spicer receives a fixed annual fee of £50,000 subject to periodic Board review which includes fees for his role as chairman of the Remuneration and Nomination Committee. He is also entitled to be reimbursed for all reasonable and properly documented expenses incurred in the performance of his duties.

## 8. **Corporate Governance**

- 8.1 Although it is not mandatory for companies whose shares are admitted to trading on AIM to comply with the UK Corporate Governance Code, the Directors intend that the Company will have continuing regard to the UK Corporate Governance Code and will consider the QCA Code and the IMA Guidelines. The Directors will review the Company's corporate governance procedures from time to time, having regard to the size, nature and resources of the Company to ensure such procedures are appropriate and implemented or to make changes, as deemed appropriate.
- 8.2 The Company currently has a Nomination Committee, a Remuneration Committee and an Audit Committee, details of which (including the terms of reference for each) are in the Company's Public Record and set out in the Company's 2013 annual report and accounts. The Company will re-evaluate the Committee structure and terms of reference having regard to those matters indicated in paragraph 8.1.
- 8.3 Further details on the Group's corporate governance principles and policies can be found on the Company's website at [www.puricore.com](http://www.puricore.com).

## 9. **Related Party Transactions**

- 9.1 Save as disclosed in note 25 to the Company's 2011 annual report and accounts, note 25 to the Company's 2012 annual report and accounts and note 25 to the Company's 2013 annual report and accounts (each of which are in the Company's Public Record), there have been no related party transactions during the period covered by the historical financial information up to 24 November 2014, being the last practicable date prior to the publication of this document.

## 10. **Material Contracts**

Save as set out on page 22 of the June 2014 Circular, the following contracts are all of the contracts (not being contracts entered into in the ordinary course of business) that have been entered into by the Group in the two years prior to the date of this document and are, or may be, material to the Group or have been entered into by any member of the Group at any time and contain obligations or entitlements which are, or may be, material to the Group, in each case as at the date of this document:-

### 10.1 *Introduction Agreement*

The Company and N+1 Singer have entered into an introduction agreement dated 24 November 2014 pursuant to which N+1 Singer has agreed, subject to certain conditions, to act as the Company's nominated adviser in connection with Admission. The Introduction Agreement contains warranties from the Company in favour of N+1 Singer in relation to, inter alia, the accuracy of the information in this document and other matters relating to the Company and its business and an indemnity in the customary form. The Company has agreed to pay N+1 Singer a corporate finance fee of £65,000 together with any applicable VAT. Additionally, the Company has agreed to pay all of N+1 Singer's out-of-pocket expenses reasonably and properly incurred (including any applicable VAT) in connection with Admission.

## 10.2 *Nomad and Broker Engagement Letter*

Pursuant to an engagement letter entered into between the Company and N+1 Singer, N+1 Singer has been appointed as the Company's nominated adviser and broker following Admission. Under the terms of the engagement the Company has agreed to pay a retainer fee of £60,000 per annum (exclusive of VAT) commencing on Admission, and to reimburse N+1 Singer for all out-of-pocket expenses reasonably and properly incurred in connection with the engagement. The retainer fee is subject to increase in line with inflation unless agreed otherwise. The engagement is terminable by either party upon not less than two months' prior written notice (such notice not to be given until at least 12 months following the date of the engagement letter) and with immediate effect by either the Company or N+1 Singer in certain limited circumstances.

## 11. **Litigation and Arbitration**

Neither the Company nor any member of the Group is, nor has it been at any time during the 12 months immediately preceding the date of this document, involved in any governmental, legal or arbitration proceedings, which may have, or have had in the recent past, a significant effect on the Company's and/or the Group's financial position or profitability and there are no such proceedings of which the Company is aware which are pending or threatened.

## 12. **Taxation**

The following statements are intended only as a general guide to current United Kingdom tax legislation and to the current practice of HM Revenue & Customs ("**HMRC**") and may not apply to certain Shareholders, such as dealers in securities, insurance companies and collective investment schemes. They relate (except where stated otherwise) to persons who are resident in the UK for UK tax purposes, who are beneficial owners of Ordinary Shares and who hold their Ordinary Shares as an investment (and not as employment related securities). **Any person who is in any doubt as to his or her tax position, or is subject to taxation in any jurisdiction other than that of the UK, should consult his professional advisers immediately.**

### 12.1 *Taxation of Dividends*

Under UK tax legislation, the Company is not required to withhold tax at source from dividend payments it makes.

Individual Shareholders resident for tax purposes in the UK should generally be entitled to a tax credit in respect of any dividend received equal to one-ninth of the amount of the dividend.

An individual Shareholder's liability to income tax will be calculated on the sum of the dividend and the tax credit (the "**gross dividend**"). This will be regarded as the top slice of the individual's income and will be subject to UK income tax at the rates described below.

The tax credit equals 10 per cent. of the gross dividend and will be available to set against a Shareholder's liability (if any) to income tax on that gross dividend.

Individual Shareholders liable to income tax at no more than the basic rate will be liable to income tax on dividend income received at the rate of 10 per cent. of the gross dividend. This means that the tax credit will satisfy in full the individual Shareholder's liability to pay income tax on the dividend received.

The rate of income tax applying to dividends received by an individual Shareholder liable to income tax at the higher rate will be 32.5 per cent. of the gross dividend. In the case of a dividend received by an individual Shareholder liable to income tax at the additional rate, the

applicable rate of income tax will be 37.5 per cent. After taking into account the 10 per cent. tax credit, a higher rate taxpayer will be liable to income tax of 22.5 per cent. of the gross dividend, which is equal to 25 per cent. of the cash dividend received and an additional rate taxpayer will be liable to additional income tax at 27.5 per cent. of the gross dividend (30.6 per cent. of the cash dividend received).

For example, an individual Shareholder receiving a dividend of £90 would receive a tax credit of £10. The gross dividend (the cash dividend plus the tax credit) would be £100. If the Shareholder is a higher rate taxpayer, he would be taxed on the dividend at £32.50 (32.5 per cent. of £100), but can set against this the tax credit of £10. This leaves tax to pay of £22.50, which is 25 per cent. of the £90 dividend received.

Individual Shareholders who are resident in the UK cannot claim payment of the tax credit from HMRC, even if the tax credit exceeds the liability of the Shareholder to pay income tax on the dividend in question.

Trustees who are liable to income tax at the rate applicable to trusts (currently 45 per cent.) will pay tax on the gross dividend at the dividend trust rate of 37.5 per cent. against which they can set the tax credit. To the extent that the tax credit exceeds the trustees' liability to account for income tax, the trustees will have no right to claim repayment of the tax credit.

A corporate Shareholder which is resident for tax purposes in the UK and which is not a dealer in securities will not normally be liable to corporation tax on any dividends received, but cannot claim payment of the tax credit from HMRC.

United Kingdom pension funds and charities are generally exempt from tax on dividends which they receive but they are not entitled to claim repayment of the tax credit.

Individual Shareholders who are resident for tax purposes in countries other than the UK but who are nationals of states which are part of the European Economic Area, residents of the Isle of Man or the Channel Islands, or certain other persons are entitled to a tax credit as if they were resident for tax purposes in the UK which they may set off against their total UK income tax liability. Such Shareholders will generally not be able to claim payment of the tax credit from HMRC.

Other Shareholders who are not resident in the UK for tax purposes will not generally be entitled to claim payment of any part of the tax credit from HMRC under any double taxation treaty or otherwise, or if they are entitled, any such payment is likely to be negligible.

## 12.2 ***Taxation of Chargeable Gains***

Shareholders who are resident in the UK for tax purposes and who dispose of their Ordinary Shares at a gain will ordinarily be liable to UK taxation on chargeable gains, subject to any available exemptions or reliefs. The gain will be calculated as the difference between the sale proceeds and any allowable costs and expenses, including the original acquisition cost of the Ordinary Shares.

Shareholders who are not resident in the UK for tax purposes but who carry on a trade, profession or vocation in the UK through a branch, agency or fixed place of business in the UK may be liable to UK taxation on chargeable gains on any gain on a disposal of their Ordinary Shares, if those Ordinary Shares are or have been held, used or acquired for the purposes of that trade, profession or vocation or for the purposes of that branch, agency or fixed place of business.

If an individual Shareholder ceases to be resident in the UK and subsequently disposes of Ordinary Shares, in certain circumstances any gain on that disposal may be liable to UK capital gains tax upon that Shareholder becoming once again resident in the UK.

## 12.3 ***Inheritance Tax***

The Ordinary Shares are assets situated in the UK for the purposes of UK inheritance tax. A gift of such shares by, or on the death of, an individual Shareholder may (subject to certain exemptions and reliefs) give rise to a liability to UK inheritance tax even if the Shareholder is neither domiciled nor deemed to be domiciled in the UK. Companies whose shares trade on AIM are deemed to be unlisted for the purposes of UK inheritance tax. Following Admission, individuals who hold Ordinary Shares may, after two years, therefore be eligible for inheritance tax business property relief.

## 12.4 ***Stamp Duty and Stamp Duty Reserve Tax ("SDRT")***

Provided the Ordinary Shares are de-listed from the Official List, remain admitted to trading only on AIM and are not listed on any other market, transactions in Ordinary Shares will not be expected to be subject to stamp duty or SDRT.

The above comments are intended as a guide to the general stamp duty and SDRT position and may not relate to persons such as charities, market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services to whom special rules apply.

## 13. **Risk factors**

*Any investment in the Company's securities is subject to a number of risks. The Directors consider the following specific risk factors relating to the Ordinary Shares and the Group to be of particular relevance and therefore they should be considered carefully in evaluating whether to make an investment in the Company. An investment in the Company is only suitable for investors who are capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which might result from such investment. If you are in any doubt as to the action you should take, you should consult a professional adviser authorised under FSMA who specialises in advising on the acquisition of shares and other securities. This summary of risk factors is not intended to be exhaustive nor are they set out in any particular order of priority, magnitude or probability. Furthermore, additional risks and uncertainties relating to the Group that are not currently known to the Group, or that it currently deems immaterial, may also have an adverse effect on the Group's business.*

(a) **Risks relating to the Group's business**

***The Group's operations are less diversified following the sale of PuriCore International Limited***

Following the disposal of its UK endoscopy business in June 2014 through the sale of PuriCore International Limited, the Group's business is less diversified, now focusing on its core technology within its Food and Agriculture segment, comprising principally of Supermarket Retail and within the Health Sciences segment, comprising principally of Wound Care and Dermatology. Weak performance in these businesses, or in any particular part of these businesses, may have a proportionally greater adverse impact on the financial condition of the Group. The Group is seeking to expand its geographic reach and product portfolio to increase diversification.

***The Group has a significant concentration of sales revenue derived from a few customers***

A significant proportion of the Group's sales contracts are with a limited number of customers such as certain large retail supermarket chains and distribution partners. Failure to deliver products and/or services to these customers or distributors, termination by any of these customers or distributors of their agreements with the Group, and/or a reduction in spending by these customers, could have a material adverse effect on the Group's business, financial condition and results of operations in the form of reduced revenues. The Group is endeavouring to diversify its customer base through additional product offerings and placements, including new concentrate products, distributorship expansion and entry into new geographic markets to mitigate this risk.

***The Group has a history of operating losses***

The Group has experienced operating losses in each year since its inception and, as at 31 December 2013, had an accumulated deficit of approximately \$181.7 million. The Group has received significant proceeds from the sale of PuriCore International Limited, established a line of credit and has prudent cash management policies. However, the Group may need to consider future fundraising to support specific growth or investment initiatives.

***The Group is reliant on core technology and development and is subject to competition***

The Group is reliant on its core technology platform, particularly in the Supermarket Retail and Health Sciences businesses, and is potentially subject to competition from other companies that might have products in development, or for sale, that are more advanced and/or less expensive. Alternate or competing technologies may emerge. In relation to future products, competitors may precede the Group in commercialising, developing, and receiving regulatory approval for their products, and competitors may also succeed in developing products that are even safer, more effective, or more economically viable than products developed by the Group.

As a result, the Group's products may not be competitive or available in the market in a timely manner therefore eroding the Group's market share and/or potential for growth or creating pricing pressure in the market. The Group seeks to mitigate these risks through strengthening the science and technology of its products and its intellectual property portfolio, diversifying its product portfolio, endeavouring to rapidly increase market share and enter into new markets, and remaining vigilant and pro-active in regards to competitive threats, to the extent practicable.

***The Group's products are subject to various US, European and other legislative and regulatory requirements***

The Group's products are subject to various US, European and other legislative and regulatory requirements. If the Group or its distributors or third party manufacturers fail to satisfy legislative and regulatory requirements, this could result in the imposition of sanctions on the Group, including fines, injunctions, civil penalties, import bans, delays, suspension or withdrawal of approvals, licence revocation, seizures or recall of products, operating restrictions and criminal prosecutions, any of which could materially harm the Group's product development and commercialisation efforts.

Legislative changes or regulatory reform of the healthcare systems in the countries in which the Group operates may also affect the Group's ability to sell its products profitably or at all. Further, the Group may not be successful in securing regulatory clearance for devices or products it may develop in the future. Even if regulatory clearance is granted, it may be subject to continual review and this approval may be withdrawn or restricted. Any or a combination of these factors could have a material adverse effect on the Group's business, financial condition and results of operations. The Group seeks to mitigate these risks through procedures to assess on-going compliance with regulatory guidance.

***As the Group transitions to a consumables-based revenue model in its Supermarket Retail business, consumption levels may not be as high as forecast and service requirements may be high whilst investment will be necessary to establish the consumable platform at customer locations***

The Group has a mixture of capital equipment, leased equipment, service contracts, and consumables revenue sources in Supermarket Retail. With a stated intent to transition the business to a more consumables-based revenue model, future revenues are to a greater extent dependent upon ongoing consumption levels from customers. If usage levels in future years do not achieve expectations, this could have a material adverse effect on the Group's business, financial condition, and results of operations if appropriate measures are not taken to reduce costs in line with reduced sales. The Group seeks to mitigate this risk by closely monitoring and reporting to the customer on consumption, by maintaining close customer relationships to keep abreast of customer dynamics, and by expanding the use and application of the consumables throughout the customer's operations.

The Group must make initial investments in procuring and installing the concentrate delivery systems for the consumable products at customer locations and may not re-coup the cost of this investment if consumption levels of consumables do not meet expectations. Additionally, as the delivery systems are further developed and refined, it may be costly to repair or replace installed delivery systems if they do not perform as needed or last as long as expected. To mitigate this risk, the Company has re-designed its delivery systems to improve reliability and monitors performance of these systems in the field.

***Rapid growth in the Group's Health Sciences businesses is dependent upon additional investment and successful marketing partnerships***

The Group has significant growth expectations for the Health Sciences businesses; such expectations are built largely on generating new products, obtaining new regulatory approvals and commercialising through marketing partners, which represent an important part of the Group's growth strategy going forward. Each of these elements may require significant investment to achieve rapid growth. The Group has established oversight for investment decisions such that investments are made prudently and in consideration of expected returns and milestones achieved.

Also, it is possible that the Group will not be able to agree terms with new potential partners, that existing or new partners will not perform to expected levels or that it will experience slower than expected revenue growth. The Group seeks to mitigate these risks by focusing on strengthening

existing partnership relationships and by developing line extensions to support distributor sales efforts. In addition, the Group concurrently assesses other means to grow the Wound Care and Dermatology businesses.

***The Group is dependent on contract manufacturers and internal manufacturing operations to produce its products and internal and external production may not be able to meet increasing demand***

The Group is dependent upon a limited number of contract manufacturers as well as internal manufacturing operations to produce its range of products. Although the Group regularly considers additional contract manufacturers and other means to increase capacity, there can be no guarantee that the Group will be able to access additional sources to manufacture products in a timely manner. The Group believes that appropriate supply chain practices for demand planning and vendor management will continue to be applied, but there is no guarantee that its contractors will continue to devote adequate resources to the production of the Group's products or deliver sufficient quantities of finished products on a timely basis or at an acceptable cost or to enable the Group to maintain sufficient inventory to meet increasing customer demand, which may delay or reduce revenue recognition. For consumable products and for the Health Sciences businesses, the Group seeks to mitigate this risk by diversifying suppliers for concentrate products while also increasing internal production capacity.

***A large percentage of the Group's revenue is dependent upon the uptake and market success of rapidly developed and launched products***

As the Company has increasingly focused on new products, a significant percentage of the Group's revenue is and will be dependent upon timely delivery of outcomes by the Company's research and development team, obtaining the necessary regulatory approvals to timescale, and market acceptance and performance of products that were developed and launched to deliver speed to market. To mitigate this risk, the Group has a system to prioritise regulatory efforts, development and testing of new products, to assess in-market performance, and to identify and address issues.

**(b) Risks relating to the marketplace in which the Group operates**

***The sectors in which the Group operates are subject to macroeconomic pressures that may result in tighter spending practices***

The Group's customers are primarily in the healthcare and supermarket retail sectors. These sectors are subject to spending policy changes as a consequence of a downturn in the economy. The Group's sales to the healthcare sector may be subject to pricing and/or quantity pressures as a result. The US supermarket retail sector has been impacted by decreases in consumer spending, resulting in reduced spending on capital equipment. These macroeconomic pressures may result in lower revenues being realised by the Group.

**(c) Risks relating to intellectual property and litigation**

***The Group may be unable to adequately protect its intellectual property***

The Group is the owner of intellectual property rights, comprising patents, trademarks, designs, copyright, trade secrets and confidential information. While the Group may apply from time to time to register additional patents, trademarks, designs and copyright, and take reasonable steps to protect its trade secrets and confidential information, there can be no assurance that any of its registered intellectual property rights will not be successfully challenged or that third parties will not misappropriate such secrets and information. The Group relies to a great extent on its patents and, whilst no validity challenges have previously been made, there is no guarantee that they will

not be made in the future. Other companies may obtain intellectual property rights based on developments in technology used by the Group. Without obtaining a licence to utilise such intellectual property rights, the Group would be restricted from utilising such new developments.

Any misappropriation, or challenge to its intellectual property rights, or failure to obtain protection for a licence in relation to such intellectual property could have a material adverse effect on the Group's business, financial condition, and results of operations, and may require it to engage in costly litigation. The Group seeks to mitigate this risk by increasing investment in new patents and by implementing a robust process to monitor and/or defend existing patents, as appropriate.

***Intellectual property litigation and/or infringement actions may be brought against the Group or may need to be brought by the Group***

There can be no assurance that the Group will not receive a notification that any products or systems infringe any third-party intellectual property rights in the future. Any litigation to determine the validity of third-party infringement claims, whether or not determined in the Group's favour or settled by the Group, would be costly and could divert the efforts and attention of the management and technical personnel from productive tasks, which could have a material adverse effect on the Group's business, financial condition and results of operations.

The Directors cannot guarantee that infringement claims by third parties or claims by customers or end users of the Group's products resulting from infringement claims will not be asserted in the future or that such assertions, if proven to be true, will not have a material adverse effect on the Group's business, financial condition, or results of operations. In the event of an adverse ruling in any such matter, the Group could be required to pay substantial damages; cease the manufacture, use, and sale of infringing products; discontinue the use of certain processes; or obtain a licence under the intellectual property rights of the third-party claiming infringement. A licence may not be available on reasonable terms or at all. Any limitations on the Group's ability to market its products, or delays and costs associated with redesigning its products, or payments of licence fees to third parties, or any failure by the Group to develop or license a substitute technology on commercially reasonable terms, could have a material adverse effect on the Group's business, financial condition, and results of operations. There can be no assurance that the Group will not need to bring (or otherwise participate in) claims against third parties for infringement of intellectual property owned by the Group.

**(d) Risks relating to product liability**

***The business of the Group exposes its products to potential product liability risks***

The fact that the Group is in the healthcare and supermarket retail sectors may expose it to potential product liability risks associated with the research, development, manufacturing, marketing, sale, installation, training and use of its products.

The Group has product liability insurance in place. Whilst the Directors believe that the current levels of coverage are sufficient for its current products, there can be no assurance that the level of insurance carried now or in the future will be adequate to cover the financial damages resulting from a product liability claim or judgement. Any product liability claim or judgement that exceeds the Group's insurance coverage limits could have a material adverse effect on the Group. The Group seeks to mitigate this risk by maintaining levels of liability insurance, which the Directors believe are sufficient to address this risk and by performing periodic business risk assessment.

**(e) Risks relating to investing in a quoted company whose shares are admitted to AIM**

***An investment in an AIM quoted company may entail a higher degree of risk and lower liquidity than a company listed on the Official List or on the main board of other leading exchanges***

AIM is a market designed primarily for emerging or smaller growing companies which carry a higher than normal financial risk and tend to experience lower levels of liquidity than larger companies. Accordingly, AIM may not provide the liquidity normally associated with the Official List or some other leading stock exchanges and the share price may be subject to greater fluctuations than might be the case for a similar company listed on the Official List.

***Investors in the Ordinary Shares may lose part or all of the value of their investment***

There can be no guarantee that the value of an investment in the Company will increase. Investors may, therefore, realise less than, or lose all of, their original investment. The price at which the Ordinary Shares are traded on Admission may not be indicative of prices that will continue to prevail in the trading market. Investors may not be able to resell their Ordinary Shares at a price that is attractive to them or that is higher than the price they paid for them.

***Investors' shares may be diluted upon a capital raising***

The Company may need to raise capital in the future through equity financings. If the Company raises significant amounts of capital, by these or other means, it could cause dilution for existing Shareholders at that time.

***The share price of the Company may fluctuate significantly***

The share price may, in addition to being affected by the Group's actual or forecasted operating results, fluctuate significantly as a result of factors beyond the Group's control and may not always reflect the underlying asset value or the prospects of the Company.

***Ordinary Shares may not be suitable as an investment for all prospective investors***

The Company may not generate profits in the short or medium term; accordingly, the Ordinary Shares may not be suitable as a short-term investment. The Company's share price may be subject to large fluctuation on small volumes of shares traded and the Ordinary Shares may be difficult to sell at the quoted market price. Prospective investors should be aware that the value of an investment in the Company may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company.

***The Company may be unable to pay dividends***

No cash or other dividends have been declared or paid on the Ordinary Shares since incorporation. The declaration, timing and payment of dividends in future periods, if any, will be completely within the discretion of the Board, subject to the Company having available reserves for such purposes. Accordingly, prospective investors should not rely on receiving dividend income from the Ordinary Shares. For the foreseeable future, any return on a prospective investor's investment in the Ordinary Shares is likely to depend entirely on the appreciation in value of such Ordinary Shares, which cannot be assured.

***Future sales, or the anticipation of future sales, of Ordinary Shares may depress the price of Ordinary Shares***

Future sales of the Ordinary Shares, or the perception that such sales will occur, could cause a decline in the market price of the Ordinary Shares. Future sales of Ordinary Shares could be made by substantial shareholders, or further issues of Ordinary Shares could be made by the

Company, for example, through a capital increase to fund an acquisition or for another purpose. The sale or issue of a substantial number of Ordinary Shares, or the perception that such sales or issues could occur, could materially and adversely affect the market price of the Ordinary Shares and could also restrict the ability of the Company to raise capital through the issue of equity securities in the future.

14. **General**

14.1 It is estimated that the total costs and expenses payable by the Company in connection with or incidental to the delisting from the Main Market and Admission to trading on AIM including London Stock Exchange fees, printing and distribution costs, legal, and corporate finance fees are estimated to amount to approximately £170,000 (excluding any VAT payable thereon).

14.2 N+1Singer has given and not withdrawn its written consent to the issue of this document with the inclusion in this document of references to its name in the form and context in which it appears.

14.3 Save as disclosed in this document or in the Company's Public Record no person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has within the twelve months preceding the date of this document received directly or indirectly from the Company, or has entered into contractual arrangements to receive, directly or indirectly, from the Company on or after Admission:

14.3.1 fees totalling £10,000 or more; or

14.3.2 securities in the Company with a value of £10,000 or more calculated by reference to the expected opening price; or

14.3.3 any other benefit with a value of £10,000 or more at the date of Admission.

14.4 No public takeover bids have been made by third parties in respect of the Company's issued share capital during the financial year ended 31 December 2013 or during the current financial year up to the date of this document.

14.5 The Directors are not aware of any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for at least the current financial year.

14.6 The Directors are not aware of any environmental issues that may affect the Group's utilisation of its tangible fixed assets.

25 November 2014

## DEFINITIONS

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

<b>"2012 Prospectus"</b>	the prospectus issued by the Company on 19 December 2012 in respect of the variation to the conversion terms of the convertible loan notes, conversion of convertible loan notes, payment of convertible loan note interest in shares and placing of 5,353,488 placing shares
<b>"Act"</b>	the Companies Act 2006 (as amended)
<b>"Admission"</b>	the admission of the issued Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules
<b>"AIM"</b>	AIM, a market operated by the London Stock Exchange
<b>"AIM Rules"</b>	the AIM Rules for Companies published by the London Stock Exchange from time to time
<b>"AIM Rules for Nominated Advisers"</b>	the AIM Rules for Nominated Advisers published by the London Stock Exchange from time to time
<b>"Board" or "Directors"</b>	the directors of the Company whose names are set out on page 3 of this document
<b>"Business Days"</b>	any day on which banks are generally open in England and Wales for the transaction of sterling business, other than a Saturday, Sunday or public holiday
<b>"Companies Acts"</b>	the Companies Act 1985 and the Companies Act 2006 (each as amended)
<b>"Company" or "PuriCore"</b>	PuriCore plc
<b>"Company's Public Record"</b>	all information in relation to the Company which is public including, without limitation, all regulatory announcements made by the Company to the London Stock Exchange (available at <a href="http://www.londonstockexchange.com">www.londonstockexchange.com</a> ), all information available in respect of the Company on the FCA's National Storage Mechanism (available at <a href="http://www.morningstar.co.uk/uk/NSM">www.morningstar.co.uk/uk/NSM</a> ) including the information contained in the 2012 Prospectus, the June 2014 Circular and the shareholder circular dated 7 November 2014, all information available on the Company's website ( <a href="http://www.puricore.com">www.puricore.com</a> ) and the contents of this document
<b>"CREST"</b>	the UK-based system for the paperless settlement of trades in listed securities, of which Euroclear is the operator in accordance with the relevant system (as defined in the CREST Regulations)

<b>"CREST Regulations"</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755) as amended from time to time, including by the Uncertificated Securities (Amendment) Regulations 2013 (SI 2013 No.632)
<b>"FSMA "</b>	the Financial Services and Markets Act 2000 (as amended)
<b>"Group"</b>	the Company and its subsidiary undertakings
<b>"IMA Guidelines"</b>	the share capital management guidelines issued by the Investment Management Association from time to time
<b>"June 2014 Circular"</b>	the shareholder circular issued by the Company on 4 June 2014 in respect of the disposal of PuriCore International Limited
<b>"London Stock Exchange"</b>	London Stock Exchange plc
<b>"N+1 Singer"</b>	Nplus1 Singer Advisory LLP, the Company's nominated adviser and broker in connection with Admission, trading as "N+1Singer"
<b>"Official List"</b>	the Official List of the Financial Conduct Authority
<b>"Ordinary Shares"</b>	ordinary shares of 10 pence each in the share capital of the Company
<b>"QCA Code"</b>	the Corporate Governance Code for Small and Mid-Size Quoted Companies, issued by the Quoted Companies Alliance in May 2013, as amended from time to time
<b>"Revolving Credit Agreement"</b>	the secured revolving credit agreement dated 4 December 2013 between PuriCore, Inc. and Square 1 Bank
<b>"Shareholders"</b>	holders of the Ordinary Shares from time to time
<b>"Share Schemes"</b>	means the PuriCore plc Executive Omnibus Incentive Plan, the PuriCore plc Value Creation Plan and individual arrangements for Non-Executive Directors
<b>"UK Corporate Governance Code"</b>	the UK Corporate Governance Code issued by the Financial Reporting Council in September 2014, as amended from time to time
<b>"United Kingdom" or "UK"</b>	the United Kingdom of Great Britain and Northern Ireland
<b>"United States" or "US"</b>	the United States of America