MaxCyte®

DRIVING A NEW GENERATION OF CELL-BASED MEDICINE

PANMURE GORDON & CO

MaxCyte, Inc.
Admission Document

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, you should consult an independent professional adviser authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

This document is an admission document prepared in accordance with the AIM Rules for Companies. This admission document does not contain an offer of transferable securities to the public in the United Kingdom within the meaning of section 102B of the FSMA and is not required to be issued as a prospectus pursuant to section 85 of the FSMA. Accordingly, this admission document has not been drawn up in accordance with the Prospectus Rules and has not been approved by or filed with the Financial Conduct Authority or delivered to or approved by any other authority which could be a competent authority for the purposes of the Prospectus Directive. **Application will be made for the whole of the issued and to be issued Common Stock to be admitted to trading on AIM. It is expected that Admission will become effective and that trading in the Common Stock will commence on AIM on 29 March 2016.**

The Company, the Directors and Proposed Directors of MaxCyte, Inc., whose names appear on page 7 of this document, accept responsibility, both individual and collective, for the information contained in this document including for compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Company, the Directors and Proposed Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts, and does not omit anything likely to affect the import of such information.

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 UK Listing 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.

Prospective investors should read the whole text of this admission document and should be aware that an investment in the Company involves a high degree of risk. In particular, the attention of prospective investors is drawn to Part 2 of this document which sets out certain risk factors relating to any investment in Common Stock. All statements regarding the Company's business, financial position and prospects should be viewed in light of these risk factors.

MAXCYTE, INC.

(Incorporated and registered in the State of Delaware, USA under the General Corporation Law of the State of Delaware with registered number 2927945-81)

PLACING OF NEW COMMON STOCK OF $0.01 EACH AT A PRICE OF 70 PENCE PER COMMON STOCK

AND

ADMISSION TO TRADING ON AIM

Nominated Adviser and Broker

Panmure Gordon (UK) Limited

The Placing is conditional, amongst other things, on Admission taking place on or before 29 March 2016 (or such later date as the Company and Panmure Gordon (UK) Limited may agree, not being later than 22 April 2016).

The New Common Stock will, on issue, rank in full for all dividends and other distributions declared, paid or made in respect of the Common Stock after Admission and will otherwise rank pari passu in all respects with the existing Common Stock in issue.

This document may not be published, distributed or transmitted by any means or media, directly or indirectly, in whole or in part, in or into the United States. Securities may not be offered or sold in the United States absent (i)

registration under the US Securities Act of 1933, as amended (the "**Securities Act**") or (ii) an available exemption from registration under the Securities Act. The securities mentioned herein have not been, and will not be, registered under the Securities Act and will not be offered to the public in the United States.

This document does not constitute an offer of, or the solicitation of an offer to subscribe for or to buy, any Common Stock to any person in the United States or to US Persons to whom it is unlawful to make such offer or solicitation or which may result in the requirement to register the New Common Stock under the Securities Act. The New Common Stock will be sold only to non-US Persons in "offshore transactions" as defined in and pursuant to Regulation S of the Securities Act or otherwise in transactions that are exempt from the registration requirements under the Securities Act.

The New Common Stock offered to non-US Persons in the Placing are subject to the conditions listed under Section 903(b)(3), or Category 3, of Regulation S. Under Category 3, Offering Restrictions (as defined under Regulation S) must be in place in connection with the Placing and additional restrictions are imposed on resales of the New Common Stock. Further details of these restrictions are set out in Part 6 of this document. The New Common Stock are "restricted securities" as defined in Rule 144 promulgated under the Securities Act. Purchasers of the New Common Stock may not offer, sell, pledge or otherwise transfer New Common Stock, directly or indirectly, in or into the United States or to, or for the account or benefit of, any US Person, except pursuant to a transaction meeting the requirements of Rules 901 to 905 (including the Preliminary Notes) of Regulation S, pursuant to an effective registration statement under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act. All New Common Stock are subject to these restrictions until at least the expiry of one year after the later of (i) the time when the New Common Stock are first offered to persons other than distributors in reliance upon Regulation S and (ii) the date of closing of the Placing, or such longer period as may be required under applicable law (the "**Distribution Compliance Period**"). These restrictions may remain in place or be reintroduced in relation to the New Common Stock following the expiry of the Distribution Compliance Period, at the discretion of the Company, for example in the event the Company issues additional Common Stock under the same ISIN as the New Common Stock.

The Common Stock have not been, nor will be registered under the applicable securities laws of Australia, Canada, Japan or the Republic of South Africa. Subject to certain exceptions, the Common Stock may not be offered or sold in Australia, Canada, Japan or the Republic of South Africa or to or for the account or benefit of any national, resident or citizen of Australia, Canada, Japan or the Republic of South Africa. This document does not constitute an offer of, or the solicitation of an offer to subscribe for or buy, any Common Stock to any person to whom, or in any jurisdiction in which, it is unlawful to make such offer or solicitation and is not for distribution in, or into, Australia, Canada, Japan or the Republic of South Africa.

The distribution of this document in other jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves of and observe such restrictions. No action has been taken or will be taken by the Company, the Directors, the Proposed Directors or Panmure Gordon (UK) Limited to permit a public offer of Common Stock or to permit the possession or distribution of this document in any jurisdiction where action for that purpose may be required.

Panmure Gordon (UK) Limited is regulated by the Financial Conduct Authority and is acting exclusively for the Company and for no one else in connection with the Placing and Admission. Panmure Gordon (UK) Limited will not regard any other person (whether or not a recipient of this document) as its customer in relation to the Placing and Admission and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Panmure Gordon (UK) Limited, or for advising any other person on the contents of this document or the Placing and Admission. The responsibility of Panmure Gordon (UK) Limited as nominated adviser and broker to the Company is owed solely to the London Stock Exchange and is not owed to the Company, any Director or any Proposed Director or to any other person in respect of his decision to acquire shares of Common Stock in the Company in reliance on any part of this document. No representation or warranty, express or implied, is made by Panmure Gordon (UK) Limited as to the contents of this document (without limiting the statutory rights of any person to whom this document is issued). No liability whatsoever is accepted by Panmure Gordon (UK) Limited for the accuracy of any information or opinions contained in this document or for the omission of any material information for which it is not responsible. In particular, the information contained in this document has been prepared solely for the purposes of the Placing and Admission and is not intended to inform or be relied upon by any subsequent purchasers of Common Stock (whether on or off exchange) and accordingly no duty of care is accepted in relation to them.

IMPORTANT NOTICE

Cautionary note regarding forward-looking statements

This document includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "could", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, including references to assumptions. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the Directors' and Proposed Directors' current intentions, beliefs or expectations concerning, among other things, the Company's results of operations, financial condition, liquidity, prospects, growth, strategies and the Company's markets.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual results and developments could differ materially from those expressed or implied by the forward-looking statements. Factors that might cause such a difference, include, but are not limited to the risk factors set out in Part 2 of this document. Prospective investors are strongly recommended to read the risk factors set out in Part 2 for a more complete discussion of such factors.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this document have been made after due and careful enquiry and are based on certain factors and assumptions, including the Directors' and Proposed Directors' current view with respect to future events and are subject to known and unknown risks relating to future events and other risks, uncertainties and assumptions relating to the Company's operations, results of operations, growth strategy and liquidity. While the Directors and Proposed Directors consider these assumptions to be reasonable based upon information currently available, they may prove to be incorrect. Prospective investors should therefore specifically consider the risk factors contained in Part 2 of this document that could cause actual results to differ before making an investment decision. Save as required by law or by the AIM Rules for Companies, the Company undertakes no obligation to publicly release the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Directors' and Proposed Directors' expectations or to reflect events or circumstances after the date of this document.

Notice regarding US federal securities laws, settlement and restrictions on transferability

Save for at the sole discretion of the Company, this document may not be published, distributed or transmitted by any means or media, directly or indirectly, in whole or in part, in or into the United States or to any US Person. Securities may not be offered or sold in the United States absent (i) registration under the Securities Act or (ii) an available exemption from registration under the Securities Act. The securities mentioned herein have not been, and will not be, registered under the Securities Act and will not be offered to the public in the United States.

This document does not constitute an offer of, or the solicitation of an offer to subscribe for or to buy, any Common Stock to any person in the United States or to US Persons to whom it is unlawful to make such offer or solicitation or which may result in the requirement to register the New Common Stock under the Securities Act. The Common Stock will be sold only to non-US persons in "offshore transactions" as defined in and pursuant to Regulation S under the Securities Act or otherwise in transactions that are exempt from registration requirements under the Securities Act.

The Common Stock offered to non-US Persons in the Placing are subject to the conditions listed under Section 903(b)(3), or Category 3, of Regulation S. Under Category 3, Offering Restrictions (as defined under Regulation S) must be in place in connection with the Placing and additional restrictions are imposed on resales of the Common Stock. Further details of these restrictions are set out in Part 6 of this document. The New Common Stock are "restricted securities" as defined in Rule 144 promulgated under the Securities Act. Purchasers of the New Common Stock may not offer, sell, pledge or otherwise transfer New Common Stock, directly or indirectly, in or into the United States or to, or for the account or benefit of, any US Person, except pursuant to a transaction meeting the requirements of Rules 901 to 905 (including the Preliminary Notes) of

Regulation S, pursuant to an effective registration statement under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act. All Common Stock are subject to these restrictions until at least the expiry of Distribution Compliance Period. These restrictions may remain in place or be reintroduced following the expiry of the Distribution Compliance Period in relation to the Common Stock, at the discretion of the Company, for example in the event the Company issues additional Common Stock under the same ISIN as the New Common Stock.

The Common Stock have not been registered with, recommended, approved or disapproved by the US Securities and Exchange Commission (the "**SEC**"), or any other federal or state securities commission in the United States, nor has the SEC or any other federal or state securities commission passed upon or endorsed the merits of the offering of the Common Stock, approved this document or confirmed the accuracy or adequacy of the information contained in this document. Any representation to the contrary is a criminal offence in the United States. The Common Stock are subject to restrictions and transferability and resale and may not be transferred or resold except as permitted under applicable federal or state securities laws pursuant to a registration or an exemption from registration. See Part 6 of this document.

Notice to overseas persons

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

The Common Stock will not qualify for distribution under the relevant securities laws of Australia, Canada, the Republic of South Africa or Japan, nor has any prospectus in relation to the Common Stock been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance.

Accordingly, subject to certain exemptions, the Common Stock may not be offered, sold, taken up, delivered or transferred in, into or from Australia, Canada, the Republic of South Africa, Japan or any other jurisdiction where to do so would constitute a breach of applicable securities laws or regulations (each a "**Restricted Jurisdiction**") or to or for the account or benefit of any national, resident or citizen of a Restricted Jurisdiction. This document does not constitute an offer to issue or sell, or the solicitation of an offer to subscribe for or purchase, any Common Stock to any person in a Restricted Jurisdiction and is not for distribution in, into or from a Restricted Jurisdiction.

Notice to prospective investors in the European Economic Area

This document is for distribution to, and is directed only at, persons in the European Economic Area who are "qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC) (and any amendments thereto and any relevant implementing measure in the relevant member state) and persons in the United Kingdom who are: (i) persons having professional experience in matters relating to investments which fall within the definition of investment professionals in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (the "**Order**"); or (ii) high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2) of the Order; or (iii) persons to whom it may otherwise be lawfully distributed under the Order (all such persons together being "**Relevant Persons**"). In the European Economic Area, any investment or investment activity to which this admission document relates is only available to and will only be engaged in with Relevant Persons. Persons who are not Relevant Persons should not act or rely on this admission document or any of its contents.

Note to Swiss persons

The Common Stock may not be publicly offered, sold or advertised, directly or indirectly, in or from Switzerland. Neither this document nor any other offering or marketing material relating to the Common Stock constitutes a prospectus as such term is understood pursuant to article 652a of the Swiss Federal Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange Ltd.,

and neither this document nor any other offering or marketing material relating to the Common Stock may be publicly distributed or otherwise made publicly available in Switzerland.

Basis on which financial information is presented

Unless otherwise indicated, financial information in this document, including the historical financial information on the Company for the years ended 31 December 2012, 2013 and 2014 and the unaudited interim financial information on the Company for the six month periods ended 30 June 2014 and 2015 have been prepared in accordance with US GAAP.

Various figures and percentages in tables in this document, including financial information, have been rounded and accordingly may not total. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data.

In the document, references to "pounds sterling", "£", "pence" and "p" are to the lawful currency of the United Kingdom and references to "dollars", "$", "cents" and "c" are to the lawful currency of the United States.

Market, economic and industry data

This document contains information regarding the Company's business and the industry in which it operates and competes, which the Company has obtained from various third party sources. Where information contained in this document originates from a third party source, it is identified where it appears in this document together with the name of its source. Such third party information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

References to defined terms

Certain terms used in this document are defined and certain technical and other terms used in this document are explained in the sections of this document under the headings "Definitions" and "Glossary".

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DIRECTORS, SECRETARY AND ADVISERS

Directors	J. Stark Thompson (*Chairman*) Douglas (Doug) Arthur Doerfler (*President and Chief Executive Officer*) Ronald (Ron) Evan Holtz (*Chief Financial Officer*) William (Will) Wade Brooke (*Non-executive Director*) Stanley (Stan) Charles Erck (*Non-executive Director*) Arthur (Art) Michael Mandell (*Non-executive Director*) John Joseph Johnston (*proposed Non-executive Director*)
Company Secretary	Ron Holtz
Registered Office	22 Firstfield Road, Suite 110 Gaithersburg Maryland MD 20878 United States of America
Nominated Adviser and Broker to the Company	Panmure Gordon (UK) Limited One New Change London EC4M 9AF
Solicitors to the Company under English law and US Securities law	Travers Smith LLP 10 Snow Hill London EC1A 2AL
Legal Advisers to the Company under US Law	Cooley LLP One Freedom Square Reston Town Centre 11951 Freedom Drive Reston Virginia 20190-5656 United States of America Feldhaus Law Group, P.C. 1629 K Street NW, Suite 300 Washington DC 20006 United States of America
Legal Advisers to the Company under US Intellectual Property Law	Norton Rose Fulbright US LLP 98 San Jacinto Blvd., Suite 1100 Austin, Texas 78701 United States of America
Reporting Accountants	Mazars LLP Tower Bridge House St Katharine's Way London E1W 1DD

Auditors	Aronson LLC 805 King Farm Blvd., Suite 300 Rockville MD 20850 United States of America
Solicitors to the Nominated Adviser and Broker	K&L Gates LLP One New Change London EC4M 9AF
Registrars	Capita Registrars (Guernsey) Limited Mont Crevelt House Bulwer Avenue St Sampson Guernsey GY2 4LH

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of the Admission Document	16 March 2016
Issue of the New Common Stock	29 March 2016
Admission becoming effective and expected commencement of dealings	8.00 a.m. 29 March 2016
Expected date for CREST accounts to be credited with Depositary Interests in respect of New Common Stock (where applicable)	29 March 2016
Despatch of definitive stock certificates (where applicable)	12 April 2016

Each of the times and dates in the above timetable is subject to change.

All times referred to in this document are, unless otherwise stated, references to London time.

PLACING STATISTICS

Placing Price per share of Common Stock	70p
Number of new shares of Common Stock being placed	14,285,714
Number of shares of Common Stock in issue immediately following the Placing	43,470,461
Percentage of the Enlarged Stock Capital represented by the New Common Stock	32.9 per cent.
Market capitalization of the Company at the Placing Price	£30.4 million
Estimated net proceeds of the Placing receivable by the Company	£7.8 million
ISIN	US57777K1060
TIDM	MXCT

Dilution to Stockholders of Existing Common Stock will be 32.9 per cent. as a result of the Placing if they do not participate.

DEFINITIONS

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

"**Admission**"	the admission of the Common Stock to trading on AIM becoming effective in accordance with the AIM Rules for Companies
"**AIM**"	AIM, a market operated by the London Stock Exchange
"**AIM Rules for Companies**"	the rules for AIM companies published by the London Stock Exchange
"**AIM Rules for Nominated Advisers**"	the rules for nominated advisers to AIM companies published by the London Stock Exchange
"**Award**"	a grant of an option to subscribe for Common Stock to be issued in accordance with the New Option Plan
"**Board**" or "**Directors**"	the directors of the Company as at the date of this document, whose names are set out on page 7 of this document
"**Business Day**"	a day (excluding Saturdays, Sundays and statutory holidays in the UK) on which banks are open for business in the City of London
"**Bylaws**"	the amended and restated bylaws of MaxCyte, Inc. dated 15 January 2016 to be effective at Admission
"**Certificate of Incorporation**"	the certificate of incorporation of the Company, as amended and restated from time to time
"**Common Stock**"	common stock of the Company with nominal value of $0.01 per share of common stock and any securities or dematerialised interests representing such common stock, including Depositary Interests
"**Company**" or "**MaxCyte**"	MaxCyte, Inc.
"**CREST**"	the relevant system for the paperless settlement of trades in securities and the holding of uncertificated securities (as defined in the CREST Regulations) in respect of which Euroclear UK & Ireland is the operator (as defined in the CREST Regulations)
"**CREST Regulations**"	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended from time to time
"**Custodian**"	a person nominated by the Depositary to hold Common Stock on their behalf under the terms of the Deed Poll
"**Deed Poll**"	the deed poll to be executed in favour of the holders of Common Stock wishing to use CREST
"**Depositary**"	Capita IRG Trustees Limited, registered number 2729260, whose registered address is 39 Beckenham Road, Beckenham, Kent BR3 4TU
"**Depositary Interests**"	dematerialised depositary interests representing underlying Common Stock that can be settled electronically through and held in CREST, as issued by the Depositary or its nominees who hold the underlying securities on trust
"**DGCL**"	General Corporation Law of the State of Delaware

"**Direct Subscription**"	the conditional placing of the New Common Stock by the Company to Placees in transactions that are exempt from the registration requirements under the Securities Act
"**Disclosure and Transparency Rules**" or "**DTR**"	the disclosure and transparency rules made by the Financial Conduct Authority in exercise of its functions as competent authority pursuant to Part VI of the FSMA
"**Distribution Compliance Period**"	the period during which the New Common Stock are subject to the conditions listed under Section 903(b)(3) of Regulation S, being until at least the expiry of one year after the later of (i) the time when the Common Stock are first offered to persons other than distributors in reliance upon Regulation S and (ii) the date of closing of the Placing, or such longer period as may be required under applicable law or as determined by the Company
"**Enlarged Stock Capital**"	the entire issued stock capital of the Company immediately following Admission comprising the Existing Common Stock and the New Common Stock
"**EIS**"	Enterprise Investment Scheme under the provisions of Part 5 of the Income Tax Act 2007 (as amended)
"**EU**"	the European Union
"**Euroclear UK & Ireland**"	Euroclear UK & Ireland Limited, the operator of CREST
"**Exchange Act**"	US Securities Exchange Act of 1934, as amended
"**Existing Common Stock**"	29,184,747 Common Stock immediately prior to Admission
"**FDA**"	the Food and Drug Administration, an agency within the US Department of Health and Human Services, responsible for, among other things, protecting the public health by assuring that medical devices and therapeutics products intended for human use are safe and effective
"**FDA Master File**"	a submission of proprietary information to and accepted by the FDA to permit the FDA to review this information in support of accrediting on behalf of the third party without revealing proprietary details
"**First Series D Preferred Stock Warrant**"	warrant for the purchase of 52,500 Series D Preferred Stock
"**FSMA**"	the Financial Services and Markets Act 2000
"**HMRC**"	Her Majesty's Revenue & Customs
"**Incentive Stock**"	a contingent grant of Common Stock in accordance with the terms of the New Option Plan
"**IRS**"	US Internal Revenue Service
"**London Stock Exchange**"	London Stock Exchange plc
"**New Common Stock**"	14,285,714 shares of Common Stock to be issued by the Company and placed pursuant to the Placing
"**New Option Plan**"	the MaxCyte, Inc. Long-Term Incentive Plan (f/k/a TheraMed, Inc. 2000 Long-Term Incentive Plan), as most recently amended and

	restated and approved by the Board on 29 January 2016, intended to be effective on Admission
"**Official List**"	the Official List of the UK Listing Authority
"**Option**"	an option to purchase Common Stock granted in accordance with the New Option Plan
"**Option Plans**"	the MaxCyte, Inc. 1999 Long-Term Incentive Plan, together with the MaxCyte, Inc. 2000 Long-Term Incentive Plan
"**Panmure Gordon**"	Panmure Gordon (UK) Limited
"**Performance Awards**"	Awards to be granted under the New Option Plan payable on attainment of certain performance oriented goals
"**Placees**"	(i) non-US Persons procured by Panmure Gordon as agent of the Company with whom New Common Stock are placed pursuant to the Placing in "offshore transactions" as defined in and pursuant to Regulation S, and (ii) investors subscribing directly with the Company in the Direct Subscription
"**Placing**"	the conditional placing of New Common Stock to the Placees, at the Placing Price pursuant to the Placing Agreement
"**Placing Agreement**"	the conditional agreement dated 15 March 2016 between the Company, the Directors, the Proposed Directors and Panmure Gordon relating to the Placing, summary details of which are set out in paragraph 10 of Part 5 of this document
"**Placing Price**"	70p per share in the New Common Stock
"**Plan of Conditional Recapitalization**"	the conditional plan of recapitalization approved by the Board in December 2014
"**Preferred Stock**"	the Series A-1 Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series D Preferred Stock and Series E Preferred Stock issued by the Company
"**Proposed Directors**"	John Joseph Johnston and Ronald Holtz
"**Prospectus Rules**"	the prospectus rules of the Financial Conduct Authority made under Part VI of the FSMA
"**Recapitalization**"	the plan of recapitalization approved by the Board in January 2016
"**Regulation S**"	Regulation S promulgated under the Securities Act
"**Reporting Accountants**"	Mazars LLP
"**Restricted Stock**"	a contingent grant of Common Stock containing certain restrictions in accordance with the New Option Plan
"**Rule 144**"	Rule 144, as amended, promulgated under the Securities Act
"**Second Series D Preferred Stock Warrant**"	warrant for the purchase of 40,000 Series D Preferred Stock
"**Securities Act**"	the US Securities Act of 1933, as amended
"**Stockholders**"	prior to the Recapitalization, the holder of Preferred Stock and Common Stock and after the Recapitalization, holders of Common Stock

"**Takeover Code**"	the City Code on Takeovers and Mergers published by the Takeover Panel
"**Third Series D Preferred Stock Warrant**"	warrant for the purchase of 10,000 Series D Preferred Stock
"**UK Corporate Governance Code**"	the UK Corporate Governance Code published by the Financial Reporting Council
"**UK**" or "**United Kingdom**"	the United Kingdom of Great Britain and Northern Ireland
"**UK Listing Authority**"	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of the FSMA and in the exercise of its functions in respect of admission to the Official List
"**Uncertificated**"	recorded on a register of securities maintained by Euroclear UK & Ireland in accordance with the CREST Regulations as being in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
"**US**", "**USA**" or "**United States**"	the United States of America, its territories and possessions, any state of the United States of America and all other areas subject to its jurisdiction
"**US Exchange Act**"	the United States Securities Exchange Act of 1934, as amended
"**US Person**"	has the meaning ascribed to such phrase by Regulation S
"**VCT**"	a Venture Capital Trust under the provisions of Part 6 of the Income Tax Act 2007 (as amended)
"**VCT Placing Shares**"	the Common Stock to be issued by the Company to investors seeking EIS/VCT relief

Where a figure denominated in dollars ($) is expressed as an amount of pounds sterling (£) and vice versa in this document, the exchange rate used for this purpose shall be £1.00 : $1.42.

GLOSSARY

The following technical terms are defined as they are specifically used throughout this document, unless the context otherwise requires:

"**antigen**"	a molecule on the outer wall of cells that binds to Antigen-specific receptors (such as CAR molecule), and can be used as a marker for identification of particular type of tumor cell or normal cell
"**aplasia**"	loss of an organ or tissue, or the defective development or congenital absence of an organ or tissue
"**assay**"	a method for assessing or measuring the presence or amount or the functional activity of a target entity
"**autologous**"	using cells or tissues taken from the patient to be treated
"**B-cell**"	type of white blood cell that secrete antibodies; and present antigens and release cytokines to simulate humoral immunity
"**beta thalassemia**"	an inherited blood disorder that reduces the production of haemoglobin and leads to loss of red blood cell function
"**CAGR**"	compound annual growth rate
"**CAR**"	chimeric antigen receptor
"**CART-19**"	T-cells engineered to express an anti-CD19 chimeric antigen receptor (CAR) on their cell surface
"**CD8**"	a protein expressed on the surface of T-cells
"**CD19**"	a protein expressed on the surface of B-cells
"**CE**"	Conformite Europeenne, certifies that a product has met EU health, safety, and environmental requirements
"**cell therapy**"	administration of live whole cells to a patient for the treatment of a disease
"**CRISPR/cas9**"	Clustered Regularly-Interspaced Short Palindromic Repeats systems which recognize and cut an organism's genome at a desired location and which can disrupt or change the sequence of specific genes
"**CHO cell**"	chinese hamster ovary cell; an immortalized cell line used for the manufacture of recombinant proteins for therapeutic use
"**CRS**"	cytokine release storm
"**dendritic cell**"	antigen presenting cells that activate and stimulate the mammalian immune system
"**DNA**"	deoxyribonucleic acid; the genetic blueprint for life
"**ebola**"	highly infectious and often fatal haemorrhagic fever disease caused by the Ebola virus
"***ex vivo***"	processing of cells removed from a patient

"**flow electroporation**"	MaxCyte's proprietary platform using the flow of cells past electrodes for rapid and scalable cell modification using electroporation
"**gene editing**"	a type of genetic engineering in which a gene is inserted, removed, or replaced from a genome using artificially engineered nucleases, or "molecular scissors"
"**hemoglobin**"	the protein in red blood cells that carries oxygen
"**hypoxia**"	a condition of reduced oxygen content in the body
"**ICU**"	intensive care unit
"**immuno-oncology**"	use of the immune system to treat cancer
"***in vitro***"	studies performed on an organism outside its customary biological context (typically referred to as test tube experiments)
"***in vivo***"	studies tested on a whole, living organism and a delivery method inside the body, or the use of whole organisms
"**IND**"	investigational new drug
"**IVIG**"	intra-venous immunoglobulin
"**lentivirus**"	a genus of viruses of the Retroviridae family, characterized by a long incubation period (for example: HIV, the virus that causes AIDS). Lentiviruses can deliver foreign DNA into the nucleus of a host cell and thus have been used as a gene delivery vector
"**lysate**"	debris and fluid generated from the destruction of cells
"**Marburg virus**"	filovirus causing a haemorrhagic fever disease with similar symptoms to Ebola
"**mRNA**"	messenger RNA is a large family of RNA molecules that convey genetic information from DNA to the ribosome in the cytosol, where proteins are produced
"**monogenic**"	involving or controlled by a single gene
"**NASDAQ**"	the NASDAQ Stock Market, an American stock exchange
"**nucleated**"	cells that contain a nucleus
"**nucleofection**"	a small scale electroporation-based transfection system using cell-specific reagents and marketed by Amaxa, part of the Lonza Group
"**on-target, off-tumor toxicity**"	when a drug targeting a specific antigen expressed by a tumor cell also targets and destroys healthy tissues that also express the same antigen
"**PBMCs**"	peripheral blood mononuclear cells, blood cells that have a round nucleus and are an important part of the immune system to fight infection and foreign intruders in the body
"**recombinant**"	combining genetic material from multiple sources to generate DNA to express a protein of interest
"**RNA**"	ribonucleic acid, a polymeric molecule involved in coding, decoding, regulation and expression of genes

"**sickle cell disease**"	a hereditary blood disorder affecting the ability of haemoglobin to carry oxygen; can cause red blood cells to assume a sickle-like shape, thereby affecting their circulation
"**siRNA**"	small or short interfering RNA; interferes with the expression of genes
"**TALEN**"	Transcription Activator-Like Effector Nuclease (TALEN) systems recognize and cut an organism's genome at a desired location and can disrupt or change the sequence of specific genes
"**T-cell**"	a type of white blood cell with a specific receptor on surface; plays a central role in cell-mediated immunity
"**toxicity**"	the degree to which a substance can damage an organism
"**transfection**"	the process of inserting nucleic acids into mammalian cells
"**vectors**"	combining genetic material from multiple sources to generate DNA to express a protein of interest
"**viral**"	the process whereby foreign DNA is introduced into a cell via a viral vector
"**ZFP**"	Zinc Finger DNA-binding Proteins, which bind to DNA to increase or suppress the expression of a gene of interest

PART 1

INFORMATION ON THE COMPANY

1. Overview

MaxCyte is an established and revenue-generating US-based developer and supplier of electroporation technology and instrumentation to biotechnology and pharmaceutical firms engaged in cell therapy, drug discovery and development, biomanufacturing, gene editing and immuno-oncology. The Company's patented flow electroporation technology enables its products to deliver fast, reliable and scalable cell engineering to drive the research and clinical development of a new generation of cell-based medicines. Furthermore, MaxCyte is seeking to develop CARMA, its proprietary platform in immuno-oncology, to deliver a validated non-viral approach to CAR therapies in a number of cancer indications, including solid tumors.

Electroporation is a transfection process that uses highly controlled electrical fields to temporarily permeabilize cell membranes, allowing the transfer of molecules into cells. The Company's high performance platform allows transfection with any molecule or multiple molecules and is compatible with nearly all cell types, including hard-to-transfect human primary cells. It also provides a high degree of consistency and minimal cell disturbance, thereby facilitating rapid, large scale, commercial and clinical grade cell engineering in a non-viral system and with low toxicity concerns. Importantly, the Company's cell engineering technology platform is CE-marked and FDA-accredited, providing MaxCyte's customers with an established regulatory path. Key aspects of the Company's technology are protected by 38 US and international issued or pending patents and applications.

The Company has developed a diverse and international customer base which consists of over 50 leading pharmaceutical and biotechnology companies, comprising nine of the top ten global pharmaceutical companies by revenue, and including AstraZeneca, Mitsubishi, Novartis, Pfizer, Sanofi, Roche and Sangamo BioSciences. The Company's instruments and technology are sold in the drug discovery and development and biomanufacturing markets, and are leased in the cell therapy development and commercialization markets to enable the development of novel cell-based therapeutics in partnered programs. This provides high value upfront sales revenue and annual licensing fees from its leases, which are complemented by an attractive and growing recurring revenue stream from the sale of its proprietary single use disposable processing assemblies. To date, the Company has sold or leased over 130 instruments globally.

MaxCyte generated $9.3 million of revenue for the year ended 31 December 2015 (unaudited), an increase of 30 per cent. from the year ended 31 December 2014, during which the Company generated $7.2 million of revenue, with a gross margin in excess of 85 per cent. for that year. The Company had a CAGR of 19 per cent. for revenue during the period between 31 December 2012 and 31 December 2014.

The Directors believe that the Company may also have significant revenue opportunities in the future through higher value commercial agreements for its cell therapy partnered programs. The Company is currently engaged in over 30 cell therapy partnered programs covering a diverse range of fields, including immuno-oncology, gene editing and regenerative medicine. Ten of these are currently in the clinical stage. As these programs progress through clinical development towards therapeutic product approval and commercialization, the Directors believe that the Company may enter into commercial agreements that could generate substantial upside through licence fees, milestones and royalties.

The Company is collaborating with world leaders in the CAR field, including two leading pioneers, Dr. Carl June (University of Pennsylvania) and Dr. Dario Campana (National University of Singapore), in applying its flow electroporation technology platform to develop novel therapies through the use of electroporation loading of CAR mRNA, seeking to overcome many of the challenges associated with current viral-based CAR therapies. To date, seven clinical trials for indications which include solid tumors have shown early indications of anti-tumor activity with no overt evidence of on-target off-tumor toxicity. The Company has also partnered with world leaders in the gene editing field, in applying its flow electroporation technology to develop novel CAR cell therapies based upon site specific gene editing.

In addition, MaxCyte is investing in the development of proprietary cell therapy products through its patented immuno-oncology platform, CARMA. The Directors believe that the CARMA platform could allow mRNA CAR product manufacturing in a matter of hours rather than weeks, representing a paradigm shift in the development of robust, cost-effective, toxicity-controlled therapeutic products for rapid delivery of mRNA CAR therapies for treating a broad range of solid cancers.

The Company has conditionally raised £10.0 million (before expenses) by the issue of 14,285,714 New Common Stock at the Placing Price pursuant to the Placing. The net proceeds of the Placing are intended primarily to fund pre-clinical and human clinical trials for the CARMA platform, as well as to expand in new geographies outside of the US and to invest in product development and new applications. Application has been made to the London Stock Exchange for Admission of the Enlarged Stock Capital to trading on AIM and it is expected that trading in the Common Stock will commence on 29 March 2016.

2. Key Strengths

- *Fast, reliable and scalable cell engineering*: MaxCyte's products provide its customers access to its innovative and proprietary high performance flow electroporation platform which enables rapid, consistent, large scale, commercial and clinical grade cell engineering with an established regulatory path.
- *Broad applicability across biotechnology and pharmaceutical markets*: the performance, scalability and consistency of the Company's products deliver improved productivity, improved process integration, higher throughput and improved safety in global biotechnology and pharmaceutical markets including cell therapy development and commercialization, drug discovery and drug development, and high volume biomanufacturing.
- *Validated technology and a strong intellectual property portfolio*: the Company's technology within its portfolio of products is CE-marked and accredited by an FDA Master File, and key aspects are protected by 20 US and international issued patents and the 18 pending patent applications. The Company also holds patents on using its technology platform in the large scale production of lentiviral vectors, stable cell lines for biomanufacturing, site specific gene editing, and loading of mRNA into freshly isolated cells (PBMCs), its CARMA platform.
- *High quality client base*: the Company's customer base consists of over 50 leading pharmaceutical and biotechnology companies, comprising nine of the top ten global pharmaceutical companies by revenue, and including AstraZeneca, Mitsubishi, Novartis, Pfizer, Sanofi, Roche and Sangamo BioSciences.
- *Growth business with strong margins and visibility of revenue*: the Company generated $9.3 million of revenue for the year ended 31 December 2015 (unaudited), an increase of 30 per cent. from the year ended 31 December 2014, during which the Company generated $7.2 million of revenue, with a gross margin in excess of 85 per cent. for that year. The Company had a CAGR of 19 per cent. for revenue during the period between 31 December 2012 and 31 December 2014. Revenues include a substantial and growing recurring base.
- *Growing number of cell-based partnered programs*: the Company has licensed its technology and instruments to over 30 partners, including leading cell therapy and gene editing companies and academic institutions, for the development of novel cell therapies, principally in the fields of immuno-oncology and therapeutic gene editing. Of those, over ten are in clinical trial stage. The Directors believe that these partnered programs, as they progress from research through clinical development towards therapeutic product approval and commercialization, may result in significant commercial agreements involving royalties, milestone payments and/or license fees.
- *Developing the next generation of non-viral CAR therapies, including the CARMA platform*: the Company is leveraging its flow electroporation technology and expertise to support its partners, including world leading research institutions and commercial product developers, in their development of non-viral CAR therapies, while simultaneously working to develop its own therapeutic platform, CARMA, and related pipeline of next generation mRNA CAR cell therapies.

The Directors believe that the CARMA platform has the potential to overcome many of the challenges faced by other viral and non-viral CAR therapies, including reduction of toxicity and cost, while adding the capability to be used in solid cancers.

- *Experienced Management Team*: the Company's management team has over 90 years of aggregate experience developing successful life sciences products, with established connections in the scientific and commercial community.

3. Flow Electroporation and Applicable Markets

The Company's proprietary *ex-vivo* cell loading technology platform is based on electroporation, a transfection process that uses highly controlled electrical fields to temporarily permeabilize cell membranes, allowing the transfer of molecules into cells. The Company has developed and refined its patented flow electroporation technology, which allows for loading a wide range of biologically active molecules, including small molecules, antigens (proteins/lysates) and nucleic acids (DNA, mRNA, siRNA), into a very broad range of cell types, including hard-to-transfect cells (human primary cells, stem cells, mammalian cell lines, insect cells and algae). Compared to alternative transfection technologies, flow electroporation is rapid and highly scalable, with a high degree of consistency and minimal cell disturbance. The Company's flow electroporation technology also exhibits low toxicity and does not use any viruses, added biological substances or chemical agents used in alternative transfection technologies.

These capabilities have broad applicability across a wide range of healthcare markets as cell-based medicines and associated cell engineering technologies have become an important pillar of the drug discovery, development and manufacturing process.

A challenge for pharmaceutical and biotechnology companies is the need to translate the large amounts of genomic data resulting from the sequencing of the human genome into meaningful insights for drug discovery and to gain a better understanding of the biology of diseases.

In drug discovery, cell-based assays provide an efficient way to functionally characterise the effect of drug candidates in cells and assess their specificity and efficacy, thereby reducing attrition rates and derisking the development process early on. Untransfected cell-lines historically used in drug discovery often are not physiologically relevant to human disease and do not express sufficient amounts of the target to obtain high quality assays. In contrast, cell engineering technologies can provide high target expression and MaxCyte's technology, in particular, can allow the use of physiologically relevant cells.

In biomanufacturing and large molecule development, advances in control over antibody structure and function as well as in cell engineering have led to the rapid adoption of recombinant antibody technology in areas such as protein manufacture, vaccine production, lentivirus production and cell line manufacture. In these markets, cell engineering plays a central role in increasing the productivity of the cell lines used for bioproduction and improving the conversion of small scale production to large scale production, thereby reducing development and manufacturing costs.

In cell therapy, where the whole cell is administered into the patient, cell loading technologies are fundamental to modifying the biological function of cells for cell-based therapeutics. As an example, in the CAR field, the patients' T-cells are extracted, transfected with a gene for the expression of CAR and reinfused into the patient.

For each of these applications, transfection technology that has high transfection efficiency, low cell toxicity, and is scalable and easily reproducible should be preferable, and the Directors believe that MaxCyte's technology platform meets these characteristics.

MaxCyte's flow electroporation process begins when cells are harvested from culture or separated from human blood and suspended in the respective instrument's proprietary electroporation buffer, a physiologically balanced salt solution that contains no biological agents. Cells are then mixed with loading agents in a sterile, single-use disposable processing assembly. Cells are then transfected with the loading agent(s) by electroporation as they pass through the instrument's processing assembly chamber. After electroporation, the loaded cells are maintained in a sterile environment and allowed to rest for a short period of time. The cells are then available for further processing, cryopreservation or administration. The

Company's electroporation system is computerized, and users can choose an appropriate protocol for their instrument's application from a simple drop-down menu.

Flow electroporation is at the center of all of the Company's products and services, including its CARMA platform. Because of the key differentiators of MaxCyte's technology platform, MaxCyte's instruments enable the transfection of cells while delivering high loading throughput, high cell viability, high efficiency and consistent molecule loading, commonly exceeding 90 per cent. MaxCyte's instruments can transfect up to 10 billion cells in 30 minutes, several orders of magnitude above its competition. MaxCyte's instruments can engineer a whole unit of blood cells within minutes, making multiple doses for a patient's treatment in less than an hour, and can engineer a biotechnology manufacturing batch – a large volume of production cells to make thousands of doses of a therapeutic product or vaccine – with a high degree of consistency from run-to-run in a non-viral system.

4. History and Background of the Company

The Company was founded in July 1998 as a majority-owned subsidiary of EntreMed, Inc., a NASDAQ-listed life sciences company. Mr. Doug Doerfler, formerly of Life Technologies, Inc., was its founding CEO. The Company was formed to develop and commercialize flow electroporation technology for therapeutic applications, in a relationship with the Harvard University-affiliated CBR Laboratories, Inc.

The Company, originally named TheraMed, Inc., began development of its electroporation technology to engineer non-nucleated red blood cells directly from freshly drawn whole blood, which would be processed with a hemoglobin modulator and rapidly returned (within several hours) to the patient to treat hypoxia. The Company also began the development of further applications of its flow electroporation technology, creating a variable flow electroporation process, which greatly increased the ability to rapidly and efficiently load molecules into large numbers of cells generally, and especially to modify pathways and genes in nucleated human primary cells for therapeutic purposes. Given the potential market opportunity, the Company early on changed its primary focus to the modification of nucleated human primary cells.

In 2000, the Company developed its proprietary instrument, the GT, and its respective processing assemblies for cell therapy development and commercialization. In 2003, the Company began entering into partnered program agreements with developers of human cell therapies to enable the development of novel therapeutic products based on the Company's proprietary flow electroporation technology. In 2005, the Company developed a higher volume version of its instrument, the VLX, which allows the rapid, commercial scale biologic development and manufacturing of recombinant proteins and vaccines.

During 2009, the Company further enhanced its business operations by developing a cost effective manufacturing process for its single use disposable processing assemblies, allowing it to significantly increase its profit margins from the sale of single use disposables. In the same year, the Company launched its STX instrument to the drug discovery and development markets for the development of novel cell based assays, and soon after, the Company demonstrated the STX instrument's ability to be used in the rapid production of proteins, mainly therapeutic antibodies, in CHO cells for protein drug development.

Since 2009, the Company's revenue growth has been underpinned by its underlying trading businesses: the lease of its GT instruments and the license of its technology (including reference to its FDA Master File) to enable the development and commercialization of cell therapies; the sale of its STX instruments and its VLX instruments to pharmaceutical and biotechnology companies in the drug discovery and drug development market and the biomanufacturing market respectively; and the sale of single use disposable processing assemblies used by its instruments.

Earlier, in 2008, the Company started working on applying its technology platform to the development of novel CAR therapies in collaboration with Dr. Carl June (University of Pennsylvania) and Dr. Dario Campana (St. Jude Children's Research Hospital/National University of Singapore). Currently, the Company is enabling seven human clinical trials with Dr. June and Dr. Campana for the treatment of cancer with CAR-expressing mRNA.

In 2013, the Company received a US patent providing broad coverage for transiently modifying freshly isolated, unexpanded cells (PBMCs) to express CARs from mRNA for treating cancer, an important element for the Company's CARMA platform which it is seeking to develop.

In 2015, the Company began collaborating to conduct research for pre-clinical studies that may lead to the conduct of an IND filing, cGMP manufacturing and proof-of-concept human clinical studies for the development of anti-Mesothelin CAR mRNA loaded into peripheral blood lymphocytes as antigen-targeted immunotherapy for Mesothelin-expressing tumors using the combined resources, expertise and intellectual property of the Company and the Immuno-Oncology group at Johns Hopkins Kimmel Cancer Center in Baltimore, Maryland, widely recognized as one of the world's premier cancer treatment hospitals.

Also in 2015, the Company initiated a preclinical program with a leading institution to perform IND-enabling mRNA studies that may lead to preclinical and human clinical studies in treating a rare genetic disease as a proof-of-concept study for the use of its technology for therapeutic gene editing that could lead to the development of proprietary products.

The Company currently employs 28 full time employees and is based in the Interstate 270 biotech corridor in Gaithersburg, Maryland, outside Washington, DC, maintaining a modern 7,500 square foot biotech laboratory and instrumentation development and production facility, with an additional sales and marketing office in Alderley Park, Cheshire, UK.

5. The Business

MaxCyte is an established and revenue-generating US-based developer and supplier of electroporation technology and instrumentation to biotechnology and pharmaceutical firms engaged in cell therapy, drug discovery and development, biomanufacturing, gene editing and immuno-oncology. The Company's patented flow electroporation technology enables its products to deliver fast, reliable and scalable cell engineering to multiple high value markets to drive a new generation of cell-based medicines. The core markets addressed by the Company are:

- Cell therapy development and commercialization;
- Drug discovery and development; and
- High volume biomanufacturing.

The Company has developed a diverse and international customer base which consists of over 50 leading pharmaceutical and biotechnology companies, comprising nine of the top ten global pharmaceutical companies by revenue, and including AstraZeneca, Mitsubishi, Novartis, Pfizer, Sanofi, Roche and Sangamo BioSciences. Key aspects of the Company's technology are protected by 20 US and international issued patents and the 18 pending patent applications. The Company's instruments and technology are sold in the drug discovery and development and biomanufacturing markets and are leased in the cell therapy development and commercialization markets. To date, the Company has sold or leased over 130 instruments globally, and, as a result, sales of its proprietary single use disposable processing assemblies and the annual licensing fees from its leases provide a substantial and growing recurring revenue stream for the Company.

The Company generated $9.3 million of revenue for the year ended 31 December 2015 (unaudited), an increase of 30 per cent. from the year ended 31 December 2014, during which the Company generated $7.2 million of revenue, with a gross margin in excess of 85 per cent. for that year. The Company had a CAGR of 19 per cent. for revenue during the period between 31 December 2012 and 31 December 2014.

The Directors believe that the Company may have significant revenue opportunities in the future through higher value commercial agreements for its cell therapy partnered programs. The Company is engaged in over 30 partnered programs, of which over ten are currently in the clinical stage.

The Company is collaborating with world leaders in the CAR field and is engaged in the development of its proprietary CARMA platform, a patented process based on its flow electroporation technology, which the Directors believe to be potentially ground-breaking. The CARMA platform aims to overcome the challenges of conventional viral-based CAR therapies, including reduction of toxicity and cost, while adding the capability to be used in solid cancers.

5.1 *MaxCyte's instruments*

5.1.1 *Cell therapy development and commercialisation market*

In the cell therapy market, the Company is commercialising its GT instrument. The key attributes of MaxCyte's flow electroporation technology platform, in terms of speed, reliability, scalability and low toxicity, together with the GT instrument's cell processing and handling capabilities, enable GT customers to achieve higher transfection efficiency whilst accelerating the clinical and commercial development of novel cell therapies. This leads to better clinical outcomes, such as an increased therapeutic efficacy profile, when compared to alternative products or processes.

The GT instruments and technology are leased to cell therapy customers to enable the development of new generation cell therapies – these are cell-based partnered programs. The Company is engaged in over 30 cell-based partnered programs with leading pharmaceutical, biotechnology companies and academic institutions, an increase from twelve programs as at 31 December 2013. Of the Company's 30 active partnered programs, over ten are in clinical stage.

The Company's cell-based partnered programs cover a broad range of fields, including immuno-oncology, gene editing and regenerative medicine, and target a broad range of indications including oncology (both blood and solid tumors), viral infections (including HIV), hemoglobinopathies, (including beta thalasemia and sickle cell disease), diabetes, genetic inherited diseases and cardiovascular disease. The Directors believe that this gives the Company a diversified exposure to some of the leading cell therapy therapeutic developments.

In the CAR field, the Company is collaborating with world leading institutions and companies including two leading pioneers, Dr. Carl June (University of Pennsylvania) and Dr. Dario Campana (National University of Singapore). The Company's technology is also being used by leaders in the field of therapeutic gene editing to develop next generation cell therapies to directly correct genetic mutations in affected tissues and cells to treat diseases that are refactory to traditional therapies. The Company's flow electroporation technology has been proven to efficiently load the leading gene editing tools into cells, including mRNA encoding meganucleases, ZFPs, TALENs, and CRISPR/cas9. The Directors believe that as the field of gene editing continues to advance, the Company's technology will be in demand for the development of therapeutic gene editing products.

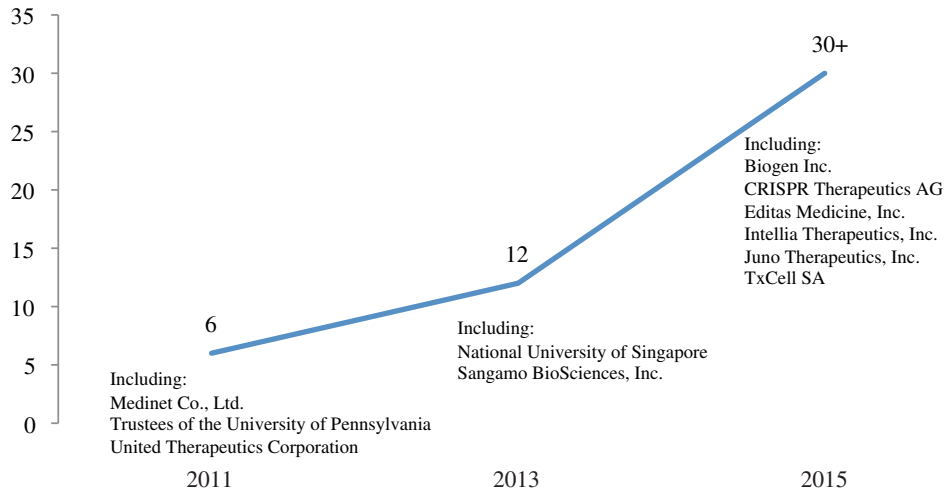

Figure 1: number of partnered programs and a sample of partners

The Company provides a license to its partners and customers for the use of the GT instrument in narrowly defined fields of use, typically defined by a named set of indication(s), cell type(s) and/or molecule(s), customarily on a non-exclusive and non-commercial basis. The licensing fees vary significantly based upon the type of user (academic or commercial), the breadth of the field of use, and the type of use (research or clinical), reaching $250,000 or more per

instrument per annum for clinical use. Additionally, the Company sells the respective disposable processing assemblies for clinical use and research use.

As cell-based therapeutic products progress through clinical development towards therapeutic product approval and commercialization, the Directors believe that the Company may enter into higher value deals to provide clinical and commercial use rights to the developer, where such deals could involve further licence fees, milestone payments and/or royalties. The Directors believe that the Company's partners will be highly incentivized to enter into such higher value deals with the Company due to the cost and risk of switching to alternative cell engineering technologies during or after the regulatory approval and commercialization process, and the value to the partner of retaining the right to reference the Company's FDA Master File. The Directors believe that a commercial deal from its portfolio of partnered programs could generate future revenue receivable by the Company in excess of $10 million on a risk-adjusted net present value basis per successful product and indication.

Cell therapy partnered programs case studies

Medinet Co., Ltd.

In 2007, MaxCyte entered into a License, Research, Development and Supply agreement with Medinet Co., Ltd. ("**Medinet**") (Tokyo Stock Exchange 2370:JP) to use its GT instruments and proprietary flow electroporation technology to support clinical studies and commercialization of Medinet's autologous immuno-oncology therapy service in Japan, based on the successful outcome of a MaxCyte-Medinet research collaboration announced in August, 2006. The product developed, a dendritic cell-based cancer vaccine, is prepared by loading the lysate from the patient's tumor into the patient's dendritic cells using MaxCyte's technology. The clinical trials have shown enhanced antigen-specific CD8 T-cell stimulation, up to 20-fold (versus 'gold standard' antigen co-cultured DC vaccines), and addresses an unmet medical need, providing an attractive oncology market opportunity.

In 2010, the agreement with Medinet was expanded to provide the limited right to use MaxCyte's flow electroporation technology in certain Asia Pacific markets, adding China, Australia, Singapore, Thailand and Taiwan. As part of the amended agreement, MaxCyte received a large seven figure payment, and the Company continues to lease its GT instruments to Medinet for its five Japanese centers in addition to selling the single use disposable processing assemblies used for the instrument. MaxCyte retains all rights in all other global markets and rights for other applications in Asia Pacific.

Sangamo BioSciences, Inc.

Sangamo Biosciences, Inc. ("**Sangamo Biosciences**") (NASDAQ:SGMO) is a clinical stage biopharmaceutical company focused on the research, development and commercialization of engineered ZFPs targeting various monogenic and infectious diseases with unmet medical needs. Sangamo BioSciences has licensed MaxCyte's GT instrument and technology for several of its key *ex vivo* therapeutic gene editing cell therapy programs, including those recently partnered with Biogen Idec, Inc. These licences are focused and support specific Sangamo BioSciences products in the clinic for the "knock-out" of genes to treat HIV, sickle cell disease and beta thalassemia. These licences grant Sangamo BioSciences the right to reference the Company's FDA Master File and to use the Company's instrumentation platform for these clinical programs.

Human clinical trials are on-going. As these partnered programs progress through the clinic, the Directors believe that MaxCyte's role may increase in importance to support Sangamo BioSciences's commercialization strategy.

5.1.2 *Drug discovery and development market*

The Company supplies its STX instrument to the drug discovery and development markets. Within the drug discovery market, the STX allows for the development of high quality, large scale cell-based assays, which can yield improved screening outcomes and process integration,

thereby increasing productivity and giving higher throughput. The STX instrument enables the use of primary cells with a wide variety of new assay formats. Within the drug development market, the Company's STX instrument allows researchers to produce larger quantities of monoclonal and multi-valent antibodies more rapidly and consistently than with competing instruments and methods for *in vitro* and *in vivo* product development, saving the customers time and money while improving the quality of drug candidate selection.

The Company sells its STX instrument and technology and its respective disposable processing assemblies to pharmaceutical and biotechnology companies, primarily on a direct basis by the Company's sales team. The average STX instrument price globally in 2015 was approximately $110,000 and, on average over the past three years, each STX instrument generated approximately $34,000 per annum in sales of disposable processing assemblies.

5.1.3 *High volume biomanufacturing market*

The Company supplies its VLX instrument to the biomanufacturing market, whereby the embedded features of MaxCyte's flow electroporation technology in a high volume configuration enable the rapid and commercial scale development and production of recombinant vaccines and proteins. These faster development and higher commercial manufacturing throughput volume capabilities, compared to similar products or processes, enable the development and commercialization of a class of recombinant vaccines which require rapid development and deployment. Examples of rapid response vaccines are for the ebola and Marburg viruses.

The Company sells its VLX instrument and technology and sells its respective disposable processing assemblies to pharmaceutical and biotechnology companies. The Company also enters into license agreements with its customers which use its VLX instruments to manufacture products for commercial research purposes. The VLX instrument price has been approximately $450,000, with each respective instrument generating additional annual revenue in sales of disposable processing assemblies.

5.2 ***Next generation CAR therapies: mRNA CAR therapies and the CARMA platform***

5.2.1 *Current approach to CAR T-cell therapies*

CAR-based therapies have emerged as a promising novel therapeutic approach to deliver tumor-targeted therapy. CAR T-cell therapies focus on applying gene therapy technology to genetically modify a patient's own T-cells to target and destroy cancer cells. In healthy individuals, T-cells identify and kill abnormal cells, including cancer cells. CAR molecules loaded onto T-cells direct T-cells to recognize cancer cells based on the expression of specific proteins – antigens – located on the surface of the cancer cells.

Such CAR-modified T-cells have been shown to have beneficial effects in human clinical trials. In over 150 patients treated at multiple centers, CAR therapy targeting the CD19 antigen (CART-19) has resulted in significant clinical benefit in treating B-cell leukaemias. Largely driven by these results, large pharmaceutical companies have partnered directly with major academic medical centres and biotechnology product development companies to drive anti-CD19 CAR therapies toward commercial marketing approval. Existing development deals include companies such as Amgen, Celgene, Merck Serono, Novartis and Pfizer, while other major companies focused on CAR approaches have raised large amounts of capital, including Cellectis, Juno Therapeutics and Kite Pharma.

Current CART-19 therapies use viral vectors (including lentiviruses) to deliver the CAR molecule into T-cells, wherein the DNA of the T-cells is, to variable degrees, permanently modified to contain the CAR molecule and virus elements. Lentivirus transduction efficiency is usually approximately 20-30 per cent., and the manufacture of autologous CART-19 for an individual patient using viral vectors typically requires a two week ex-vivo selection and expansion process, conducted in a highly controlled large-scale cGMP manufacturing facility

by specialized teams of technically skilled personnel. The final CART-19 product has significant variability in terms of the number of CAR-expressing T-cells produced, and requires an extensive series of quality testing procedures prior to being released for that individual patient's treatment, many weeks after the initial cell harvest from the patient. Thus, the manufacturing process is unique for each patient. It is also complex and expensive, with the price to the patient expected to be as high as $450,000.

Once infused into the patient, CART-19 cells proliferate rapidly and cannot distinguish between tumor cells and normal, healthy B-cells, which also express the CD19 antigen, killing the healthy B-cells. This T-cell attack on normal B-cells is referred to as "on-target-off-tumor" toxicity. CART-19 therapies represent a "living drug" where the dose of cells continues to divide in an uncontrolled manner inside the patient until all CD19 expressing cells, including both tumor cells and normal B-cells, are killed. As a result, all CART-19 treated patients to date have B-cell aplasia, and, in order to lead a healthy life, require regular administration of IVIG as supportive therapy for the remainder of their lives. Another consequence of the rapid and uncontrolled growth of CART-19 cells in current therapies is that the patients are required to be closely monitored in an ICU for days to weeks following treatment for potential manifestation of CRS, a serious adverse reaction which needs timely intervention. Approximately one-third of all patients treated to date with CART-19 product have had to be managed for CRS toxicity.

When physicians have attempted to expand the use of virus-delivered CAR T-cell therapies to other cancers using antigens other than CD19, it has led to serious adverse events in the early stages of clinical trials, *i.e.* the death of patients, as a result of on-target-off-tumor toxicity. Thus, the development of virus-delivered CAR T-cell therapies beyond CD19 and B-cell tumors to target solid tumors has largely not been practical or feasible.

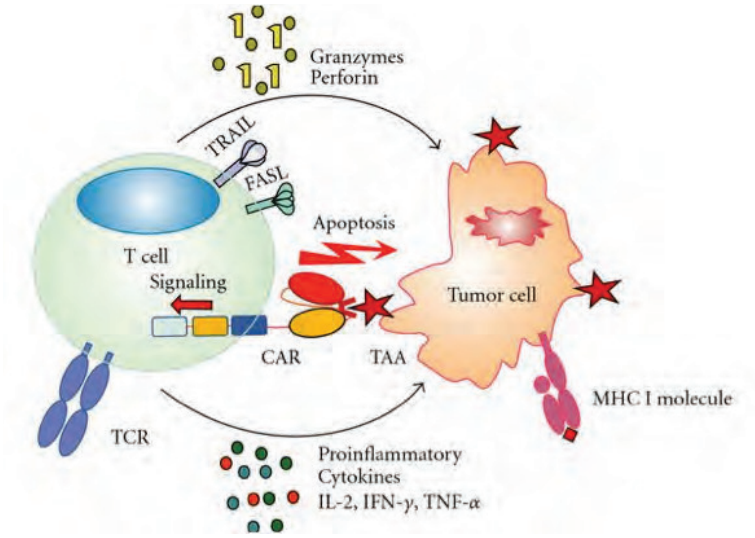

Figure 2: α-CD19 CAR exhibits targeted, antigen-specific anti-tumor activity

5.2.2 *MaxCyte's cell-based partnered programs using mRNA rather than viral vectors to deliver CAR*

As part of its cell-based partnered programs, the Company's technology is being used by two of the leading pioneers in the CAR field, Dr. Carl June (University of Pennsylvania) and Dr. Dario Campana (National University of Singapore), in seeking to develop a non-viral, commercial and safe approach to CAR therapy, using the transfection of mRNA encoding CAR molecules to produce CAR T-cell therapies. With approximately 95 per cent. of the cells consistently expressing the CAR molecule (Cancer Immunology Research, December 2013), the Directors believe that the use of MaxCyte's flow electroporation technology with mRNA CAR will permit reproducible and scalable manufacturability. The Directors believe that the controlled duration of expression of mRNA CAR may provide for reliably controlling on-target

off-tumor toxicity, thereby permitting the extension of CAR T-cell therapies beyond CD19-expressing blood cancers to the treatment of multiple solid tumors, and therefore offering the Company the opportunity to support a broad range of mRNA CAR T-cell therapies and potentially to develop a commercializable mRNA CAR immuno-oncology product.

This approach, using mRNA to express CAR in expanded T-cells, has been used for more than 20 patients in seven human clinical trials, five of which are being conducted at the University of Pennsylvania and two at the National University of Singapore. Antigen targets include mesothelian, GD-2 and C-met for solid tumors. Results from these initial studies using only single-dose regimes have not led to any observation of on-target off-tumor toxicity in treated patients to-date, demonstrating enhanced safety over current CAR T-cell therapies. Additionally, several treated patients have shown anti-tumor activity in these early clinical trials, even when using only a single dose regimen. To date, the Directors believe that the mRNA CAR approach has been used in the US to treat more patients with solid tumors than any other conventional CAR T-cell therapy approach. The Directors believe that increasing cell dose and duration of treatment to include multiple dosing may provide significant clinical benefits to patients without serious toxicity.

In addition to the two programs at the University of Pennsylvania and the National University of Singapore, the Company currently licenses its GT instrument and technology to a number of world-leading cell therapy companies as part of partnered programs which aim to increase the potency and functionality of the CAR-loaded T cells with gene editing tools in multiple pre-clinical programs to treat blood and solid cancers. In each case, the Company has licensed its technology for these programs on a limited research and/or clinical, non-commercial, non-exclusive basis.

5.2.3 *MaxCyte's proprietary cell therapeutics platform: the CARMA platform*

The Company's mRNA CAR partnered programs utilize the Company's patented flow electroporation technology to modify expanded cells. However, these trials face significant manufacturing and cost challenges because they require a long and difficult-to-control process of cell selection and cell expansion. Early in 2013, the Company received a US patent providing broad coverage for transiently modifying unexpanded cells, specifically PBMCs, to express CARs from mRNA for treating cancer.

Thus, MaxCyte's CARMA approach has the potential to avoid the requirement for cell expansion that is used with current CAR therapies, which the Directors believe may permit rapid product manufacturing with a significant reduction of costs and processing times (from two weeks to less than one day). This may, in turn, allow the treatment of patients in a few days, which is critically important especially given the potential for rapid progression of disease while the patients are waiting for their treatment to be manufactured.

The Directors believe that this dual approach, the use of mRNA CAR rather than viral vectors for reliably controlling on-target off-tumor toxicity, and the use of its CARMA platform to permit product manufacturing in a matter of hours, may represent a paradigm shift in development of robust, cost-effective, toxicity-controlled therapeutic products for rapid delivery of CAR therapies for treating a broad range of solid cancers.

The Company is developing and is validating its CARMA platform through these proof-of-concept *in vivo* pre-IND studies and intends to follow with human clinical trials in multiple oncology indications. The Directors believe that the Company's path to initiate and conduct these trials to generate human proof-of-concept, in addition to its issued patents on the CARMA platform, will provide opportunities for the potential development of proprietary mRNA CAR therapeutic products by the Company, and also for large pharmaceutical and biotechnology companies to potentially partner with MaxCyte and license such products at high value. The Directors believe that recent commercial partnering deals in the immuno-oncology space generally command value in the region of $50 million to $100 million per successful product and indication on a risk-adjusted net present value basis.

5.3 ***Principal customers***

The Company has a diverse and international customer base comprising over 50 leading pharmaceutical and biotechnology companies, leading cell therapy companies as well as leading academic institutions; nine of the top ten global pharmaceutical companies by revenue are customers.

A selection of the Company's customers for each market is indicated in table 1 below.

Market	*Customers*
Cell therapy	CRISPR Therapeutics AG Editas Medicine, Inc. Intellia Therapeutics, Inc. Juno Therapeutics, Inc. Sangamo BioSciences, Inc. United Therapeutics Corporation/Northern Therapeutics, Inc.
Drug discovery and development	AstraZeneca Plc Charles River Laboratories International, Inc./Biofocus Evotec AG Grünenthal GmbH H Lundbeck A/S Mitsubishi Tanabe Pharma Corporation Novartis Pharma AG Pfizer, Inc. Takeda Pharmaceutical Company Ltd
Protein manufacturer and vaccine production	Astellas Pharma, Inc. Bayer AG Biomarin Pharmaceutical, Inc. Genentech, Inc. Hanwha Chemical Company Jounce Therapeutics, Inc. Les Laboratoires Servier Novartis Pharma AG Novimmune SA Roche Holding AG Sanofi SA Shire Human Genetic Therapies, Inc. UCB Pharma Ltd Valneva SE

Table 1: a selection of the Company's customers

5.4 ***Research and Development***

5.4.1 *Instruments*

The Company launched its next generation STX instrument in January 2014, and expects to launch a next generation GT instrument in 2016. It is also completing a development program for the next generation VLX instrument and has initiated development of the ATX, a smaller volume instrument designed primarily for the academic research market.

The Company also maintains an active research and development program to identify important cell types that are being used in the industry, customizing its technology to allow it to engineer such respective cell types. New and improved protocols are routinely added to the Company's instruments' applications. Additionally, the Company provides product development services to customers for bespoke applications including developing cell handling and transfection processes to enhance the biological effect of cells for drug discovery, development and therapeutic applications.

MaxCyte also conducts research in applying its novel technology to solve high value problems in the life sciences sector, and gains intellectual property in the application of its technology for further commercial purposes. These programs have resulted in issued intellectual property in the fields of stable cell line generation for bioproduction, large scale lentivirus manufacture in suspension cells, rapid protein production for transfusion medicine, gene editing and within its CARMA platform. The Company also intends to pioneer its proprietary technology in the large-scale commercial manufacturing of viral vectors, including lentivirus.

5.4.2 *mRNA CAR T-Cell and CARMA Platforms*

The Company is seeking to capitalise on its patented intellectual property to develop novel therapeutic product platforms in-house in the field of mRNA CAR and therapeutic gene editing therapies. On 19 December 2013, Dr. Carl June published two case reports in *Cancer Immunology Research* that provided initial validation for the MaxCyte-enabled mRNA CAR platform. Using an mRNA CAR specific to Mesothelin and manufactured using the Company's flow electroporation technology, Dr. June's data exhibited anti-tumor activity against Mesothelioma and Pancreatic cancer without overt evidence of on-target-off-tumor toxicity against normal tissues.

The Company is currently conducting studies with the Immuno Oncology group at Johns Hopkins Kimmel Cancer Centre, Baltimore, Maryland, widely recognized as one of the world's premier cancer treatment hospitals. The Directors currently intend to move through a series of *in vivo* pre-IND studies, to be followed by 20-30 patient human clinical trials in multiple oncology indications in approximately twelve months with the intention to generate human proof-of-concept validation of the CARMA platform. The Company's initial work will likely involve testing its CARMA-based therapeutic products in patients with platinum resistant ovarian cancer, a disease with extremely poor prognosis and significant unmet needs.

Additionally, the Company has also initiated a preclinical program with a leading academic institution to perform IND-enabling mRNA studies and human clinical studies in treating a rare genetic disease as a proof of concept study for the use of its technology for therapeutic gene editing.

5.5 ***Intellectual Property***

The Company's core flow electroporation technology platform, specific applications of its flow electroporation technology and its respective products are underpinned by an intellectual property estate comprised of nine granted US patents, eleven granted patents in other jurisdictions including Japan, South Korea and certain European countries, as well as 18 pending patent applications. Existing patents and patent applications protect key aspects of the MaxCyte technology platform's key differentiating capabilities: flow electroporation, processing assembly chambers, control and process elements, and individual therapeutic applications and product opportunities.

In addition to patents protecting its core technology, the Company's patents also protect the loading of mRNA into freshly isolated cells (the basis of the CARMA platform), on using its technology platform in the large scale production of lentiviral vectors, with stable cell lines for biomanufacturing and with site-specific gene editing.

In addition, the Company has registered its core house trademarks, covering its trading name, its three marketed instruments and its trademark "Any cell, any molecule, any scale". The Company has appropriate intellectual property procedures in place, has not been subject to any challenges or disputes relating to its patents or patent applications, and has never received any communication from a third party regarding any alleged infringement of any intellectual property owned by a third party.

5.6 ***Manufacturing and regulatory***

MaxCyte's instruments are designed, developed and manufactured in-house at its Gaithersburg facility. The instruments are CE-marked and the Company's instruments are in use in over ten FDA-approved clinical trials. When coupled with MaxCyte's repository of information contained in its

FDA Master File, the instruments facilitate compliance with the US FDA's current good manufacturing practice (cGMP) regulations. MaxCyte has established and maintains an ISO 9001:2008 compliant quality management system for the design and manufacture of electroporation instrumentation and processing assemblies.

6. Market and Competitor Overview

The Company serves a diverse set of life sciences markets which the Directors estimate to be in excess of $35 billion in 2015 and consisting of:

- Cell therapy development and commercialization;
- Drug discovery and development; and
- High volume biomanufacturing.

In these markets, cell-based technology has underpinned recent significant developments in terms of understanding disease biology, rapid production of protein and vaccine, or as a basis of a cell-based therapy.

According to Transfection Reagents and Equipment Market, Markets and Markets, 2015, the global transfection technologies market is estimated to amount to $676.8 million in 2015, and is projected to grow to $958.0 million in 2020, representing a 7.2 per cent. annual growth rate. The growth is driven by cell-based research and the development of cell therapies.

The Directors believe that, until now, the growth in the transfection market has been hindered by the lack of efficiency of competitive processes and the lack of effective methods for transfection for a broad range of hard-to-transfect cells. Examples of competitive transfection processes and companies selling products and services are detailed in table 2 below:

Competing transfection process	*Examples of companies*
Static electroporation	BioRad, Thermo Fisher, Lonza
Viral transfection	Lentigen, Oxford Biomedica
Biochemical transfection	Thermo Fisher (expiCHO), Promega
Other physical transfection e.g. nucleofection	Lonza

Table 2: transfection market

The markets estimates above do not capture the value of MaxCyte's cell-based partnered programs or its in-house CARMA development platform. The Alliance for Regenerative Medicine and Informa estimate that the value of upfront payments for corporate partnerships in cell therapy totalled approximately $2.4 billion in 2015, a 675 per cent. increase on 2014. In addition, it was estimated that total investments in cell therapy (including investments in public and private companies as well as merger and acquisitions and corporate partnership upfront payments) amounted to approximately $11.5 billion in 2015, an increase of 55 per cent. on 2014. The Directors believe that a commercial deal from its portfolio of partnered programs could generate future revenue receivable by the Company in excess of $10 million on a risk-adjusted net present value basis, and $50 million to $100 million for CARMA, on a per successful product and indication basis.

The Directors believe that the Company's target markets will continue to expand rapidly, especially as the use of transfection in cell therapies and gene editing develops beyond research and enters clinical and commercial stages. The Directors believe that the demonstrated effectiveness of the Company's technology, the Company's strong intellectual property portfolio, and its expanding range of partnered programs provide the Company with a competitive advantage.

7. Objectives and Strategy

The Directors believe that the following are key strategies that will continue to drive the Company's revenue growth:

- Continuing its focus on expanding the Company's established cell therapy, drug discovery and development and biomanufacturing customer base through growing sales and leasing of its existing and new instruments and its technologies;

- Expanding the reach of the Company's cell therapy business to Europe, Asia and other markets;
- Expanding the Company's direct sales teams in the US and Europe, and expanding its network of distributors in Asia and globally;
- Entering into high value clinical and commercial licenses for its instruments and technology as its existing and new cell therapy partners, including mRNA CAR, gene editing and other cell therapy partners, progress their programs from research and early stage clinical development towards therapeutic product approval and commercialization;
- Extending the applications of its STX and VLX instruments to transient large-scale biopharmaceutical protein manufacturing, including antibodies, viral vectors (including lentiviruses), vaccines and biodefense products; and
- Licensing its CARMA-based therapeutic products and/or platforms as the Company develops data for individual therapeutic applications through its pre-clinical and clinical development programs.

8. Financial Information

The following selected audited historical financial information for the three financial years ended 31 December 2014 and the selected unaudited but reviewed historical financial information for the six-month periods ended 30 June 2014 and 2015 have been derived from the Financial Information on the Company contained in Part 4A of this document and prepared in accordance with US GAAP, and should be read in conjunction with the full text of this document. Investors should not rely solely on the following summarized information.

	Financial year ended			*Six months ended*	
	31 December 2012	*31 December 2013*	*31 December 2014*	*30 June 2014*	*30 June 2015*
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Revenue	5,060	6,805	7,164	2,960	4,197
Gross profit	4,229	5,996	6,207	2,563	3,735
Operating loss	(1,963)	(805)	(1,276)	(918)	(589)
Net loss	(1,988)	(958)	(1,837)	(1,146)	(962)
Gross margin	84%	88%	87%	87%	89%

Since 2012, the Company has achieved a gross margin in excess of 80 per cent., and its revenue grew by a CAGR of 19 per cent. to the financial year ended December 2014.

As at 30 June 2015, the Company had a net debt position of $2.1 million.

9. Current Trading and Prospects

Trading in the period since 30 June 2015 has been in line with management expectations. Unaudited revenue for the year ended 31 December 2015 was $9.3 million, an increase of approximately 30 per cent. from the prior financial year.

In the six month period ending 31 December 2015, the Company added four new partnered programs in cell therapy, and sold or leased twelve new instruments in the drug discovery and development market. The prospects for the 2016 financial year remain positive and supportive of the Directors' plans and goals, and the Directors believe that the Company's growth prospects remain strong.

10. Details of the Directors and Senior Management

10.1 *Board of Directors*

Summarized biographies of the Directors and details of their roles, including the principal activities performed by the Directors outside the Company, are set out below.

Stark Thompson, PhD – Non-executive Chairman (age 74)

Dr. Thompson joined the DuPont Company in 1967 and assumed business management responsibility for the global Clinical Systems Division, a position he held until he left DuPont in 1988. From 1988 until 2000, Dr. Thompson was appointed President, CEO and board member of Life Technologies, Inc. (LTI; NASDAQ: LTEK) ("**LTI**"). Between 1988 and 2000, LTI grew to become the leading developer, manufacturer and supplier, worldwide, of products and services for life science researchers and companies using biotechnology to produce therapeutics. Dr. Thompson retired from LTI after its takeover in November 2000.

Dr. Thompson has served on the board of directors of ATTO Biosciences; was board chair of Gene Logic, Inc. and was a board member of Ore Pharmaceutical Holdings, Inc. (NASDAQ: ORXE). He was on the board of Luminex Corporation (NASDAQ: LMNX) from 2005 to June 2009 and was a member of the board of Naurex, Inc. Dr. Thompson received his BS degree from Muskingum University, and his MSc and PhD in Physiological Chemistry from Ohio State.

Doug Doerfler – President and Chief Executive Officer (age 60)

Mr. Doerfler has over 30 years' experience in the discovery, development, commercialization and international financing of biotechnology products and companies. He was a founder of MaxCyte in July 1998. Prior to joining MaxCyte, Mr. Doerfler held senior corporate development and operating responsibilities for a privately owned biotechnology holding company. He was President, Chief Executive Officer and a director of Immunicon Corporation, a cell-based therapy and diagnostics company. Mr Doerfler also held various executive positions with LTI that included leading its global businesses, mergers and acquisitions and its IPO. Mr. Doerfler plays an active role as an advocate for the life sciences industry. He is Chair of the Tech Council of Maryland and serves on the Executive Committees of the Alliance for Regenerative Medicine and the Biotechnology Industry Organization ("**BIO**"), and Co-Chairs BIO's Capital Formation Committee. Mr. Doerfler received his B.S. in finance from the University of Baltimore School of Business, and holds a certificate in Industrial Relations.

Ron Holtz – Chief Financial Officer (age 58)

Mr. Holtz serves as MaxCyte's Chief Financial Officer, having joined the Company in 2005. During his career, Mr. Holtz has been Chief Financial Officer of both public and private companies and has raised more than $100m in debt and equity capital. Prior to joining MaxCyte, Mr. Holtz was Chief Financial Officer of B2eMarkets, a privately held software solutions company targeting Global 1000 companies. Mr. Holtz also served as Vice President and Chief Financial Officer of RWD Technologies ("**RWD**"), a leading information technology and performance improvement consulting firm, where he led RWD's initial public offering and was responsible for finance, acquisitions, business management and analyst/investor relations. Prior to this, Mr. Holtz was a manager in Ernst & Young LLP's Financial Advisory Services Group. He earned a Master's of Business Administration in finance from the University of Maryland, a Bachelor's of Science degree in mathematics from the University of Wisconsin and is a Certified Public Accountant.

Will Brooke – Non-executive Director (age 59)

Mr. Brooke is Executive Vice President and a director of Harbert Management Corporation ("**HMC**"), which he co-founded in 1993. With approximately $4 billion under management, HMC sponsors and co-invests in alternative asset strategies worldwide. Mr. Brooke organized and led one of HMC's investment strategies, Harbert Venture Partners, for over a decade when the firm raised three venture capital funds and he lead numerous healthcare and biotech investments for the funds. Mr. Brooke has been advising and investing in early stage and growth companies for more than 20 years, and served on the boards of numerous pharmaceuticals and medical equipment companies, including nContact Corporation, Aldagen Corporation, Innovative Biosensors, Inc., NovaMin Technologies, Inc., Optimal Readings Services Group, Inc., Atherotech, Inc. and Emageon Corporation. Mr. Brooke has also served as HMC's General Counsel, its Chief Operating Officer, and as chairman of its Real Estate Services subsidiary. Prior to joining HMC, Mr. Brooke practiced law for a decade, during which he

organized and served as Managing Partner of a commercial law firm. Mr. Brooke holds degrees in law (J.D.) and Business Management (B.S.), each from the University of Alabama.

Stan Erck – Non-executive Director (age 67)

Mr. Erck, President and CEO, and director of Novavax Corporation, applies his 25 years of management experience in the healthcare and biotechnology industry (Baxter International, Procept, Integrated Genetics, and Iomai) to shepherd the development and commercialization of Novavax Technology. In addition to successfully negotiating major alliances with pharmaceutical and biotechnology companies and bringing products into clinical trials, as CEO he has managed the process of developing companies from private funding through to IPO. Mr. Erck received his B.S. from the University of Illinois and an M.B.A. from the University of Chicago.

Art Mandell – Non-executive Director (age 63)

Mr. Mandell is a senior executive in the health care industry with over 30 years of experience running companies, executing large corporate and business development deals in both the pharmaceutical and biotechnology sectors, and developing and commercializing a number of products. Mr. Mandell served as President and Chief Operating Officer of Prestwick Pharmaceuticals, Inc. ("**Prestwick**"). Prior to Prestwick, Mr. Mandell was President, Chief Executive Officer, and a director of Cellective Therapeutics, Inc. ("**Cellective**"), a monoclonal antibody company developing therapeutic products for autoimmune and oncology diseases. Under his leadership, Cellective was acquired by Astra Zeneca/MedImmune Inc. Before Cellective, Mr. Mandell served as President, Chief Executive Officer, and director of Stemron Corporation, a therapeutic stem cell start up company in Gaithersburg, Maryland and prior to joining Stemron Corporation, he served as Senior Vice President and Chief Business Officer of Human Genome Sciences, Inc. ("**HGS**"), a biotechnology leader in Gaithersburg, Maryland. Mr. Mandell began his healthcare career at Syntex Pharmaceutical Corporation, where he had profit and loss responsibility for all subsidiaries in the Pacific Rim, Canada and Mexico.

John Johnston – Proposed Non-executive Director (age 57)

Mr. Johnston is currently non-executive director of Action Hotels plc, Flowgroup plc and Midatech Pharma plc, non-executive chairman of Constellation Healthcare Technologies Inc., and prior to this was managing director of Institutional Sales at Nomura Code. He was previously director of Sales and Trading at Seymour Pierce from 2008 to 2011. In 2003, Mr. Johnston founded Revera Asset Management, where he oversaw an investment trust, a unit trust and a hedge fund, which he ran until 2007. From 1992 to 1997, Mr. Johnston was Head of Small Companies at Scottish Amicable, before spending a year at Ivory and Sime, again as Head of Small Companies from 1997 to 1998. He joined Legg Mason Investors for three years as director of Small Companies Technology and Venture Capital Trusts, from 2000 to 2003, having previously spent two years as Head of Small Companies with Murray Johnstone. Mr. Johnston began his investment career at the Royal Bank of Scotland in 1981, working in the Trustee and Investment department, before moving to General Accident in 1985, holding the position of Head of Retail Funds before his move to Scottish Amicable.

10.2 ***Senior Management***

Short biographies of the Company's senior management and details of their roles are set out below:

Madhusudan Viswanath Peshwa, PhD, Chief Scientific Officer, Executive Vice President, Cellular Therapies (age 48)

Dr. Peshwa currently serves as Chief Scientific Officer at MaxCyte, having joined the Company in 2005. He was Executive Vice President for Research and Development at NewNeural, a start-up stem cell therapy company. Previously, Dr. Peshwa served as Vice President of Manufacturing and as Vice President of Process Sciences at Dendreon Corporation (NASDAQ: DNDN), where he was responsible for development, characterization and manufacture of an autologous dendritic cell vaccine product from concept to late Phase III pivotal studies. His expertise is in the areas of design, characterization, scale-up and implementation of processes, and in cGMP systems for the

development of engineered cell and tissue products and for biopharmaceuticals production. Dr. Peshwa obtained his PhD in chemical engineering from the University of Minnesota and his BTech in chemical engineering from the Indian Institute of Technology, Kanpur, India. He is a co-author on over 35 scientific publications and is a co-inventor on five, issued or under review, patent applications.

Karen Ann Donato, PhD, Executive Vice President, Global Business Development & Marketing (age 56)

Dr. Donato joined MaxCyte in 2008 and currently serves as Executive Vice President of Global Business Development & Marketing. Dr. Donato has over 15 years of experience in sales and marketing of products and services in life sciences, coupled with product and process development experience in biomedical materials and polymers. Prior to joining MaxCyte, Dr. Donato headed up business development for Summit Drug Development Services, a regulatory consulting firm. Earlier, Dr. Donato led an international sales and marketing team at CelsisIn Vitro Technologies, focusing on drug discovery tools for ADME-Tox applications. From 1995-2006, Dr. Donato held positions of increasing levels of responsibility in sales and marketing at TherImmune Research Corporation, which was acquired by Gene Logic during her tenure. At TherImmune and Gene Logic Labs, Dr. Donato was instrumental in the establishment of strategic business relationships with major pharmaceutical and biotechnology companies. Dr. Donato has been involved in R&D and manufacturing in engineering positions at Hoechst Celanese, Ethicon (a Johnson & Johnson Company) and DuPont. Dr. Donato earned a BSE from the University of Pennsylvania and an MS and a PhD from Ohio University, all in chemical engineering. Dr. Donato also holds three issued patents in drug delivery.

Thomas Michael Ross, Executive Vice President, Global Sales (age 55)

Mr. Ross serves as MaxCyte's Executive Vice President of Global Sales, having joined the Company in 2014. Mr. Ross has extensive experience in all elements of commercial operations and has over 25 years of successful sales and marketing leadership in the Life Science and Clinical Diagnostics markets. Most recently, Mr. Ross was Senior Vice President of Commercial Operations at OpGen®. Mr. Ross also served as Chief Commercial Officer at Predictive BioScience and Vice President of North America Medical Diagnostics Sales at Qiagen/Digene Corporation. Prior to working at Digene Corporation, Mr. Ross held several senior leadership roles in Manufacturing Operations at LTI and Cambrex.

11. Reasons for Admission, the Placing and Use of Proceeds

The Directors believe that Admission will be an important step in the Company's development and will assist it in achieving its stated objectives by raising capital principally to:

- Accelerate its growth by investing in further developing its CARMA platform;
- Expand the reach of the Company's cell therapy business to Europe, Asia and other global markets; and
- Expand the Company's direct sales teams in the US and Europe, and expand its network of distributors in Asia and globally.

The Directors believe that Admission will also:

- Enhance MaxCyte's profile and product awareness amongst current and prospective customers, partners, suppliers and academic institutions;
- Provide the potential to access capital to fund future growth plans as and when the Board deems suitable;
- Provide a platform for any future acquisitions of companies, products and/or intellectual property; and
- Provide an increased ability to attract, retain and incentivize high calibre employees, including by way of equity-linked schemes.

The Placing will raise approximately £7.8 million (net of expenses) which is currently intended to be used primarily to invest in the development of products based on its CARMA platform, specifically by entering into IND-enabling mRNA CAR studies and human clinical proof-of-concept studies in several cancer indications. Additionally, the Company intends to invest in a preclinical program with a leading academic institution to perform IND-enabling mRNA studies with a goal of human clinical studies in treating a rare genetic disease as a proof-of-concept study for the use of its flow electroporation platform technology and instrumentation for therapeutic gene editing, potentially developing related proprietary products for licensing.

In addition, the Company intends to use some of the net proceeds of the Placing to expand in new geographies outside of the US, and to invest in product development and new applications.

12. Details of the Placing

The Company is issuing 14,285,714 New Common Stock at 70p per Common Stock to institutional investors pursuant to the Placing to raise a total of £10.0 million, and approximately £7.8 million net of expenses. The New Common Stock will represent approximately 32.9 per cent. of the Enlarged Stock Capital. Further details of the Placing Agreement are set out in paragraph 10 of Part 5 of this document.

13. Admission, CREST and Summary of the Deed Poll

13.1 ***Admission and CREST***

Application has been made to the London Stock Exchange for the Common Stock to be admitted to trading on AIM. It is expected that Admission will take place, and that dealings in the Common Stock on AIM will commence at 8.00 a.m. on 29 March 2016.

CREST is a voluntary, paperless settlement procedure enabling securities (including Depositary Interests) to be evidenced otherwise than by a certificate and transferred otherwise than by way of a written instrument in accordance with the CREST Regulations. The system is designed to reduce the costs of settlement and facilitate the processing of settlements and the updating of registers through the introduction of an electronic settlement system. Common stock may be held in electronic form and evidence of title to common stock will be established on an electronic register maintained by a registrar.

The requirements of the AIM Rules for Companies provide that the Company must, upon Admission becoming effective, have a facility for the electronic settlement of the Common Stock. The shares of companies incorporated in England (and the shares of companies incorporated in certain other jurisdictions) which are traded on AIM are settled through CREST. However, with limited exceptions, only shares and other securities which are constituted under English law can be settled through the CREST system, regardless of the fact that they may be admitted to trading on AIM. As the Company is incorporated in the United States its Common Stock are not eligible to be held through CREST and, accordingly, the Company has established, via the Depositary, a depositary interest programme.

The Depositary Interests representing the Common Stock will be issued to the individual Stockholders' CREST account on a one for one basis and with the Depositary providing the necessary custodial service, it is expected that, where Placees have asked to hold their Common Stock in uncertificated form, they will have their CREST accounts credited with Depositary Interests on the day of Admission. Investors who are able to and elect to hold their Common Stock as Depositary Interests will be bound by a Deed Poll, executed by the Depositary in favour of the investors from time to time, the terms of which are summarised in 13.2 below. The rights and obligations pertaining to the Depositary Interests will be governed by English law. Holders of depositary interests will have no rights in respect of the underlying Common Stock or the Depositary Interests against CREST, the operating company of the CREST system, or its subsidiaries. The Depositary Interests are themselves independent securities constituted under English law and can be traded and settled within the CREST system in the same way as any other CREST security. The Stockholders that are non-US Persons have the choice of whether to hold their Common Stock in certificated form or in uncertificated form in the

form of Depositary Interests. Stockholders who are able to and elect to hold their Common Stock in uncertificated form through the Depositary Interest facility will be bound by a deed of trust.

The Company's share register, which will be kept by the Registrar, will show the Depository or its nominated custodian as the holder of the Common Stock represented by Depositary Interests but the beneficial interest will remain with the Stockholders who will continue to receive all the rights attaching to the Common Stock as they would have if they had themselves been entered on the Company's share register. Stockholders can withdraw their Common Stock back into certificated form at any time using standard CREST messages. Transfers of Depositary Interests are subject to stamp duty reserve tax.

In the case of Placees that are US Persons or where Placees have requested to receive their Common Stock in certificated form, share certificates will be despatched by first-class post within ten Business Days of the date of Admission. No temporary documents of title will be issued. Pending the receipt of definitive share certificates in respect of the Common Stock (other than in respect of those Common Stock settled via Depositary Interests through CREST), transfers will be certified against the Company's share register.

The Common Stock have not been, and will not be, registered under the Securities Act or under any securities laws of any state or other jurisdiction of the United States. The New Common Stock are being offered only to non-US Persons outside the United States in transactions exempt from the registration requirements of the Securities Act in reliance on Category 3 of Regulation S or pursuant to another available exemption from the Securities Act. The New Common Stock offered to non-US Persons in the Placing Interests are subject to the conditions listed under section 903(b)(3), or Category 3, of Regulation S. Under Category 3, Offering Restrictions (as defined under Regulation S) must be in place in connection with the Placing and additional restrictions are imposed on resales of the Common Stock. The Common Stock are "restricted securities" as defined in Rule 144 under the Securities Act.

Each subscriber for New Common Stock, by subscribing for such New Common Stock, agrees to reoffer or resell the Common Stock only pursuant to registration under the Securities Act or in accordance with the provisions of Regulation S or pursuant to another available exemption from registration, and agrees not to engage in hedging transactions with regard to such securities unless in compliance with the Securities Act. The above restrictions severely restrict purchasers of Common Stock from reselling the Common Stock in the United States or to a US Person. These restrictions may remain in place or be reintroduced following the expiry of the Distribution Compliance Period in relation to the Common Stock, at the discretion of the Company for example in the event the Company issues additional Common Stock under the same ISIN as the New Common Stock.

Once the Common Stock are admitted to trading on AIM, Common Stock (represented by the Depositary Interests) held in the CREST system will be identified with the marker "REGS" and will be segregated into a separate trading system within CREST. The "REGS" marker also indicates that the Common Stock held in the CREST system will also bear a legend setting out certain transfer restrictions and other information, including that: (i) transfers of the Common Stock are prohibited except in accordance with the provisions of Regulation S, pursuant to registration under the Securities Act or in a transaction not subject to the registration requirements of the Securities Act; and (ii) hedging transactions involving the Common Stock may not be conducted unless in compliance with the Securities Act.

Representations, warranties and certifications must be made through the CREST system by those selling or acquiring the Common Stock. If such representations, warranties and certifications cannot be made or are not made, settlement through CREST will be rejected. Furthermore, Common Stock held by "Affiliates" (as defined in Rule 405 of the Securities Act) of the Company shall be held in certificated form and accordingly settlement shall not be permitted via CREST until such time as the relevant restrictions are no longer applicable. Affiliates of the Company at the time of the Placing, or investors that become Affiliates at any time after the Placing, should seek independent US legal counsel prior to selling or transferring any Common Stock. US Persons acquiring New Common

Stock in the Placing will receive certificated Common Stock and will be unable to hold their Common Stock in uncertificated form until at least the end of the Distribution Compliance Period.

These restrictions, representations and warranties, as well as the legend that will be affixed to the Common Stock, are set out more fully in Part 6 of this document.

13.2 ***Summary of the Deed Poll***

Prospective subscribers for and purchasers of the Common Stock are referred to the Deed Poll available for inspection. In summary, the Deed Poll contains, among other things, provisions to the following effect which are binding on holders of Depositary Interests:

(i) The Depositary will hold (itself or through the Custodian), as bare trustee, the underlying securities issued by the Company and all and any rights and other securities, property and cash attributable to the underlying securities for the time being held by the Depositary or the Custodian pertaining to the Depositary Interests for the benefit of the holders of the Depositary Interests. The Depositary will re-allocate securities or distributions allocated to the Depositary or the Custodian pro rata to the Common Stock held for the respective accounts of the holders of Depositary Interests but will not be required to account for fractional entitlements arising from such re-allocation.

(ii) Holders of Depositary Interests warrant, inter alia, that the securities in the Company transferred or issued to the depositary or the Custodian on behalf of the Depositary for the account of the Depositary Interests holder are free and clear of all liens, charges, encumbrances or third party interests and that such transfers or issues are not in contravention of the Bylaws or the Certificate of Incorporation or any contractual obligation, or applicable law or regulation binding or affecting such holder.

(iii) The Depositary and the Custodian must pass on to holders of Depositary Interests, or exercise on their behalf, all rights and entitlements received by the Depositary or the Custodian in respect of the underlying securities. Rights and entitlements to cash distributions, to information, to make choices and elections and to attend and vote at meetings shall, subject to the Deed Poll, be passed on in the form which they are received, together with amendments and additional documentation necessary to effect such passing-on, or exercised in accordance with the Deed Poll. If arrangements are made which allow a holder to take up rights in the Company's securities requiring further payment, the holder must pay the Depositary in cleared funds before the relevant payment date or other date notified by the Depositary if it wishes the Depositary to exercise such rights.

(iv) The Depositary will be entitled to cancel Depositary Interests and treat the holder as having requested a withdrawal of the underlying securities in certain circumstances including where a holder of Depositary Interests fails to furnish to the Depositary such certificates or representation as to material matters of fact, including his identity, as the Depositary deems appropriate.

(v) The Deed Poll contains provision excluding and limiting the Depositary's liability. For example, the Depositary shall not be liable to any Depositary Interests holder or any other person for liabilities in connection with the performance or non-performance of obligations under the Deed Poll or otherwise except as may result from their negligence or wilful default or fraud or that of any person for whom they are vicariously liable, provided that the Depositary shall not be liable for the negligence, wilful default or fraud of the Custodian or agent which is not a member of its group unless it has failed to exercise reasonable care in the appointment and continued use and supervision of the Custodian or agent. Furthermore, the Depositary's liability to a holder of Depositary Interests will be limited to the lesser of:

a. the value of the shares and other deposited property properly attributable to the Depositary Interests to which the liability relates; and

b. that proportion of £10 million which corresponds to the proportion which the amount the Depositary would otherwise be liable to pay to the holder of the Depositary Interests bears to the aggregate of the amounts that the Depositary would otherwise be liable to pay to all such holders in respect of the same act, omission, or event which gave rise to such liability or, if there are no such other amounts, £10 million.

(vi) The Depositary is entitled to charge holders of Depositary Interests fees and expenses for the provision of their services under the Deed Poll.

(vii) The holders of Depositary Interests are required to agree and acknowledge with the Depositary that it is their responsibility to ensure that any transfer of Depositary Interests by them which is identified by the CREST system as exempt from stamp duty reserve tax is so exempt, and to notify the Depositary if this is not the case, and to pay to Euroclear UK and Ireland any interest, charges or penalties arising from non-payment of stamp duty reserve tax in respect of such transaction.

(viii) Each holder of Depositary Interests is liable to indemnify the Depositary and the Custodian (and their respective agents, officers and employee) against all liabilities arising from or incurred in connection with or arising from any act related to, the Deed Poll so far as they relate to the Depositary Interests (and any property or rights held by the Depositary or Custodian in connection with the Depositary Interests) held by that holder other than those resulting from the wilful default, negligence or fraud of the Depositary, or the Custodian or any agent if the Custodian or agent is a member of the Depositary's group or if, not being a member of the same group, the Depositary shall have failed to exercise reasonable care in the appointment and continued use of the Custodian or agent.

(ix) The Depositary is entitled to make deductions from any income or capital arising from the underlying securities, or to sell such underlying securities and make deductions from the sale proceed therefrom, in order to discharge the indemnification obligations of Depositary Interest holders.

(x) The Depositary may terminate the Deed Poll by giving 30 days' notice. During such notice period holders may cancel their Depositary Interests and withdraw their deposited property and, if any Depositary Interests remain outstanding after termination the Depositary must, among other things, deliver the deposited property in respect of the Depositary Interests to the relevant Depositary Interests holders or, at its discretion sell all or part of such deposited property. The Depositary shall, as soon as reasonably practicable, deliver the net proceeds of any such sale, after deducting any monies due to it, together with any other cash held by it under the Deed Poll pro rata to holders of Depositary Interests in respect of their Depositary Interests.

(xi) The Depositary or the Custodian may require from any holder information as to the capacity in which Depositary Interests are or were owned and the identity of any other person with or previously having any interest in such Depositary Interests and the nature of such interest and evidence or declarations of nationality or residence of the legal or beneficial owners of Depositary Interests and such information as is required for the transfer of the relevant Common Stock to the holders. Holders agree to provide such information requested and consent to the disclosure of such information by the Depositary or the Custodian to the extent necessary or desirable to comply with their legal or regulatory obligations. Furthermore, to the extent that the Bylaws or the Certificate of Incorporation require disclosure to the Company of, or limitations in relation to, beneficial or other ownership of the Company's securities, the holders of Depositary Interests are to comply with the Company's instructions with respect thereto.

14. Effects of US Domicile

The Company is a US corporation organized under the laws of the State of Delaware. There are a number of differences between the corporate structure of the Company and that of a public limited company

incorporated in the UK. While the Directors consider that it is appropriate to retain the majority of the usual features of a US corporation, the Directors intend to take certain actions to conform to UK standard practice. paragraph 15 of Part 5 of this document is a description of the principal differences and, where appropriate, provisions contained in the Company's constitutional documents to incorporate English law principles in relation to pre-emption rights, notifiable interests and takeovers.

The Company is incorporated in the State of Delaware in the United States and, for purposes of the Takeover Panel, the Company is not resident in the UK, Channel Islands or the Isle of Man. As a result, although the Common Stock will be admitted to trading on AIM, the Company is not subject to the provisions of the Takeover Code. Certain provisions have been inserted into the Certificate of Incorporation which adopt similar procedures to the Takeover Code in the event of any party (or parties acting in concert) obtaining 30 per cent. or more of the voting rights attaching to the issued Common Stock, but there is no assurance that the courts of the State of Delaware, US, will uphold or allow the enforcement of these provisions.

15. Dividend Policy

The Company has not paid any dividends during the course of its operating and financial history, is primarily seeking to achieve capital growth for its Stockholders, and it is the Board's intention during the current phase of the Company's development to retain future distributable profits and only recommend dividends when appropriate and practicable.

16. Lock-in Arrangements

The Directors and the Proposed Directors who will, in aggregate, at Admission have an interest in 3,903,675 Common Stock and options to acquire Common Stock (representing approximately 8.16 per cent. of the Enlarged Stock Capital and options to acquire Common Stock) and certain other Stockholders (including all Stockholders who hold more than 0.5 per cent. of the Existing Common Stock and options to acquire Common Stock) as well as certain other Placees, who hold at Admission in aggregate 28,863,127 Common Stock and options to acquire Common Stock (representing approximately 60.36 per cent. of the Enlarged Stock Capital and options to acquire Common Stock) have undertaken, save in limited circumstances, not to dispose of any of their interests in Common Stock at any time prior to the first anniversary of Admission. In addition the Directors, the Proposed Directors and certain other Stockholders (including all Stockholders who hold more than 0.5 per cent. of the Existing Common Stock and options to acquire Common Stock) have undertaken that they will only dispose of shares of Common Stock in accordance with Panmure Gordon's reasonable requirements for an orderly market for a further period beginning one year after the first anniversary of Admission and continuing for twelve months thereafter.

In addition, certain individuals and employees who were issued stock options in November 2014 have undertaken, save in limited circumstances, not to dispose of Common Stock they may acquire through the exercise of those options at any time prior to the first anniversary of Admission without the prior written consent of the compensation committee. A much smaller number of individuals who were issued stock options prior to November 2014 have undertaken, save in limited circumstances, not to dispose of Common Stock they may acquire through the exercise of those options at any time prior to six months after Admission without the prior written consent of the compensation committee.

In aggregate, therefore 32,766,802 Common Stock and options to acquire Common Stock, representing 68.52 per cent. of the Enlarged Stock Capital and Common Stock issuable upon exercise of options, are subject to the lock-in arrangements referred to above.

Further details of the lock-in arrangements are set out in paragraph 10 of Part 5 of this document.

17. Corporate Governance and Internal Controls

The Directors are committed to maintain high standards of corporate governance. The Company will not, immediately upon Admission, be fully compliant with the principles and provisions of the UK Corporate Governance Code, but it intends to become so, as far as appropriate for a company located in the US and of its size and stage of development, as soon as reasonably practicable following Admission.

The Company will adopt, with effect from Admission, an appropriate share dealing code in order to comply with Rule 21 of the AIM Rules for Companies relating to Directors and applicable employees dealing in the Company's securities. The Company will take all reasonable steps to ensure compliance with such by the Directors and any relevant employees.

17.1 ***The Board***

At Admission the Board shall comprise seven Directors, of which five are considered by the Board to be independent.

The Company has established audit, compensation and nomination committees with formally delegated duties and responsibilities and with written terms of reference. From time to time separate committees may be set up by the Board to consider specific issues when the need arises.

17.2 ***Audit committee***

On Admission, the audit committee will comprise Will Brooke, John Johnston and Art Mandell, with Will Brooke nominated as chair of the committee. The audit committee will assist the Board in discharging its responsibilities, within agreed terms of reference, with regard to corporate governance, financial reporting and external and internal audits and controls, including, amongst other things reviewing terms of engagement of the Company's auditors, reviewing (in consultation with the auditors) the scope of the audit, receiving and reviewing reports from management and the Company's auditors relating to half yearly reports and annual accounts, as well as the Company's accounting and the internal controls. The audit committee will meet formally not less than twice every year and otherwise as required.

17.3 ***Compensation committee***

The compensation committee is responsible, within agreed terms of reference, for establishing a formal and transparent procedure for developing policy on executive compensation and setting the compensation packages of individual Directors. This includes recommending to the Board the framework for compensation of the executive Directors and such other members of the executive management of the Company as it is designated to consider. It is furthermore responsible for recommending the total individual compensation packages of each Director including, where appropriate, bonuses, incentive payments and share options. No Director may be involved in any decision as to his/her own compensation. The compensation committee may also make recommendations to the Board concerning the allocation of incentive payments to employees and the grant of options, if any, to eligible individuals. At Admission, the membership of the compensation committee comprises Will Brooke, Stan Erck and Stark Thompson, and the committee will be chaired by Stark Thompson. The compensation committee will meet not less than twice a year and at such other times as the chairman of the committee shall require.

17.4 ***Nominations committee***

The nominations committee is responsible, within agreed terms of reference, for reviewing the structure, size and composition of the board and recommending to the Board any changes required, for succession planning and for identifying and nominating for approval of the Board candidates to fill vacancies as and when they arise. The committee is also responsible for reviewing the results of the Board performance evaluation process and making recommendations to the Board concerning suitable candidates for the role of senior independent director and the membership of the Board. The nominations committee is responsible, within agreed terms of reference, for reviewing the structure, size and composition of the Board and recommending to the board any change. The nominations committee will comprise Doug Doerfler, Stan Erck and Art Mandell, with Art Mandell nominated as the chair of the committee. The nominations committee will meet not less than once a year and at such other times as the chairman of the committee shall require.

18. Stock Incentive Arrangements

Save as described in paragraphs 2 and 5 of Part 5 of this document, the Company does not currently have any outstanding options or warrants to purchase its Common Stock. In order to attract a talented workforce and support the Company's growth, the Company adopted the New Option Plan which provides for the grant of stock options, Performance Awards, Restricted Stock and Incentive Stock, which may be granted to employees, officers, directors (including non-executive directors), advisors, consultants and independent contractors of the Company.

Subject to adjustment as provided in the New Option Plan, the maximum number of Common Stock that may be issued under the New Option Plan is the sum of (a) 6,264,682 Common Stock (which includes 4,348,991 Common Stock available for issuance pursuant to options awarded prior to the date of this document and 1,915,691 Common Stock already issued pursuant to the exercise of Options under the New Option Plan prior to the date of the document) and (b) ten per cent. (10%) of the Common Stock that are issued and outstanding at the time Awards are made under the New Option Plan from time to time, provided, however, that when the right to acquire Common Stock under an Award has been released, lapsed, or otherwise become incapable of exercise, such Common Stock shall be capable of being issued under a new Award under the New Option Plan.

Further details of the New Option Plan are contained in paragraph 5 of Part 5 of this document.

19. Taxation

General information relating to UK taxation with regard to Admission and Placing is summarized in paragraph 11 of Part 5 of this document. **Any person who is in any doubt as to his or her tax position, or is subject to tax in a jurisdiction other than that of the UK, should consult his or her professional advisers**.

The Company has applied for and obtained advance assurance from HMRC that the VCT Placing Shares will satisfy the requirements for tax relief under EIS and will constitute a qualifying holding for VCT schemes.

20. Applicability of the Takeover Code

The Company is not subject to the Takeover Code because its registered office and its place of central management and control are outside the UK, the Channel Islands and the Isle of Man. As a result, certain of the protections that are afforded to shareholders under the Takeover Code, for example in relation to a takeover of a company or certain stakebuilding activities by shareholders, do not apply to the Company. Certain provisions have been inserted into the Certificate of Incorporation which adopt similar procedures to the Takeover Code in the event of any party (or parties acting in concert) obtaining 30 per cent. or more of the voting rights attaching to the issued Common Stock, but there is no assurance that the courts of the State of Delaware, USA, will uphold or allow the enforcement of these provisions. Further details relating to these provisions are set out at paragraph 15 of Part 5 of this document.

21. Further Information

Your attention is drawn to the additional information in Parts 2 to 6 of this document.

PART 2

RISK FACTORS

In addition to all other information set out in this document, the following specific factors should be considered carefully in evaluating whether to make an investment in the Company. The investment offered in this document may not be suitable for all of its recipients. 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 about the action you should take, you should consult a professional adviser authorized under the FSMA who specialises in advising on the acquisition of stocks and other securities. This summary of risk factors is not intended to be exhaustive.

A. GENERAL RISKS

An investment in the Company is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss that may result from the investment. A prospective investor should consider with care whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them. The investment opportunity offered in this document may not be suitable for all recipients of this document. Investors are therefore strongly recommended to consult an investment adviser authorized under FSMA, or such other similar body in their jurisdiction, who specialises in advising on investments of this nature before making their decision to invest.

Investment in the Company should not be regarded as short-term in nature. There can be no guarantee that any appreciation in the value of the Company's investments will occur or that the scientific and commercial objectives of the Company will be achieved. Investors may not get back the full amount initially invested.

The prices of shares and the income derived from them can go down as well as up. Past performance is not necessarily a guide to future trends.

B. RISKS RELATING TO THE BUSINESS OF THE COMPANY

The Company's business faces competition from a range of pharmaceutical, biotechnology and transfection technology companies

The Company faces competition for its technology and products from other providers of transfection technologies. New and existing providers of electroporation products may improve their ability to compete through enhancements in the capabilities, benefits or price of their products or improved marketing, sales, and financial resources. New or existing providers of alternatives to electroporation may offer methods or technologies that provide improved capabilities, benefits or price or they may increase their marketing, sales, and/or financial resources to improve their ability to compete with the Company's offering. The results of such increased competition may have a material adverse effect on the Company's financial results.

Many of the Company's competitors with respect to the development of its CARMA platform or other cell based therapies, and with respect to the Company and its partners in developing cell therapy programs, are large global enterprises in the biotechnology and pharmaceutical industries and may have superior research and development capabilities, technology, products, manufacturing capability or sales and marketing expertise. Many of the Company's competitors may have significantly greater financial and human resources and may have more experience in development and commercialization of their technology and products. As a result, the Company's competitors may develop safer or more effective products, implement more effective sales and marketing programs or be able to establish superior proprietary positions.

In addition, the Company anticipates that it will face increased competition in the future as new companies enter the Company's markets and alternative products and technologies become available. The results of such increased competition may have a material adverse effect on the Company's financial results.

Technological changes could overtake products being developed by the Company

The biotechnology, pharmaceutical and medical equipment industries are subject to rapid technological change which could affect the commercial viability of the Company's technology and products. Research and discoveries by others may result in medical insights or breakthroughs which render the Company's products less competitive or even obsolete.

Protection of intellectual property

The Company's success and ability to compete effectively are in large part dependent upon exploitation of proprietary technologies and products that the Company has developed, the Company's ability to protect and enforce its intellectual property rights so as to preserve its exclusive rights in respect of its technologies and products and those of its licensees, to maintain protection for its inventions and proprietary information and its ability to preserve the confidentiality of its know-how. Globally, the Company has access to 20 patents granted which are owned, with a further 18 patent applications pending.

There can be no assurance that the scope of the Company's patents provides and will provide the Company with a sufficiently strong competitive advantage covering all its products and technologies, as well as technologies and/or products that solve the same problem as the Company's technologies and products by a different means. There can be no assurances given that the Company's patents are and will remain valid and subsisting and will not be subject to invalidity or revocation proceedings, or that international patent law will not change, causing any of the Company's patents to become invalid. Furthermore, the patents held by the Company now and in the future will expire in accordance with the relevant laws and regulations, thereby leaving certain of the Company's intellectual property unprotected and leaving the Company open to greater competition.

There can be no assurances given that the Company's entitlement to exploit patents from time-to-time (including patents registered solely in a Company member's name or in the joint names of a Company member and a third party) is and will be sufficient to protect the Company's core intellectual property rights against third parties, its commercial activities from competition or to support comprehensively its ability to develop and market its proposed products either now or in the future, that the ownership, scope or validity of any patents registered in the Company's name from time-to-time will not be challenged by third parties, including parties with whom the Company, or any member of it, has entered into co-development projects, nor that the Company has or will have the resources to pursue any infringer of patents registered in its name from time to time.

While the Company has taken significant effort to protect its intellectual property, there can be no assurances that all intellectual property generated by employees of the Company has been or will be properly assigned into the Company's name, that the lack of any particular patents or rights to exploit any particular patents, and the scope of the Company's patents, will not have a material adverse effect on the Company's ability to develop and market its proposed products, either now or in the future, that pending or future patent applications will be issued, or that the Company will develop technologies or products which are patentable, either alone or in conjunction with third parties.

With respect to any co-development partnerships formed by the Company, there can be no assurance from the Company that the license agreements between the Company and third parties are and will be valid and subsisting in the future or until their expiry dates, that all intellectual property capable of being commercialized, including intellectual property which is or has been generated pursuant to development agreements between the Company and third parties, if any, will be or has been identified, that the Company has complied with its contractual obligations under the license agreements, and that in respect of all intellectual property generated pursuant to a development agreement between the Company and a third party to which the Company and that third party have a joint contractual entitlement has been properly assigned into joint names and the rights between the Company and that third party are properly regulated by a co-ownership agreement.

To date, the Company has also relied on copyright, trademark and trade secret laws, regulatory laws regarding its FDA Master File, as well as confidentiality procedures, non-compete and/or work for hire invention assignment agreements and licensing arrangements with its employees, consultants, contractors,

customers and vendors, and a trade secret protection program to establish and protect its rights to its technology and, to the best extent reasonably possible, control the access to and distribution of its technology, software, documentation and other proprietary information. Despite these precautions, it may be possible for a third party to copy, replicate or otherwise obtain and use for the benefit of third parties its technology or confidential information without authorization. Once granted, a patent can be challenged both in the patent office and in the courts by third parties. Third parties can adduce material and arguments which the patent office granting the patent may not have seen. Therefore, issued patents may be found by a court of law or by the patent office to be invalid or unenforceable or in need of further restriction.

The Company's patents cover a limited set of countries. There can be no assurance that all patent rights material to the Company's success are, or will be, in place in all jurisdictions necessary to the successful conduct of the Company's business.

If the Company is unable to establish, obtain and/or maintain adequate protections for its intellectual property or enforce such protections, it may be unable to develop and commercialize products in the anticipated manner and, as a result, may be unable to pursue its business plan, which could have a materially adverse effect on its financial performance. In particular, the Company's ability to obtain value for its products from customers could be materially adversely affected and competitors could find less barriers to development of products directly competitive to the Company's products.

The Company may incur substantial costs as a result of disputes with a third party relating to the infringement or protection of intellectual property

If the Company's competitors file patent applications that claim technology also claimed by the Company, the Company may have to participate in interference or opposition proceedings to determine the priority of invention. The Company might also be accused of infringing a third party's intellectual property rights, in which case it will have no option other than to defend the allegation, which it may, or may not, be possible to resolve through negotiation or which might result in court proceedings that run to a full trial. An adverse outcome in any of these circumstances is that the Company might be subject to significant liabilities, be required to cease using a technology or to pay licence fees (both prospectively and retrospectively). The Company could incur substantial costs in any litigation or other proceedings relating to patent rights, even if they are resolved in the Company's favour. If the proceedings were in the US, the basic rule is that each party is responsible for its own costs. By contrast, the rule in respect of English proceedings is that the loser pays the winner's costs, although there is never 100 per cent. recovery of costs from the losing side. Other jurisdictions may have rules that lead to results unfavourable to the Company with respect to its intellectual property. Some of the Company's competitors may be able to sustain the costs of complex litigation more effectively or for a longer time than the Company can because of their substantially greater resources. In addition, uncertainties or threatened or actual disputes relating to any patent, patent application or other intellectual property right (including confidential information) could have a material adverse effect on the Company's ability to develop and/or market a product, enter into collaborations in respect of the affected products, or raise additional funds.

Policing unauthorized use of the Company's patented technologies and products is difficult and expensive and the resources available to the Company for such activities are limited. There can be no assurance that the steps the Company takes will prevent misappropriation of, or prevent an unauthorized third party from obtaining or using, the technologies, know-how and products the Company relies on. In addition, effective protection may be unavailable or limited in some jurisdictions. Any misappropriation of the Company's proprietary technology, products and intellectual property could have a negative impact on the Company's business and its operating results. Litigation may be necessary in the future to enforce or protect the Company's rights or to determine the validity or scope of the proprietary rights of others. Litigation could cause the Company to incur substantial costs and divert resources and management attention away from its daily business and there can be no guarantees as to the outcome of any such litigation. The Company may determine that litigation is not a viable alternative for protecting its intellectual property because of the costs and risks of litigation involved.

If the Company fails to adequately protect or defend its intellectual property rights throughout the world, or spends significant time and money in doing so, this could have a material and adverse effect on the Company's business

Filing, prosecuting and defending patents on inventions in all countries throughout the world could be prohibitively expensive, and its intellectual property rights in some countries outside the United States can be less extensive than those in the United States. In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as federal and state laws in the United States. Consequently, the Company may not be able to prevent third parties from practising its inventions in countries outside the United States, or from selling or importing products made using its inventions in and into the United States or other jurisdictions. Competitors may use their own technologies in jurisdictions where the Company has not obtained patent protection to develop their own products and, further, may export otherwise infringing products to territories where the Company has patent protection, but enforcement is not as strong as that in the United States. These products may compete with the Company's products and its patents or other intellectual property rights may not be effective or sufficient to prevent them from competing with the Company's products. To the extent that the Company has obtained or is able to obtain patents or other intellectual property rights in any foreign jurisdictions, it may be difficult to stop the infringement of its patents or the misappropriation of other intellectual property rights. For example, some foreign countries have compulsory licensing laws under which a patent owner must grant licences to third parties. In addition, many countries limit the availability of certain types of patent rights and enforceability of patents against third parties, including government agencies or government contractors. In these countries, patents may provide limited or no benefit.

Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favour the enforcement of patents, trade secrets and other intellectual property protection, particularly those relating to biotechnology products, which could make it difficult for the Company to stop the infringement of its patents or the marketing of competing products in violation of its proprietary rights generally. Proceedings to enforce the Company's patent rights in foreign jurisdictions could result in substantial costs, divert its efforts and attention from other aspects of its business, put its patents at risk of being invalidated or interpreted narrowly and its patent applications at risk of not issuing, and could provoke third parties to assert claims against the Company. The Company may not prevail in any lawsuits that it initiates and the damages or other remedies awarded, if any, may not be commercially meaningful or represent acceptable compensation. Accordingly, the Company's efforts to enforce its intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that it develops or licenses to strategic partners.

Changes in patent laws or patent jurisprudence could diminish the value of patents in general, thereby impairing the Company's ability to protect its products

As is the case with other biotechnology companies, the Company's success is heavily dependent on intellectual property, particularly patents. Obtaining and exploiting patents in the biotechnology industry involve both technological and legal complexity. Therefore, obtaining and exploiting biotechnology patents is costly, time-consuming and inherently uncertain. The US Supreme Court has ruled on several patent cases in recent years, either narrowing the scope of patent protection available in certain circumstances or weakening the rights of patent owners in certain situations.

In addition, the America Invents Act, (the "AIA"), has been recently enacted in the United States, resulting in significant changes to the US patent system. In addition to increasing uncertainty with regard to the Company's ability to obtain patents in the future, the combination of the US Supreme Court decisions and the AIA has created uncertainty with respect to the value of patents, once obtained. A few highlights of changes to US patent law under the AIA are:

- under the AIA, a patent is awarded to the "first-inventor-to-file" rather than the first to invent;
- a new definition of prior art which removes geographic and language boundaries found in the pre-AIA law. At the same time, certain categories of "secret" prior art have been eliminated;

- the AIA introduced new procedures for challenging the validity of issued patents: post-grant review and inter partes review;
- patent owners under the AIA may now request supplemental examination of a patent to consider, reconsider, or correct information believed to be relevant to the patent; and
- the AIA allows third parties to submit any patent, published application, or publication relevant to examination of a pending patent application with a concise explanation for inclusion during prosecution of the patent application.

The "first-inventor-to-file" system and the new definitions of prior art apply to US patent applications with claims having an effective filing date on or after 16 March 2013. Until at least 2034, patent practice will involve both pre-AIA and AIA laws.

Depending on decisions by the US Congress, the federal courts, and the United States Patent and Trademark Office, the laws and regulations governing patents could change in unpredictable ways that could weaken the Company's ability to obtain new patents or to exploit its existing patents and patents that it might obtain in the future. Similarly, the complexity and uncertainty of European patent laws has also increased in recent years. In addition, the European patent system is relatively stringent in the type of amendments that are allowed during prosecution and opposition proceedings. Changes in patent law or patent jurisprudence could limit the Company's ability to obtain new patents in the future that may be important for its business.

Clinical and therapeutic products resulting from the Company's research and development efforts, whether developed in-house or through partnered programs, may not receive or continue to maintain regulatory approvals

Research and development of therapeutic products is inherently risky. Failure to achieve the results anticipated at the outset by management is common and can occur at any stage of development, and there can be no assurance that the Company's efforts or those of its partners may result in sufficiently positive and/or valuable data to enable the developed products to be commercialised. Similarly, there can be no assurance that the Company's efforts or those of its partners may result in sufficiently positive and/or valuable data to enable the Company's strategy to license its CARMA platform technology or other cell therapy products for use in further research and development for therapeutic indications.

The international pharmaceutical industries are highly regulated by governmental authorities in the UK, the US and Europe and by regulatory agencies in other countries where the Company intends to market products or and where its customers operate. No assurance can be given that any of the Company's products, including the CARMA platform and related products, or therapeutic products developed by the Company's cell therapy partners using the Company's flow electroporation technology, will successfully obtain and maintain regulatory approvals or clearances to market these products.

There can be no assurance the Company's cell-based therapeutics will yield satisfactory products that receive regulatory approval or that are safe and effective, scalable, or profitable. Additionally, because the Company's cell therapy technology involves the use of patient cells as a therapeutic, the Company is subject to the challenges and risks that such cell-based therapies face, including the fact that regulatory requirements governing cell therapy products have changed frequently and may continue to change in the future. To date, only a limited number of products that involve patient cells have been approved in the United States and only one has been approved in the EU.

The time taken to obtain regulatory approval varies between territories and no assurance can be given that any of the Company's or its partners' products will be developed or approved in any territory within the timescale envisaged, or at all or that the regulations may not change during the period of development. Furthermore, there can be no assurance that the Company's or its partners' clinical trials may receive clearance to begin. This may result in a delay to, or make impossible, the use of the Company's products for the Company's intended purposes, and may have an adverse effect on the Company's business.

Even if the products developed by the Company, its customers or through partnered programs are approved, they may still face subsequent regulatory difficulties

Even if the Company or its partners receives regulatory approval to license any products for therapeutic use, or its customers receive regulatory approval to commercialize any products developed using the Company's technology and instruments, regulatory agencies could require the Company, its partners or its customers to conduct post-marketing trials. Regulators will undertake periodic reviews and inspections. If they discover previously unknown problems with a product or its manufacturing process, or if the Company, its partners or customers fail to comply with regulatory requirements, regulators could:

- impose fines against the Company, its partners or its customers;
- impose restrictions on the individual product, its manufacturer, or the Company, its partners or its customers;
- require the Company, its partners or its customers to recall or remove a product from clinical use;
- suspend or withdraw its regulatory approvals;
- require the Company, its partners or customers to change its product labelling; or
- require the Company, its partners or its customers to withdraw and amend its marketing and promotional materials for a product.

If any of these events occur directly to the Company, the ability to license its products will be impaired and the Company may incur substantial additional expense to comply with the regulatory requirements. If any of these events were to occur to the Company's partners or customers, the Company may suffer a renegotiation or termination of its licensing of its technology and instruments, or may incur substantial additional expense to comply with the regulatory requirements to maintain the relevant agreement.

The Company's CARMA platform may not develop validated products that are safe and effective or that are commercially viable for the Company to license

The Directors believe that the Company's approach to the development of mRNA CAR therapeutics based upon freshly isolated PBMCs is new to cancer and to immunotherapy and has not been clinically proven to be effective or commercially viable. Therefore, developing and commercialising such an approach presents a number of risks and challenges, which could include enrolling enough patients to conduct clinical trials; the design and implementation of human clinical trials; educating medical personnel regarding the potential side effect profile of each of the Company's products; and sourcing clinical supplies for the materials used to manufacture and process the Company's product candidates. Should any of these risk or challenges arise, the Company may suffer difficulty in succeeding to validate and license therapeutic products, causing any CARMA or other product development deals to fail, having an adverse effect on the Company's financial performance.

The Company's partnered mRNA CAR products and/or the mRNA CAR products of others may not develop validated products that are safe and effective or that are commercially viable

The Company's CARMA platform uses mRNA CAR technology that is similar to the mRNA CAR technology used in the Company's partnered mRNA technology, with the significant difference that the Company's CARMA approach has the potential to avoid the requirement for cell expansion that is used with the Company's partnered mRNA CAR products and with the mRNA CAR products of others, which the Directors believe may permit rapid product manufacturing with a significant reduction of costs and processing times. The failure of the Company's partners and others to develop mRNA CAR products that are safe and effective or that are commercially viable could have an adverse impact on the Company's ability to develop its CARMA products, having an adverse effect on the Company's financial performance.

The Company may be unable to sell or lease its instruments to new customers, and existing customers may cease utilizing the Company's instruments or fail to renew leases of the Company's instruments

The Company relies on sales and leases of its GT, STX and VLX instruments, as well as sales of single use disposable processing assemblies that are necessary for the operation of these instruments, for nearly all of its revenue, including for the financial years ended 31 December 2012, 2013, 2014 and 2015. The Company's prospects going forward rely, in part, on its ability to sell and lease its instruments to new customers and partners, on the continued use of its instruments by customers and partners and on the renewal of leases by its existing partners, in addition to the continued sales of single-use disposable processing assemblies.

The Company may be unable to increase its customer and partner base if it is unable to identify and sell and/or lease its instruments to new customers or partners, for example because new products are introduced to the market which are superior to the products delivered by the Company or because new processes are developed. Fewer sales or leases of the Company's instruments or reduced usage of existing instruments by customers would result in reduced revenue or slower revenue growth for the Company, which may have a material adverse effect on the Company's financial results.

In addition, the Company's lease contracts between the Company and its partners, including the lease contracts between the Company and certain significant partners, including three partners whose aggregated use of the products in the financial year ended 31 December 2014 accounted for 31.6 per cent. of the Company's revenue for that period, are typically for a fixed one year term, renewable annually. Partners may choose not to renew any lease, without penalty or payment from the partner to the Company, though amounts paid to the Company for lease periods are non-refundable once paid, typically at the start of each lease period. Termination of lease contracts by partners or groups of partners that individually or in the aggregate account for a material portion of the Company's annual revenue may have a material adverse effect on the Company's financial results or position.

Furthermore, partner decisions not to continue use or to reduce their use of existing instruments, fewer sales and leases of the Company's instruments and/or failure by partners to renew a lease or leases would result in decreased sales of the Company's sales of disposable processing assemblies, which may have a material adverse effect on the Company's financial results or position.

The Company is generally dependent on third parties for the development and commercialization of cell-based therapeutics programs

The Company generally participates in the development of new cell-based medicines through its partnered programs, and only has a limited degree of control, most commonly nil, over the partners' strategies to develop and commercialise those cell-based medicines. Over and above the regulatory risks highlighted above, there are certain risks associated with those programs, including the risk that partners may:

- have economic or business interests or goals that are inconsistent with those of the Company;
- elect not to continue programs that utilize the Company's products;
- be unable or unwilling to fulfil their obligations; or
- experience financial or other difficulties.

Failure of a third party properly to carry out their contractual duties or regulatory obligations could be disruptive to the Company's business. Further, any action taken by a third party that is detrimental to the Company's reputation, including the publication of negative data for a product developed using the Company's technology, could have a negative impact on the Company's ability to register its trademarks and/or market and sell its products.

In the future, the Company intends to develop and license certain therapeutic products and/or platforms to other companies for later stages of development and subsequent commercialization, and consequently the Company will be increasingly reliant on securing and retaining such partners for revenue growth if its products develop sufficient positive data as they advance through the development process. There can be no

assurance that the Company will be able to secure such partners or that, once secured, the Company's partners will continue to make the necessary and timely investments in its products to advance or complete their development in the expected time and generate commercial success, and which if not achieved, may have a material adverse effect on the Company's business, financial condition, operating results or prospects. In addition, there can be no assurance that any company that enters into agreements with the Company will not pursue alternative technologies, either on its own or in collaboration with others, including the Company's competitors, as a means of developing treatments for the conditions targeted by those products for which the Company has licensed its intellectual property, instruments and/or data.

The Company is dependent on suppliers for the products that it sells

The Company is dependent upon a limited number of suppliers for the supply of the disposable processing assemblies that it provides to customers. The processing assemblies are manufactured via a limited group of suppliers and testing providers, some of which would require substantial cost and time to replace. The Company's instruments are manufactured in house utilizing materials supplied by a number of suppliers. The Company does not generally retain relationships with redundant suppliers for all components.

Although the Company sometimes makes efforts to identify in advance alternate suppliers for critical components and to maintain inventories sufficient to allow for an interruption of supply or a failure of a supplier, there can be no assurance that such efforts will be sufficient to avoid an inability to fulfil the Company's customer's orders for instruments and disposable processing assemblies. Although the Company does attempt to maintain an inventory of instruments and disposable processing assemblies to minimize the effect of an interruption of supply, any such interruption could nonetheless have a material adverse effect on the Company's financial results and its relationships with its customers.

Commercial success not guaranteed

The Directors believe that in the future a material portion of the Company's revenues will be derived from licensing or collaboration agreements with biotechnology or pharmaceutical companies. The Company's success is, in part, dependent on these commercial arrangements and on similar arrangements for future exploitation of therapeutic products and platforms in development that have not yet been partnered. There can be no assurance that any of the therapeutic products or platforms which the Company intends to develop or the therapeutics that are being or might be developed by its partners using MaxCyte technology will continue to advance though development or be successfully developed into any commercially viable product or products and/or be manufactured in commercial quantities at an acceptable cost or be marketed successfully and profitably. If the Company, or its partners, encounters delays at any stage of development, and fails successfully to address such delays, it may have a material adverse effect on the Company's business, financial condition and prospects. In addition, the Company's success will depend on the market's acceptance of such products and there can be no guarantee that this acceptance will be forthcoming or that the Company's technology or its partners' pharmaceutical products will succeed as an alternative to competing products. The development of a market for the Company's or its partners' products is affected by many factors, some of which are beyond the Company's or its partners' control, including the emergence of newer, more effective technologies and products and the cost of the Company's or its partners' products themselves, including the availability of products for which healthcare reimbursement is available. Notwithstanding the technical merits of a product developed by the Company or its partners, there can be no guarantee that the Company's partner base or its distributors for the product will purchase or continue to purchase the product. Demand for the Company's or its partners' products may also decrease if government amended its policies on limiting drug costs or reimbursement practice or other healthcare reform measures within public health provision or private insurance-based models. If a market fails to develop or develops more slowly than anticipated, the Company may be unable to recover the costs it may have incurred in the development of particular products and may never achieve profitable revenues from that product. In addition, the Directors cannot guarantee that the Company or its partners will continue to identify, develop, manufacture or market its products if market conditions do not support the continuation of such product.

The Company plans to enter into new geographic markets and to apply its technology to new applications in order to maintain and grow its revenues. There can be no assurance users will adopt its technology in such

markets or for such applications or that the Company will continue to be able to identify and develop new applications for its technology.

Any adverse event in the gene and cell therapy field may have a serious adverse impact on the sector's funding, patient recruitment, and on medical institutions willing to conduct clinical trials, may reduce the Company's access to further sources of capital, may reduce or eliminate the interest of current or potential partners and may turn consumer perspectives negative against novel therapies. The occurrence of one or more of these events could have a material adverse effect on the Company's business, financial position, reputation or prospects.

Problems may arise with product royalties

The Company's commercialization strategy includes possible revenue generation from product royalty deals. The right to receive possible product royalty revenues in the future may be challenged by the customer or licensee or there may be legal restrictions on the payment of royalties on product sales. Remittance of royalty revenues to the Company may be restricted from certain territories or subject to withholding taxes that the Company may not be able to recover or offset.

Side effects from products could arise

It might transpire in the future that the therapeutic products which the Company intends to develop or the therapeutics that are being or might be developed by its partners using MaxCyte technology have side effects that are not known at present. This could result in approvals being restricted or withdrawn in the case of products liable for registration, or the sales and distribution being restricted or prohibited in the case of products for which registration is not required. Side effects of individual products might result in other products sold by the Company or partners being refused due to weak consumer confidence or reduced confidence on the part of medical practitioners. As a result of this, future revenues of the Company may be adversely affected and/or the Company might be faced with group claims for damages.

Product recalls might be necessary

The Company or partners may be faced with the necessity of recalling one or more products or batches of products from the market. This necessity may also occur if no de facto product property exists that makes a recall obligatory, in particular a side effect or defect, but rather if such a property is merely suspected of being present. A recall may result in loss of revenue, damage to reputation and consequential fall in cashflow, among other things. Affected products could not be sold any longer, and moreover, trust among, in particular, doctors and patients could be affected, which again could lead to reductions in sales or profits. A recall of the Company's instruments could have a material adverse impact on the Company's revenues and its business prospects. Further, the existence of any recall could negatively affect or even exclude options for refinancing on the capital market.

Ability to recruit and retain skilled personnel

The ability to continue to attract, hire and retain employees with the appropriate expertise and skills cannot be assured. Finding and hiring any additional personnel and replacements could be costly and might require the Company to grant significant equity awards or other incentive compensation, which could adversely impact its financial results, and there can be no assurance that the Company will have sufficient financial resources to attract, hire and retain the necessary employees. Effective sales and marketing, applications and product development and innovation, upon which the Company's success is dependent, is in turn dependent upon attracting, hiring and retaining talented technical and scientific personnel, who represent a significant asset and serve as the source of the Company's technological and product innovations. If the Company is unable to hire, train and retain such personnel in a timely manner, the development and introduction of the Company's products could be delayed and its ability to sell its products and otherwise to grow its business could be impaired and the delay and inability may have a detrimental effect upon the performance of the Company.

Ability to achieve business strategy

The Company's future growth, profitability and cash flows depend on its ability to successfully implement its business strategy, which is given in paragraph 7 of Part 1 of this document. There can be no assurance that the Company will successfully achieve any or all of its listed initiatives in the manner or time period that it expects. Further, achieving these objectives will require investments which may result in short-term costs without generating any current net revenue and, therefore, may be dilutive to the Company's earnings. In addition, the Company may decide to streamline operations and incur other costs or special charges in doing so. The Company cannot give any assurance that it will realise, in full or in part, the anticipated benefits it intends for its strategy to achieve. The failure to realise those benefits could have a material adverse effect on the Company's business, financial condition and results of operations.

Unexpected facility shutdowns may occur and the Company's disaster recovery plans may not be sufficient

The Company depends on the performance, reliability and availability of its properties, plant, machinery, laboratory equipment and information technology systems. The Company may not be able to access its facilities as a result of events beyond the control of the Directors, such as extreme weather conditions, flood, fire, theft or terrorist action. Any damage to or failure of its equipment and/or systems could also result in disruptions to the Company's operations. A complete or partial failure of the Company's information technology systems or corruption of data could result in the Company being unable to access information that it needs in order to meet its obligations to its customers or a breach of confidentiality with respect to the Company's or its partners' proprietary information. The Company has yet to develop comprehensive disaster recovery plans for all aspects of its business and such plans, to the extent they exist, or when developed may not cover losses in full or in part (including losses resulting from business interruptions) or damage that it suffers fully or at all. The occurrence of one or more of these events could have a material adverse effect on the Company's business, financial position, reputation or prospects, and might lead to a claim for damages.

The Company may face product liability claims

In carrying out its activities the Company may potentially face contractual and statutory claims, or other types of claim from customers, partners, suppliers and/or investors. In addition, the Company is exposed to potential product liability risks that are inherent in the research, development, production and supply of its products and its partners' products. Customers, patients or persons selling products based on the Company's and its partners' technologies may be able to bring claims against the Company based on the use of such products in clinical trials and the sale of products based on the Company's technology.

The Company may be unable to secure adequate insurance at an acceptable cost

The Company's business exposes it to potential product liability and professional indemnity and other risks which are inherent in the research, development, production and supply of its products and potentially its partners' products. No assurance can be made that product liability or any future necessary insurance cover will be available to the Company at an acceptable cost, if at all, or that, if there is any claim, the level of the insurance the Company carries now or in the future will be adequate to cover all potential claims or that a product liability, professional indemnity or other claim would not materially and adversely affect the Company's business. Any significant claim may increase the insurance premiums to an unaffordable level. In addition, it may be necessary for the Company to secure certain levels of insurance as a condition to the conduct of clinical trials or in contracts with partners and/or customers. In the event of any claim, the Company's insurance coverage may not be adequate, and there can be no guarantee that any such claim will be paid either in part or at all.

The Company's counterparties may become insolvent

There is a risk that parties with whom the Company trades or has other business relationships (including partners, customers, suppliers, subcontractors and other parties) may become insolvent. This may be as a result of general economic conditions or factors specific to that party. In the event that a party with whom the Company trades or has other business relationships becomes insolvent, this could have an adverse impact on the revenues and profitability of the Company.

Health and safety and environment

The Company is, or may become, subject to UK, EU and US environmental laws and regulations governing the use, storage, handling and disposal of hazardous materials and other waste products. The Company has health and safety policies and procedures in place to assess the risks associated with use of hazardous materials, and the assessment includes information for employees on how the substances should be used to avoid contamination of the environment and inadvertent exposure to themselves and their colleagues. There can be no assurance that the Company's policies and procedures as they exist are sufficient to mitigate these risks. Despite its precautions for handling and disposing of these materials, the Company cannot eliminate the risk of accidental contamination or injury. In the event of a hazardous waste spill or other accident, the Company could be liable for damages, penalties or other forms of censure. If the Company fails to comply with any laws or regulations, or if an accident occurs, the Company may have to pay significant penalties and may be held liable for any damages that result. This liability could exceed the Company's financial resources and insurance coverages, and could harm its reputation. The Company may also have to incur significant additional costs to comply with current or future environmental laws and regulations.

The Company's failure to comply with any government regulation applicable to its laboratory and the materials used in its laboratory may adversely affect its ability to develop, produce, market or partner any products it may develop.

The Company is at an early stage of operations and has consistently incurred net losses

The Company is at a relatively early stage of its commercial development. The Company's future success will depend on the ability of the Directors to implement their objectives and strategy. While the Directors are confident about the Company's prospects, there is no certainty that anticipated revenues or growth can be achieved. The Company's ability to become and remain profitable depends on a number of factors, including, in particular, whether or not the Company's instruments will be successfully sold and leased, whether its processing assemblies will be successfully sold, and whether its cell therapy products and the cell therapy products of its partners will be successfully developed and licensed or prove to be safe and effective in clinical trials or be successfully licensed, or advanced by its licensees, if any. The rapidly evolving markets in which the Company and its partners operate and its limited experience and progress in growing its customer and partner base may make it difficult for the Company to forecast revenues accurately. As a result, the Company could experience budgeting and cash flow management problems, unexpected fluctuations in its results of operations and other difficulties, any of which would make it difficult for the Company to gain and maintain profitability. Potential investors should be aware of the risks associated with an investment in companies with limited trading histories. There can be no assurance that the Company will operate profitably, produce a reasonable return, if any, on investment, or remain solvent. If the Company's strategy proves unsuccessful, Stockholders could lose all or part of their investment.

The Company is dependent on a limited number of customers, collaborators and partners

A significant proportion of the Company's current and future income is and is anticipated to continue to be derived from a relatively small number of customers, collaborators and partners, including income from processing assembly sales, licensing income, royalty revenue, milestone payments, grants and joint ventures. Three partners represented 31.6 per cent. of revenues in the year ending 31 December 2014. The loss of any partner could have a negative impact on the operating results and cash flows.

The Company's plans for future revenue growth depend in part on the success of the Company's investments in CARMA and therapeutic gene editing, the successful licensing to enable third parties to develop such products based on positive data from the Company's investments and the success of the product development and commercialization programs of such licensees, once they have obtained licenses for such products from the Company. The failure of any licensee to be successful in its product development and commercialization programs could have a material adverse impact on the programs of other licensees.

Foreign exchange rate fluctuations may adversely affect the Company's results of operations and financial condition

The Company records its transactions and prepares its financial statements in US dollars, but a portion of the Company's income and expenditure is received and paid in euros, pounds sterling and other currencies. The Company's cash balances are principally held in US dollars. To the extent that the Company's foreign currency assets and liabilities are not matched, fluctuations in exchange rates between the US dollar, pounds sterling and the euro may result in realised or unrealised exchange gains and losses on translation of the underlying currency into and from US dollars that may increase or decrease the Company's results of operations and may adversely affect the Company's financial condition, each as stated in US dollars. In addition, if the currencies in which the Company earns its revenues and/or holds its cash balances weaken against the currencies in which it incurs its expenses, this could adversely affect the Company's profitability and liquidity. Although, where a substantial net foreign currency liability exists, the Company will consider hedging against it to minimise foreign currency expense, the Company has not in the past, nor does it currently undertake, hedging, and were it do so, such hedging would be based on estimates of liabilities and future revenues which may be inaccurate. Therefore, there can be no assurance that the Company will partially or fully eliminate the effects of future foreign currency exchange fluctuations.

Economic conditions

Any economic downturn either globally, regionally or locally in any country in which the Company and its partners operate may have an adverse effect on the demand for the Company's products and those of its partners. A more prolonged economic downturn may lead to an overall decline in the Company's sales, or those of its partners, limiting the Company's ability to generate a profit and positive cash flow. The markets in which the Company and its partners offer its products are directly affected by many national and international factors that are beyond the Company's control, such as political, economic, currency, social and other factors.

Cross-country economic, political, judicial, administrative, taxation and other regulatory matters

The Company and its partners operate in numerous countries, each of which has its own national characteristics in terms of how business is regulated and conducted in terms of economic, political, judicial, administrative, taxation or other regulatory matters. The Company could therefore be affected by any one of these factors, as well as other unforeseen matters, which could have a material adverse effect on its business, operating results or financial condition.

Tax risk

Any change in the Company's tax status or in taxation legislation in the US or in other territories could affect the Company's ability to provide returns to Stockholders. Statements in this document concerning the taxation of investors in shares are based on current law and practice, which is subject to change. The taxation of an investment in the Company depends on the individual circumstances of investors.

The Company had a Net Operating Loss ("**NOL**") carry forward of $19,471,518 as of December 31, 2014, which was generally available as a deduction against future income for US federal corporate income tax purposes. NOLs can generally be used as a deduction against income for 20 years from the year in which the NOL was incurred. The use of such NOLs to offset income from US federal corporate income tax is, however, subject to an annual limitation, in accordance with Section 382 of the Internal Revenue Code of 1986, as amended (the "**Code**"), if the Company experiences during any three year period a greater than 50 per cent. change in ownership, as defined in Section 382 and the regulations issued thereunder. The Company believes that due to certain other ownership changes that have occurred within the relevant three year testing period, such a greater than 50 per cent. ownership change will occur for purposes of Section 382 at the time of the issuance of the New Common Stock at Admission.

Accordingly, the Company's ability to utilize its NOLs will be generally limited for US federal corporate tax purposes after the Admission Date to an annual amount equal to the value of the Company immediately prior to the Admission Date times the greater of the long term federal rate for the month in which the Admission Date occurs and for the two preceding months, provided, however, that to the extent there are "built-in

gains," as that term is defined in the Code, in the Company's assets at the time of the issuance of the New Common Stock at Admission, and such gains are realized within a five year period after the issuance of the New Common Stock at Admission, unexpired and unused NOLs may be used up to the amount of such realized gains, and provided, further, that Internal Revenue Service Notice 2003-65 provides an election mechanism under Section 338 approach whereby built-in gains can be taken into account to increase overall the Section 382 limitation for each of the first five years after the change of ownership even if the assets are not disposed of during the five year period. Accordingly, the Directors believe that, absent another Section 382 change of ownership in the future, the Company's overall annual Section 382 limitation should be in excess of $4.5 million for each of the first five years following the Admission Date, and that, subject to the 20 year carry forward limitation, it will be available for utilization against future taxable income without further Section 382 limitation to the extent that the calculated annual overall limitation is not fully used in any of such first five years.

The long term federal rate for December 2015, January 2016, and February 2016, respectively, were 2.61 per cent., 2.65 per cent., and 2.62 per cent., respectively.

Further, the Company had $729,641 in research and development tax credit ("**R&D Tax Credits**") carry forwards as of 31 December 2014, which were available as credits against the future United States federal corporate income tax liability of the Company. Section 383 of the Code provides, however, that when there has been a greater than 50 per cent. ownership changes for purposes of Section 382, the Company's ability to utilize these tax credit carry forwards is limited each year following the Admission Date to an amount equal to the United States federal corporate income tax liability of the Company for such year on so much of its income, if any, that does not exceed the Section 382 limitation amount for that year.

Thus, notwithstanding the greater than 50 per cent. ownership change and the resulting limitations of Sections 382 and 383, the Company, provided it has sufficient taxable income in future years, expects to be able, subject to applicable carry forward limitations, and absent another Section 382 change of ownership in the future, fully to utilize its NOLs and R&D Tax Credits for US federal corporate income tax purposes.

Any change in the Company's tax status, the correctness of the assumptions above, or in taxation legislation in the US or in other territories related to use of such NOLs or R&D Tax Credits could affect the Company's ability to provide returns to Stockholders.

The nature and amount of tax which the Company expects to pay and the reliefs expected to be available to the Company are each dependent upon a number of assumptions, any one of which may change and which would, if so changed, affect the nature and amount of tax payable and reliefs available. In particular, the nature and amount of tax payable is dependent on the availability of relief under tax treaties and is subject to changes to the tax laws or practice in any of the jurisdictions affecting the Company. Any limitation in the availability of relief under these treaties, any change in the terms of any such treaty or any changes in tax law, interpretation or practice could increase the amount of tax payable by the Company.

Dependence on key personnel

The Company's future success is substantially dependent on the continued services and continuing contributions of its directors, senior management and other key personnel. The loss of the services of any of the Company's executive officers or other key employees could have a material adverse effect on the Company's business.

Failure of information systems

The Company's ability to maintain financial controls and provide a high-quality service to customers depends, in part, on the efficient and uninterrupted operation of its management information systems, including its computer systems. The Company's computer systems are vulnerable to damage or interruption from floods, fires, power loss, telecommunications failures and similar events. These systems may also be subject to sabotage, vandalism and similar misconduct. Any damage to or failure of the systems could result in interruptions to the Company's financial controls and customer service. Such interruption could have a material adverse effect on the Company's business, results of operations and/or financial condition.

US employees do not have notice periods.

Except for Doug Doerfler, who has a written employment contract with the Company, each of the US employees of the Company is employed "at will", as is customary in the US. Consequently, the Company has not imposed any contractual terms that require an at will US employee to give to the Company more than nominal notice when the employee voluntarily terminates their employment with the Company. As nearly all staff currently are located in the US, the Company may be more exposed than other non-US companies to the possibility of its key staff or a group of employees departing with nominal notice. Given that many of the employees possess a large amount of know-how individually this may result in know-how not being passed on effectively to remaining and incoming employees.

In the US, an executive director can be terminated for cause as an employee by a company, but will remain on the board of such company until he either resigns from such board, fails to be elected annually by the shareholders of such company or is removed from such board by a valid resolution of such company's shareholders or directors, as set forth in the Company's governing documents. Consequently, an executive Director may be able to remain on the Board and have an influence on Board proceedings for a period of time after he has been terminated for cause by the Company.

C. GENERAL RISKS

Investment in AIM-listed securities

Investment in shares traded on AIM is perceived to involve a higher degree of risk and be less liquid than investment in companies whose shares are listed on the Official List. An investment in the Common Stock may be difficult to realise. 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 Common Stock may not reflect the underlying value of the Company. Investors may therefore realise less than, or lose all of, their investment.

Enforcement of judgments

The Company is incorporated under the laws of the State of Delaware and its assets are primarily located in the United States. There is no convention or treaty between the United States and the UK governing the recognition and enforcement of judgments. A United States judgment cannot be automatically enforced in the UK or a UK judgment in the United States. The only way to enforce a United States judgment in the UK is to treat the United States judgment as a debt and make a claim in court. A UK judgment may be enforced against a United States company in the UK, provided the United States company has assets in the UK.

Impact of exclusive jurisdiction in the State of Delaware

The Company is incorporated under the laws of the State of Delaware in the United States. Accordingly, a significant amount of the legislation in England and Wales regulating the operation of companies does not apply to the Company. In addition, the laws of the State of Delaware will apply to the Company, and such laws may provide for mechanisms and procedures that would not otherwise apply to companies incorporated in England and Wales. The rights of Stockholders are subject to the exclusive jurisdiction of the courts of the State of Delaware and are governed by Delaware law and by the Company's Certificate of Incorporation and Bylaws, which may differ from the typical rights of stockholders in the United Kingdom and other jurisdictions.

Restrictions on transfer under the Securities Act

The Common Stock have not been, and will not be, registered under the Securities Act. The New Common Stock are being offered only to non-US Persons outside the United States in transactions exempt from the registration requirements of the Securities Act in reliance on Regulation S and otherwise in transactions that are exempt from the registration requirements set out under the Securities Act. Accordingly, the Common Stock are a "restricted security" as defined in Rule 144 under the Securities Act. The Common Stock may not be offered, sold or delivered in the United States or to, or for the account or benefit of, any US Person, unless the transfer is registered under the Securities Act or an exemption from the registration requirements is available, including a transaction specified by Regulation S. Only the Company is entitled to register the Common Stock under the Securities Act, and the Company has no obligation to do so.

The Company can give no assurances that an exemption from registration will be available for any resales or transfers of New Common Stock. In addition, the New Common Stock offered to non-US Persons in the Placing is subject to the conditions listed under section 903(b)(3), or Category 3, of Regulation S. Under Category 3, Offering Restrictions (as defined under Regulation S) must be in place in connection with the Placing and additional restrictions are imposed on resales of the New Common Stock. All New Common Stock are subject to these restrictions until at least the expiry the Distribution Compliance Period. These restrictions may remain in place or be reintroduced following the expiry of the Distribution Compliance Period, at the discretion of the Company.

The Common Stock will bear a legend describing restrictions on transfer to US Persons and prohibiting hedging transactions in the Common Stock unless in compliance with the Securities Act. Each subscriber for Common Stock, by subscribing for such Common Stock, agrees to reoffer or resell the Common Stock only pursuant to registration under the Securities Act or in accordance with the provisions of Regulation S or pursuant to another available exemption from registration, and agrees not to engage in hedging transactions with regard to such securities unless in compliance with the Securities Act. Representations, warranties and certifications must be made through the CREST system by those selling or acquiring the Common Stock (represented by the Depositary Interests). If such representations, warranties and certifications cannot be made or are not made, settlement through CREST will be rejected.

Furthermore, Common Stock held by "Affiliates" (as defined in Rule 405 of the Securities Act) of the Company and New Common Stock acquired by US Persons shall be held in certificated form and accordingly settlement shall not be permitted via Crest until such time as the restrictions are no longer applicable. The above restrictions may severely restrict purchasers of Common Stock from reselling the Common Stock. The Common Stock will not be admitted for trading on any US securities exchange in connection with the Placing. For further information regarding the significant restrictions on transfer applicable to the Common Stock, please see Part 6 of this document.

SEC review of the new Euroclear electronic settlement procedures for securities offered and sold pursuant to Category 3 of Regulation S

Following Admission, holders of New Common Stock may choose to convert the Common Stock into Depositary Interests for the purpose of secondary trading on the CREST automated book entry system managed and operated by Euroclear UK & Ireland. Because the Company is a US "domestic issuer" under the Securities Act, the New Common Stock qualify as Category 3 securities under Rule 903 of Regulation S under the Securities Act. Category 3 securities are subject to strict transfer restrictions (the "**Transfer Restrictions**") and must bear certain legends so that counterparties in the secondary market for the New Common Stock can determine whether any particular offer and resale complies with the resale safe harbour under Regulation S (see Part 6 of this document). Pursuant to EU regulatory requirements regarding the clearance and settlement of securities traded on regulated markets, Euroclear UK & Ireland has recently established procedures designed to facilitate the trading of dematerialised Category 3 securities in accordance with the Transfer Restrictions applicable to resales of such securities (the "**Procedures**"). To the knowledge of the Directors, the commissioners and staff of the Securities and Exchange Commission (the "**SEC**") have thus far declined requests to express any view, and have not in fact expressed any view, on the sufficiency of the Procedures for the purpose of complying with the Transfer Restrictions. The SEC may determine the Procedures to be insufficient for the purpose of complying with the Transfer Restrictions. If this were to occur, the SEC could make a determination that the Company did not comply with the requirements of Regulation S. Although the outcome of such a determination is difficult to predict, the secondary market in the Common Stock could be adversely affected. The Company may be required to register the Common Stock with the SEC, which would entail significant expense to the Company and a significant amount of time on behalf of the Directors and senior managers. Furthermore, the Company and the Directors could also be subject to criminal, civil or administrative proceedings.

General economic climate

Factors such as inflation, currency fluctuation, interest rates, supply and demand of capital and industrial disruption have an impact on business costs and commodity prices and stock market prices. The Company's

operations, business and profitability can be affected by these factors, which are beyond the control of the Company.

Suitability

An investment in the Common Stock may not be suitable for all recipients of this document, and is only appropriate for investors capable of evaluating the risks (including the risk of capital loss) and merits of such investment and who have sufficient resources to sustain a total loss of their investment. An investment in the Common Stock should be seen as long-term in nature and complementary to investments in a range of other financial assets and should only constitute part of a diversified investment portfolio. Potential investors should consider carefully whether investment in the Common Stock is suitable for them in the light of the information in this document and their personal circumstances. Before making any final decision, potential investors in any doubt should consult with an investment adviser authorized under the FSMA who specialises in advising on investments of this nature.

Trading market for the Common Stock

The share price of publicly traded companies, including those listed on AIM, can be highly volatile and shareholdings illiquid. Liquidity for the Common Stock may be negatively impacted by the restrictions on transferability set out more fully in Part 6. The price at which the Common Stock will be quoted and the price which investors may realise for their shares will be influenced by a large number of factors, which could include, but not limited to, the performance of both the Company's and its competitors' businesses, variations in the operating results of the Company, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, large purchases or sales of Common Stock, legislative changes and general economic, political and regulatory conditions. Prospective investors should be aware that the value of an investment in the Company may go down as well as up. Investors may therefore realise less than, or lose all of, their investment. The volume of shares traded on AIM can be limited and this may restrict the ability of Stockholders to dispose of Common Stock at any particular time. It may be more difficult for an investor to realise his investment in the Company than in a company whose shares are quoted on the Official List. The AIM Rules for Companies are less demanding than those of the Official List. It is emphasised that no application is being made for the admission of the Company's securities to the Official List.

Prior to Admission, there has been no public market for the Company's Common Stock. Whilst the Company is applying for the admission of the Enlarged Share Capital to trading on AIM, there can be no assurance that an active trading market for the Common Stock will develop, or if developed, that it will be maintained. AIM is a market for emerging or smaller growing companies and may not provide the liquidity normally associated with the Official List and other exchanges.

The future success of AIM and liquidity in the market for the Common Stock cannot be guaranteed. In particular, the market for the Common Stock may be, or may become relatively illiquid particularly given the lock-in arrangements described in paragraph 10 of Part 5 of this document and the restrictions on the transfer of the Common Stock described in Part 6 of this document) and therefore the Common Stock may be or may become difficult to sell.

Substantial sales of Common Stock

There can be no assurance that certain Directors or other Stockholders will not elect to sell their Common Stock following the expiry of the lock-in agreements and similar arrangements, details of which are set out in paragraph 10 of Part 5 of this document, or otherwise. The market price of Common Stock could decline as a result of any such sales of Common Stock or as a result of the perception that these sales may occur. In addition, if these or any other sales were to occur, the Company may in the future have difficulty in offering Common Stock at a time or at a price it deems appropriate.

Additional capital and dilution

The Company may, in the future, need to raise further equity funds to finance the Company's growth and working capital requirements. Factors that could increase the Company's funding requirements include, but

are not limited to higher costs and slower progress than expected in obtaining regulatory approvals; delays in finalising licensing agreements for existing products; slower progress than expected in securing licensing agreements for the Company's new products; slower progress than expected in attracting development and collaboration partners; slower rate of market acceptance of the Company's technologies and the ability of the Company and its collaboration partners to attract customers; unexpected opportunities to develop additional products or acquire additional technologies, products or businesses; and costs incurred in relation to the protection of the Company's intellectual property. Similarly, there can be no certainty as to the future cash flows generated by the Company through its sales and licensing activities. If the Company is unable to obtain this financing on terms acceptable to it then it may be forced to curtail its development. If additional funds are raised through the issue of new equity or equity-linked securities of the Company other than on a pro rata basis to existing Stockholders, the percentage ownership of such Stockholders may be substantially diluted. There is no guarantee that the then prevailing market conditions will allow for such a fundraising or that new investors will be prepared to subscribe for Common Stock at the same price as the Placing Price or higher.

Stockholders outside the United Kingdom may not be able to participate in future equity offerings

Securities laws of certain jurisdictions may restrict the Company's ability to allow the participation of Stockholders in future offerings. In particular, Stockholders in the United States may not be entitled to exercise these rights unless either the rights and Common Stock are registered under the Securities Act, or the rights and Common Stock are offered pursuant to an exemption from, or in transactions not subject to, the registration requirements of the Securities Act. Any Stockholder who is unable to participate in future equity offerings will suffer dilution.

Taxation

The attention of potential investors is drawn to paragraph 11 of Part 5 of this document. The tax rules, including stamp duty provisions and their interpretation relating to an investment in the Company, may change during the life of the Company.

The levels of, and reliefs from, taxation may change. The tax reliefs referred to in this document are those currently available and their value depends on investors' individual circumstances. Any change in the Company's tax status or the tax applicable to holding Common Stock or in taxation legislation or its interpretation, could affect the value of the investments held by the Company, its ability to provide returns to Stockholders and/or alter the post-tax returns to Stockholders. Statements in this admission document concerning taxation of the Company and its investors are based on current tax law and practice which is subject to change.

Investors should therefore consider carefully whether investment in the Company is suitable for them, in light of the risk factors outlined, their personal circumstances and the financial resources available to them.

EIS and VCT status

The Company has received advanced assurance from HMRC that the Company should be a "qualifying holding" for the purposes of the EIS and for investment by a VCT under Part 5 (EIS) and Part 6 (VCT) of Chapter 4 of the UK Income Tax Act 2007 respectively, and that the Common Stock will be eligible shares for the purposes of section 173 and section 285(3A) of the UK Income Tax Act 2007 up to a maximum investment of £5 million.

The advance assurance only relates to the qualifying status of the Company and its shares and will not guarantee that any particular VCT will qualify for relief in respect of an acquisition of Common Stock. The continuing availability of EIS relief and the status of the relevant VCT Placing Shares as a qualifying holding for VCT purposes will be conditional, amongst other things, on the Company continuing to satisfy the requirements for a qualifying company throughout the period of three years from the date of the investor making its investment (under EIS) and, for VCT purposes, throughout the period the Common Stock are held as a "qualifying holding". Neither the Company nor the Company's advisers are giving any warranties or undertakings that any relief under the EIS or that VCT qualifying status will be available in respect of the Placing, or that in due course such relief or status will not be withdrawn.

Circumstances may arise where the Board believes that the interests of the Company are not best served by acting in a way that preserves the EIS or VCT qualifying status (if granted). In such circumstances, the Company cannot undertake to conduct its activities in a way designed to preserve any such relief or status. Should the law regarding EIS or VCTs change, then any relief or qualifying status previously obtained may be lost.

Any person who is in any doubt as to their taxation position should consult their professional tax adviser in order that they may fully understand how the rules apply in their individual circumstances.

The rules for companies admitted to AIM are less demanding than those for the Official List

The Common Stock will be admitted to AIM. The AIM Rules for Companies are less demanding than those of the Official List. Further, the London Stock Exchange has not itself examined or approved the contents of this document.

Investors should consult an independent financial adviser

An investment in the Company may not be suitable for all recipients of this document. Accordingly, investors are strongly advised to consult an independent financial adviser authorised for the purposes of the Financial Services and Markets Act 2000 (as amended) who specialises in the acquisition of shares and other securities in the UK before making any decision to invest.

Share price and volatility

The market price of the Common Stock could be subject to significant fluctuations due to a change in investor sentiment regarding the Common Stock or other securities related to the Company's industry or in response to various facts and events, including variations in the Company's interim or full year operating results and business developments of the Company and/or competitors.

The market price of the Common Stock may not reflect the underlying value of the Company. Potential investors should be aware that the value of shares and the income from them (if any) can go down as well as up and that investment in a share which is traded on AIM might be less realisable and might carry a higher risk than a share quoted on the Official List.

There is no guarantee that the Company will maintain its listing on AIM

The Company cannot assure investors that the Company will always retain a listing on AIM. If it fails to retain such a listing, certain investors may decide to sell their shares, which could have an adverse impact on the price of the Common Stock. Additionally, if in the future the Company decides to obtain a listing on another exchange in addition to AIM, the level of liquidity of the Common Stock traded on AIM could decline.

Shares held by the Company's principal Stockholders will be eligible for future sale and may adversely affect the trading price of the Common Stock

The locked-in Stockholders have agreed to certain restrictions on the sale of their shareholdings for periods of up to two years from the date of Admission. The Company cannot provide assurance that future sales or the perception that sales could occur will not adversely affect the trading price of the Common Stock. In addition, the Company cannot be sure when sales by such holders will occur, how many shares will be sold or the effect that sales may have on the market price of the Common Stock.

Application of UK and US legislation

The Company is incorporated under the laws of the State of Delaware, United States. Accordingly, a significant amount of the legislation in England and Wales regulating the operation of companies does not apply to the Company. In addition, the laws of the State of Delaware will apply in respect to the Company and these laws may provide for mechanisms and procedures that would not otherwise apply to companies incorporated in England and Wales. The rights of Stockholders are governed by Delaware law and by the

Company's Certificate of Incorporation and Bylaws, which may differ from the typical rights of shareholders in the UK and other jurisdictions.

Takeover regulations

The Company is incorporated in and subject to the laws of the State of Delaware, United States. Accordingly, the Company and transactions in its Common Stock are not subject to the provisions of the Takeover Code. Certain provisions of the Company's Certificate of Incorporation adopts similar procedures to the Takeover Code in the event of any party (or parties acting in concert) obtaining 30 per cent. or more of the issued Common Stock of the Company, but there is no assurance that the courts of the State of Delaware, USA will uphold or allow the enforcement of these provisions. Further details regarding the Company's mandatory bid conditions contained in its Certificate of Incorporation are set out in paragraph 15 of Part 5 of this document.

Dividends may not be paid

The Company has not paid any dividends during the course of its operating and financial history, is primarily seeking to achieve capital growth for its Stockholders, and it is the Board's intention during the current phase of the Company's development to retain future distributable profits and only recommend dividends when appropriate and practicable.

Forward looking statements

All statements other than statements of historical fact, contained in this document constitute "forward looking statements". In some cases, forward-looking statements can be identified by terms such as "may", "intend", "might", "will", "should", "could", "would", "believe", "anticipate", "expect", "estimate", "anticipate", "predict", "project", "potential", or the negative of these terms, and similar expressions including references to assumptions. Such forward-looking statements are based on assumptions and estimates and involve risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievements of the Company, or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. New factors may emerge from time to time that could cause the Company's business not to develop as it expects and it is not possible for the Company to predict all such factors. Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements. Except as required by law, the Company disclaims any obligations to update any such forward-looking statements in this document to reflect future events or developments.

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

PART 3

REPORT ON INTELLECTUAL PROPERTY

MaxCyte, Inc.
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16 March 2016

Re: MaxCyte Patent and Trademark Report

Dear Sirs and Madams:

We have prepared this report for MaxCyte, Inc. ("the Company") and the Company's adviser, Panmure Gordon (UK) Limited, for inclusion in the admission document issued by the Company in connection with the admission of the Company's entire issued and to be issued ordinary share capital to trading on AIM, a market operated by the London Stock Exchange.

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

The patent and trademark report relates to the patent and trademark rights of the Company. Norton Rose Fulbright US LLP has been commissioned to review the registered patent and trademark rights owned by and licensed to the Company and to provide this report.

The contact details for Norton Rose Fulbright US LLP are as follows:

Norton Rose Fulbright US LLP
98 San Jacinto Blvd., Suite 1100
Austin, Texas 78701
512-474-5201

The relevant attorney details are as follows:

Gina Shishima, Ph.D., Partner
Alicia Groos, Partner

Norton Rose Fulbright US LLP ("Norton Rose Fulbright US") is a member of Norton Rose Fulbright, a global legal practice. Norton Rose Fulbright US LLP was previously Fulbright & Jaworski LLP, which has been retained by MaxCyte to handle intellectual property matters since 2005. Gina Shishima has been practicing law since 1998. She is currently the US Head of Intellectual Property, previously having been the US Head of IP Transactions and Patent Prosecution. She is licensed to practice before the United States Patent and Trademark Office, as well as in the states of Texas and New York. In addition, she has a Ph.D. degree in molecular biology, and regularly advises clients in the life sciences area on patent matters. Alicia Groos has graduated from law school in 1999 and her expertise is providing advice regarding trademark law and issues.

The intellectual property assets identified below represent all of intellectual property in the form of patents and trademarks that are owned by the Company.

For each patent family owned by the Company, the report provides a description of the patented technology. This information is subjective and is intended as a useful summary rather than for its factual basis. In addition, we have summarized the overall status of each patent family. Opinions expressed in this summary are based on our best assessment of the relevant facts and information known to us, and represent what we believe is accurate.

This report is not a substitute for the publicly available prosecution information that is available online, for example, at the United States Patent and Trademark Office or the European Patent Office.

I. Executive Summary

A. *Overview of Patent and Trademark Rights*

The Company has nine issued US patents, 11 issued patents in other jurisdictions such as Japan, China, South Korea, and certain countries in Europe, as well as at least 18 pending patent applications. The Company's patents and pending applications include the following:

- **Flow Electroporation Apparatus:** families 009, 011, 013, and 023. These rights include 6 US patents, 6 foreign patents, and 1 pending US application and 5 pending foreign applications. The patents protect the Company's core flow electroporation technology and include claims covering various aspects of flow electroporation apparatus.

- **Specific Applications of Flow Electroporation Technology:** families 029, 031, 037, and 038-040. These rights include 2 US patents, 1 foreign patent, 2 pending US applications, 7 pending foreign applications, 1 pending international application in the early stages of prosecution and 1 provisional application. The patents and patent applications cover applications of flow electroporation technology such as loading cells with antigens, modifying white blood cells to express chimeric receptors, generating stable transfected cells, and modifying genomic DNA.

- **Electronic Control of Flow Electroporation:** families 025 and 032. These rights include 1 US patent, 3 foreign patents, and 1 pending US application. The patents cover aspects of electronic control of flow electroporation, including methods of determining electroporation parameters and of using patient-specific electroporation protocols.

As for trademark rights, the Company has registered its core "house" marks, namely MAXCYTE, MAXCYTE VLX, MAXCYTE GT, and MAXCYTE STX, in addition to the slogan ANY CELL. ANY MOLECULE. ANY SCALE.

B. *Conclusions and General Intellectual Property Statements*

Norton Rose Fulbright US is not aware of any challenges or disputes relating to any of the patents or patent applications discussed below.

All patents and patent applications identified herein have been directly assigned to MaxCyte from the inventors. Norton Rose Fulbright understands that MaxCyte has an Invention, Non-Disclosure And Non-Compete Agreement that every employee signs when joining the Company; this has been in effect since February 2004. That agreement effectuates an assignment of all rights related to inventions, software, and other developments in any patents, patent applications, and copyrights to MaxCyte. Norton Rose Fulbright is unaware of any issues with chain of title or of any security interest in the IP assets.

Norton Rose Fulbright US is unaware of any asserted or unasserted claims of any persons concerning the scope or ownership of the intellectual property assets, nor is it aware of any liens that have been filed against the intellectual property asserts.

Norton Rose Fulbright US is not aware of any reason for the intellectual property assets to be declared invalid or unenforceable.

Norton Rose Fulbright US is unaware of any licenses that the Company needs to conducts its present and future business as set forth in this document.

Norton Rose Fulbright is unaware of any MaxCyte agreements related to the settlement of any legal dispute. Except for licensing arrangements with third parties, Norton Rose Fulbright is unaware of any agreements in which MaxCyte has agreed to a covenant not to sue or covenant not to be sued

Norton Rose Fulbright US is unaware of any pending or threatened legal or governmental proceedings (including, without limitation, infringement, post-grant review, revocation, nullity, opposition, amendment, or interference proceedings), nor allegations on the part of any person of any such proceedings, relating to the intellectual property asserts of the Company.

Norton Rose Fulbright US is unaware that the Company is infringing or otherwise violating the intellectual property rights of any person or that any person is infringing on, or otherwise violating, any intellectual property rights of the Company.

II. General Overview of Patents

A. *Background of the Patent System*

Generally, a patent confers a right to exclude others from practicing an invention in a particular jurisdiction and for a specific amount of time. Every jurisdiction has its own requirements for obtaining a patent though there are many similarities.

A US patent is such a grant of a time-limited property right to an inventor, issued by the United States Patent and Trademark Office. In return for the patent rights, the applicant must publish an enabling description of the invention. Requirements for patent protection include, among other things, that the invention be novel and non-obvious.

US patent grants are effective only within the United States, US territories, and US possessions and have no effect in foreign countries. Therefore, an inventor who desires patent protection in other countries must apply for a patent in each of the other countries or in regional patent offices. However, the Patent Cooperation Treaty (PCT) system facilitates the filing of applications for patent on the same invention in member countries by providing, among other things, for centralized filing procedures and a standardized application format. The timely filing of a PCT application affords applicants an international filing date in each country which is designated in the international application and provides (1) a search of the invention and (2) a later time period within which the national applications for patent must be filed.

The right conferred by a US patent grant is, in the language of the statute and of the grant itself, "the right to exclude others from making, using, offering for sale, or selling" the invention in the United States or "importing" the invention into the United States. What is granted is not the right to make, use, offer for sale, sell, or import, but the right to *exclude* others from making, using, offering for sale, selling, or importing the invention. This right to exclude permits the patent owner to derive the material benefits of the patented invention. Once a patent is issued, the patentee is left to enforce the patent in the courts his or herself—while national governments may grant patent rights, they do not enforce them.

Because the patent does not grant the right to make, use, offer for sale, sell, or import the invention ("freedom to operate"), the patentee's own right to do so is dependent upon the rights of others and whatever general laws might be applicable. A patentee, merely because he or she has received a patent for an invention, is not thereby authorized to make, use, offer for sale, or sell, or import the invention if doing so would violate any law or infringe on the prior rights of others, including patents held by others.

B. ***Obtaining Patent Protection***

The typical procedure for a US resident to obtain a patent in one or more countries is described below. The first application filed is typically a "provisional" application, which secures the applicant a priority date for any invention that is adequately described in the application. Provisional applications are not examined on their merits and will become abandoned by the operation of law 12 months from its filing date. Before that time, the applicant must file a nonprovisional application that claims the benefit of the provisional application or else the filing date will be lost. An applicant also has the option to file a nonprovisional application in the first instance.

Within twelve months of the filing date of the first application, the applicant must decide whether to pursue patent protection in other countries. If so, the applicant can file an international (PCT) application or national/regional application that claims the benefit of the US application's filing date. Typically, applicants file a PCT application designating all member states if international protection is desired.

A new PCT application undergoes a brief preliminary examination before entering a national stage. During the preliminary phase, a literature search is performed and a preliminary, non-binding opinion regarding the patentability of the invention is issued. The PCT application is published 18 months from the earliest priority date.

After the application enters national stages, the respective national/regional patent offices substantively examine the application according to local law. The national/regional office may rely on the preliminary international examination and may also make further objections and rejections. During examination, the scope of protection, if any, is determined based on the identified prior art and the extent to which the applicant has adequately described the claimed invention. In the back-and-forth process of substantive examination, the claims are often narrowed by amendment to secure the patent grant.

At the end of the prosecution process, which can take several years, successful applications issue as granted patents. At that time, the applicant finally receives the right to exclude others from making, using, offering to sell, selling, or importing the invention in the countries in which the applicant has been successful. When a European patent is granted, it must be translated and submitted to each participating European country in which protection is desired. The additional costs of obtaining protection in each participating country can be extensive, so patentees typically limit protection to the most important European markets.

Granted European and some US patents (only very recently) may be subject to opposition proceedings brought by third parties within nine months of the issue date. In addition, patents granted in any country can be challenged in national courts throughout the life of the patent. However, a presumption of validity generally applies to issued patents in such court proceedings.

C. ***Patent Ownership***

A patent is personal property and may be sold to others or mortgaged; it may be bequeathed by a will; and it may pass to the heirs of a deceased patentee. The patent law provides for the transfer or sale of a patent, or of an application for patent, by an instrument in writing. Such an instrument is referred to as an assignment and may transfer the entire interest in the patent. The assignee, when the patent is assigned to him or her, becomes the owner of the patent and has the same rights that the original patentee had.

Under US law, inventors are the owners of their inventions. However, inventors typically have contractual obligations to assign to their employers their interests in any patents or patent applications based on their inventions. The USPTO records assignments, grants, and similar instruments sent to it for recording, and the recording serves as notice. If an assignment, grant, or conveyance of a patent or an interest in a patent (or an application for patent) is not recorded in the USPTO within three months from its date, it is void against a subsequent purchaser for a valuable consideration without notice, unless it is recorded prior to the subsequent purchase.

D. ***Patent Term***

The term of the patent is generally 20 years from the date on which the application for the patent was filed in the United States or, if the application claims the benefit of previous nonprovisional applications, from the date the earliest such application was filed. The 12-month pendency for a provisional application is not counted toward the 20-year term of a patent granted on a subsequently filed nonprovisional application that claims benefit of the filing date of the provisional application. For US Patents, additional patent term beyond the 20 years (patent term adjustment) may be available due to excessive USPTO delays during examination. Foreign patents typically follow the same 20-years-from-filing rule as US Patents.

After the patent has expired anyone may make, use, offer for sale, or sell or import the invention without permission of the patentee, provided that matter covered by other unexpired patents is not used.

E. ***Maintenance Fees***

A maintenance fee is due 3.5, 7.5 and 11.5 years after the original grant for a US patent. The maintenance fee must be paid at the stipulated times to maintain the patent in force. Fees are typically due annually for foreign patents.

III. General Overview of Trademark Protection

The information that follows explains the US trademark regime, and many of the procedures described below are handled similarly in other jurisdictions with some variations.

A. ***Ownership of a Trademark***

In the US, the first person to use a mark is usually considered to be the rightful owner of the mark and accrues common law rights in the mark based on the geographic scope of use and the type of use. The owner of a registration is presumed to be entitled to nationwide use and protection of the registered mark, subject to the prior common law rights of another. The owner of a trademark is responsible for enforcing its rights in the mark, including bringing any legal action to stop a party from using an infringing mark. The consequence of failure to enforce a trademark may include a diminishing of rights or total loss of the mark. A mark may be assigned, whether registered or unregistered, and a mark for which an application to register has been filed may be assignable (however, there are limits to assignability of applications based upon an intention to use).

B. ***Trademark Registration Process in the United States***

Search and Clearance: It is common procedure and recommended by the United States Patent and Trademark Office ("USPTO") that a person seeking to register a trademark first conduct a search before filing to determine whether anyone is already claiming trademark rights in the subject mark. This is called a "clearance search" and usually involves searching federal and state trademark registration databases for similar marks that are used on related goods and services. It also involves a search for common-law unregistered trademarks by searching for preexisting uses of similar marks on related goods and services.

Application: A trademark applicant then submits an application that includes a clear representation of the mark and an identification of the goods and services used in conjunction with the mark that is specific enough to identify the nature of the goods and services. A trademark application must also specify the proper "basis" for filing, most likely an assertion of current use of the mark in commerce or an intent to use the mark in commerce in the future, though a US application can also be based upon a foreign registration under Section 44 of the Trademark Act or an extension of protection of an international registration under Section 66(a) (via the Madrid Protocol).

Examination: An examining attorney is then assigned to the application and will analyze the mark to verify that it is entitled to registration from an inherent registrability perspective, e.g., as a distinctive mark or as a descriptive mark that has acquired distinctiveness as a source identifier. The examining

attorney will also review prior registrations and pending applications to ensure that applicant's mark does not conflict with any prior marks so as to create a likelihood of consumer confusion. There are other factors the examining attorney will consider as well that may prevent the mark from registering. Some of them include situations where the mark is a surname, geographically descriptive, deceptive, disparaging or offensive, a foreign term that translates into a descriptive or generic term, an individual's name or likeness that is being registered without proper consent, or matter that is purely decorative or ornamental.

Office Actions: If the examining attorney decides that a mark should not be registered, the examining attorney will issue an initial refusal in the form of an Office Action explaining any substantive reasons for refusal, and any technical or procedural deficiencies in the application. The applicant will have the opportunity to respond, but the response must be received in the Office within six (6) months of the mailing date of the Office Action, or the application will be declared abandoned. Further or final Office Actions could potentially be issued, and ultimately the applicant has methods of appeal to the Trademark Trial and Appeal Board or through the US court system.

Publication: If the examining attorney raises no objections to registration, or if the applicant overcomes all objections, the examining attorney will approve the mark for publication in the Official Gazette, a weekly publication of the USPTO. The USPTO will send a notice of publication to the applicant stating the date of publication. After the mark is published in the Official Gazette, any party who believes it may be damaged by registration of the mark has thirty (30) days from the publication date to file either an opposition to registration or a request to extend the time to oppose. Any opposition must be filed within 180 days from the publication date.

Registration (Use based Applications): If the application is based upon the actual use of the mark in commerce, or upon a foreign registration, and no party files an opposition or request to extend the time to oppose, the USPTO will normally register the mark and issue a registration certificate about eleven (11) weeks after the date the mark was published. After the mark registers, the owner of the mark must file specific maintenance documents to keep the registration live. A US registration lasts for ten years from the date of registration and may be renewed for additional 10-year periods by paying a renewal fee, in addition to certain other maintenance documents and fees.

Notice of Allowance (Intent-to-Use based Applications): If the application is based upon the applicant's bona fide intention to use the mark in commerce and no party files either an opposition or request to extend the time to oppose, the USPTO will issue a notice of allowance about eight (8) weeks after the date the mark was published. A notice of allowance is a written notification from the USPTO that a specific mark has survived the opposition period following publication in the Official Gazette, and has consequently been "allowed" for registration; it does not mean that the mark has registered yet. Receiving a notice of allowance is another step on the way to registration.

The applicant then has six (6) months from the date of the notice of allowance to either: (1) use the mark in commerce and submit a statement of use (SOU); or (2) request a six-month extension of time to file a statement of use (extension request). Because extension requests are granted in 6 month increments, the applicant must continue to file extension requests every 6 months. A total of 5 extension requests may be filed. The first extension request must be filed within 6 months of the issuance date of the notice of allowance and subsequent requests before the expiration of a previously granted extension. Ultimately, the applicant must file the SOU within 36 months of the Notice of Allowance date.

Statement of Use: Alternatively, if the applicant is using the mark in commerce on all of the goods/services listed in the notice of allowance, the applicant must submit an statement of use and the required fee(s) within 6 months from the date the notice of allowance issued to avoid abandonment. The examining attorney conducts a review of the statement of use for compliance with regulations. If no refusals or additional requirements are identified, the examining attorney approves the statement of use. If refusals or requirements must still be satisfied, the examining attorney issues an Office Action stating the refusals/requirements. This is the same process that occurs prior to publication of the mark if the examining attorney determines that legal requirements must be met. The process and

timeframes remain the same, except that if issues are ultimately resolved and the statement of use is approved, the USPTO issues a registration within approximately 2 months. If all issues are not resolved, the application will abandon.

C. ***Trademark Term***

In the United States, a trademark owner can maintain a registration for as long as the mark is in use. Subject to the filing of §8 Declarations and §9 Applications for Renewal, federal trademark registrations issued on or after November 16, 1989, remain in force for 10 years, and may be renewed for 10-year periods. Trademark registrations issued or renewed prior to November 16, 1989 remain in force for 20 years, and may be renewed for 10-year periods. However, a "Declaration of Use under Section 8" must also be filed between the fifth and sixth year following registration. Common law trademark rights can also last for as long as the mark is in use.

D. ***Renewal and Fees***

After a registration issues, to keep the registration "alive" or valid, the registration owner must file specific documents and pay fees at regular intervals. Failure to file these documents will result in the cancellation and/or expiration of the registration.

Between the 5th and 6th year after the registration date the owner must file a Declaration of Use or Excusable Nonuse under Section 8. This declaration requires a fee. The filing may also be made within a 6-month grace period after the expiration of the 6th year with the payment of an additional fee. Failure to file this declaration will result in the cancellation of the registration.

Between the 9th and 10th year after the registration date and every 10 years thereafter, the owner must file a Declaration of Use or Excusable Nonuse and Application for Renewal under Sections 8 and 9. This filing requires a fee. The filing may also be made within a 6-month grace period after the 10th year with the payment of an additional fee. Failure to file this declaration will result in the cancellation and/or expiration of the registration.

After five years of continuous use, the owner of a trademark registration can also file for incontestability status for a fee. An "incontestable" registration is conclusive evidence of the validity of the registered mark, of the registration of the mark, of the owner's ownership of the mark and of the owner's exclusive right to use the mark with the goods/services. A Section 15 declaration may only be filed for a mark on the Principal Register that has been in continuous use in commerce for a period of 5 years after the date of the registration and there is no adverse decision(s) or pending proceeding(s) involving rights in the mark. This declaration requires a fee. The §15 Declaration must be executed and filed within one year following a 5-year period of continuous use of the mark in commerce.

E. ***Foreign Filings***

In many jurisdictions, it is an option to file corresponding foreign trademark applications within six months of the filing date of the initial application, upon which the applicant can assert the "priority" filing date that the initial application carries in each of the foreign countries. A trademark applicant can either file national applications in countries of interest, or the applicant can apply to register a mark in multiple countries by availing itself of various treaty filing options, such as the Madrid Protocol.

Madrid Protocol: Through the Madrid Protocol or "International Registration" system, by filing an "international application" and seeking extensions of protection of a basic US application or registration, an applicant can cover numerous countries through a single filing. The International Bureau of the World Intellectual Property Organization ("International Bureau"), in Geneva, Switzerland administers the international registration system. The resulting "International Registration" serves as a means for seeking protection in member countries, or Contracting Parties, each of which apply their own rules and laws to determine whether or not the mark may be protected in their jurisdiction.

To file an international application through the USPTO, an applicant must have a US application, called a "basic application" or a US registration, called a "basic registration." The mark and the owner of the international application/registration must be the same as the mark and the owner of the basic application/registration and it must also include a list of goods and services that is identical to or narrower than the list of goods or services in the basic application/registration. The USPTO must then certify (review and confirm) that certain information in an international application based on a US basic application or registration is the same as the information contained in the basic application or registration. The USPTO then forwards the international application to the International Bureau.

The International Bureau will then review the international application to determine whether it meets the Madrid Protocol filing requirements. If the requirements are met and the fees paid, the International Bureau will then register the mark, publish it in the WIPO Gazette of International Marks (WIPO Gazette), send a certificate to the international applicant, now called "holder of the international registration", and notify the Offices of the Contracting Parties designated in the international application for an extension of protection.

Once the International Bureau registers the mark, the International Bureau will notify each Contracting Party designated in the international registration of the request for an extension of protection to that country. Each designated Contracting Party will then examine the request for an extension of protection the same as it would a national application under its laws. If the application meets the requirements for registration of that country, then the Contracting Party will grant protection of the mark in its country.

There are strict time limits for refusing to grant an extension of protection. If a Contracting Party does not notify the International Bureau of any refusal of an extension of protection within the relevant time limits, the holder of the international registration is automatically granted protection of its mark in that country.

An international registration lasts for ten years from the date of registration and may be renewed for additional 10-year periods by paying a renewal fee to the International Bureau.

IV. Review of Patents Owned By MaxCyte, Inc.

MaxCyte's patent strategy (and its predecessor Entremed) has focused on obtaining significant protection for its commercial products to the extent possible, particularly in the US and other key jurisdictions of commercial value. The law firm of Fulbright & Jaworski ("Fulbright") has handled its patent portfolio for at least the last ten years. Fulbright works closely with MaxCyte's management team to ensure that new inventions are timely filed and that rights are not compromised.

Applications are typically filed in the US as a provisional patent application. The disclosure covers both broad and narrower embodiments as methods and apparatuses, with attention paid to covering commercial embodiments. Data relating to the embodiments is included in a filed application. While the provisional patent application is pending, a PCT application is filed, providing the basis for obtaining coverage in significant jurisdictions, such as the US, Europe, and certain countries in Asia.

During prosecution, MaxCyte's management team is apprised of all communications with the respective patent offices. Input from management and scientists is typically provided during ongoing patent prosecution. Maintenance and annuity fees are handled by Fulbright based on instructions from MaxCyte's management team. Our records indicate that all maintenance and renewal fees for the intellectual property assets described below are paid up as of October 2015.

MaxCyte has 9 issued US patents, 11 issued patents in other jurisdictions such as certain countries in Europe, Japan, China and South Korea, as well as 18 pending patent applications. It has patent coverage protecting its flow electroporation, processing chambers/disposables, control and process elements, and methods of using its proprietary electroporation technology.

A. ***Family 009: Apparatus and method for flow electroporation of biological samples***

Family Summary

Country	*Application No. Patent No.*	*Status*
USA	60/269,867	Priority only
USA	60/269,868	Priority only
USA	10/080,272 7,029,916	Granted

Abstract of US Patent 7,029,916

The present invention relates to methods and apparatus for the encapsulation of biologically-active substances in various cell populations. More particularly, the present invention relates to a method and apparatus for the encapsulation of biologically-active substances in various cell populations in blood by electroporation to achieve therapeutically desirable changes in the physical characteristics of the various cell populations in blood.

Named Inventors:

Sergey M. Dzekunov, Hyung J. Lee, Linhong Li, Vininder Singh, Linda Liu, John W. Holaday

Ownership

An assignment to MaxCyte, Inc. has been recorded in the USPTO for US Patent 7,029,916.

Summary of Invention

This family claims priority to US provisional applications 60/269,867 and 60/269,868, both of which were filed on February 21, 2001. One US patent has issued: US Patent 7,029,916, which will expire no earlier than 2023. The claims of US Patent 7,029,916 are drawn to a flow electroporation device.

The sole independent claim of US Patent 7,029,916 is as follows:

1. A flow electroporation device, comprising:

   walls defining a flow channel configured to receive and to transiently contain a continuous flow of a suspension comprising particles;

   an inlet flow portal in fluid communication with the flow channel, whereby the suspension can be introduced into the flow channel through the inlet flow portal;

   an outlet flow portal in fluid communication with the flow channel, whereby the suspension can be withdrawn from the flow channel through the outlet flow portal;

   the walls defining the flow channel comprising a first electrode plate forming a first wall of the flow channel and a second electrode plate forming a second wall of the flow channel opposite the first wall; wherein the area of the electrodes contact with the suspension, and the distance between the electrodes is chosen so that the thermal resistance of the flow channel is less than approximately 4° C. per Watt;

   the paired electrodes placed in electrical communication with a source of electrical energy, whereby an electrical field is formed between the electrodes;

   whereby the suspension of the particles flowing through the flow channel can be subjected to an electrical field formed between the electrodes.

Dependent claims recite further aspects of the electroporation device, including details regarding fluid flow, electrical components, and a cooling element.

B. ***Family 011: Electrodes having a continuous, crystalline metal nitride coating and method of use***

Family Summary

Country	*Application No. Patent No.*	*Status*
USA	09/618,654 6,485,961	Granted
USA	09/707,931 6,617,154	Granted

Abstract of US Patent 6,485,961

An improved electrode for use in generating an electrical field in a saline solution is provided. In particular, a continuous crystalline metal nitride coated electrode is provided for use in a variety of saline solution applications, such as in an electrophoresis device for separating proteins or nucleic acids or an electroporation apparatus for the encapsulation of biologically-active substances in various cell populations. A method and apparatus are provided for the encapsulation of biologically-active substances in red blood cells, characterized by an optionally automated, continuous-flow, self-contained electroporation system which allows withdrawal of blood from a patient, separation of red blood cells, encapsulation of a biologically-active substances in the cells, and optional recombination of blood plasma and the modified red blood cells thereby producing blood with modified biological characteristics.

Named Inventor:

Peter Meserol

Ownership

Assignments to MaxCyte, Inc. have been recorded in the USPTO for US Patent 6,485,961 and US Patent 6,617,154.

Summary of Invention

This family claims priority to US application No. 08/760,515, filed December 5, 1996. Two US patents have been granted: US Patent 6,485,961 and US Patent 6,617,154, both of which will expire no earlier than December, 2016. The claims for these patents are drawn to electroporation chambers with electrodes that have a corrosion-resistant crystalline metal nitride coating.

The broadest apparatus claim of US Patent 6,485,961 is as follows:

1. Apparatus for electrical stimulation of particles in a saline solution, comprising:

   walls defining a particle electrical stimulation chamber; and

   a pair of electrodes disposed along opposing walls of said chamber, said electrodes comprising means for placing said electrodes in electrical communication with a source of electrical energy, whereby particles in said chamber are subjected to an electrical field;

   said electrodes each further comprising an external surface with at least a portion thereof corresponding to the emission of the electrical field having a continuous crystalline metal nitride coating.

Dependent claims and narrower independent claims recite further functional aspects of the electroporation chamber and specific metal nitride materials. Further independent claims cover methods of using the electroporation chamber.

The sole independent claim of US Patent 6,617,154 is as follows:

1. A flow electroporation chamber for electrical stimulation of particles in a saline solution, comprising

   a housing having an inlet, an outlet, and internal walls defining a particle electrical stimulation chamber; the chamber being configured to receive a continuous flow of particles from the inlet;

   electrodes disposed along the walls of the chamber, the electrodes in electrical communication with a source of electrical energy, whereby flowing particles in the chamber are subjected to an electric field; and

   the electrodes each further comprising an external surface wherein at least a portion of the external surface of one of the electrodes has a continuous crystalline metal nitride coating.

C. ***Family 013: Apparatus and method for electroporation of biological samples***

Family Summary

Country	*Application No.* *Patent No.*	*Status*
USA	60/314,241	Priority only
USA	60/354,571	Priority only
USA	10/255,446 7,141,425	Granted
USA	10/751,586 7,186,559	Granted
PCT	PCT/US02/26631	Priority only
Canada	2459697	Pending
Europe	02761450.2	Pending
Europe	12171932.2	Pending

Abstract of US Patent 7,141,425

The present invention relates to methods and apparatus for the encapsulation of biologically-active substances in various cell populations. More particularly, the present invention relates to a method and apparatus for the encapsulation of biologically-active substances in various cell populations in blood by electroporation to achieve therapeutically desirable changes in the physical characteristics of the various cell populations in blood.

Named Inventors:

Sergey M. Dzekunov, Hyung J. Lee, Linhong Li, Vininder Singh, Linda Liu, John W. Holaday

Ownership

An assignment from the named inventors to MaxCyte, Inc. has been recorded in the USPTO for US Patents 7,141,425 and 7,186,559. The PCT application is in the name of MaxCyte, Inc.

Summary of Invention

This family claims priority to US provisional applications 60/354,571, filed August 5, 2002, and 60/314,241, filed August 22, 2001. Two US patents have been granted: US Patent 7,141,425 expires no earlier than 2023 and US Patent 7,186,559 expires in 2028 (due to patent term adjustment).

The broadest claims of US Patent 7,141,425 are drawn to a flow electroporation device with a chamber at least partially defined by opposing electrodes, wherein the thermal resistance of the chamber is less than 10° C per Watt.

The broadest apparatus claim of US Patent 7,141,425 is as follows:

1. A flow electroporation device comprising:

   a chamber for containing a suspension of cells to be electroporated;

   the chamber being at least partially defined by opposing oppositely chargeable electrodes; and

   wherein the thermal resistance of the chamber is less than approximately 10° C. per Watt.

Dependent claims and narrower independent claims recite further details of a flow electroporation device (e.g., inlet and outlet flow portals, electrical components, and the ratio of electrode surface area to distance between electrodes). Further independent claims cover methods of using a flow electroporation device to, for example, electroporate a cell, transfect a cell, or deliver a therapeutic agent.

The broadest claims of US Patent 7,186,559 are drawn to methods of producing an infectious vector by transfecting a cell by flow electroporation with nucleic acid molecules encoding the vector, culturing the transfected cells, and harvesting the vector.

The broadest claim of US Patent 7,186,559 is as follows:

1. A method of producing an infectious vector comprising:

   (a) transfecting a cell by flow electroporation with:

      (i) at least one polynucleotide molecule comprising one or more viral genes, wherein the polynucleotide lacks a functional packaging signal; and

      (ii) at least one polynucleotide molecule comprising one or more transgenes and a viral packaging signal;

   (b) culturing the transfected cell; and

   (c) harvesting the infectious vector.

Prosecution

Applications are pending in Canada and Europe.

D. ***Family 023: Methods and devices related to a regulated flow electroporation chamber***

Family Summary

Country	*Application No.* *Patent No.*	*Status*
USA	60/570,317	Priority only
USA	11/127,557 7,771,984	Granted
USA	12/853,772	Pending
Australia	2011211362 2011211362	Granted
PCT	PCT/US05/16728	Priority only
Canada	256316	Pending
China	200580014262.4 200580015262.4	Granted
China	20110105910.2 20110105910.2	Granted
Europe	05748359.6 1766057	Granted
India	6670/DELNP/2006	Pending

Country	*Application No.* *Patent No.*	*Status*
Japan	2007-513390 4937904	Granted
Republic of Korea	10-2006-7026146 10-1301929	Granted

Abstract of US Patent 7,771,984

The electroporation chamber and its related devices combine the features of an electroporation chamber that acts as a manifold for regulation of sample flow with those of a flow electroporation device to form a regulated flow electroporation device. The invention further comprises a novel regulated flow electroporation chamber that enables conditions in which a sample is uniformly processed in individual fractions or volumes in a fully closed (sterile) system.

Named Inventors:

Sergey Dzekunov, Nicholas Chopas, Linhong Li

Ownership

Assignments from the named inventors to MaxCyte, Inc. have been recorded in the USPTO for US Patent 7,771,984 and pending US application No. 12/853,772. The PCT application is in the name of MaxCyte, Inc.

Summary of Invention

This family claims priority from US provisional application No. 60/570,317, filed May 12, 2004. One US patent has been granted: US Patent 7,771,984, which will expire no earlier than 2026. The broadest claim of US Patent 7,771,984 is drawn to an electroporation chamber in fluid communication with two containers through ports in the electroporation chamber. Two fluid paths are formed by the configuration of the chamber, ports, and containers.

The single independent claim of US Patent 7,771,984 is as follows:

1. A flow electroporation device comprising:

   (a) an electroporation chamber having a top and bottom portion containing at least two parallel electrodes, the chamber being formed between the two electrodes and having two chamber ports in the bottom portion of the electroporation chamber and two chamber ports in the top portion of the electroporation chamber;

   (b) at least one sample container that is in fluid communication with the electroporation chamber through a first chamber port in the bottom portion of the chamber and the electroporation chamber is in fluid communication with the sample container through a separate second chamber port in the top portion of the chamber, forming a first fluid path; and

   (c) at least one product container that is in fluid communication with the electroporation chamber through a separate third chamber port in the bottom portion of the chamber and the electroporation chamber is in fluid communication with the product container through a separate fourth chamber port in the top portion of the chamber, forming a second fluid path

   wherein at least one fluid path is an aseptic fluid path.

Dependent claims recite further aspects of the electroporation device, including pumps, further characteristics of the containers, and functional features relating to modulation of fluid flow through the device.

Prosecution

Applications are pending in the USA, Canada, China, and India. The pending claims in US application No. 12/853,772 are drawn to electroporation chambers with particular configurations of ports providing for fluid flow through the chamber. A request for continued examination was submitted on September 5, 2014 to continue correspondence with the USPTO.

The European application has been issued and the patent has been validated in the following European countries: Belgium, Denmark, France, Germany, Italy, Netherlands, Sweden, Switzerland, and United Kingdom.

E. ***Family 025: Computerized electroporation***

Family Summary

Country	*Application No. Patent No.*	*Status*
USA	60/631,751	Priority only
USA	11/291,118 7,991,559	Granted

Abstract of US 7,991,559

Techniques for computerized electroporation. An electroporation apparatus may be controlled according to one of a plurality of previously-saved, user-defined processing protocols. A processing log associated with a processing protocol may be generated, and the processing log may include patient or sample specific information. The processing log or a summary of the processing log may be exported to a user. Interactive instructions may be provided to a user. Those instructions may correspond to one or more steps of a processing protocol.

Named Inventors:

Sergey M. Dzekunov, Sarah H. Wang, Arthur D. Hanson

Ownership

An assignment from the named inventors to MaxCyte, Inc. has been recorded in the USPTO for US Patent 7,991,559.

Summary of Invention

This family claims priority to US provisional application No. 60/631,751, filed November 30, 2004. One US Patent has been granted: US 7,991,559, which will expire no later than 2028. The claims of US 7,991,559 are drawn to methods of controlling electroporation processes using a computer.

A representative independent claim of US Patent 7,991,559 is as follows:

1. A method comprising:

   (a) controlling an electroporation apparatus with a computer according to one of a plurality of previously-saved, user-defined processing protocols;

   (b) subjecting a sample to electrical energy sufficient to effect electroporation according to the previously-saved, user-defined processing protocol;

   (c) accessing one or more sensors;

   (d) generating a processing log associated with the previously-saved, user-defined processing protocol, the processing log comprising patient information and electrical information, where the electrical information is gathered from the one or more sensors and is associated with the electroporation.

Dependent claims and further independent claims recite additional information processing steps and means of controlling and monitoring electroporation.

F. ***Family 029: Loading of cells with antigens by electroporation***

Family Summary

Country	*Application No. Patent No.*	*Status*
USA	60/448,670	Priority only
PCT	PCT/US06/34265	Priority only
China	200680041193	Pending
Republic of Korea	10-2008-7007904	Granted

Abstract of PCT/US06/34265

Methods for loading an antigen-presenting cell with one or more antigens are disclosed. Methods for the treatment and prevention of a disease in a subject using an antigen-presenting cell that has been electroporated with a composition of one or more antigens. Composition of one or more antigens comprises one or more antigens of a hyperproliferative cell, a microorganism or a microorganism-infected cell are also disclosed. In addition, compositions of antigen-presenting cells that have been loaded with one or more antigens of a hyperproliferative cell, a microorganism-infected cell or a microorganism using electroporation are disclosed.

Named Inventors:

Linda N. Liu, Jonathan Weiss

Ownership

The PCT application is in the name of MaxCyte, Inc.

Summary of Invention

This family claims priority from US provisional application No. 60/448,670, filed February 18, 2003. One Korean patent has been granted; it is expected to expire in 2024. An application is pending in China.

A representative independent claim of the Korean patent is as follows:

1. A method for loading an antigen-presenting cell with one or more antigens, comprising:

   (a) preparing a mixture comprising antigen-presenting cells and a lysate having one or more antigens of a hyperproliferative cell, a microorganism-infected cell or a microorganism, wherein the number of antigen-presenting cells is greater than the number of cells represented in the lysate; and

   (b) electroporating the mixture in a manner sufficient to load the one or more antigens into the antigen-presenting cells.

G. ***Family 031: Engineering and delivery of therapeutic compositions of freshly isolated cells***

Family Summary

Country	*Application No. Patent No.*	*Status*
USA	61/043,653	Priority only
USA	12/421,352 8,450,112	Granted
USA	13/902,444 9,132,153	Granted
USA	14/834,932	Pending
PCT	PCT/US09/40040	Priority only
Europe	09731422.3	Pending

Country	*Application No.* *Patent No.*	*Status*
Japan	2011-504171 5779090	Granted
Japan	2015-138578	Pending

Abstract of US Patent 8,450,112

The present invention relates to the transient modification of cells. In particular embodiments, the cells are immune systems, such as PBMCs, PBL, T (CD3+ and/or CD8+) and Natural Killer (NK) cells. The modified cells provide a population of cells that express a genetically engineered chimeric receptor which can be administered to a patient therapeutically. The present invention further relates to methods that deliver mRNA coding for the chimeric receptor to unstimulated resting PBMCs, PBL, T (CD3+ and/or CD8+) and NK cells and which delivers the mRNA efficiently to the transfected cells and promotes significant target cell killing.

Named Inventors:

Linhong Li, Madhusudan V. Peshwa

Ownership

An assignment from the named inventors to MaxCyte, Inc. has been recorded in the USPTO for US Patent 8,450,112 and pending US application No. 13/902,444. The PCT application is in the name of MaxCyte, Inc.

Summary of Invention

This family claims priority to US provisional application No. 61/043,653, filed April 9, 2008. One US Patent has been granted: US Patent 8,450,112, which will expire no earlier than 2029. The claims of US Patent 8,450,112 are drawn to methods of using electroporation to create white blood cells that transiently express a chimeric receptor on their surfaces and of treating cancer using the modified white blood cells. The chimeric receptor can cause the white blood cells to target cancer cells expressing certain tumor-associated antigens.

The broadest claim of US 8,450,112 is as follows:

1. A method for transiently modifying unstimulated resting peripheral blood mononuclear cells (PBMCs) to express a chimeric receptor on their surfaces comprising:

   (a) isolating resting PBMCs;

   (b) electroloading the PBMCs with an mRNA encoding for a chimeric receptor, whereby the electroloaded PBMCs transiently express the chimeric receptor on their surfaces, and wherein viability of the electroloaded PBMCs, as determined at 1 day after electroloading, is at least 80% when normalized to un-electroporated PBMCs.

Prosecution

Applications are pending in the US, Europe, and Japan. The pending claims in US application No. 13/902,444 are broader than the claims of US Patent 8,450,112 in that they are drawn to modifying the white blood cells to express any protein, not just chimeric receptors. The only remaining rejection in the pending US application is a non-statutory double patenting rejection.

H. ***Family 032: Methods for optimizing electroporation***

Family Summary

Country	*Application No.* *Patent No.*	*Status*
USA	61/081,924	Priority only
PCT	PCT/US09/050726	Priority only
USA	13/147,165	Pending
China	200980132804.4	Granted
	200980132804.4	
Europe	09798713.5	Granted
Japan	2011-518885	Granted
	5774480	

Abstract of PCT/US09/050726

Embodiments of the invention are directed to a technique for electroporation that allows for delivery of long electrical pulses of high magnitude in highly conductive buffers and minimizes damage to cells undergoing electroporation.

Named Inventor:

Sergey Dzekunov

Ownership

An assignment to MaxCyte, Inc. has been recorded in the USPTO for application No. 13/147,165. The PCT application is in the name of MaxCyte, Inc.

Summary of Invention

This family claims priority to US provisional application No. 61/081,924, filed July 18, 2008. The pending claims of US application No. 13/147,165 are drawn to a method of electroporation that includes determining electroporation parameters and applying electrical pulses according to those parameters. Performing electroporation according to parameters chosen by the claimed method provides for efficient electroloading of molecules while minimizing cell damage.

The single pending independent claim of application No. 13/147,165 is as follows:

1. *An electroporation method comprising:*

   (a) determining electroporation parameters such that during an electrical pulse a first time constant representative of electrical conductivity increase in electroporation medium (t_1) during the pulse is not less than a second time constant representative of capacitor discharge (t_2), wherein the pulse duration is less than either t_1 or t_2; and

   (b) applying one or more electrical pulses under the electroporation parameters to a sample to be electroporated.

Prosecution

An application is pending in the US. The pending claims in US application No. 13/147,165 have been finally rejected, and an appeal is pending. The European patent was validated in Denmark, France, Germany, Italy, the Netherlands, Sweden, Switzerland and the UK.

I. ***Family 037: Methods and compositions for generating stable transfected cells***

Family Summary

Country	*Application No. Patent No.*	*Status*
USA	61/794,785	Priority only
PCT	PCT/US14/28561	Priority only
USA	14/77079	Pending
China	201480021503.5	Pending
Europe	14763369.7.5	Pending
India	8826/DELPNP/2015	Pending
Japan	unavailable	Pending

Abstract of PCT/US14/28561

Methods and compositions are provided involving high producing cell lines. Embodiments concern efficient methods for screening for such cell lines and for creating such cell lines. These cell lines can be used to create large amounts of protein. To quickly generate large quantity of recombinant proteins or vaccines for both pre-clinical study and clinical trials, almost all drug development will face the same challenging obstacle of rapidly generating a high stable producer. Developing and identifying a stable cell line is a critical part of biopharmaceutical development.

Named Inventors:

Weili Wang, James P. Brady, Madhusudan V. Peshwa

Ownership

The PCT application is in the name of MaxCyte, Inc.

Summary of Invention

The PCT application describes methods of producing stable cell lines expressing exogenous polypeptides using electroporation to transfect an expression construct into cells followed by selection for cells that have taken up the expression construct using a conditionally lethal concentration of a selection agent (e.g., an antibiotic). Due to the high concentration of selection agent, only cells that express the expression construct at a high level survive the selection process.

Prosecution

Applications are pending in China, Europe, India, Japan, and the US.

J. ***Family 038/40: Methods and compositions for modifying genomic DNA***

Family Summary

A PCT application (PCT/US2015/025523) was filed on March 13, 2015 claiming priority to US provisional application 61/979,178 Family 38, filed on March 14, 2014) and US provisional application No. 62/078,706 (Family 40, filed on November 14, 2014).

Abstract of PCT/US2015/025523

Compositions and methods concern the sequence modification of an endogenous genomic DNA region. Certain aspects relate to a method for site-specific sequence modification of a target genomic DNA region in cells comprising: transfecting the cells by electroporation with a composition comprising (a) a DNA oligo and (b) a DNA digesting agent wherein the donor DNA comprises: (i) a homologous region comprising nucleic acid sequence homologous to the target genomic DNA region and (ii) a sequence modification region; and wherein the genomic DNA sequence is modified specifically at the target genomic DNA region.

Named Inventors:

Madhusudan Peshwa, Linhong Li

Ownership

No assignment has been recorded yet in the USPTO.

K. ***Family 039: Methods and compositions for modifying genomic DNA***

Family Summary

A US provisional application was filed on April 13, 2015. No further applications have been filed but the deadline for converting this application is in April 2016.

General Description

Compositions and methods concern the sequence modification of an endogenous genomic DNA region.

Named Inventors:

Linhong Li, Madhusudan Peshwa

Ownership

No assignment has been recorded yet in the USPTO.

With a third party, MaxCyte filed a provisional patent application in 2015 that is co-owned with that third party. The provisional patent application is directed to a specific use of MaxCyte's technology that is downstream of its core technology. Because it is co-owned, it has not been included in the numbers of patent applications and patents, which is a tally of IP solely owned by MaxCyte.

V. The Company's Trademark Protection

The Company's overall strategy has been to register its core "house" marks, namely MAXCYTE, MAXCYTE VLX, MAXCYTE GT, and MAXCYTE STX, in addition to the slogan ANY CELL. ANY MOLECULE. ANY SCALE. With respect to its MAXCYTE trademark portfolio, the Company had previously applied for and registered the marks in some jurisdictions for blood products, but has since chosen not to pursue or maintain these registrations. Instead, the Company has focused more recently on its transfection system in certain countries, namely the US, the European Union, China, Japan, and Canada.

The trademarks are registered in standard character form which permits the Company to present the marks in the current stylized format and protects the Company against third-party uses of the registered words. The trademark registrations protect use of the mark in connection with the indicated goods or services, including Company's electroporation technology for scalable transient transfection, as well as the Company's insourcing services for instrument installation and training

Attached is Schedule of trademark records, which includes more specific details about the Company's trademark portfolio, including the specific goods and services identified in the trademark registrations.

Trademark	*Summary*
MAXCYTE	This is the Company's primary "house" trademark. This mark was registered in the US on October 6, 2009 in classes 9 and 42 under Reg. No. 3,692,551. On September 9, 2015, the USPTO accepted the Company's Declaration of Use and acknowledged its Section 15 Declaration after determining that the statements expressed therein satisfied the statutory requirements for achieving incontestability status. The registration will remain valid until it becomes necessary to submit a Declaration of Use and Section 9 Renewal by October6, 2019. The mark was also registered in China on August 28, 2012 in class 9 (Reg. No. 9679440), Japan in classes 9 and 42 on June 7, 2013 (Reg. No. 5589168), the European Community on April 1, 2013 in classes 5, 9, and 42 (Reg. No.

	11317161), Colombia on November 8, 2005 (Reg. No. 305288) in class 5, and Canada on April 13, 2005 in class 5 (Reg. No. 637,249).
ANY CELL. ANY MOLECULE. ANY SCALE.	This mark is used as a slogan in conjunction with the Company's primary MAXCYTE mark and logo. It was registered in the US on June 21, 2011 in class 9 (Reg. No. 3,981,962) and will remain valid until June 21, 2017 when a Declaration of Use will need to be filed.
MAXCYTE VLX	This mark is used for one of the Company's transfection system instruments that conducts large volume transfection. It has been registered in the United States under Reg. No. 4,489,286 in class 9 on February 25, 2014. It will remain valid until becomes necessary to submit a Declaration of Use by February 25, 2020.
MAXCYTE GT	This mark is used for the Company's scalable transfection system instrument. It has been registered in the US in class 9 (Reg. No. 3,960,557) and in the European Community in classes 9 and 42 (Reg. No. 9315219). The US registration, which was granted on May 17, 2011, will remain valid until a Declaration of Use will need to be filed by May 17, 2017.
MAXCYTE STX	This mark is used in connection with another of the Company's transfection system instruments that facilitates gene therapy and cell therapeutics. The mark is registered in the US (Reg. No. 3,908,588), Canada (Reg. No. 828,251), the European Community (Reg. No. 8559395), and Japan (Reg. No. 5378946). The US registration, which was issued on January 18, 2011, will remain valid until a Declaration of Use will need to be filed by January 18, 2017.

VI. Company's Patent and Trade Secret Practice

A. *Patent Filing and Maintenance Policy*

MaxCyte's strategy is to obtain valuable patent protection in relevant jurisdictions when possible and financially prudent. Its IP counsel, Norton Rose Fulbright, works with MaxCyte's management team to consider new patent filings and decide the timing and scope of patent protection to pursue. Norton Rose Fulbright works with the inventors to prepare patent applications that seek to obtain the broadest patent protection. Typically, MaxCyte files a provisional patent application that is then used to claim priority for a patent application under the Paris Cooperation Treaty (PCT). Applications are then nationalized in particular jurisdictions based on the PCT application.

All patent strategy is coordinated with one or more members of MaxCyte's management team, who are sent all patent correspondence with US and foreign patent offices.

Assignments of patents to MaxCyte are timely recorded in the relevant patent offices.

Annuity and maintenance fees are handled by Norton Rose Fulbright based on instructions from MaxCyte's management team.

B. *Freedom to Operate*

MaxCyte respects the IP of third parties. MaxCyte's electroporation products have been commercially sold since 2008. It is neither practical nor cost-effective to do a freedom to operate analysis for products that have been on the market for this length of time. As is discussed elsewhere, MaxCyte has never received any communication from a third party about alleged infringement of any IP owned by a third party.

With respect to developments in new commercial areas, it is the regular business practice of the Company to review third party patents that might have relevance to its business and patent portfolio in conjunction with advice from its patent counsel as appropriate. To date, MaxCyte has not received any communications from a third party about any patents rights that may have been infringed. Therefore, MaxCyte does not believe the potentially substantial costs of a freedom to operate analysis

are warranted at this time If MaxCyte were to develop and sell a new and different product, it would commission a search to evaluate whether any new aspect of that product presented a freedom to operate issue.

With respect to developing therapeutic technology, this is still in the research stage. As such, it would be both premature and costly to do a freedom to operate analysis because the search would be impractically broad to encompass different permutations prior to commercialization. As the technology gets closer to that stage, a sufficiently focused search to identify relevant third party rights would be appropriate.

MaxCyte does not license any patents or patent applications from third parties. It is unaware of any licenses it needs to continue selling its electroporation products.

C. ***Trade Secrets***

MaxCyte maintains and protects a number of different trade secrets related to its cell processing technology and other core technology areas. These includes improvements made to protocols and formulations developed by MaxCyte. It is MaxCyte's regular business practice to maintain trade secrets as such by adhering to strict practices about confidential material and its limited and protected disclosure. Employees are required to execute an Invention, Non-Disclosure And Non-Compete Agreement. Also, advance approval for any submitting any abstracts or publications is required.

VII. The Company's Software

A. ***Background of Open Source Software***

"Open source" software is software whose source code (the human-readable part of the computer code) is made available to everyone, to use or to modify. The software is commonly free. Open source software is typically protected by copyright and is subject to a license agreement that describes how a licensee can use the code, along with various disclaimers and—sometimes—additional restrictions. There are a large number of open source licenses, ranging from simple half-page "AS IS"-type licenses to multiple-page licenses governing how to use the code and the effects on a company's intellectual property that changing the source code can have.

Most companies use open source software for a variety of tasks, some of which will have little or no impact on their intellectual property. In addition, many open source licenses grant permission to use the software on an "AS IS" basis but with few restrictions, so many companies conclude that there is little risk to the company from using open source. Note also that many companies do not use or change the source code, but simply run the software in a manner similar to third-party commercial software. A few open source licenses specifically permit the user to incorporate and distribute the open source software along with the user's own code, with no impact on the user's code except to require that the open source code license governs the open source code and the license must be included with the user's code. An example of this latter type of license is the License Agreement for Use of Interactive Financial Report Viewer Source Code, from open source licensor the United States Securities and Exchange Commission.

On the other hand, because open source licenses are typically licensed on an "AS IS" basis, companies electing to use the open source software could face an increased risk of an intellectual property infringement claim. Unlike most third party commercial software licensors, an open source licensor typically does not provide any indemnity for infringement of third party rights (although third party service organizations may do so), leaving the user with an infringement risk. In addition, because open source is usually available upon downloading from a web site with no licensor obliged to provide updates, maintenance, and troubleshooting, companies need to evaluate the risk that the software will not be operational, and the impact that failure could have on their business. Indeed, some publicly traded companies have included a "risk factor" in their 10-Ks and other disclosures to cover these points.

A few open source licenses, such as the GNU General Public License ("GPL"), pose some additional risks to companies, depending upon how the companies use the code. Like most other open source licenses, the GPL permits users to alter the code in any way they see fit, but if the user conveys that altered code to anyone, then all altered versions of the software must be licensed under the GPL and contributed back to the open source software community. What makes the GPL special is its requirement that the GPL's terms apply to other software that the user incorporates with the GPL-covered software, governing "the whole of the work, and all its parts, regardless of how they are packaged." This feature of the GPL is sometimes referred to as the "viral nature" of the GPL. If a company is in the software/technology business, the "viral nature" of the GPL could cause the company to have to distribute its proprietary technology at no charge if the company has combined its proprietary technology with GPL-licensed code in a certain way. The GPL also prohibits a user from imposing a license fee or patent royalty for use of the combined product, prohibits a user from making any patent infringement claim as a result of use of the combined product, and automatically grants all users a worldwide, royalty-free patent license to "make, use sell, offer for sale, import and otherwise run, modify and propagate the contents of its contributor version." In other words, the "viral nature" of the GPL could mean that the publicly traded technology company's most valuable assets must be made available to anyone at no charge.

B. ***The Company's Use of Open Source Software***

Based upon interviews with Ron Holtz, Sergey Dzekunov, and Madhusudan Peshwa, the only open source the Company uses is a library known as libHaru. Upon review, the libHaru library was determined to have a simple, free license that is much more favorable to the Company than a GPL license and does not contain any "viral" provisions. The libHaru license expressly permits use for commercial purposes. The open source software remains subject to the potential infringement risk described above, as well as the need for maintenance and support.

C. ***The Software Used by the Company***

MaxCyte's copyrights are related to its software. With respect to software in general, the Company typically employs unmodified third-party software in order to minimize development and maintenance costs, provide a "commodity" capability, and to support its own technology infrastructure. On rare occasion, the Company will develop software internally or contract with a third-party to develop custom software. Based upon interviews with Ron Holtz, Sergey Dzekunov, and Madhusudan Peshwa, the Company believes it has obtained all necessary evidence of ownership of any customized software, but all software and technology is subject to a risk of a claim of intellectual property infringement.

Based upon interviews with Sergey Dzekunov, the only internally developed customized code was written by Sergey Dzekunov using the Inprise (formerly Borland) compiler and linker, which is subject to a "commercial" license, and the library known as libHaru, subject to an open source license described above. The Inprise license expressly states that any software the Company creates using the Inprise software, Inprise regards as owned by the Company. On the other hand, Inprise makes certain files available as "redistributables," to which Inprise retains ownership. Because the software that Sergey Dzekunov wrote is included with the hardware distributed to customers, we inquired whether that software included any "redistributables" from Inprise. Sergey Dzekunov indicated that the software he created does not include any redistributable components from Inprise.

The interviewees stated that the Company had entered into only one agreement for software development: a November 13, 2002 Consulting Agreement with former affiliate employee Arthur Hanson. That agreement provides that Mr. Hanson assigns all right, title and interest in the "Developed Technology" to the Company. This agreement has not been terminated and is still in effect.

The Company has an agreement with Future Technology Devices International Limited ("FTDI") for hardware, where the Company has created software applications for the control of the instruments. The Company sells the instruments containing FTDI software drivers, which is permitted pursuant to

the agreement with FTDI. The Company has also entered into a software license agreement with Data Translation Inc., which has been amended on February 15, 2015 to remove a potential ambiguity relating to the Company's permitted use of such software.

With respect to documentation and audit trails, Sergey Dzekunov has indicated that documentation exists for the third party software, as well as the software development kits that came with the hardware drivers from FTDI and Data Translation Inc., and for the open source library, libHaru. The Company plans to develop documentation for internally developed software, although such documentation in part can be found in issued US patent 7,029,916 and MaxCyte's US FDA Drug Master File No. BB-MF 10702, although the Company believes that the API code could be understood by an independent, third-party competent programmer.

D. ***Potential Technology Risks***

The Company is dependent on sophisticated information technology and infrastructure, which is potentially vulnerable to service interruption, malicious intrusion and random attacks. Although the Company has invested in various data protection measures, data privacy or security breaches by employees or others may pose a risk that data, including intellectual property or personal information, may be exposed to unauthorized individuals or to the public. There can be no assurance that the Company's efforts to protect its data and technology will prevent service interruption or the loss of critical or sensitive information which could result in business, financial, legal, or reputational harm to the Company.

PART 4A

FINANCIAL INFORMATION ON THE COMPANY

The Directors
MaxCyte Inc.
22 Firstfield Road, Suite 110
Gaithersburg, MD
USA

The Directors
Panmure Gordon (UK) Limited
One New Change,
London
EC4M 9AF

16 March 2016

Dear Sirs

ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF MAXCYTE INC

We report on the financial information of MaxCyte Inc. ('MaxCyte' or the 'Company') for the years ended 31 December 2012, 2013 and 2014. All financial information has been prepared for the purpose of its inclusion in the AIM Admission Document dated 16 March 2016 (the 'Admission Document') of MaxCyte on the basis of the accounting policies set out in note 2 to the financial information. This report is required by paragraph (a) of Schedule Two to the AIM Rules for Companies (the 'AIM Rules') and is given for the purposes of complying with the AIM Rules and for no other purpose.

Responsibilities

The directors of MaxCyte (the 'Directors') are responsible for preparing the financial information on the basis of preparation set out in note 2 to the financial information and in accordance with United States of America generally accepted accounting principles ('US GAAP') as issued by the Financial Accounting Standards Board ('FASB').

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

Save for any responsibility arising under the AIM Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any person other than the addressees of this letter for any loss suffered by any such person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with the AIM Rules, consenting to its inclusion in the Admission Document dated 16 March 2016 of the Company.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgements made by those responsible for the preparation of the financial information and

whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial information gives, for the purposes of the Admission Document dated 16 March 2016, a true and fair view of the financial position of MaxCyte Inc as at the dates stated and of its statements of operations, statements of redeemable convertible preferred stock and stockholders' deficit, and the statements of cash flow for the years ended 31 December 2012, 2013 and 2014 in accordance with the basis of preparation set out in note 2 to the financial information and in accordance with US GAAP and has been prepared in a form that is consistent with the accounting policies adopted by the Company.

Declaration

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

Yours faithfully

Mazars LLP

MaxCyte, Inc.
Balance Sheets as of December 31,

	2012 *US$*	*2013* *US$*	*2014* *US$*
Assets			
Current assets:			
Cash and cash equivalents	1,418,500	764,900	3,409,000
Accounts receivable	621,700	767,100	1,401,900
Inventory	514,900	726,800	941,100
Other current assets	51,200	64,400	276,000
Total current assets	2,606,300	2,323,200	6,028,000
Non-current assets:			
Property and equipment, net	204,000	181,200	236,200
Other noncurrent assets	31,500	–	37,000
Total Assets	2,841,800	2,504,400	6,301,200
Liabilities and stockholders' deficit			
Current liabilities:			
Current portion of note payable	1,735,800	1,750,000	1,526,000
Current portion of local government note payable	22,300	25,600	–
Current portion of capital lease obligations	20,600	26,300	26,300
Accounts payable and accrued expenses	1,014,200	1,394,400	1,372,600
Deferred revenue	582,800	791,000	1,354,400
Total current liabilities	3,375,700	3,987,300	4,279,300
Non-current liabilities:			
Note payable, net of current portion	–	–	3,446,400
Local government note payable, net of current portion	21,800	–	–
Preferred stock warrant liabilities	–	–	105,400
Capital lease obligations, net of current portion	35,000	60,300	34,000
Other liabilities	–	–	83,300
Total Liabilities	3,432,500	4,047,600	7,948,400
Redeemable Convertible Series E Preferred Stock, $0.01 par, 1,700,000 shares authorized, issued and outstanding at December 31, 2014; aggregate liquidation preference $2,560,700	–	–	1,633,100
Redeemable Convertible Series D Preferred Stock, $0.01 par, 1,602,500 shares authorized, 1,500,000 issued and outstanding at December 31, 2014; aggregate liquidation preference $6,785,900	–	–	3,339,500
Redeemable Convertible Series C Preferred Stock, $0.01 par, 2,500,000 shares authorized, 2,225,968 issued and outstanding at December 31, 2014; aggregate liquidation preference $8,084,900	–	–	3,977,400
Redeemable Convertible Series B Preferred Stock, $0.01 par, 22,000,000 shares authorized, 19,125,475 issued and outstanding at December 31, 2014, 2013 and 2012; carrying amount approximates liquidation preference	30,709,100	32,239,100	33,769,100
Redeemable Convertible Series A-1 Preferred Stock, $0.01 par, 4,000,000 shares authorized, 3,129,406 issued and outstanding at December 31, 2014	–	–	1,028,100
Total Redeemable Convertible Preferred Stock	**30,709,100**	**32,239,100**	**43,747,200**

	2012	*2013*	*2014*
	US$	*US$*	*US$*
Stockholders' Deficit			
Series D Preferred Stock, $0.01 par, 1,552,500 shares authorized, 1,500,000 shares issued and outstanding at December 31, 2013 and 2012; aggregate liquidation preference $6,632,900 and $6,485,900, respectively	15,000	15,000	–
Series C Preferred Stock, $0.01 par, 2,500,000 shares authorized, 2,225,968 shares issued and outstanding at December 31, 2013 and 2012; aggregate liquidation preference $7,862,300 and $7,639,700, respectively	22,300	22,300	–
Series A-1 Preferred Stock, $0.01 par, 4,000,000 shares authorized, 3,129,406 shares issued and outstanding at December 31, 2013 and 2012; carrying amount approximates liquidation preference	31,300	31,300	–
Common stock, $0.01 par, 34,000,000 shares authorized, 1,897,980 shares issued and outstanding at December 31, 2014; 68,280 shares issued and outstanding at December 31, 2013 and 2012	700	700	18,800
Additional paid in capital	–	–	–
Accumulated deficit	(31,369,100)	(33,851,600)	(45,413,200)
Total stockholders' deficit	(31,299,800)	(33,782,300)	(45,394,400)
Total Liabilities and Stockholders' Deficit	2,841,800	2,504,400	6,301,200

See accompanying notes to the financial information

MaxCyte, Inc.
Statements of Operations
For the Years Ended December 31,

	2012	*2013*	*2014*
	US$	*US$*	*US$*
Revenue	5,059,500	6,805,000	7,164,400
Costs of goods sold	(830,400)	(808,600)	(957,500)
Gross Profit	4,229,100	5,996,400	6,206,900
Operating expenses:			
Research and development	(2,206,800)	(2,215,500)	(2,490,200)
Sales and marketing	(1,963,200)	(2,374,000)	(2,524,200)
General and administrative	(2,021,600)	(2,211,600)	(2,468,200)
Total operating expenses	(6,191,600)	(6,801,100)	(7,482,600)
Operating loss	(1,962,500)	(804,700)	(1,275,700)
Other income (expense):			
Interest expense	(61,700)	(153,500)	(561,300)
Interest and other income	35,800	–	–
Total other income (expense)	(25,900)	(153,500)	(561,300)
Net loss	(1,988,400)	(958,200)	(1,837,000)
Cumulative preferred stock dividends	(1,903,600)	(1,899,600)	(4,466,300)
Net loss attributable to common stock	(3,892,000)	(2,857,800)	(6,303,300)
Basic and diluted net loss per share	(57.00)	(41.85)	(26.02)
Weighted average shares outstanding, basic and diluted	68,280	68,280	242,261

See accompanying notes to the financial information

MaxCyte, Inc.
Statements of Redeemable Convertible Preferred Stock and Stockholders' Deficit
For the Years Ended December 31,

	Redeemable Convertible Preferred Stock					*Preferred Stock*			*Common Stock*		*Additional Paid-in Capital*	*Accumulated Deficit*	*Total Stockholders' Deficit*
	Series E	*Series D*	*Series C*	*Series B*	*Series A-1*	*Series D*	*Series C*	*Series A-1*	*Shares*	*Amount*			
	US$	*US$*	*US$*	*US$*	*US$*	*US$*	*US$*	*US$*		*US$*	*US$*	*US$*	*US$*
Balance January 1, 2012	–	–	–	29,179,100	–	15,000	22,300	31,300	68,280	700	–	(27,911,800)	(27,842,500)
Stock-based compensation	–	–	–	–	–	–	–	–	–	–	36,700	–	36,700
Issuance of warrants	–	–	–	–	–	–	–	–	–	–	24,400	–	24,400
Accretion of redeemable preferred stock	–	–	–	1,530,000	–	–	–	–	–	–	(61,100)	(1,468,900)	(1,530,000)
Net Loss	–	–	–	–	–	–	–	–	–	–	–	(1,988,400)	(1,988,400)
Balance December 31, 2012	–	–	–	30,709,100	–	15,000	22,300	31,300	68,280	700	–	(31,369,100)	(31,299,800)
Stock-based compensation	–	–	–	–	–	–	–	–	–	–	5,700	–	5,700
Accretion of redeemable preferred stock	–	–	–	1,530,000	–	–	–	–	–	–	(5,700)	(1,524,300)	(1,530,000)
Net Loss	–	–	–	–	–	–	–	–	–	–	–	(958,200)	(958,200)
Balance December 31, 2013	–	–	–	32,239,100	–	15,000	22,300	31,300	68,280	700	–	(33,851,600)	(33,782,300)
Stock-based compensation	–	–	–	–	–	–	–	–	–	–	95,600	–	95,600
Issuance of warrants	–	–	–	–	–	–	–	–	–	–	21,700	–	21,700
Issuance of preferred stock, net	1,633,100	–	–	–	–	–	–	–	–	–	–	–	–
Exercise of stock options	–	–	–	–	–	–	–	–	1,811,700	18,100	54,400	–	72,500
Accretion of redeemable preferred stock	–	–	–	1,530,00	–	–	–	–	–	–	(125,600)	(1,404,400)	(1,530,000)
Reclassification of preferred stock to temporary equity	–	3,339,500	3,977,400	–	1,028,100	(15,000)	(22,300)	(31,300)	–	–	–	(8,276,500)	(8,345,100)
Modification of warrants	–	–	–	–	–	–	–	–	–	–	(46,100)	(43,700)	(89,800)
Net Loss	–	–	–	–	–	–	–	–	–	–	–	(1,837,000)	(1,837,000)
Balance December 31, 2014	1,633,100	3,339,500	3,977,400	33,769,100	1,028,100	–	–	–	1,879,980	18,800	–	(45,413,200)	(45,394,400)

See accompanying notes to the financial information

MaxCyte, Inc.
Statements of Cash Flow
For the Years Ended December 31,

	2012 *US$*	*2013* *US$*	*2014* *US$*
Cash flows from operating activities:			
Net loss	(1,988,400)	(958,200)	(1,837,000)
Adjustments to reconcile net loss to cash used in operating activities:			
Depreciation and amortization	115,200	116,400	92,000
Net book value of consigned equipment sold	–	14,700	–
Stock-based compensation	36,700	5,700	95,600
Non-cash interest expense	32,600	45,700	77,900
Changes in operating assets and liabilities			
Accounts receivable	(494,900)	(145,400)	(634,800)
Inventory	65,500	(211,900)	(214,300)
Other current assets	(40,700)	(13,200)	(129,900)
Accounts payable and accrued expenses	309,300	380,200	(21,800)
Deferred revenue	(161,000)	208,200	563,400
Other liabilities	–	–	83,300
Net cash used in operating activities	(2,125,700)	(557,800)	(1,925,600)
Cash flows from investing activities:			
Purchases of property and equipment	(17,400)	(49,500)	(147,000)
Proceeds from sale of equipment	5,900	–	–
Net cash used in investing activities	(11,500)	(49,500)	(147,000)
Cash flows from financing activities:			
Proceeds from issuance of notes payable and warrants, net of issuance costs	1,750,000	–	4,813,000
Proceeds from exercise of stock options	–	–	72,500
Principal payments on notes payable	(356,200)	(18,500)	(1,775,600)
Principal payments on capital leases	(23,300)	(27,800)	(26,300)
Proceeds from preferred equity issuance, net of issuance costs	–	–	1,633,100
Net cash provided by (used in) financing activities	1,370,500	(46,300)	4,716,700
Net (decrease)/increase in cash and cash equivalents	(766,700)	(653,600)	2,644,100
Cash and cash equivalents, beginning of period	2,185,200	1,418,500	764,900
Cash and cash equivalents, end of period	1,418,500	764,900	3,409,000
Supplemental cash flow information:			
Cash paid for interest	29,100	106,700	399,900
Supplemental disclosure of non-cash investing and financing activities:			
Purchase of equipment under capital increases	48,200	58,800	–
Issuance of warrants	24,400	–	21,700

See accompanying notes to the financial information

MaxCyte, Inc.
Notes to Financial Information

1. Organization and Description of Business

MaxCyte, Inc. (the "Company" or "MaxCyte") was incorporated as a majority owned subsidiary of EntreMed, Inc. ("EntreMed") on July 31, 1998, under the laws and provisions of the state of Delaware, and commenced operations on July 1, 1999. In November 2002, MaxCyte was recapitalized and EntreMed was no longer deemed to control the Company.

MaxCyte's proprietary cell-loading technology provides enablement for the development of cell based therapeutics targeting a broad range of indications as well as for use in drug discovery, vaccine and bio-manufacturing applications. The Company licenses its technology to developers of ex-vivo modified cell therapies in exchange for research and licensing fees, and fees for its single use processing assemblies. The Company also sells and leases its instruments and consumables to pharmaceutical and biotechnology companies for use in drug discovery, vaccine and bio-manufacturing applications including high throughput screening and protein production.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. In the accompanying financial statements, estimates are used for, but not limited to, stock-based compensation, allowance for doubtful accounts, allowance for inventory obsolescence, valuation of derivative liabilities and other financial instruments, accruals for contingent liabilities, fair value of long-lived assets, deferred taxes and valuation allowance, and the depreciable lives of fixed assets. Actual results could differ from those estimates.

Credit Concentration

During the year ended December 31, 2014, two customers represented 18% and 8% of net revenues, respectively. As of December 31, 2014, accounts receivable from these customers totaled 7% of net accounts receivable. During the year ended December 31, 2013, two customers represented 9% and 7% of net revenues, respectively. As of December 31, 2013, accounts receivable from these customers totaled 3% of net accounts receivable. During the year ended December 31, 2012, two customers represented 21% of net revenues. As of December 31, 2012, accounts receivable from these customers totaled 25% of net accounts receivable.

Vendor Concentration

During years ended December 31, 2014, 2013, and 2012 the Company purchased approximately 65%, 56% and 61%, respectively, of total costs of goods sold from one supplier. As of December 31, 2014, 2013 and 2012 amounts payable to this supplier totaled 20%,10% and 13% of total accounts payable, respectively.

Foreign Currency

The Company's functional currency is the US dollar; transactions denominated in foreign currencies are translated at the exchange rate in effect at the date of each transaction. Differences in exchange rates during the period between the date a transaction denominated in foreign currency is consummated and the date on which it is either settled or translated for inclusion in the balance sheet are recognized in the Statement of

Operations for that period. The foreign currency transaction loss included in operations was $21,700, $26,400 and $40,700 for the years ended December 31, 2014, 2013 and 2012, respectively.

Fair Value

Fair value is the price that would be received from the sale of an asset or paid to transfer a liability assuming an orderly transaction in the most advantageous market at the measurement date. US GAAP establishes a hierarchical disclosure framework which prioritizes and ranks the level of observability of inputs used in measuring fair value. These tiers include:

- Level 1—Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.
- Level 2—Observable market-based inputs other than quoted prices in active markets for identical assets or liabilities.
- Level 3—Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

See Note 9 for additional information regarding fair value.

Cash and Cash Equivalents

Cash and cash equivalents consist of financial instruments with original maturities of less than three months. At times the Company's cash balances may exceed federally insured limits. The Company does not believe that this results in any significant credit risk.

Inventory

The Company sells or leases products to customers. The Company uses the average cost method of accounting for its inventory and adjustments resulting from periodic physical inventory counts are reflected in costs of goods sold in the period of the adjustment. Inventory consisted of the following as of December 31:

	2012	*2013*	*2014*
	US$	*US$*	*US$*
Raw materials inventory	145,800	208,100	119,800
Work-in-process inventory	22,200	110,300	173,000
Finished goods inventory	346,900	408,400	648,300
Total Inventory, net	514,900	726,800	941,100

Accounts Receivable

Accounts receivable are reduced by an allowance for doubtful accounts, if needed. The allowance for doubtful accounts reflects the best estimate of probable losses determined principally on the basis of historical experience and specific allowances for known troubled accounts. All accounts or portions thereof that are deemed to be uncollectible or to require an excessive collection cost are written off to the allowance for doubtful accounts. The Company determined that no allowance was necessary at December 31, 2014, 2013 and 2012.

Deferred Financing Costs

The Company defers direct and incremental costs of debt financing arrangements as other assets, and amortizes such costs as interest expense over the estimated term of the associated debt instrument, using the interest method (see Note 4). Unamortized deferred financing costs were approximately $118,700 at December 31, 2014 (none at December 31, 2013 and 2012) and are included in other assets in the accompanying balance sheet.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed using the straight-line method. Office equipment (principally computers) is depreciated over an estimated useful life of three years. Laboratory equipment is depreciated over an estimated useful life of five years. Furniture is depreciated over a useful life of seven years. Leasehold improvements are amortized over the shorter of the estimated lease term or its useful life. Consigned instruments represent equipment held at a customer's site that is typically leased to customers on a short-term basis.

Property and equipment consist of the following at December 31:

	2012	*2013*	*2014*
	US$	*US$*	*US$*
Cost:			
Furniture and equipment	918,600	901,100	959,200
Consigned instruments	253,000	248,200	337,000
Leasehold improvements	72,500	72,500	72,500
Less: Accumulated depreciation and amortization	(1,040,100)	(1,040,600)	(1,132,500)
Property and equipment, net	204,000	181,200	236,200

For the years ended December 31, 2014, 2013 and 2012, the Company incurred depreciation and amortization expense of $92,000, $116,400 and $115,200, respectively. Maintenance and repairs are charged to expense as incurred.

Management reviews property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets held for disposal are reportable at the lower of the carrying amount or fair value, less costs to sell. Management determined that no assets were impaired and no assets were held for disposal as of December 31, 2014, 2013 and 2012.

Redeemable Convertible Preferred Stock

The Company's Series B redeemable convertible preferred stock has been classified since issuance as temporary equity since it is redeemable in certain circumstances outside of the Company's control. The Series B redeemable convertible preferred stock is increased by the accretion of any related discounts and accrued but unpaid dividends so that the carrying amount equals the redemption amount at the estimated redemption date (see Note 5).

The Company's Series E convertible preferred stock issued in December 2014 was classified at issuance as temporary equity as a result of an embedded contingent conversion option that is potentially settleable by issuing a variable number of shares (see Note 5).

The Company's Series A-1 convertible preferred stock and the Series C perpetual preferred stock and Series D perpetual preferred stock were initially classified as permanent equity. As part of the adoption of the Plan of Conditional Recapitalization (see Note 5) in December 2014, the Company's Series A-1, C and D preferred stock were modified to include an embedded contingent conversion option that is potentially settleable by issuing a variable number of shares; as a result, the Series A-1, C and D preferred stock were reclassified to temporary equity upon modification (see Note 5).

Revenue Recognition

Revenue is recognized when there is persuasive evidence that an arrangement exists, delivery has occurred, the sales price is fixed and determinable, and collection is reasonably assured.

Revenue is principally from the sale or lease of instruments and processing assemblies, as well as from warranties, installation and maintenance. In some arrangements, product and services have been sold together in multiple element arrangements. In such arrangements, when the elements have standalone value to the customer, the Company allocates the sale price to the various elements in the arrangement on a relative selling price basis. Under this basis, the Company determines the estimated selling price of each element in a manner that is consistent with that used to determine the price to sell the deliverable on a standalone basis.

Revenue from the sale of instruments and disposables is recognized at the time of shipment to the customer, provided no significant vendor obligations remain and collectability is probable. Revenue from equipment leases are recognized ratably over the contractual term of the lease agreement. Licensing fee revenue is recognized ratably over the license period.

Research and Development Costs

Research and development costs consist of independent proprietary research and development costs, and the costs associated with work performed for fees from third parties. Research and development costs are expensed as incurred.

Stock-Based Compensation

The Company has a stock-based compensation plan for stock options awarded in exchange for employee and non-employee director services. The value of the award that is ultimately expected to vest is recognized as expense on a straight-line basis over the employee's requisite service period.

The Company utilizes the Black-Scholes model for estimating fair value of its stock options granted. Option valuation models, including the Black-Scholes model, require the input of highly subjective assumptions, and changes in the assumptions used can materially affect the grant-date fair value of an award. These assumptions include the risk-free rate of interest, expected dividend yield, expected volatility and the expected life of the award. A discussion of management's methodology for developing each of the assumptions used in the Black-Scholes model is as follows:

Fair value of common stock

Given the lack of an active public market for the common stock, the Company's board of directors determined the fair value of the common stock. In the absence of a public market, the Company believes that it is appropriate to consider a range of factors to determine the fair market value of the common stock at each grant date. The factors include: (1) the achievement of operational milestones by the Company; (2) the status of strategic relationships with collaborators; (3) the significant risks associated with the Company's stage of development; (4) capital market conditions for life science and medical diagnostic companies, particularly similarly situated, privately held, early-stage companies; (5) the Company's available cash, financial condition and results of operations; (6) the most recent sales of the Company's preferred stock; and (7) the preferential rights of the outstanding preferred stock.

Expected volatility

Volatility is a measure of the amount by which a financial variable such as a share price has fluctuated (historical volatility) or is expected to fluctuate (expected volatility) during a period. The Company does not maintain an internal market for its shares and its shares are not traded publicly. The Company has been able to identify several public entities of similar size, complexity and stage of development; accordingly, historical volatility has been calculated at 40% for 2014 and 39% for 2013 and 2012 using the volatility of these companies.

Expected dividend yield

The Company has never declared or paid dividends and has no plans to do so in the foreseeable future.

Risk-free interest rate

This approximates the US Treasury rate for the day of each option grant during the year, having a term that closely resembles the expected term of the option. The risk-free interest rate was 1.8%-1.9%, 3.3% and 3.3%-4.6% for stock options granted during 2014, 2013 and 2012 respectively.

Expected term

This is the period of time that the options granted are expected to remain unexercised. Options granted have a maximum term of 10 years. The Company estimates the expected term of the option to be 6.25 years (7 years in 2013 and 2012) for options with a standard four-year vesting period, using the simplified method. Over time, management will track estimates of the expected term of the option term so that estimates will approximate actual behavior for similar options.

Expected forfeiture rate

The forfeiture rate is the estimated percentage of options granted that is expected to be forfeited or canceled on an annual basis before becoming fully vested. The Company estimates the forfeiture rate based on turnover data with further consideration given to the class of the employees to whom the options were granted. The Company estimated the annual forfeiture rate to be 10% for 2014, 2013 and 2012.

Income Taxes

The Company uses the asset and liability method of accounting for income taxes. Deferred tax assets and liabilities are determined based on differences between the financial reporting and tax basis of assets and liabilities and are measured using the enacted tax rates and laws that are expected to be in effect when the differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that such tax rate changes are enacted. The measurement of a deferred tax asset is reduced, if necessary, by a valuation allowance if it is more-likely-than-not that all or a portion of the deferred tax asset will not be realized.

Management uses a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return, as well as guidance on derecognition, classification, interest and penalties and financial statement reporting disclosures. For those benefits to be recognized, a tax position must be more-likely- than-not to be sustained upon examination by taxing authorities. The Company recognizes interest and penalties accrued on any unrecognized tax exposures as a component of income tax expense. The Company has not identified any uncertain income tax positions that could have a material impact to the financial statements.

The Company is subject to taxation in various jurisdictions in the United States and remains subject to examination by taxing jurisdictions for 2011 and all subsequent periods. The Company's net operating loss carryforwards remain subject to examinations for all periods.

Loss Per Share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of shares of common stock outstanding during the period.

For periods of net income, and when the effects are not anti-dilutive, diluted earnings per share is computed by dividing net income available to common shareholders by the weighted-average number of shares outstanding plus the impact of all potential dilutive common shares, consisting primarily of common stock options and stock purchase warrants using the treasury stock method, and convertible preferred stock using the if-converted method.

For periods of net loss, diluted loss per share is calculated similarly to basic loss per share because the impact of all dilutive potential common shares is anti-dilutive. The number of anti-dilutive shares, consisting of (i) common stock options, (ii) stock purchase warrants, and (iii) convertible preferred stock exchangeable into common stock which has been excluded from the computation of diluted loss per share, was 33.8 million, 28.6 million and 28.7 million for the years ended December 31, 2014, 2013 and 2012, respectively.

The Company's convertible preferred stock, prior to its conversion, contains non-forfeitable rights to dividends, and therefore is considered to be a participating security; the calculation of basic and diluted income (loss) per share excludes net income (but not net loss) attributable to the convertible preferred stock from the numerator and excludes the impact of those shares from the denominator.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board, or FASB, issued guidance for revenue recognition for contracts, superseding the previous revenue recognition requirements, along with most existing industry-specific guidance. The guidance requires an entity to review contracts in five steps: 1) identify the contract, 2) identify performance obligations, 3) determine the transaction price, 4) allocate the transaction price, and 5) recognize revenue. The new standard will result in enhanced disclosures regarding the nature, amount, timing and uncertainty of revenue arising from contracts with customers. The standard currently is effective for the Company's reporting year beginning January 1, 2019 and early adoption is permitted starting January 1, 2018. The Company is currently evaluating the impact, if any, that this new accounting pronouncement will have on its financial statements.

In August 2014, the FASB issued guidance requiring management to evaluate on a regular basis whether any conditions or events have arisen that could raise substantial doubt about the entity's ability to continue as a going concern. The guidance 1) provides a definition for the term "substantial doubt," 2) requires an evaluation every reporting period, interim periods included, 3) provides principles for considering the mitigating effect of management's plans to alleviate the substantial doubt, 4) requires certain disclosures if the substantial doubt is alleviated as a result of management's plans, 5) requires an express statement, as well as other disclosures, if the substantial doubt is not alleviated, and 6) requires an assessment period of one year from the date the financial statements are available to be issued. The standard is effective for the Company's reporting year beginning January 1, 2017 and early adoption is permitted. The Company is currently evaluating the impact, if any, that this new accounting pronouncement will have on its financial statements.

In April 2015, the FASB issued accounting guidance requiring that debt issuance costs related to a recognized liability be presented on the balance sheet as a direct reduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected. The standard is effective for reporting periods beginning after December 15, 2015. The Company is currently evaluating the impact, if any, that this new accounting pronouncement will have on its financial statements.

The Company has evaluated all other issued and unadopted Accounting Standards Updates and believes the adoption of these standards will not have a material impact on its results of operations, financial position, or cash flows.

3. Related Party Transactions – Assignment of License Agreement from EntreMed

On May 30, 2000, EntreMed assigned to the Company all of its rights under a license agreement (the Agreement) with Boston Children's Hospital, formerly Immune Disease Institute, Inc. The assignment included the worldwide exclusive license to certain patents and patent applications. The Company agreed to carry out the obligations of the Agreement, which includes the annual payment of royalties based on net sales of licensed products. Effective January 1, 2009, the Company extended the Agreement on its own behalf and settled all outstanding amounts due thereunder. The Agreement required a minimum annual fee of $50,000 which was applied against any royalties due for the annual period, provided for contingent cash and equity payments based on qualifying sales, and is cancellable by the Company with 90 days written notice. The Company recognized royalty expense associated with the Agreement of $37,200, $110,000 and $163,000 for the years ended December 31, 2014, 2013 and 2012, respectively. All of the patents which are the subject of the license expired in March 2014.

4. Debt

Credit Facilities and Term Loans

In July 2012, the Company entered into a debt facility with Square 1 Bank which provided for a total facility of up to $1,825,000 and carried a variable interest rate equal to the greater of (i) 1.25% above the Prime Rate then in effect, or (ii) 5.50%. The debt facility was collateralized by substantially all assets of the Company and was scheduled to mature in July 2014 (with certain prepayment options). As of December 31, 2013 and 2012, $1,750,000 and $1,735,000 respectively was drawn on the facility with an interest rate of 5.50% for both periods. The debt was repaid in full in March 2014.

In connection with this facility, the Company issued a stock purchase warrant to Square 1 Bank to purchase 52,500 shares of Series D Preferred at an exercise price of $1.00 per share. The warrant expires in July 2022 and was recorded as a debt discount which was amortized as interest expense over the term of the debt using the effective interest method (and was fully amortized as of December 31, 2013). The warrant was initially classified as equity. Upon the adoption of the Plan of Conditional Recapitalization in December 2014 (see Note 5), the warrant was reclassified to a liability at its then fair value. The Black-Scholes option pricing model, utilizing Level 3 inputs, was used to determine the fair value of the warrant initially and upon reclassification (see Note 9).

Additionally, the Company incurred debt issuance costs of approximately $54,000 that were initially deferred as other assets and subsequently amortized as interest expense over the term of the debt using the effective interest method. Non-cash interest expense in connection with this debt facility, related to the amortization of debt issuance costs and debt discount, was $45,700 and $32,600 for the year ended December 31, 2013 and 2012 respectively (none in 2014).

The Square 1 Bank debt facility contained financial and other covenants. The Company was in compliance with such covenants as of December 31, 2013 and 2012.

On March 7, 2014, the Company entered into a credit facility with MidCap Financial SBIC, LP (“MidCap”) which provides for a total facility of up to $4,000,000, plus an additional $1,000,000 subject to certain performance requirements. The facility carries a variable interest rate equal to the greater of (i) 1.50% above the LIBOR then in effect, or (ii) 10.00%. The credit facility is collateralized by substantially all tangible assets of the Company and matures in March 2017. At the March 7, 2014 closing of the loan facility, $4,000,000 was drawn on the facility (with a portion of the proceeds being used to pay in full the outstanding balance on the prior facility from Square 1 Bank).

In connection with this facility, the Company issued a stock purchase warrant to MidCap to purchase 40,000 shares of Series D Preferred at an exercise price of $1.00 per share. This warrant expires in March 2024 and is recorded as a debt discount at its estimated fair value of $21,700 which is being amortized as interest expense over the term of the debt using the effective interest method. The warrant was initially classified as equity. Upon the adoption of the Plan of Conditional Recapitalization in December 2014 (see Note 5), the warrant was reclassified to a liability at its then fair value. The Black-Scholes option pricing model, utilizing Level 3 inputs, was used to determine the fair value of the warrant initially and upon reclassification (see Note 9).

In December 2014 and after the adoption of the Plan of Conditional Recapitalization, certain terms of the MidCap credit facility were amended and the additional $1,000,000 term loan was drawn. In consideration for the amendment and waiver, the Company issued an additional warrant to purchase 10,000 shares of Series D Preferred, with the same terms and conditions as the initial warrant. The amendment is accounted for as a “debt modification.” The warrant was recorded as a debt discount at its estimated fair value of $15,600 which is being amortized as interest expense over the term of the debt using the effective interest method. The warrant is classified as a liability.

The credit facility contains a minimum sales financial covenant for rolling twelve month sales each month. The Company was not in compliance with the covenant requirement as of December 31, 2014. The Company received a waiver from MidCap for the noncompliance as of December 31, 2014.

The Company incurred debt issuance costs related to the issuance and subsequent amendment of the MidCap credit facility of approximately $187,000, which were initially deferred as other assets and subsequently amortized as interest expense over the term of the debt using the effective interest method. Non-cash interest expense in connection with this debt facility, related to the amortization of debt issuance costs and debt discount, was $77,900 in 2014. The total balance of the MidCap credit facility at December 31, 2014 is $5,000,000 with an interest rate of 10%; the balance of the unamortized debt discount at December 31, 2014 is $27,600.

Future minimum principal payments under the MidCap credit facility are expected to be $1,535,714, $2,771,429 and $692,857 during the years ended December 31, 2015, 2016 and 2017, respectively.

Local Government

The Company received funding from a local government agency of $80,000 in 2002. In 2008, $10,400 was forgiven, and $69,600 was converted to a loan bearing interest at 5%, with monthly payments beginning in July 2011. The principal repayments under the loan included $21,800 in 2014, $22,300 in 2013 and $21,100 in 2012. The loan was repaid in full by December 31, 2014.

5. Preferred Stock

The Company has outstanding Series A-1 convertible preferred stock (the "Series A-1 Preferred"), Series B redeemable convertible preferred stock (the "Series B Preferred"), series C and D perpetual preferred stock (the "Series C Preferred" and "Series D Preferred") and Series E convertible preferred stock (the "Series E Preferred"), each with various rights and preferences, as discussed further below.

Rights to Nominate Directors

In accordance with the Company's restated certificate of incorporation, and prior to the effect of the Plan of Conditional Recapitalization (see discussion below), rights to elect members of the Board of Directors consists of eight directors designated as follows: (i) three individuals to be selected by the holders of the Series B Preferred, (ii) one individual to be selected by holders of the Series C Preferred, (iii) two individuals to be elected by the holders of Series B Preferred and common stock, voting together as a single class, and (iv) two individuals selected by the holders of the common stock. After the Plan of Conditional Recapitalization is effective, directors are elected by the common shareholders.

Liquidation Preferences

In the event of any liquidation, dissolution or winding up of the Company prior to the effect of the Plan of Conditional Recapitalization, each share of Series E Preferred is entitled to receive, prior and in preference to all other capital stock of the Company, an amount equal to $1.50 (one and one-half times the Series E purchase price) plus all accrued and unpaid Series E accruing dividends. After paying the Series E preference, the remaining preferred stockholders are entitled to (in order of preference):

- each share of Series D Preferred is entitled to receive, prior and in preference to all other capital stock of the Company, an amount equal to $4.00 (four times the Series D purchase price) plus all accrued and unpaid Series D accruing dividends;
- each share of Series C Preferred is entitled to receive an amount equal to $3.00 (three times the Series C Purchase Price) plus all accrued and unpaid Series C accruing dividends;
- each share of Series B Preferred will be entitled to receive, prior and in preference to all other capital stock of the Company, an amount equal to $1.00 (the Series B Purchase Price) plus all accrued and unpaid Series B accruing dividends (the Series B Preferential Amount);
- the assets of the Company legally available for distribution in such liquidation event (or the consideration received in such transaction), if any, are to be distributed ratably to the holders of the Series E Preferred, the Series B Preferred, Series A-1 Preferred, and common stock at the time outstanding on an as-if-converted-to-common-stock basis until such time as such holders have received an aggregate amount of $100,000,000;

- the holders of the Series A-1 Preferred shall be entitled to share in the distribution of up to $6,000,000 of the remaining assets of the Company on a pro rata basis; and
- thereafter, all remaining assets of the Company will be distributed pro rata among the holders of the Series E Preferred, Series B Preferred, Series A-1 Preferred, and common stock on an as-converted-into-common-stock pro rata basis.

Other Provisions of the Series A-1 Preferred

Prior to the effect of the Plan of Conditional Recapitalization, the Series A-1 Preferred has the following specific provisions:

Voting

Holders are entitled to vote on an as-converted basis with Series E Preferred, Series B Preferred and common holders.

Dividends

The holders of the Series A-1 Preferred shall be entitled to receive dividends each time the Company declares or pays any dividend in an amount equal to the amount of dividends that would have been received if the shares of Series A-1 Preferred had been converted to common stock. No dividends were declared during the periods presented.

Conversion

Each share of Series A-1 Preferred is convertible to one share of common stock at any time, subject to adjustments. If the Company consummates a public offering, which does not trigger the Plan of Conditional Recapitalization, from which the Company receives gross proceeds of at least $35,000,000 at a price not less than $6.00 per share, the conversion becomes mandatory. Also, the conversion becomes mandatory if the holders of at least two-thirds of the then outstanding shares of Series A-1 elect to covert.

Other Provisions of the Series B Preferred

Prior to the effect of the Plan of Conditional Recapitalization, the Series B Preferred has the following specific provisions:

Voting

Holders are entitled to vote on an as-converted basis with Series E Preferred, Series A-1 Preferred and common holders, and have separate voting rights on specified matters.

Dividends

The holders of Series B Preferred will be entitled to receive cumulative dividends, when and as declared by the Board of Directors, payable in cash or in kind, and in preference to any dividend on any other capital stock other than the Series C Preferred, Series D Preferred and Series E Preferred at a rate of 8% per annum (as adjusted for stock splits, stock dividends, re-capitalizations, and re-combinations). In the event of certain defaults by the Company, the dividend for the Series B Preferred shall increase to 12% per annum until such default is corrected, at which point the dividend rate returns to 8%. The Board of Directors has not declared any dividends.

Redemption

The Series B Preferred may be redeemed upon the election of the holders of two-thirds of the then-outstanding Series B Preferred. However, no shares can be redeemed unless approved by a vote or written consent of the holders of at least a majority in interest of the outstanding Series E Preferred, Series D Preferred, the Series C Preferred, each voting as a separate class. The redemption price is the greater of original issue price plus accrued and unpaid dividends or the fair market value as determined by the Board of Directors.

Conversion

Each share of Series B Preferred (including any accrued and unpaid dividends) may be converted at the holder's option at any time into one share of common stock, subject to adjustments. If the Company consummates a public offering, which does not trigger the Plan of Conditional Recapitalization, from which the Company receives gross proceeds of at least $35,000,000 at a price not less than $6.00 per share, the conversion becomes mandatory. Also, the conversion becomes mandatory if the holders of at least two-thirds of the then outstanding shares of Series B elect to covert.

Anti-dilution Adjustments

The conversion price of the Series B Preferred is subject to adjustment to prevent dilution, on a weighted-average basis, in the event that the Company issues additional shares of capital stock (or the right to acquire shares of capital stock) at a price per share that is less than the then-applicable conversion price of the Series B Preferred.

Other Provisions of the Series C Preferred

Prior to the effect of the Plan of Conditional Recapitalization, the Series C Preferred has the following specific provisions:

Voting

In addition to any other vote required by law, the vote or written consent of the holders of at least a majority of the outstanding Series C Preferred shares is necessary for effecting or validating (i) any action that alters or changes any of the powers, preferences, or other special rights, privileges or restrictions of the Series C Preferred, (ii) any authorization or any designation of any class or series of stock or any other securities convertible into equity securities of the Company ranking on a parity with or senior to the Series C Preferred in right of redemption, liquidation preference, voting or dividends, or (iii) any action that results in the payment or declaration of a dividend or distribution of property on any shares of Common Stock or Preferred Stock other than the Series C Preferred.

Dividends

The holders of Series C Preferred are entitled to receive cumulative dividends, when and as declared by the Board of Directors, payable in cash and in preference to any dividend on any other capital stock other than the Series E Preferred and Series D Preferred at a rate of 10% per annum (as adjusted for stock splits, stock dividends, re-capitalizations, and re-combinations). The Board of Directors has not declared dividends.

Conversion

Prior to the Plan of Conditional Recapitalization, the Series C preferred stock was not convertible. The Plan of Conditional Recapitalization provides that in the event that an AIM IPO closes before December 31, 2015, the Series C preferred stock is automatically converted into common stock based on a formula of value (with multiples of existing liquidation preferences) and on a discount from the AIM IPO price.

Other Provisions of the Series D Preferred

Prior to the effect of the Plan of Conditional Recapitalization, the Series D Preferred has the following specific provisions:

Voting

In addition to any other vote required by law, the vote or written consent of the holders of at least a majority in interest of the outstanding Series D Preferred, voting together as a separate class, shall be necessary for effecting or validating (i) any action that alters or changes any of the powers, preferences, or other special rights, privileges or restrictions of the Series D Preferred (whether by merger, consolidation, or the like), (ii) any authorization or any designation, whether by reclassification or otherwise, of any class or series of stock or any other securities convertible into equity securities of the Company ranking on a parity with or senior

to the Series D Preferred in right of redemption, liquidation preference, voting or dividends, or (iii) any action that results in the payment or declaration of a dividend or distribution of property.

Dividends

The holders of Series D Preferred are entitled to receive cumulative dividends, when and as declared by the Board of Directors, payable in cash, and in preference to any dividend on any other capital stock other than the Series E Preferred, at a rate of 10% per annum (as adjusted for stock splits, stock dividends, re-capitalizations, and re-combinations). The Board of Directors has not declared dividends.

Conversion

Prior to the Plan of Conditional Recapitalization, the Series D preferred stock was not convertible. The Plan of Conditional Recapitalization provides that in the event that an AIM IPO closes before December 31, 2015, the Series D preferred stock is automatically converted into common stock based on a formula of value (with multiples of existing liquidation preferences) and on a discount from the AIM IPO price.

Other Provisions of the Series E Preferred

Prior to the effect of the Plan of Conditional Recapitalization, the Series E Preferred has the following specific provisions:

Voting

Holders are entitled to vote on an as-converted basis with Series A-1 Preferred, Series B Preferred and common holders, and have separate voting rights on specified matters. In addition, and in addition to any other vote required by law, the vote or written consent of the holders of at least a majority interest of the outstanding Series E Preferred, voting together as a separate class, shall be necessary for effecting or validating (i) any action that alters or changes any of the powers, preferences, or other special rights, privileges or restrictions of the Series E Preferred (whether by merger, consolidation, or the like), (ii) any authorization or any designation, whether by reclassification or otherwise, of any class or series of stock or any other securities convertible into equity securities of the Company ranking on a parity with or senior to the Series E Preferred in right of redemption, liquidation preference, voting or dividends, or (iii) any action that results in the payment or declaration of a dividend or distribution of property.

Dividends

The holders of Series E Preferred are entitled to receive cumulative dividends, when and as declared by the Board of Directors, payable in cash, and in preference to any dividend on any other capital stock, at a rate of 10% per annum (as adjusted for stock splits, stock dividends, re-capitalizations, and re-combinations). The Board of Directors has not declared dividends.

Conversion

Each share of Series E Preferred is convertible to one share of common stock at any time, subject to adjustments. If the Company consummates a public offering in any jurisdiction prior to December 31, 2016, the conversion becomes mandatory at a conversion price calculated at a 15% discount from the applicable offering price.

Plan of Conditional Recapitalization

In December 2014, in contemplation of a potential public offering of shares on the AIM market of the London Stock Exchange (such offering, or in its place an initial public offering on an exchange acceptable to the Board of Directors, are referred to herein as an "AIM IPO"), the Board of Directors approved a Plan of Conditional Recapitalization whose effectiveness is conditioned upon (i) stockholder approval (which approval was received in December 2014) and (ii) the closing of an AIM IPO. Along with the Plan of Conditional Recapitalization, the Board approved a conditional Twelfth Amended and Restated Certificate of Incorporation and the conditional termination of various shareholder rights agreements.

The Plan of Conditional Recapitalization provides that in the event that an AIM IPO closes before December 31, 2015 (i) all outstanding Series D and Series B preferred stock purchase warrants automatically are exchanged for common shares based on a formula and on the AIM IPO price, and (ii) all Series A-1, B, C and D preferred stock are automatically converted into common stock based on a formula of value (with multiples of existing liquidation preferences) and on a discount from the AIM IPO price.

As a result of the Plan of Conditional Recapitalization, the Series A-1, B, C and D preferred stock now contain a contingent conversion option settleable by issuance of a variable number of shares; as such, the Series A-1, C and D preferred stock were reclassified to temporary equity upon the adoption of the Plan of Conditional Recapitalization (at their then fair value). Also upon adoption, the Series D warrants were reclassified from permanent equity to liability (at their then fair value) and will be marked-to-market at each balance sheet date until settlement.

6. Stock Options and Stock Purchase Warrants

Stock Options

The Company adopted the MaxCyte, Inc. 1999 Long-Term Incentive Plan (the "1999 Option Plan") and the MaxCyte, Inc. 2000 Long-Term Incentive Plan (the "2000 Option Plan" and, together with the 1999 Option Plan, the "Option Plans") to provide for the granting of stock options to employees, officers, and directors of the Company and to other individuals as determined by the Board of Directors. A total of 6,184,489 shares of common stock are reserved by the Company to accommodate the exercise of options under the Option Plans of which 36,417, 133,166 and 133,166 remained available for grant as of December 31, 2014, 2013 and 2012 respectively.

Stock options granted under the Option Plans may be either incentive stock options as defined by the Internal Revenue Code or non-qualified stock options. The Board of Directors determines who will receive options under the Option Plans and determines the vesting period, which generally has been three years for grants prior to August 2007 and four years thereafter. The options have a maximum term of no more than 10 years. The exercise price of the options granted under the Option Plans must be at least equal to the fair market value of the common stock on the date of grant. The Board of Directors determines the exercise price of non-qualified options.

A summary of stock option transactions for the year ended December 31, 2014, 2013 and 2012 is as follows:

	Number of Options	*Weighted Average Exercise Price*	*Weighted Average Remaining Contractual Life (in years)*	*Aggregate Intrinsic Value*
Outstanding at January 1, 2012	6,115,629	$0.18		$ –
Granted	27,000	$0.18		
Exercised	–			$ –
Forfeited	(127,975)	$0.18		
Outstanding at December 31, 2012	6,014,654		4	$ –
Granted	20,000	$0.18		$ –
Exercised	–			
Forfeited	(20,000)	$0.18		
Outstanding at December 31, 2013	6,014,654		2.7	$ –
Granted	5,859,840	$0.04		
Exercised	(1,811,700)	$0.04		$ –
Forfeited	(5,763,091)	$0.18		
Outstanding at December 31, 2014	4,299,703	$0.05	9.3	$ –
Exercisable at December 31, 2012	5,361,118	$0.18	4	$ –
Exercisable at December 31, 2013	5,630,660	$0.18	2.7	$ –
Exercisable at December 31, 2014	4,199,331	$0.05	9.2	$ –

The weighted-average fair values of the options granted during 2014, 2013 and 2012 were estimated to be $0.02, $0.07 and $0.07, respectively. Options granted in 2014, 2013 and 2012 had exercise prices in excess of the fair value of the underlying common stock at date of grant.

In 2014, the Company cancelled certain outstanding awards and issued new awards with reduced exercise prices and revised exercise periods, resulting in a charge of $91,800 in the fourth quarter of 2014. At December 31, 2014, there was $2,200 of stock-based compensation expense not yet recognized in the financial statements, which will be recognized over the next two years on a ratable basis.

Stock-based compensation expense is reflected in the Statements of Operations for the years ended December 31, 2014, 2013 and 2012 as shown below:

	2012 US$	*2013 US$*	*2014 US$*
General and administrative	24,200	3,800	55,600
Sales and marketing	2,200	400	15,400
Research and development	10,300	1,500	24,600
Total	36,700	5,700	95,000

The Company utilizes the Black-Scholes model for estimating fair value of its stock options at the date of grant. Option valuation models, including the Black-Scholes model, require the input of highly subjective assumptions, and changes in the assumptions used can materially affect the grant-date fair value of an award. These assumptions include the risk-free rate of interest, expected dividend yield, expected volatility and the expected life of the award.

Stock Purchase Warrants

At December 31, 2014, the Company had outstanding warrants to purchase 5,625 shares of the Company's Series B Preferred at $1.00 per share, which expire in 2015. The Series B warrants are classified as liabilities.

At December 31, 2014, the Company had outstanding warrants to purchase 102,500 shares of the Company's Series D Preferred at $1.00 per share, which expire beginning in 2022. The warrants were classified as equity as of December 31, 2013 and, as a result of the adoption of the December 2014 Conditional Plan of Recapitalization, were reclassified as liabilities in December 2014 see Note 4).

At December 31, 2013 and 2012, the Company had outstanding warrants to purchase 322,394 shares of the Company's Series B preferred stock at $1 per share which were fully vested and set to expire in 2014, as well as 52,500 shares of Series D preferred stock at $1 per share which were fully vested and set to expire in 2022.

7. Income Taxes

As a result of its operating losses, the Company did not recognize a provision (benefit) for income taxes in 2014, 2013 and 2012. Based on the Company's historical operating performance, the Company has provided a full valuation allowance against its net deferred tax assets.

Net deferred tax assets as of December 31, 2014, 2013 and 2012 are presented in the table below:

Deferred tax assets:	*2012* *US$*	*2013* *US$*	*2014* *US$*
Net operating loss carry forwards	7,456,100	7,613,300	8,287,000
Research and development credits	338,600	347,900	347,900
Stock-based compensation	192,300	194,500	240,600
Deferred revenue	227,300	308,500	548,300
Other	61,800	174,500	132,600
Deferred tax liabilities:			
Depreciation	(12,900)	(13,000)	(25,000)
Debt	–	–	(11,200)
	8,263,200	8,625,700	9,520,200
Valuation allowance	(8,263,200)	(8,625,700)	(9,520,200)
Net deferred tax assets	–	–	–

The Federal net operating loss carry forwards of approximately $20.5 million as of December 31, 2014 (2013: $19.5m, 2012: $19.1m) will begin to expire in various years beginning in 2021. The use of NOL carry forwards is limited on an annual basis under Internal Revenue Code Section 382 when there is a change in ownership (as defined by this code section). Based on changes in Company ownership in the past, the Company believes that the use of its NOL carry forwards generated prior to the date of the change is limited on an annual basis; NOL carry forwards generated subsequent to the date of change in ownership can be used without limitation. The use of the Company's net operating loss carryforwards may be restricted further if there are future changes in Company ownership. Additionally, despite the net operating loss carryforwards, the Company may have a future tax liability due to alternative minimum tax or state tax requirements.

Income tax expense reconciled to the tax computed at statutory rates for the years ended December 31, 2014, 2013 and 2012 is as follows:

	2012 *US$*	*2013* *US$*	*2014* *US$*
Federal income taxes (benefit) at statutory rates	(676,100)	(325,800)	(517,100)
State income taxes (benefit), net of Federal benefit	(60,600)	(29,200)	(98,600)
Permanent differences and rate changes	(32,900)	(7,500)	(278,800)
Change in valuation allowance	769,600	362,500	894,500
	–	–	–

8. Capital Leases

The Company leases computer equipment under agreements that are classified as capital leases. The assets under capital leases are recorded at the lower of net present value of the related lease payments or the fair value of the asset. The assets are amortized over their economic useful life.

The following is a schedule of future minimum lease payments under the capital lease obligations together with the net present value of the minimum lease payments as of December 31, 2014, 2013 and 2012:

	2012 *US$*	*2013* *US$*	*2014* *US$*
2013	24,600	–	–
2014	18,600	34,000	–
2015	15,800	31,300	31,300
2016	3,900	19,400	19,400
2017	–	15,500	15,500
2018	–	3,300	3,300
Total	62,900	103,500	69,500
Less: amount representing interest	(7,300)	(16,900)	(9,200)
Net present value of future minimum lease payments	55,600	86,600	60,300

The net present value of the minimum lease payments related to the leased equipment is included in the balance sheet at December 31, 2014, 2013 and 2012 as follows:

	2012 *US$*	*2013* *US$*	*2014* *US$*
Current portion	20,600	26,300	26,300
Long-term portion	35,000	60,300	34,000
Total capital lease obligations	55,600	86,600	60,300

The following is summary of property held under capital leases as of December 31:

	2012 *US$*	*2013* *US$*	*2014* *US$*
Original asset value	96,800	155,600	120,000
Less: accumulated depreciation	(43,900)	(75,800)	(69,300)
Net book value	52,900	79,800	50,700

The Company recognized $29,700, $31,900 and $24,500 of related amortization expense in 2014, 2013 and 2012, respectively.

9. Fair Value

The Company's balance sheet includes various financial instruments (primarily cash and cash equivalents, accounts receivable, accounts payable and accrued expenses, and other current liabilities) that are carried at cost, which approximates fair value due to the short-term nature of the instruments. Notes payable and capital lease obligations are reflective of fair value based on market comparable instruments with similar terms.

Financial Assets and Liabilities Measured at Fair Value on a Recurring Basis

After the adoption of the Plan of Conditional Recapitalization, the majority of the Company's stock purchase warrants are exchangeable into Series D Preferred which may be required to be settled by issuance of a variable number of shares; as such, the warrants are classified as liabilities, are measured at fair value and are marked to market each reporting period until settlement. The fair value of the warrants is measured using level 3 inputs and was determined based on the value of the warrants relative to the value of the Company's

other equity securities assuming an AIM IPO and effectiveness of the Plan of Conditional Recapitalization. The primary level 3 unobservable inputs included various assumptions about the potential AIM IPO.

The Company determined that the change in the fair value of the warrant liabilities from the date of the adoptions of the Plan of Conditional Recapitalization until December 31, 2014 was not material.

The following table presents the Company's financial assets and liabilities that were accounted for at fair value on a recurring basis as of December 31, 2014 (none at December 31, 2013 and 2012) by level within the fair value hierarchy:

Description	*Fair Value at December 31, 2014*	*Level 1*	*Level 2*	*Level 3*
Warrant Liabilities	$105,400	–	–	$105,400

The following table presents a summary of changes in the fair value of Level 3 warrant liabilities measured at fair value on a recurring basis for the year ended December 31, 2014 (none in 2013 and 2012):

Description	*Fair Value at December 31, 2013*	*Reclassified from Additional paid-in capital*	*Established in 2014*	*Change in fair value during 2014*	*Balance at December 31, 2014*
Warrant Liabilities	–	$89,800	$15,600	–	$105,400

Financial Assets and Liabilities Measured at Fair Value on a Non-Recurring Basis

During 2014, the Company issued Series D warrants as part of a debt financing, and recognized the fair value of the warrants as a debt discount. The warrants were initially classified as equity and were measured at fair value using level 3 unobservable inputs. The fair value of stock purchase warrants was determined using the Black-Scholes option pricing model, which requires the use of unobservable inputs such as fair value of the Company's Series D Preferred, expected term, anticipated volatility, and interest rates.

Also during 2014, upon the adoption of the Plan of Conditional Recapitalization, the Series A-1, C and D preferred stock contain a contingent conversion option settleable by issuance of a variable number of shares; as such, the Series A-1, C and D preferred stock were reclassified to temporary equity upon the adoption of the Plan of Conditional Recapitalization at their then fair value using level 3 unobservable inputs. The fair value of the preferred stock is measured using level 3 inputs and was determined by management based on the value of the specific series of preferred stock relative to the value of the Company's other equity securities assuming an AIM IPO and effectiveness of the Plan of Conditional Recapitalization. The primary level 3 unobservable inputs included various assumptions about the potential AIM IPO and the impact of the Series E Preferred issuance.

Non-Financial Assets and Liabilities Measured at Fair Value on a Recurring Basis

The Company has no non-financial assets and liabilities that are measured at fair value on a recurring basis.

Non-Financial Assets and Liabilities Measured at Fair Value on a Non-Recurring Basis

The Company measures its long-lived assets, including property and equipment, at fair value on a non-recurring basis. These assets are recognized at fair value when they are deemed to be impaired. No such fair value impairment was recognized in the years ended December 31, 2014, 2013 and 2012.

10. Employee Benefit Plan

The Company has a defined contribution plan (the Plan) under Internal Revenue Code Section 401(k) which is managed through Fidelity Investments. All United States resident employees are eligible for participation in the Plan. Participants may elect to contribute a proportion of their compensation up to the maximum amount of their annual pre-tax earnings allowed under the Employee Retirement Income Security Act of 1974 (ERISA) regulations. Participant contributions vest immediately. The Company has not made contributions to the Plan and has no plans in the near term to make any employer contribution to the 401(k) plan.

11. Commitments and Contingencies

The Company entered into a five-year non-cancelable operating lease agreement for office and laboratory space in February 2009 with an expiration of January 31, 2014. In 2013, the Company executed a five year extension to the lease whereby monthly rent starts at $16,129 and increases each year by 3%. In addition to base rent, the Company pays a pro-rated share of common area maintenance (CAM) costs for the entire building, which was adjusted annually based on actual expenses incurred.

Total rent expense, including base rent and CAM for the years ended December 31, 2014, 2013 and 2012, was $292,700, $284,000 and $264,300, respectively. Rent expense is recognized on a straight-line basis in the accompanying financial statements.

Future minimum rental payments on non-cancelable leases at December 31, 2014, 2013 and 2012 were as follows:

	2012	*2013*	*2014*
	US$	*US$*	*US$*
2013	189,800		
2014	16,100	190,600	–
2015	–	198,900	198,900
2016	–	204,800	204,800
2017	–	211,000	211,000
2018	–	217,300	217,300
2019 and thereafter	–	18,200	18,200
Total	205,900	1,040,800	850,200

In the event of a defined liquidity event, a portion of any proceeds otherwise payable to stockholders will be paid to employees, directors and consultants of the Company based an agreed-upon formula. No amount has been accrued, as management does not consider a liquidity event probable.

The Board has also approved, in recognition of reduced salaries agreed to by certain executives during the period between 2007 and 2009, the payment of approximately $151,700 to such executives upon the occurrence of a change of control of the Company.

12. Subsequent events

Debt

In February 2015 and June 2015 the Company amended the MidCap facility to, among other things, extend the maturity date to July 1, 2019 and revise principal amortization payments and other contingent payments. One of the effects of these amendments is to reclassify part of the debt from current liabilities to non-current liabilities at June 30, 2015. Further details of the amendment are provided on pages 117 to 118.

Recapitalization

In January 2016, the Recapitalization was approved (replacing the previous Plan of Conditional Recapitalization which had been approved in December 2014). Among other changes, the Recapitalization extended the deadline for an AIM IPO event to June 30, 2016, or such later date in 2016 as may be approved by the Board. Immediately prior to Admission and pursuant to the Recapitalization, all Series A-1, B, C and D preferred stock shall be converted automatically into Common Stock based on a formula as set out in and otherwise in accordance with the terms of the Recapitalization. The Series E preferred stock shall be converted automatically into Common Stock on a discount from the Placing Price. In addition, holders of the outstanding First Series D Preferred Stock Warrant, the Second Series D Preferred Stock Warrant and the Third Series D Preferred Stock Warrant have confirmed that such warrants shall be exchanged for Common Stock based on a formula as set out in and otherwise in accordance with the terms of such warrants and the Recapitalization. Completion of the Recapitalization will result in an increase in equity equivalent to the value of preferred stock purchase warrants.

The Directors
MaxCyte Inc.
22 Firstfield Road, Suite 110
Gaithersburg, MD
USA

The Directors
Panmure Gordon (UK) Limited
One New Change,
London
EC4M 9AF

16 March 2016

Dear Sirs

INDEPENDENT REVIEW REPORT TO MAXCYTE INC AND PANMURE GORDON (UK) LIMITED

We have been engaged by the Directors of MaxCyte Inc. and Panmure Gordon (UK) Limited to review the interim financial information of MaxCyte Inc. ('MaxCyte' or the 'Company') which comprises the statements of operations, statements of cash flow and related notes for the six months ended 30 June 2014 and 30 June 2015, the statement of redeemable convertible preferred stock and stockholders' deficit as of and for the six months ended 30 June 2015, and the balance sheets and related notes as at 31 December 2014 and 30 June 2015 ('the interim financial information').

This report is made solely to the Company and Panmure Gordon (UK) Limited in accordance with International Standard on Review Engagements (UK and Ireland) 2400 issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company and Panmure Gordon (UK) Limited those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and Panmure Gordon (UK) Limited, for our review work, for this report, or for the conclusions we have formed.

Responsibilities

The interim financial information is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim financial information in accordance with the accounting policies set out in note 2 of the interim financial information.

The annual financial statements of MaxCyte Inc are prepared in accordance with United States of America generally accepted accounting principles ('US GAAP'). The interim financial information has been prepared in accordance with the accounting policies the Company intends to use in preparing its next annual financial statements.

Our responsibility is to express to the Company and Panmure Gordon (UK) Limited a conclusion on the interim financial information based on our review.

Save for any responsibility arising under the AIM Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any person other than the addressees of this letter for any loss suffered by any such person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with the AIM Rules, consenting to its inclusion in the Admission Document dated 16 March 2016 of the Company.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2400, 'Engagements to Review Historical Financial Statements' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with the accounting policies set out in note 2 of the interim financial information.

Declaration

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

Yours faithfully

Mazars LLP

MaxCyte, Inc.
Balance Sheets as of June 30, 2015 and 31 December, 2014

	2014 *US$*	*2015* *US$*
Assets		
Current assets:		
Cash and cash equivalents	3,409,000	3,013,500
Accounts receivable	1,401,900	1,232,900
Inventory	941,100	977,000
Other current assets	276,000	428,900
Total current assets	6,028,000	5,652,300
Non-current assets:		
Property and equipment, net	236,200	202,400
Other noncurrent assets	37,000	62,100
Total Assets	6,301,200	5,916,800
Liabilities and stockholders' deficit		
Current liabilities:		
Current portion of note payable	1,526,000	–
Current portion of capital lease obligations	26,300	22,400
Accounts payable and accrued expenses	1,372,600	1,385,200
Deferred revenue	1,354,400	1,856,400
Total current liabilities	4,279,300	3,264,000
Non-current liabilities:		
Note payable, net of current portion	3,446,400	5,088,300
Preferred stock warrant liabilities	105,400	105,400
Capital lease obligations, net of current portion	34,000	24,000
Other liabilities	83,300	43,300
Total Liabilities	7,948,400	8,525,000
Redeemable Convertible Series E Preferred Stock, $0.01 par, 1,700,000 shares authorized, issued and outstanding at June 30, 2015; aggregate liquidation preference $2,654,000	1,633,100	1,633,100
Redeemable Convertible Series D Preferred Stock, $0.01 par, 1,602,500 shares authorized, 1,500,000 issued and outstanding at June 30, 2015; aggregate liquidation preference $6,860,300	3,339,500	3,339,500
Redeemable Convertible Series C Preferred Stock, $0.01 par, 2,500,000 shares authorized, 2,225,968 issued and outstanding at June 30, 2015; aggregate liquidation preference $8,195,300	3,977,400	3,977,400
Redeemable Convertible Series B Preferred Stock, $0.01 par, 22,000,000 shares authorized, 19,125,475 issued and outstanding at June 30, 2015; carrying amount approximates liquidation preference	33,769,100	34,527,800
Redeemable Convertible Series A-1 Preferred Stock, $0.01 par, 4,000,000 shares authorized, 3,129,406 issued and outstanding at June 30, 2015	1,028,100	1,028,100
Total Redeemable Convertible Preferred Stock	43,747,200	44,505,900
Stockholders' Deficit		
Common stock, $0.01 par, 34,000,000 shares authorized, 1,897,980 shares issued and outstanding at June 30, 2015	18,800	18,800
Additional paid in capital	–	–
Accumulated deficit	(45,413,200)	(47,132,900)
Total stockholders' deficit	(45,394,400)	(47,114,100)
Total Liabilities and Stockholders' Deficit	6,301,200	5,916,800

See accompanying notes to the financial information

MaxCyte, Inc.
Statements of Operations
For the Six Months Ended June 30,

	2014	*2015*
	US$	*US$*
Revenue	2,959,500	4,197,100
Costs of goods sold	(396,400)	(462,300)
Gross Profit	2,563,100	3,734,800
Operating expenses:		
Research and development	(1,218,700)	(1,439,700)
Sales and marketing	(1,209,800)	(1,519,500)
General and administrative	(1,052,900)	(1,364,200)
Total operating expenses	(3,481,400)	(4,323,400)
Operating loss	(918,300)	(588,600)
Other income (expense):		
Interest expense	(228,100)	(373,000)
Total other income (expense)	(228,100)	(373,000)
Net loss	(1,146,400)	(961,600)
Cumulative preferred stock dividends	(943,500)	(1,027,800)
Net loss attributable to common stock	(2,089,900)	(1,989,400)
Basic and diluted net loss per share	(30.61)	(1.06)
Weighted average shares outstanding, basic and diluted	68,280	1,879,980

See accompanying notes to the financial information

MaxCyte, Inc.
Statement of Redeemable Convertible Preferred Stock and Stockholders' Deficit
as of and for the six months ended June 30, 2015

	Redeemable Convertible Preferred Stock					*Common Stock*		*Additional Paid-in Capital*	*Accumulated Deficit*	*Total Stockholders' Deficit*
	Series E	*Series D*	*Series C*	*Series B*	*Series A-1*	*Shares*	*Amount*			
	US$	*US$*	*US$*	*US$*	*US$*		*US$*	*US$*	*US$*	*US$*
Balance December 31, 2014	1,633,100	3,339,500	3,977,400	33,769,100	1,028,100	1,879,980	18,800	–	(45,413,200)	(45,394,400)
Stock-based compensation expense	–	–	–	–	–	–	–	600	–	600
Accretion of redeemable preferred stock	–	–	–	758,700	–	–	–	(600)	(758,100)	(758,700)
Net Loss	–	–	–	–	–	–	–	–	(961,600)	(961,600)
Balance June 30, 2015	1,633,100	3,339,500	3,977,400	34,527,800	1,028,100	1,879,980	18,800	–	(47,132,900)	(47,114,100)

See accompanying notes to the financial information

MaxCyte, Inc.
Statements of Cash Flow
For the Six Months Ended June 30,

	2014	*2015*
	US$	*US$*
Cash flows from operating activities:		
Net loss	(1,146,400)	(961,600)
Adjustments to reconcile net loss to cash used in operating activities:		
Depreciation and amortization	41,900	46,000
Net book value of consigned equipment sold	–	26,400
Stock-based compensation	2,300	600
Non-cash interest expense	30,500	120,700
Changes in operating assets and liabilities		
Accounts receivable	(476,900)	169,000
Inventory	(324,400)	(35,900)
Other current assets	(120,100)	(72,000)
Accounts payable and accrued expenses	(437,200)	12,600
Deferred revenue	615,600	502,000
Other liabilities	32,000	–
Net cash used in operating activities	(1,782,700)	(192,200)
Cash flows from investing activities:		
Purchases of property and equipment	(52,900)	(38,600)
Net cash used in investing activities	(52,900)	(38,600)
Cash flows from financing activities:		
Proceeds from issuance of notes payable and warrants, net of issuance costs	3,832,500	121,800
Principal payments on notes payable	(1,761,500)	(150,000)
Principal payments on capital leases	(12,800)	(13,900)
Costs of anticipated offering paid in advance	–	(122,600)
Net cash provided by (used in) financing activities	2,058,200	(164,700)
Net increase (decrease) in cash and cash equivalents	222,600	(395,500)
Cash and cash equivalents, beginning of period	764,900	3,409,000
Cash and cash equivalents, end of period	987,500	3,013,500
Supplemental cash flow information:		
Cash paid for interest	166,000	252,000
Issuance of warrants	–	–

See accompanying notes to the financial information

MaxCyte, Inc.
Notes to Financial Information

1. Organization and Description of Business

MaxCyte, Inc. (the "Company" or "MaxCyte") was incorporated as a majority owned subsidiary of EntreMed, Inc. ("EntreMed") on July 31, 1998, under the laws and provisions of the state of Delaware, and commenced operations on July 1, 1999. In November 2002, MaxCyte was recapitalized and EntreMed was no longer deemed to control the Company.

MaxCyte's proprietary cell-loading technology provides enablement for the development of cell based therapeutics targeting a broad range of indications as well as for use in drug discovery, vaccine and bio-manufacturing applications. The Company licenses its technology to developers of ex-vivo modified cell therapies in exchange for research and licensing fees, and fees for its single use processing assemblies. The Company also sells and leases its instruments and consumables to pharmaceutical and biotechnology companies for use in drug discovery, vaccine and bio-manufacturing applications including high throughput screening and protein production.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying interim condensed financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") and are unaudited.

These unaudited condensed financial statements do not include all the information and footnotes required by US GAAP for complete financial statements. These unaudited interim condensed financial statements should be read in conjunction with the audited financial statements and accompanying notes for the year ended December 31, 2014. The unaudited interim condensed financial statements have been prepared on the same basis as the annual financial statements and, in the opinion of management, reflect all the adjustments (consisting of normal recurring adjustments) necessary to state fairly the Company's financial position as of June 30, 2015, the results of operations, and cash flows for the six months ended June 30, 2015 and 2014, and changes in convertible preferred stock and stockholders' deficit as of and for the six months ended June 30, 2015. The interim condensed results of operations are not necessarily indicative of the results that may occur for the full fiscal year.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. In the accompanying unaudited interim condensed financial statements, estimates are used for, but not limited to, stock-based compensation, allowance for doubtful accounts, allowance for inventory obsolescence, valuation of derivative liabilities and other financial instruments, accruals for contingent liabilities, fair value of long-lived assets, deferred taxes and valuation allowance, and the depreciable lives of fixed assets. Actual results could differ from those estimates.

Concentration

During the six months ended June 30, 2015 and 2014, one customer represented 18.3% and 19.8% respectively of net revenues; no other single customer represented more than 10% of net revenues in either period. As of June 30 2015, accounts receivable from this customer totaled 33.3% of net accounts receivable.

During the six months ended June 30, 2015 and 2014, the Company purchased approximately 54.8% and 60.1%, respectively, of total costs of goods sold from one supplier. As of June 30, 2015, amounts payable to this supplier totaled 21.1% of total accounts payable.

Foreign Currency

The Company's functional currency is the US dollar; transactions denominated in foreign currencies are translated at the exchange rate in effect at the date of each transaction. Differences in exchange rates during the period between the date a transaction denominated in foreign currency is consummated and the date on which it is either settled or translated for inclusion in the balance sheet are recognized in the Statement of Operations for that period.

Fair Value

Fair value is the price that would be received from the sale of an asset or paid to transfer a liability assuming an orderly transaction in the most advantageous market at the measurement date. US GAAP establishes a hierarchical disclosure framework which prioritizes and ranks the level of observability of inputs used in measuring fair value. These tiers include:

- Level 1—Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.
- Level 2—Observable market-based inputs other than quoted prices in active markets for identical assets or liabilities.
- Level 3—Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

See Note 7 for additional information regarding fair value.

Cash and Cash Equivalents

Cash and cash equivalents consist of financial instruments with original maturities of less than three months. At times the Company's cash balances may exceed federally insured limits. The Company does not believe that this results in any significant credit risk.

Inventory

The Company sells or leases products to customers. The Company uses the average cost method of accounting for its inventory and adjustments resulting from periodic physical inventory counts are reflected in costs of goods sold in the period of the adjustment. Inventory consisted of the following as of June 30, 2015:

	2014	*2015*
	US$	*US$*
Raw materials inventory	119,800	246,100
Work-in-process inventory	173,000	270,100
Finished goods inventory	648,300	460,800
Total Inventory, net	941,100	977,000

Accounts Receivable

Accounts receivable are reduced by an allowance for doubtful accounts, if needed. The allowance for doubtful accounts reflects the best estimate of probable losses determined principally on the basis of historical experience and specific allowances for known troubled accounts. All accounts or portions thereof that are deemed to be uncollectible or to require an excessive collection cost are written off to the allowance for doubtful accounts. The Company determined that no allowance was necessary at June 30, 2015.

Redeemable Convertible Preferred Stock

The Company's Series B redeemable convertible preferred stock has been classified since issuance as temporary equity since it is redeemable in certain circumstances outside of the Company's control. The Series B redeemable convertible preferred stock is increased by the accretion of any related discounts and

accrued but unpaid dividends so that the carrying amount equals the redemption amount at the estimated redemption date (see Note 5).

The Company's Series E convertible preferred stock issued in December 2014 was classified at issuance as temporary equity as a result of an embedded contingent conversion option that is potentially settleable by issuing a variable number of shares (see Note 5).

The Company's Series A-1 convertible preferred stock and the Series C perpetual preferred stock and Series D perpetual preferred stock were initially classified as permanent equity. As part of the adoption of the Plan of Conditional Recapitalization (see Note 5) in December 2014, the Company's Series A-1, C and D preferred stock were modified to include an embedded contingent conversion option that is potentially settleable by issuing a variable number of shares; as a result, the Series A-1, C and D preferred stock were reclassified to temporary equity upon modification (see Note 5).

Revenue Recognition

Revenue is recognized when there is persuasive evidence that an arrangement exists, delivery has occurred, the sales price is fixed and determinable, and collection is reasonably assured.

Revenue is principally from the sale or lease of instruments and processing assemblies, as well as from warranties, installation and maintenance. In some arrangements, product and services have been sold together in multiple element arrangements. In such arrangements, when the elements have standalone value to the customer, the Company allocates the sale price to the various elements in the arrangement on a relative selling price basis. Under this basis, the Company determines the estimated selling price of each element in a manner that is consistent with that used to determine the price to sell the deliverable on a standalone basis.

Revenue from the sale of instruments and disposables is recognized at the time of shipment to the customer, provided no significant vendor obligations remain and collectability is probable. Revenue from equipment leases are recognized ratably over the contractual term of the lease agreement. Licensing fee revenue is recognized ratably over the license period.

Research and Development Costs

Research and development costs consist of independent proprietary research and development costs, and the costs associated with work performed for fees from third parties. Research and development costs are expensed as incurred.

Stock-Based Compensation

The Company has a stock-based compensation plan for stock options awarded in exchange for employee and non-employee director services. The value of the award that is ultimately expected to vest is recognized as expense on a straight-line basis over the employee's requisite service period.

Income Taxes

The Company uses the asset and liability method of accounting for income taxes. Deferred tax assets and liabilities are determined based on differences between the financial reporting and tax basis of assets and liabilities and are measured using the enacted tax rates and laws that are expected to be in effect when the differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that such tax rate changes are enacted. The measurement of a deferred tax asset is reduced, if necessary, by a valuation allowance if it is more-likely-than-not that all or a portion of the deferred tax asset will not be realized.

Management uses a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return, as well as guidance on derecognition, classification, interest and penalties and financial statement reporting disclosures. For those benefits to be recognized, a tax position must be more-likely- than-not to be sustained upon examination by taxing authorities. The Company recognizes interest and penalties accrued on any

unrecognized tax exposures as a component of income tax expense. The Company has not identified any uncertain income tax positions that could have a material impact to the financial statements.

The Company is subject to taxation in various jurisdictions in the United States and remains subject to examination by taxing jurisdictions for 2011 and all subsequent periods. The Company's net operating loss carryforwards remain subject to examinations for all periods.

Loss Per Share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of shares of common stock outstanding during the period.

For periods of net income, and when the effects are not anti-dilutive, diluted earnings per share is computed by dividing net income available to common shareholders by the weighted-average number of shares outstanding plus the impact of all potential dilutive common shares, consisting primarily of common stock options and stock purchase warrants using the treasury stock method, and convertible preferred stock using the if-converted method.

For periods of net loss, diluted loss per share is calculated similarly to basic loss per share because the impact of all dilutive potential common shares is anti-dilutive. The number of anti-dilutive shares, consisting of (i) common stock options, (ii) stock purchase warrants, and (iii) convertible preferred stock exchangeable into common stock which has been excluded from the computation of diluted loss per share, was 32.0 million as of June 30, 2015.

The Company's convertible preferred stock, prior to its conversion, contains non-forfeitable rights to dividends, and therefore is considered to be a participating security; the calculation of basic and diluted income (loss) per share excludes net income (but not net loss) attributable to the convertible preferred stock from the numerator and excludes the impact of those shares from the denominator.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board, or FASB, issued guidance for revenue recognition for contracts, superseding the previous revenue recognition requirements, along with most existing industry-specific guidance. The guidance requires an entity to review contracts in five steps: 1) identify the contract, 2) identify performance obligations, 3) determine the transaction price, 4) allocate the transaction price, and 5) recognize revenue. The new standard will result in enhanced disclosures regarding the nature, amount, timing and uncertainty of revenue arising from contracts with customers. The standard currently is effective for the Company's reporting year beginning January 1, 2019 and early adoption is permitted starting January 1, 2018. The Company is currently evaluating the impact, if any, that this new accounting pronouncement will have on its financial statements.

In August 2014, the FASB issued guidance requiring management to evaluate on a regular basis whether any conditions or events have arisen that could raise substantial doubt about the entity's ability to continue as a going concern. The guidance 1) provides a definition for the term "substantial doubt," 2) requires an evaluation every reporting period, interim periods included, 3) provides principles for considering the mitigating effect of management's plans to alleviate the substantial doubt, 4) requires certain disclosures if the substantial doubt is alleviated as a result of management's plans, 5) requires an express statement, as well as other disclosures, if the substantial doubt is not alleviated, and 6) requires an assessment period of one year from the date the financial statements are available to be issued. The standard is effective for the Company's reporting year beginning January 1, 2017 and early adoption is permitted. The Company is currently evaluating the impact, if any, that this new accounting pronouncement will have on its financial statements.

In April 2015, the FASB issued accounting guidance requiring that debt issuance costs related to a recognized liability be presented on the balance sheet as a direct reduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected. The standard is effective for reporting periods beginning after December 15, 2015. The

Company is currently evaluating the impact, if any, that this new accounting pronouncement will have on its financial statements.

The Company has evaluated all other issued and unadopted Accounting Standards Updates and believes the adoption of these standards will not have a material impact on its results of operations, financial position, or cash flows.

3. Related Party Transactions – Assignment of License Agreement from EntreMed

On May 30, 2000, EntreMed assigned to the Company all of its rights under a license agreement (the Agreement) with Boston Children's Hospital, formerly Immune Disease Institute, Inc. The assignment included the worldwide exclusive license to certain patents and patent applications. The Company agreed to carry out the obligations of the Agreement, which includes the annual payment of royalties based on net sales of licensed products. Effective January 1, 2009, the Company extended the Agreement on its own behalf and settled all outstanding amounts due thereunder. The Agreement required a minimum annual fee of $50,000 which was applied against any royalties due for the annual period, provided for contingent cash and equity payments based on qualifying sales, and is cancellable by the Company with 90 days written notice. The Company recognized royalty expense associated with the Agreement of $37,200 for the six months ended June 30, 2014 (none in 2015). All of the patents which are the subject of the license expired in March 2014.

4. Debt

In March 2014, the Company entered into a credit facility with MidCap Financial SBIC, LP ("MidCap") which provides for a total facility of up to $4,000,000, plus an additional $1,000,000 subject to certain performance requirements. The facility carries a variable interest rate equal to the greater of (i) 1.50% above the LIBOR then in effect, or (ii) 10.00%. The credit facility is collateralized by substantially all tangible assets of the Company and matures in March 2017. The Company borrowed the initial $4,000,000 in March 2014 (and used a portion of the proceeds pay in full the outstanding balance on the prior facility from Square 1 Bank).

In connection with this facility, in 2014 the Company issued a stock purchase warrant to MidCap to purchase 40,000 shares of Series D Preferred at an exercise price of $1.00 per share. This warrant expires in March 2024 and is recorded as a debt discount at its estimated fair value of $21,700 which is being amortized as interest expense over the term of the debt using the effective interest method. The warrant was initially classified as equity; upon the adoption of the Plan of Conditional Recapitalization in December 2014 (see Note 5) the warrant was reclassified to a liability at its then fair value.

The total balance of the MidCap credit facility at June 30, 2015 was $5,105,400, with an interest rate of 10%; the balance of the unamortized debt discount at June 30, 2015 was $17,100. Future minimum principal payments under the MidCap credit facility are expected to be approximately $850,000 in 2016, approximately $1,702,000 in 2017 and 2018, and approximately $850,000 in 2019.

The Company amended the MidCap facility in December 2014, February 2015 and June 2015, and has accounted for the amendments as a "modification of debt." Accordingly, the Company has deferred additional fees incurred and paid to the lender in connection with the amendments and expensed all fees paid to third parties. The deferred fees are being amortized using the effective interest method over the remaining term of the amended debt. Unamortized deferred financing costs were approximately $102,000 at June 30, 2015 and are included in other assets in the accompanying balance sheet.

In December 2014 and after the adoption of the Plan of Conditional Recapitalization, certain terms of the MidCap credit facility were amended and the additional $1,000,000 term loan was drawn. In consideration for the amendment and waiver, the Company issued an additional warrant to purchase 10,000 shares of Series D Preferred, with the same terms and conditions as the initial warrant. The warrant was recorded as a debt discount at its estimated fair value of $15,600 which is being amortized as interest expense over the term of the debt using the effective interest method. The warrant is classified as a liability.

The Company amended the MidCap facility in February 2015 and in June 2015, to, among other things, (i) waive certain existing events of default, (ii) allow certain otherwise prohibited investments, (iii) extend the

maturity date to July 1, 2019, (iv) revise principal amortization payments and other contingent payments, and (v) increase the principal amount to $5,105,400.

5. Preferred Stock

The Company has outstanding Series A-1 convertible preferred stock (the "Series A-1 Preferred"), Series B redeemable convertible preferred stock (the "Series B Preferred"), series C and D perpetual preferred stock (the "Series C Preferred" and "Series D Preferred") and Series E convertible preferred stock (the "Series E Preferred"), each with various rights and preferences, as discussed further below.

Rights to Nominate Directors

In accordance with the Company's restated certificate of incorporation, and prior to the effect of the Plan of Conditional Recapitalization (see discussion below), rights to elect members of the Board of Directors consists of eight directors designated as follows: (i) three individuals to be selected by the holders of the Series B Preferred, (ii) one individual to be selected by holders of the Series C Preferred, (iii) two individuals to be elected by the holders of Series B Preferred and common stock, voting together as a single class, and (iv) two individuals selected by the holders of the common stock. After the Plan of Conditional Recapitalization is effective, directors are elected by the common shareholders.

Liquidation Preferences

In the event of any liquidation, dissolution or winding up of the Company prior to the effect of the Plan of Conditional Recapitalization, each share of Series E Preferred is entitled to receive, prior and in preference to all other capital stock of the Company, an amount equal to $1.50 (one and one-half times the Series E purchase price) plus all accrued and unpaid Series E accruing dividends. After paying the Series E preference, the remaining preferred stockholders are entitled to (in order of preference):

- each share of Series D Preferred is entitled to receive, prior and in preference to all other capital stock of the Company, an amount equal to $4.00 (four times the Series D purchase price) plus all accrued and unpaid Series D accruing dividends;
- each share of Series C Preferred is entitled to receive an amount equal to $3.00 (three times the Series C Purchase Price) plus all accrued and unpaid Series C accruing dividends;
- each share of Series B Preferred will be entitled to receive, prior and in preference to all other capital stock of the Company, an amount equal to $1.00 (the Series B Purchase Price) plus all accrued and unpaid Series B accruing dividends (the Series B Preferential Amount);
- the assets of the Company legally available for distribution in such liquidation event (or the consideration received in such transaction), if any, are to be distributed ratably to the holders of the Series E Preferred, the Series B Preferred, Series A-1 Preferred, and common stock at the time outstanding on an as-if-converted-to-common-stock basis until such time as such holders have received an aggregate amount of $100,000,000;
- the holders of the Series A-1 Preferred shall be entitled to share in the distribution of up to $6,000,000 of the remaining assets of the Company on a pro rata basis; and
- thereafter, all remaining assets of the Company will be distributed pro rata among the holders of the Series E Preferred, Series B Preferred, Series A-1 Preferred, and common stock on an as-converted-into-common-stock pro rata basis.

Other Provisions of the Series A-1 Preferred

Prior to the effect of the Plan of Conditional Recapitalization, the Series A-1 Preferred has the following specific provisions:

Voting

Holders are entitled to vote on an as-converted basis with Series E Preferred, Series B Preferred and common holders.

Dividends

The holders of the Series A-1 Preferred shall be entitled to receive dividends each time the Company declares or pays any dividend in an amount equal to the amount of dividends that would have been received if the shares of Series A-1 Preferred had been converted to common stock. No dividends were declared during the periods presented.

Conversion

Each share of Series A-1 Preferred is convertible to one share of common stock at any time, subject to adjustments. If the Company consummates a public offering, which does not trigger the Plan of Conditional Recapitalization, from which the Company receives gross proceeds of at least $35,000,000 at a price not less than $6.00 per share, the conversion becomes mandatory. Also, the conversion becomes mandatory if the holders of at least two-thirds of the then outstanding shares of Series A-1 elect to covert.

Other Provisions of the Series B Preferred

Prior to the effect of the Plan of Conditional Recapitalization, the Series B Preferred has the following specific provisions:

Voting

Holders are entitled to vote on an as-converted basis with Series E Preferred, Series A-1 Preferred and common holders, and have separate voting rights on specified matters.

Dividends

The holders of Series B Preferred will be entitled to receive cumulative dividends, when and as declared by the Board of Directors, payable in cash or in kind, and in preference to any dividend on any other capital stock other than the Series C Preferred, Series D Preferred and Series E Preferred at a rate of 8% per annum (as adjusted for stock splits, stock dividends, re-capitalizations, and re-combinations). In the event of certain defaults by the Company, the dividend for the Series B Preferred shall increase to 12% per annum until such default is corrected, at which point the dividend rate returns to 8%. The Board of Directors has not declared any dividends.

Redemption

The Series B Preferred may be redeemed upon the election of the holders of two-thirds of the then-outstanding Series B Preferred. However, no shares can be redeemed unless approved by a vote or written consent of the holders of at least a majority in interest of the outstanding Series E Preferred, Series D Preferred, the Series C Preferred, each voting as a separate class. The redemption price is the greater of original issue price plus accrued and unpaid dividends or the fair market value as determined by the Board of Directors.

Conversion

Each share of Series B Preferred (including any accrued and unpaid dividends) may be converted at the holder's option at any time into one share of common stock, subject to adjustments. If the Company consummates a public offering, which does not trigger the Plan of Conditional Recapitalization, from which the Company receives gross proceeds of at least $35,000,000 at a price not less than $6.00 per share, the

conversion becomes mandatory. Also, the conversion becomes mandatory if the holders of at least two-thirds of the then outstanding shares of Series B elect to covert.

Anti-dilution Adjustments

The conversion price of the Series B Preferred is subject to adjustment to prevent dilution, on a weighted-average basis, in the event that the Company issues additional shares of capital stock (or the right to acquire shares of capital stock) at a price per share that is less than the then-applicable conversion price of the Series B Preferred.

Other Provisions of the Series C Preferred

Prior to the effect of the Plan of Conditional Recapitalization, the Series C Preferred has the following specific provisions:

Voting

In addition to any other vote required by law, the vote or written consent of the holders of at least a majority of the outstanding Series C Preferred shares is necessary for effecting or validating (i) any action that alters or changes any of the powers, preferences, or other special rights, privileges or restrictions of the Series C Preferred, (ii) any authorization or any designation of any class or series of stock or any other securities convertible into equity securities of the Company ranking on a parity with or senior to the Series C Preferred in right of redemption, liquidation preference, voting or dividends, or (iii) any action that results in the payment or declaration of a dividend or distribution of property on any shares of Common Stock or Preferred Stock other than the Series C Preferred.

Dividends

The holders of Series C Preferred are entitled to receive cumulative dividends, when and as declared by the Board of Directors, payable in cash and in preference to any dividend on any other capital stock other than the Series E Preferred and Series D Preferred at a rate of 10% per annum (as adjusted for stock splits, stock dividends, re-capitalizations, and re-combinations). The Board of Directors has not declared dividends.

Conversion

Prior to the Plan of Conditional Recapitalization, the Series C preferred stock was not convertible. The Plan of Conditional Recapitalization provides that in the event that an AIM IPO closes before December 31, 2015, the Series C preferred stock is automatically converted into common stock based on a formula of value (with multiples of existing liquidation preferences) and on a discount from the AIM IPO price.

Other Provisions of the Series D Preferred

Prior to the effect of the Plan of Conditional Recapitalization, the Series D Preferred has the following specific provisions:

Voting

In addition to any other vote required by law, the vote or written consent of the holders of at least a majority in interest of the outstanding Series D Preferred, voting together as a separate class, shall be necessary for effecting or validating (i) any action that alters or changes any of the powers, preferences, or other special rights, privileges or restrictions of the Series D Preferred (whether by merger, consolidation, or the like), (ii) any authorization or any designation, whether by reclassification or otherwise, of any class or series of stock or any other securities convertible into equity securities of the Company ranking on a parity with or senior to the Series D Preferred in right of redemption, liquidation preference, voting or dividends, or (iii) any action that results in the payment or declaration of a dividend or distribution of property.

Dividends

The holders of Series D Preferred are entitled to receive cumulative dividends, when and as declared by the Board of Directors, payable in cash, and in preference to any dividend on any other capital stock other than

the Series E Preferred, at a rate of 10% per annum (as adjusted for stock splits, stock dividends, re-capitalizations, and re-combinations). The Board of Directors has not declared dividends.

Conversion

Prior to the Plan of Conditional Recapitalization, the Series D preferred stock was not convertible. The Plan of Conditional Recapitalization provides that in the event that an AIM IPO closes before December 31, 2015, the Series D preferred stock is automatically converted into common stock based on a formula of value (with multiples of existing liquidation preferences) and on a discount from the AIM IPO price.

Other Provisions of the Series E Preferred

Prior to the effect of the Plan of Conditional Recapitalization, the Series E Preferred has the following specific provisions:

Voting

Holders are entitled to vote on an as-converted basis with Series A-1 Preferred, Series B Preferred and common holders, and have separate voting rights on specified matters. In addition, and in addition to any other vote required by law, the vote or written consent of the holders of at least a majority interest of the outstanding Series E Preferred, voting together as a separate class, shall be necessary for effecting or validating (i) any action that alters or changes any of the powers, preferences, or other special rights, privileges or restrictions of the Series E Preferred (whether by merger, consolidation, or the like), (ii) any authorization or any designation, whether by reclassification or otherwise, of any class or series of stock or any other securities convertible into equity securities of the Company ranking on a parity with or senior to the Series E Preferred in right of redemption, liquidation preference, voting or dividends, or (iii) any action that results in the payment or declaration of a dividend or distribution of property.

Dividends

The holders of Series E Preferred are entitled to receive cumulative dividends, when and as declared by the Board of Directors, payable in cash, and in preference to any dividend on any other capital stock, at a rate of 10% per annum (as adjusted for stock splits, stock dividends, re-capitalizations, and re-combinations). The Board of Directors has not declared dividends.

Conversion

Each share of Series E Preferred is convertible to one share of common stock at any time, subject to adjustments. If the Company consummates a public offering in any jurisdiction prior to December 31, 2016, the conversion becomes mandatory at a conversion price calculated at a 15% discount from the applicable offering price.

Plan of Conditional Recapitalization

In December 2014, in contemplation of a potential public offering of shares on the AIM market of the London Stock Exchange (such offering, or in its place an initial public offering on an exchange acceptable to the Board of Directors, are referred to herein as an "AIM IPO"), the Board of Directors approved a Plan of Conditional Recapitalization whose effectiveness is conditioned upon (i) stockholder approval (which approval was received in December 2014) and (ii) the closing of an AIM IPO. Along with the Plan of Conditional Recapitalization, the Board approved a conditional Twelfth Amended and Restated Certificate of Incorporation and the conditional termination of various shareholder rights agreements.

The Plan of Conditional Recapitalization provides that in the event that an AIM IPO closes before December 31, 2015 (i) all outstanding Series D and Series B preferred stock purchase warrants automatically are exchanged for common shares based on a formula and on the AIM IPO price, and (ii) all Series A-1, B, C and D preferred stock are automatically converted into common stock based on a formula of value (with multiples of existing liquidation preferences) and on a discount from the AIM IPO price.

As a result of the Plan of Conditional Recapitalization, the Series A-1, B, C and D preferred stock now contain a contingent conversion option settleable by issuance of a variable number of shares; as such, the Series A-1, C and D preferred stock were reclassified to temporary equity upon the adoption of the Plan of Conditional Recapitalization (at their then fair value). Also upon adoption, the Series D warrants were reclassified from permanent equity to liability (at their then fair value) and will be marked-to-market at each balance sheet date until settlement.

6. Stock Options and Stock Purchase Warrants

Stock Options

The Company adopted the MaxCyte, Inc. 1999 Long-Term Incentive Plan (the "1999 Option Plan") and the MaxCyte, Inc. 2000 Long-Term Incentive Plan (the "2000 Option Plan" and, together with the 1999 Option Plan, the "Option Plans") to provide for the granting of stock options to employees, officers, and directors of the Company and to other individuals as determined by the Board of Directors. A total of 6,184,489 shares of common stock are reserved by the Company to accommodate the exercise of options under the Option Plans of which 127,615 remained available for grant as of June 30, 2015.

Stock options granted under the Option Plans may be either incentive stock options as defined by the Internal Revenue Code or non-qualified stock options. The Board of Directors determines who will receive options under the Option Plans and determines the vesting period, which generally has been three years for grants prior to August 2007 and four years thereafter. The options have a maximum term of no more than 10 years. The exercise price of the options granted under the Option Plans must be at least equal to the fair market value of the common stock on the date of grant. The Board of Directors determines the exercise price of non-qualified options.

In 2014, the Company cancelled certain outstanding awards and issued new awards with reduced exercise prices and revised exercise periods, resulting in a charge of $91,800 in the fourth quarter of 2014. Stock options to acquire 40,000 shares of common stock were granted during the six months ended June 30, 2014 (none granted in 2015). As of June 30, 2015, the Company had 4,208,504 stock options outstanding with a weighted average exercise price of $0.05 and a weighted average contractual life of 8.9 years. As of June 30, 2015, total unrecognized stock-based compensation expense was $1,000 which will be recognized over the next three years.

The Company utilizes the Black-Scholes model for estimating fair value of its stock options at the date of grant. Option valuation models, including the Black-Scholes model, require the input of highly subjective assumptions, and changes in the assumptions used can materially affect the grant-date fair value of an award. These assumptions include the risk-free rate of interest, expected dividend yield, expected volatility and the expected life of the award.

Stock Purchase Warrants

At June 30, 2015, the Company had outstanding warrants to purchase 5,625 shares of the Company's Series B Preferred at $1.00 per share, which expire in 2015. The Series B warrants are classified as liabilities.

At June 30, 2015 the Company had outstanding warrants to purchase 102,500 shares of the Company's Series D Preferred at $1.00 per share, which expire beginning in 2022. The warrants were classified as equity as of June 30, 2014 and, as a result of the adoption of the December 2014 Conditional Plan of Recapitalization, were reclassified as liabilities in December 2014 (see Note 4).

7. Fair Value

The Company's balance sheet includes various financial instruments (primarily cash and cash equivalents, accounts receivable, accounts payable and accrued expenses, and other current liabilities) that are carried at cost, which approximates fair value due to the short-term nature of the instruments. Notes payable and capital lease obligations are reflective of fair value based on market comparable instruments with similar terms.

Financial Assets and Liabilities Measured at Fair Value on a Recurring Basis

After the adoption of the Plan of Conditional Recapitalization, the majority of the Company's stock purchase warrants are exchangeable into Series D Preferred which may be required to be settled by issuance of a variable number of shares; as such, the warrants are classified as liabilities, are measured at fair value and are marked to market each reporting period until settlement. The fair value of the warrants is measured using level 3 inputs and was determined based on the value of the warrants relative to the value of the Company's other equity securities assuming an AIM IPO and effectiveness of the Plan of Conditional Recapitalization. The primary level 3 unobservable inputs included various assumptions about the potential AIM IPO.

The Company determined that the change in the fair value of the warrant liabilities from December 31, 2014 to June 30, 2015 was not material.

The following table presents the Company's financial assets and liabilities that were accounted for at fair value on a recurring basis as of June 30, 2015 by level within the fair value hierarchy:

Description	*Fair Value at June 30, 2015*	*Level 1*	*Level 2*	*Level 3*
Warrant Liabilities	$105,400	–	–	$105,400

The following table presents a summary of changes in the fair value of Level 3 warrant liabilities measured at fair value on a recurring basis for the six months ended June 30, 2015 (none in the 2014 period):

Description	*Fair Value at December 31, 2014*	*Reclassified from Additional paid-in capital*	*Established in 2015*	*Change in fair value during 2015*	*Balance at June 30, 2015*
Warrant Liabilities	$105,400	–	–	–	$105,400

Financial Assets and Liabilities Measured at Fair Value on a Non-Recurring Basis

During the six months ended June 30, 2014, the Company issued Series D warrants as part of a debt financing, and recognized the fair value of the warrants as a debt discount. The warrants were initially classified as equity and were measured at fair value using level 3 unobservable inputs. The fair value of stock purchase warrants was determined using the Black-Scholes option pricing model, which requires the use of unobservable inputs such as fair value of the Company's Series D Preferred, expected term, anticipated volatility, and interest rates. These warrants were reclassified to liabilities in connection with the December 2014 Conditional Plan of Recapitalization.

Non-Financial Assets and Liabilities Measured at Fair Value on a Recurring Basis

The Company has no non-financial assets and liabilities that are measured at fair value on a recurring basis.

Non-Financial Assets and Liabilities Measured at Fair Value on a Non-Recurring Basis

The Company measures its long-lived assets, including property and equipment, at fair value on a non-recurring basis. These assets are recognized at fair value when they are deemed to be impaired. No such fair value impairment was recognized in the six months ended June 30, 2015 and 2014.

8. Commitments and Contingencies

The Company entered into a five-year non-cancelable operating lease agreement for office and laboratory space in February 2009 with an expiration of January 31, 2014. In 2013, the Company executed a five year extension to the lease whereby monthly rent starts at $16,129 and increases each year by 3%. In addition to base rent, the Company pays a pro-rated share of common area maintenance (CAM) costs for the entire building, which was adjusted annually based on actual expenses incurred.

Total rent expense, including base rent and CAM for the six months ended June 30, 2015 and 2014, was $159,900 and $153,600, respectively. Rent expense is recognized on a straight-line basis in the accompanying financial statements.

In the event of a defined liquidity event, a portion of any proceeds otherwise payable to stockholders will be paid to employees, directors and consultants of the Company based an agreed-upon formula. No amount has been accrued, as management does not consider a liquidity event probable.

The Board has also approved, in recognition of reduced salaries agreed to by certain executives during the period between 2007 and 2009, the payment of approximately $151,700 to such executives upon the occurrence of a change of control of the Company.

9. Subsequent events

Recapitalization

In January 2016, the Recapitalization was approved (replacing the previous Plan of Conditional Recapitalization which had been approved in December 2014). Among other changes, the Recapitalization extended the deadline for an AIM IPO event to June 30, 2016, or such later date in 2016 as may be approved by the Board. Immediately prior to Admission and pursuant to the Recapitalization, all Series A-1, B, C and D preferred stock shall be converted automatically into Common Stock based on a formula as set out in and otherwise in accordance with the terms of the Recapitalization. The Series E preferred stock shall be converted automatically into Common Stock on a discount from the Placing Price. In addition, holders of the outstanding First Series D Preferred Stock Warrant, the Second Series D Preferred Stock Warrant and the Third Series D Preferred Stock Warrant have confirmed that such warrants shall be exchanged for Common Stock based on a formula as set out in and otherwise in accordance with the terms of such warrants and the Recapitalization. Completion of the Recapitalization will result in an increase in equity equivalent to the value of preferred stock purchase warrants.

PART 4B

PRO FORMA STATEMENT OF NET ASSETS

The Directors
MaxCyte Inc.
22 Firstfield Road, Suite 110
Gaithersburg, MD
USA

The Directors
Panmure Gordon (UK) Limited
One New Change,
London
EC4M 9AF

16 March 2016

Dear Sirs

ACCOUNTANTS' REPORT ON PRO FORMA NET ASSETS

We report on the unaudited pro forma financial information set out in this Part 4B of the AIM Admission Document (the 'Admission Document') of MaxCyte Inc. ('MaxCyte' or the 'Company') which has been prepared on the basis of the notes thereto, for illustrative purposes only, to provide information about how the Placing and conversion of preferred stock and preferred stock warrants might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing its financial information as at and for the period ended 30 June 2015.

Responsibilities

It is the responsibility of the Directors of the Company to prepare the unaudited pro forma financial information. It is our responsibility to form an opinion on the financial information as to the proper compilation of the unaudited pro forma financial information and to report our opinion to you.

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

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the unaudited pro forma financial information with the Directors of the Company.

We planned and performed our work so as to obtain all the information and explanations we considered necessary in order to provide us with reasonable assurance that the unaudited pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Opinion

In our opinion:

– the unaudited pro forma financial information has been properly complied on the basis stated; and

– such basis is consistent with the accounting policies of the Company.

Declaration

We are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Yours faithfully

Mazars LLP

PRO FORMA STATEMENT OF NET ASSETS OF THE COMPANY

Set out below is an unaudited pro forma statement of net assets of MaxCyte Inc. ('MaxCyte' or the 'Company') as at 30 June 2015, which has been prepared on the basis of the financial information on the Company, as adjusted for the Placing and conversion of preferred stock and preferred stock warrants, as set out in the notes below.

The unaudited pro forma has been prepared for illustrative purposes only and, because of its nature, will not represent the actual consolidated financial position of the Company at the date of Admission.

	June 30, 2015 Note 1 US$	*Conversion Note 2 US$*	*Net Proceeds Note 3 US$*	*Pro forma net assets US$*
Assets				
Current assets:				
Cash and cash equivalents	3,013,500	–	11,265,500	14,279,000
Accounts receivable	1,232,900	–	–	1,232,900
Inventory	977,000	–	–	977,000
Other current assets	428,900	–	(122,600)	306,300
Total current assets	5,652,300	–	11,142,900	16,795,200
Non-current assets:				
Property and equipment, net	202,400	–	–	202,400
Other non-current assets	62,100	–	–	62,100
Total Assets	5,916,800	–	11,142,900	17,059,700
Liabilities and stockholders' deficit				
Current liabilities:				
Current portion of capital lease obligations	22,400	–	–	22,400
Accounts payable and accrued expenses	1,385,200	–	–	1,385,200
Deferred revenue	1,856,400	–	–	1,856,400
Total current liabilities	3,264,000	–	–	3,264,000
Non-current liabilities:				
Note payable, net of current portion	5,088,300	–	–	5,088,300
Preferred stock warrant liabilities	105,400	(105,400)	–	–
Capital lease obligations, net of current portion	24,000	–	–	24,000
Other liabilities	43,300	–	–	43,300
Total Liabilities	8,525,000	(105,400)	–	8,419,600
Redeemable Convertible Series E Preferred Stock	1,633,100	(1,633,100)	–	–
Redeemable Convertible Series D Preferred Stock	3,339,500	(3,339,500)	–	–
Redeemable Convertible Series C Preferred Stock	3,977,400	(3,977,400)	–	–
Redeemable Convertible Series B Preferred Stock	34,527,800	(34,527,800)	–	–
Redeemable Convertible Series A-1 Preferred Stock	1,028,100	(1,028,100)	–	–
Total Redeemable Convertible Preferred Stock	44,505,900	(44,505,900)	–	–
Stockholders' (deficit)/funds				
Common stock	18,800	272,400	142,900	434,100
Additional paid in capital	–	44,338,900	11,000,000	55,338,900
Accumulated deficit	(47,132,900)	–	–	(47,132,900)
Total stockholders' (deficit)/funds	(47,114,100)	44,611,300	11,142,900	8,640,100
Total Liabilities and Stockholders' (deficit)/funds	5,916,800	–	11,142,900	17,059,700

Notes:

1. The unaudited balance sheet of the Company as at 30 June 2015 has been extracted without adjustment from the historical financial information on the Company set out in Part 4A of the Admission Document. No account has been taken of the activities of the Company subsequent to 30 June 2015.

2. Immediately prior to Admission and pursuant to the Recapitalization, all Series A-1, B, C and D preferred stock shall be converted automatically into Common Stock based on a formula as set out in and otherwise in accordance with the terms of the Recapitalization. The Series E preferred stock shall be converted automatically into Common Stock on a discount from the Placing Price. In addition, holders of the outstanding First Series D Preferred Stock Warrant, the Second Series D Preferred Stock Warrant and the Third Series D Preferred Stock Warrant have confirmed that such warrants shall be exchanged for Common Stock based on a formula as set out in and otherwise in accordance with the terms of such warrants and the Recapitalization. The conversion of all outstanding preferred stock and preferred stock purchase warrants as noted above result in the issuance of 27,237,445 additional Common Stock.

3. Net proceeds represent the Placing by the Company on 29 March 2016 of 14,285,714 of New Common Stock of £0.70 per share, less costs associated with the Placing of $3,057,100. The proceeds have been converted into US Dollars at a rate of 1.42 US Dollars to the Pound.

   The total costs include (i) $1,620,300 expected to be incurred on the transaction date and paid from gross proceeds or settled through the Placing of New Common Stock and (ii) $122,600 incurred, paid and included in other current assets as of June 30, 2015. All costs are reflected as a reduction to additional paid-in capital in accordance with applicable accounting standards.

PART 5

ADDITIONAL INFORMATION

1. Incorporation and status of the Company

(a) The Company was incorporated and registered under the laws of the State of Delaware on 31 July 1998 with registered number 2927945-81 as a Delaware corporation with the name Theramed, Inc. The Company amended the Certificate of Incorporation to change the name of the Company to MaxCyte, Inc. on 31 December 2001. The Company is domiciled in the State of Delaware, United States.

(b) The principal legislation under which the Company operates is the DGCL.

(c) The liability of the Company's Stockholders is limited.

(d) The address of the Company's website which discloses the information required by Rule 26 of the AIM Rules for Companies is www.MaxCyte.com.

2. Stock capital of the Company

(a) As at the date of this document the Company is authorised to issue up to 200,000,000 Common Stock.

(b) Changes in the amount of the issued stock capital of the Company during the three years covered by the financial information set out in Part 4A of this document are as follows:

- On 7 March 2014, the Company issued a warrant to purchase 40,000 Series D Preferred Stock at a purchase price of $1.00 per share.
- On 11 November 2014, the Company issued 5,784,840 options approved by the Board at an exercise price of $0.04 per share to employees, directors and consultants.
- On 14 November 2014, the Company issued 143,067 Common Stock through exercise of options.
- On 17 November 2014, the Company issued 44,949 Common Stock through exercise of options.
- On 25 November 2014, the Company issued 570,827 Common Stock through exercise of options.
- On 26 November 2014, the Company issued 83,603 Common Stock through exercise of options.
- On 28 November 2014, the Company issued 439,254 Common Stock through exercise of options.
- On 29 November 2014, the Company issued 400,000 Common Stock through exercise of options.
- On 30 November 2014, the Company issued 130,000 Common Stock through exercise of options.
- On 9 December, 2014, the Company issued 1,700,000 Series E Preferred Stock at $1.00 per share.
- On 10 December 2014, the Company issued a warrant to purchase 10,000 Series D Preferred Stock at a purchase price of $1.00 per share.
- On 22 July 2015, the Board approved the grant of options to purchase 15,000 Common Stock at an exercise price of $0.04 per share to a new employee.

- On 13 November 2015, the Company issued 44,838 Common Stock through exercise of options.
- On 3 December 2015, the Company issued 14,984 Common Stock through exercise of options.
- On 4 December 2015, the Company issued 7,500 Common Stock through exercise of options.
- On 8 January, 2016, the Board approved the grant of options to purchase 239,345 Common Stock at an exercise price of $0.84 per share to an employee.

(c) With effect immediately upon Admission, 14,285,714 New Common Stock will be allotted at the Placing Price pursuant to the Placing.

(d) The Company's issued Common Stock and Preferred Stock as at the date of this document is as set out below:

Class of Stock	*Nominal Value ($)*	*Total Value ($)*	*Issued number*
Common Stock	0.01	19,743.02	1,974,302
Series A-1 Preferred Stock	0.01	31,294.06	3,129,406
Series B Preferred Stock	0.01	191,254.75	19,125,475
Series C Preferred Stock	0.01	22,259.68	2,225,968
Series D Preferred Stock	0.01	15,000.00	1,500,000
Series E Preferred Stock	0.01	17,000.00	1,700,000

(e) The Company has the following options which are outstanding as at the date of this document:

Stock Option	*Exercise Price ($)*	*Nominal Value ($)*	*Outstanding Options*
Option to purchase Common Stock	0.04	0.01	3,924,266
Option to purchase Common Stock	0.18	0.01	185,380
Option to purchase Common Stock	0.84	0.01	239,345

(f) The Company has the following warrants which are outstanding which will at Admission convert to 85,914 Common Stock in accordance with the Recapitalization:

Warrant	*Exercise Price ($)*	*Nominal Value ($)*	*Outstanding Preferred Stock under the warrants*
First Series D Preferred Stock Warrant	1.00	0.01	52,500
Second Series D Preferred Stock Warrant	1.00	0.01	40,000
Third Series D Preferred Stock Warrant	1.00	0.01	10,000

(g) The Company's issued stock capital and outstanding options as they are expected to be immediately following Admission are as set out below:

Stock	*Nominal Value*	*Total Value*	*Issued number*	*Outstanding Options*
Common Stock	$0.01	$434,704.61	43,470,461	4,348,991

(h) Stock Capital Recapitalization:

Conditionally upon and effective from Admission, the Stockholders resolved in January 2016 to issue up to 27,340,564 Common Stock in exchange for its Preferred Stock, the First Series D Preferred Stock Warrant, the Second Series D Preferred Stock Warrant, and the Third Series D Preferred Stock Warrant. Pursuant to the Recapitalization, the following shall occur immediately prior to Admission:

(i) The First Series D Preferred Stock Warrant shall be deemed to be adjusted, pursuant to its terms, and the holder thereof shall be entitled to receive 96,822 Common Stock, upon payment of the adjusted exercise price per share. The holder of the First Series D Preferred Stock

Warrant has agreed that after the Recapitalization and immediately prior to Admission it shall exercise the conversion right set out in the First Series D Preferred Stock Warrant and shall be issued 44,005 Common Stock, with the First Series D Preferred Stock Warrant thereon to be of no further force and effect.

(ii) The Second Series D Preferred Stock Warrant shall be deemed to be adjusted, pursuant to its terms, and the holder thereof shall be entitled to receive 73,769 Common Stock, upon payment of the adjusted exercise price per share. The holder of the Second Series D Preferred Stock Warrant has agreed that after the Recapitalization and immediately prior to Admission it shall exercise the conversion right set out in the Second Series D Preferred Stock Warrant and shall be issued 33,528 Common Stock, with the Second Series D Preferred Stock Warrant thereon to be of no further force and effect.

(iii) The Third Series D Preferred Stock Warrant shall be deemed to be adjusted, pursuant to its terms, and the holder thereof shall be entitled to receive 18,442 Common Stock, upon payment of the adjusted exercise price per share. The holder of the Third Series D Preferred Stock Warrant has agreed that after the Recapitalization and immediately prior to Admission it shall exercise the conversion right set out in the Third Series D Preferred Stock Warrant and shall be issued 8,381 Common Stock, with the Third Series D Preferred Stock Warrant thereon to be of no further force and effect.

(iv) The shares of the Company's outstanding Preferred Stock held by each Stockholder will be converted into and automatically become outstanding Common Stock in accordance with the formula approved by the Board for each category of Preferred Stock.

(v) 27,237,445 Common Stock will be issued pursuant to the Recapitalization. In addition there are currently 1,947,302 Common Stock in issue and 4,348,991 Common Stock are issuable on the exercise of stock options. Accordingly upon completion of the Recapitalization and immediately prior to Admission a total of 29,184,747 Common Stock will be in issue and 4,348,991 will be issuable on the exercise of stock options.

(vi) The nominal value of each issued Common Stock shall remain $0.01 and shall not be adjusted in connection with the Recapitalization.

(vii) The following agreements shall be rescinded by mutual agreement without any further action being required and shall no longer of any force and effect:

1. Investor Rights Agreement between the Company and various parties dated February 26, 2004, as amended.

2. Amended and Restated Voting Agreement between the Company and various parties dated February 26, 2014, as amended.

3. Right of First Refusal and Co-Sale Agreement between the Company and various parties dated February 26, 2014, as amended.

4. Amended and Restated Carve Out Plan between the Company and various parties dated December, 2009, as amended.

(i) Application will be made for the Common Stock to be admitted to trading on AIM. The Common Stock are not listed or traded on and no application has been or is being made for the admission of the Common Stock to listing or trading on any other stock exchange or securities market.

(j) CREST is a paperless settlement system enabling title to securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument, in accordance with the CREST Regulations. However, as set out in paragraph 13 of Part 1, in the case of Placees that are not US Persons and where such Placees have asked to hold their Common Stock in uncertificated form, they will have their CREST accounts credited with Depositary Interests on the day of Admission. Note, however, that the Common Stock offered to non-US Persons in the Placing are subject to the

conditions listed under section 903(b)(3), or Category 3, of Regulation S. Under Category 3, Offering Restrictions (as defined under Regulation S) must be in place in connection with the Placing and additional restrictions are imposed on resales of the Common Stock. Representations, warranties and certifications must be made through the CREST system by those selling or acquiring the Common Stock. If such representations, warranties and certifications cannot be made or are not made, settlement through CREST will be rejected. Furthermore, Common Stock held by "Affiliates" (as defined in Rule 403 of the Securities Act) of the Company and New Common Stock acquired by US Persons shall be held in certificated form and accordingly settlement shall not be permitted via Crest until such time as the relevant restrictions are no longer applicable.

(k) 14,285,714 New Common Stock are being issued pursuant to the Placing at a price of £0.70 per share of New Common Stock. No expenses are being charged to any subscriber or purchaser. The ISIN of the Common Stock is US57777K1060.

(l) Save in connection with the Placing or to fulfil options granted under the New Option Plan described in paragraph 5 below, there is no present intention to issue any stock or loan capital in the Company following Admission.

(m) Save as set out in this document, no stock in the capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.

3. Certificate of Incorporation and Bylaws

The following is a summary of certain provisions of the Company's Certificate of Incorporation, Bylaws and provisions of the DGCL that apply to the Company as in effect from Admission. Certain provisions have been incorporated into the Certificate of Incorporation and Bylaws to enshrine rights that are not conferred by the provisions of DGCL, but which the Company believes Stockholders would expect to see in a company whose shares are admitted to trading on AIM.

(a) ***Objects***

The Company may, and is authorised by its Certificate of Incorporation to, engage in any lawful act or activity for which corporations may be engaged in under the DGCL.

(b) ***Authorised Shares***

The Certificate of Incorporation authorises the Company to issue one class of share to be designated Common Stock.

(c) ***Common Stock***

(i) *Voting Rights*

Each holder of Common Stock is entitled to one vote for each Common Stock held by such holder. The Bylaws provide that the holders of one-third of all Common Stock entitled to vote on a matter, represented by Stockholders of record in person or by proxy, shall constitute a quorum, unless otherwise required by law, the Company's Certificate of Incorporation or the Bylaws. If a quorum is present at a meeting of the Stockholders, then, other than for the election of Directors, the affirmative vote of a majority of the Common Stock represented and voting shall be the act of the Stockholders, unless the vote of a greater number of Stockholders of voting classes is required by law, the Company's Certificate of Incorporation or the Bylaws. Unless otherwise required by law or the Certificate of Incorporation, the Bylaws provide that the election of Directors shall be decided by a plurality of the votes cast at a meeting of Stockholders by the holders of stock entitled to vote in the election.

(ii) *Issue of Common Stock*

The Company may issue Common Stock from time to time for such consideration as may be fixed by the Board; provided, however, that the consideration to be received for any Common Stock subject thereto shall not be less than the par value thereof. Common Stock so issued for which the

consideration shall have been paid or delivered to the Company shall be deemed fully paid stock and shall not be liable to any further call or assessment thereon, and the holders of such Common Stock shall not be liable for any further payments in respect of such Common Stock.

(d) ***Dividends***

Holders of Common Stock are entitled to receive dividends, when, as and if declared by the Board out of funds legally available for such purposes. Dividends may be paid in cash, in property or in Common Stock, unless otherwise provided by applicable law or the Certificate of Incorporation.

(e) ***Rights upon liquidation, dissolution or winding-up***

In the event of any voluntary or involuntary liquidation, dissolution or winding-up of the Company, the holders of Common Stock shall be entitled to receive all the assets of the Company available for distribution to its Stockholders, ratably in proportion to the number of Common Stock held by them.

(f) ***Other rights***

The Certificate of Incorporation provides that unless otherwise determined in a general meeting by Stockholders holding at least seventy-five per cent. (75%) of the voting rights of the Common Stock represented at such meeting, each Stockholder shall have a pre-emption right to subscribe for its pro rata share of Common Stock (with certain exceptions) that the Company may, from time to time, propose to allot and issue wholly for cash, but subject to such exclusions or other arrangements as the Board may deem necessary or expedient in their exclusive discretion to deal with fractional entitlements or legal or practical problems under the laws of any country, territory or political subdivision thereof, or the requirements of any regulatory authority or stock exchange in any jurisdiction. The Company may, at any time and from time to time upon approval by the Board, disapply the pre-emption provisions, provided that such disapplication is limited to (i) the allotment for cash of Common Stock where the nominal amount of such Common Stock during any twelve month period does not exceed in the aggregate, ten per cent. (10%) of the Common Stock in issue from time to time, or (ii) the allotment is in connection with a rights issue or (iii) the grant of options or other rights to subscribe for Common Stock (and the subsequent issue of Common Stock upon the exercise or vesting of such options or rights) pursuant to a plan approved by Stockholders for the incentivisation of employees and consultants of the Company.

(g) ***Meetings of Stockholders***

The Bylaws provide for an annual or special meeting of Stockholders called in accordance with the Bylaws.

The Bylaws provide for an annual meeting of the Stockholders for the election of Directors and for the transaction of such other business as may properly come before the meeting. A special meeting of the Stockholders for any purpose or purposes may be called at any time by a resolution adopted by a majority of the total number of authorised directors, the chairperson of the Board or the chief executive officer.

(h) ***Method of appointing proxy***

Stockholders of record may vote at any meeting by appointing a proxy in accordance with applicable laws.

(i) ***Directors***

i. *Powers of Directors*

Subject to the provisions of the Certificate of Incorporation, the Bylaws and applicable law, the business and property of the Company shall be managed by the Board.

ii. *Number of Directors*

The Certificate of Incorporation provides that the number of directors constituting the Board will be the then-authorized number of directors fixed from time to time by the Board. Pursuant to the Bylaws, the Board shall initially consist of seven directors. The Board is divided into three classes, as nearly equal in number as possible, designated: Class I, Class II and Class III.

iii. *Resignation and Removal*

A Director may resign at any time by giving notice to the Company. A Director may be removed before the expiration of such Director's term of office (i) for cause by the affirmative vote of at least two-thirds of the voting power of the issued and outstanding Common Stock entitled to vote in the election of directors.

iv. *Vacancies*

In the case of any vacancy on the Board, including a vacancy resulting from an increase in the number of Directors authorised to serve on the Board, such vacancy may be filled by the remaining Directors (whether constituting a quorum or not) and not by the Stockholders.

v. *Appointment*

Each Director serves for a term ending on the date of the third annual meeting following the annual meeting at which such Director was elected, with the initial Directors serving as follows: each Director initially appointed to Class I will serve for an initial term expiring on the Company's first annual meeting following the effectiveness of the provision, each Director initially appointed to Class II will serve for an initial term expiring on the Company's second annual meeting following the effectiveness of the provision and each Director initially appointed to Class III will serve for an initial term expiring on the Company's third annual meeting following the effectiveness of the provision.

vi. *Action without a Meeting*

The Bylaws provide that, unless otherwise restricted by the Certificate of Incorporation or the Bylaws, any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting by the consent in writing of all the Directors or members of the committee as the case may be (such written consents to be filed with the minutes of proceedings of the Board).

vii. *Meetings of Directors*

The Bylaws provide that regular meetings of the Board may be held at any place or time that the Board determines. Special meetings of the Board may be called by the chairperson of the Board, the Chief Executive Officer, the president, the secretary or a majority of the authorised number of directors with at least 24 hours' notice to each Director or if the motion is sent by mail, it must be deposited in the mail at least four days before the time of the holding of the meeting. A majority of the Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors at a meeting of the Board where a quorum is present is regarded as an act of the Board unless a greater number is required by the Bylaws, law or the Certificate of Incorporation.

(j) ***Officers***

The officers of the Company are appointed by the Board, or except in the case of the appointment of the Chief Executive Officer, by the Chief Executive Officer and may include a Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, treasurer and secretary and one or more vice presidents, assistant treasurers, assistant secretaries and other officers, and any two or more offices may be held by the same person.

(k) ***Exculpation and Indemnification of officers, Directors, employees and other agents***

The Certificate of Incorporation provides that a Director will not be personally liable to the Company or its Stockholders for monetary damages for breach of fiduciary duty as a director except to the extent required by law.

The Certificate of Incorporation provides that the Company, to the fullest extent permitted by the DGCL, will indemnify any person made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative to which the indemnified individual was made a party because such individual is the legal representative, is or was a director or officer of the Company or, while a director or officer of the Company, is or was serving at the request of the Company as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or non-profit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such indemnified individual. Notwithstanding the preceding sentence, except for claims for indemnification (following the final disposition of such proceeding) or advancement of expenses not paid in full, the Company will be required to indemnify an indemnified individual in connection with a proceeding (or part thereof) commenced by such indemnified individual only if the commencement of such proceeding (or part thereof) by the indemnified individual was authorized in the specific case by the Board.

(l) ***Notices***

The Bylaws provide for notice to Stockholders to be in writing and delivered personally or mailed to the Stockholders in accordance with applicable law. Notice of any meeting need not be given to any Stockholders who shall, either before or after the meeting, submit a waiver of notice or who shall attend such meeting, except when the Stockholders attends for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Any Stockholders so waiving notice of the meeting shall be bound by the proceedings of the meeting in all respects as if due notice thereof had been given.

(m) ***Disclosure of significant shareholdings***

The Certificate of Incorporation provides that a person must notify the Company, subject to the DGCL, the Exchange Act (if the Company has any equity securities under the Exchange Act) and any applicable SEC regulations or other law, where the person acquires an aggregate nominal value of the Company's securities in which such person's interest is equal to or more than three per cent. (3%), of the securities and of any subsequent relevant change to their holdings (being one per cent. (1%) increment increase or decrease while their holdings are above the three per cent. (3%) threshold so that these disclosures can be properly notified to AIM by the Company.

In addition, the Board may serve a disclosure notice ("**Disclosure Notice**") in writing on any person whom the Board, has reasonable cause to believe, to be interested in the Company's securities, requiring such person to indicate whether or not it is the case and, where such person holds any interest in any such securities, to give such further information as may be required by the Board. If a Disclosure Notice has been served on a person and the Company has not received the information required in respect of the specified securities in writing within such reasonable time as specified in the Disclosure Notice, then the Board may apply certain restrictions on the specified securities.

(n) ***Right to refuse transfers of Common Stock***

The Company, and any transfer agents designated to transfer shares of the stock of the corporation, shall have the authority to refuse to register any transfer of Common Stock that (a) does not comply with Regulation S of the Securities Act; (b) is not made under a registration statement as set out under the Securities Act; or (c) is not made pursuant to an exemption from the registration requirements set out under the Securities Act.

(o) ***Amendments to Certificate of Incorporation and Bylaws***

The Certificate of Incorporation may be amended in a manner permitted by applicable law. For amendment or repeal of certain provisions of the Certificate of Incorporation, in addition to a vote of a majority of Stockholders entitled to vote, the affirmative vote of not less than 75 per cent. of the holders of Common Stock entitled to vote on such amendment or repeal, and the affirmative vote of not less than 75 per cent. of the holders of stock of each class entitled to vote as a class, shall be required.

The Bylaws provide that the Bylaws may be amended, altered, or repealed or new bylaws adopted by the affirmative vote of at least seventy five per cent. (75%) of the whole Board, or by the affirmative vote of the holders of at least two thirds of the issued and outstanding Common Stock.

(p) ***Takeovers***

The Certificate of Incorporation provides that if a person (i) acquires Common Stock which (taken together with securities held or acquired by persons acting in concert with such person) represent 30 per cent., or more of the voting rights attaching to the issued Common Stock, or (ii) (together with persons acting in concert with such person) holds not less than 30 per cent., but not more than 50 per cent., of the voting rights attaching to the issued Common Stock and such person, or any person acting in concert with such person, acquires additional securities, which will increase such person's percentage holding of such voting rights, then any such person (and any persons acting in concert with such person) must make a written cash offer to the holders of all of the Common Stock to acquire the outstanding Common Stock. These takeover provisions will cease to apply if the Common Stock ceases to be admitted to trading on AIM or the Company becomes a reporting company under the Exchange Act.

4. Squeeze-out rules relevant to the holders of Common Stock as set out in the DGCL

Section 267 of the DGCL outlines the procedures by which a controlling Stockholder or parent corporation that has obtained 90 per cent., or more of the Company's Common Stock may consummate a short-form merger to squeeze out the remaining Stockholders. Generally, Section 267 allows for a short-form merger between a parent and a subsidiary, whereby a parent corporation that owns at least 90 per cent., of the outstanding Common Stock of each class of a subsidiary corporation's stock may merge the subsidiary corporation into itself, or, alternatively, may merge both itself and the subsidiary corporation into a third corporation. A short-form merger is effected unilaterally by a board resolution of the parent company. A Stockholder would be entitled to certain appraisal rights under Section 262 of the DGCL (as discussed below) in connection with the squeeze-out merger if the merger consideration was considered by such Stockholder to be below "fair value". However, no resolution of the Board or the Stockholders would be required to effect the squeeze-out merger.

Under Section 262 of the DGCL, a holder of common stock of a company that is the target of a merger, sale or consolidation who does not wish to accept the consideration being offered may elect to have the company pay in cash to him or her the "fair value" of his or her common stock, plus accrued interest (excluding any appreciation or depreciation in anticipation of the corporate action unless exclusion would be inequitable), provided that the shareholder comply with the conditions set forth in Section 262 of the DGCL. If there is a dispute between the shareholder and the company as to the fair value of the common stock, Section 262 of the DGCL provides that the fair value may be judicially determined.

5. Stock Incentive Arrangements

(a) ***Key Components of the New Option Plan***

i. *Awards*

The New Option Plan provides for the award of (i) non-statutory stock options, (ii) Performance Awards, (iii) Restricted Stock and (iv) Incentive Stock.

ii. *Recipients*

Employees, non-employee Directors, consultants and independent contractors of the Company or its affiliates are eligible to receive awards under the New Option Plan.

iii. *Share Reserve*

Subject to adjustment as provided in the New Option Plan, the maximum number of Common Stock that may be issued under the New Option Plan is the sum of (a) 6,264,682 Common Stock (which includes 4,348,991 Common Stock available for issuance pursuant to Options awarded prior to the date of this document and 1,915,691 Common Stock already issued pursuant to the exercise of Options under the New Option Plan prior to the date of the document) and (b) ten per cent. (10%) of the Common Stock that are issued and outstanding at the time Awards are made under the New Option Plan from time to time, provided, however, that when the right to acquire Common Stock under an Award has been released, lapsed, or otherwise become incapable of exercise, such Common Stock shall be capable of being issued under a new Award under the New Option Plan.

(b) ***Types of awards***

(i) *Non-Statutory Stock Options.*

Non-statutory stock options, awarded under the New Option Plan are to be evidenced by an agreement detailing the terms and conditions of the award.

The Board or any person or committee appointed by it, may determine the time and the terms and conditions of such an award for the issuance of Common Stock and the vesting thereof, including vesting upon the achievement of certain performance related goals established by them.

Exercise price must be equal to 100 per cent. of fair market value of the shares of Common Stock on the date of grant; for ten per cent. (10%) Stockholders, it must be equal to 110 per cent. of fair market value. Options must be exercised no later than ten years from date of grant, or five years for ten per cent. (10%) Stockholders. The Board may in its discretion allow for net exercise of options or payment of the exercise price by promissory note.

(ii) *Performance Awards.*

Performance Awards awarded under the New Option Plan are to be evidenced by an agreement detailing the terms and conditions of the award.

Performance Awards shall become payable on account of attainment of one or more of the performance oriented goals established by the Board or any person or committee appointed by it. Performance Awards may be paid by the delivery of Common Stock or cash, or any combination of Common Stock and cash, as specified in the agreement detailing the terms and conditions of the award. If a Performance Award is paid in cash, the New Option Plan details the basis of arriving at the number of Common Stock.

(iii) *Restricted Stock Awards.*

Restricted Stock awarded under the New Option Plan are to be evidenced by an agreement detailing the terms and conditions of the award.

Restricted Stock awarded under the New Option Plan consists of Common Stock that are restricted against transfer, subject to forfeiture, and subject to such other terms and conditions, including vesting terms, as may be determined by the Board or any person or committee appointed by it. The vesting of such awards may also be contingent upon the achievement of one or more specified performance related goals as established by the Board or any person or committee appointed by it.

(iv) *Incentive Stock Awards.*

Incentive Stock awarded under the New Option Plan are to be evidenced by an agreement detailing the terms and conditions of the award.

The Board or any person or committee appointed by it, may determine the time and the terms and conditions of such an award for the issuance of Common Stock and the vesting thereof, including vesting upon the achievement of certain performance related goals established by them.

6. Information on the Directors and Proposed Directors

(a) The names, business addresses and functions of the Directors and Proposed Directors are as follows:

Name	*Business address*	*Function*
Doug Doerfler	22 Firstfield Road, Suite 110 Gaithersburg MD 20878 United States of America	President, Chief Executive Officer and Director
Ron Holtz	22 Firstfield Road, Suite 110 Gaithersburg MD 20878 United States of America	Chief Financial Officer and Proposed Director
Stark Thompson	22 Firstfield Road, Suite 110 Gaithersburg MD 20878 United States of America	Non-executive Director and Chairman
Will Brooke	22 Firstfield Road, Suite 110 Gaithersburg MD 20878 United States of America	Non-executive Director
Stan Erck	22 Firstfield Road, Suite 110 Gaithersburg MD 20878 United States of America	Non-executive Director
John Johnston	22 Firstfield Road, Suite 110 Gaithersburg MD 20878 United States of America	Proposed Non-executive Director
Art Mandell	22 Firstfield Road, Suite 110 Gaithersburg MD 20878 United States of America	Non-executive Director

(b) The Directors and the Proposed Directors hold or have held the following directorships within the five years prior to the date of this document:

Director	*Current directorships*	*Past directorships*
Doug Doerfler	Alliance for Regenerative Medicine Biotechnology Industry Organization MaxCyte, Inc. MdBio Foundation Technology Council of Maryland	N/A
Ron Holtz	N/A	N/A
Stark Thompson	MaxCyte, Inc.	Luminex, Inc. Ore Holdings, Inc.
Will Brooke	Aldagen Corporation Harbert Management Corporation Harbert Realty Services, Inc. MaxCyte, Inc.	Atherotech, Inc. Emageon Corporation Innovative Biosensors, Inc. NovaMin Technologies, Inc Optimal Readings Services Group, Inc.
Director	*Current directorships*	*Past directorships*
Stan Erck	BioCryst Pharmaceuticals MaxCyte, Inc. MdBio Foundation Novavax	N/A
John Johnston	Action Hotels plc Constellation Healthcare Technologies Inc. Flowgroup plc Johnston Asset Management Limited Midatech Pharma plc	Seymour Pierce Limited
Art Mandell	MaxCyte, Inc.	Hook and Ladder Brewing Co.

(c) Save as set out in paragraph 6(b) above, none of the Directors or Proposed Directors has any business interests or activities outside the Company which are significant with respect to the Company.

(d) Save as disclosed in paragraph 6(e), (f) and (g) below, none of the Directors or Proposed Directors:

(i) has any unspent convictions in relation to indictable offences;

(ii) has been made bankrupt or has made an individual voluntary arrangement with creditors or suffered the appointment of a receiver over any of his assets;

(iii) has been a director of any company which, whilst he was such a director or within 12 months after his ceasing to be such a director, was put into receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with the company's creditors generally or with any class of creditors of any company or had an administrator or an administrative or other receiver appointed;

(iv) has been a partner in any partnership which, whilst he was a partner, or within 12 months after his ceasing to be a partner, was put into compulsory liquidation or had an administrator or an administrative or other receiver appointed or entered into any partnership voluntary arrangement;

(v) has had an administrative or other receiver appointed in respect of any asset belonging either to him or to a partnership of which he was a partner at the time of such appointment or within the 12 months preceding such appointment; or

(vi) has received any public criticisms by statutory or regulatory authorities (including recognised professional bodies) or has ever 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.

(e) In May 1984, Doug Doerfler, the Chief Executive Officer of the Company, filed for Chapter 7 bankruptcy protection in US Federal Court in relation to the discharge of personal debt obligations totalling approximately $35,000.

(f) Art Mandell was a director of Hook & Ladder Brewing Company ("**H&L**") when H&L applied for bankruptcy protection in the US Federal Court on 25 April 2013. H&L was dissolved on 19 June 2014.

(g) Will Brooke was a director of Ovate Group Limited when it entered into liquidation in August 2003. Ovate Group was dissolved in January 2007.

7. Directors', Proposed Directors' and other interests

(a) The Directors and the Proposed Directors, subject to approval by the compensation committee and the Board, may be allowed to participate in the New Option Plan set out in paragraph 5 of this Part 5.

Please see below the details of the stock options held by Directors immediately following Admission:

Name of Director	*Number of stock options held*	*Exercise price ($)*
Doug Doerfler	1,545,080	0.04
Ron Holtz	655,292	0.04
Stark Thompson	193,333	0.04
Will Brooke	–	–
Stan Erck	143,067	0.04
Art Mandell	–	–
John Johnston	–	–

(b) In addition to the options referred to in paragraph 7(a) above, the interests (all of which are or will be beneficial unless otherwise stated) of each Director and Proposed Director and their connected persons in the stock capital of the Company immediately prior to and immediately following Admission are as follows:

Name of Stockholder	*Common Stock held immediately prior to Admission*	*Percentage of Existing Common Stock*	*Common Stock held immediately following Admission*	*Percentage of Enlarged Stock Capital held immediately following Admission*
Doug Doerfler	408,046	1.40%	433,197	1.00%
Ron Holtz	125,100	0.43%	150,251	0.35%
Stark Thompson	100,858	0.35%	110,918	0.26%
Will Brooke[1]	–	–	50,302	0.12%
Stan Erck	247,751	0.85%	247,751	0.57%
John Johnston	–	–	–	–
Art Mandell	349,333	1.20%	374,484	0.86%

1 Mr. Brooke is a director of Harbert Management Corporation, which is an affiliate of Harbert Venture Partners, LLC.

(c) Save as disclosed in paragraphs 7(a) and 7(b) above, no Director or Proposed Director, nor any member of their respective immediate families nor any person connected with them, has at the date of this document has, or will have immediately following Admission, any interest, whether beneficial or non-beneficial, in the stock or loan capital of the Company or any related financial product referenced to the Common Stock.

(d) In addition to the interests of Directors and Proposed Directors disclosed in paragraphs 7(a) and 7(b) above, the Company is aware of the following existing Stockholders of the Company who are at the date of this document, or will be immediately following Admission, interested, directly or indirectly, in three per cent. (3%) or more of the Existing Common Stock of the Company:

Name of Stockholder	*Common Stock held immediately prior to Admission*	*Percentage of Existing Common Stock*	*Common Stock held immediately following Admission*	*Percentage of Enlarged Stock Capital held immediately following Admission*
Intersouth Partners VI, L.P.	7,986,599	27.37%	8,238,108	18.95%
Bost-Jackson, LLC	4,650,207	15.93%	4,650,207	10.70%
Harbert Venture Partners, LLC[1]	3,691,223	12.65%	3,691,223	8.49%
Legal & General Inv Mgmt Ltd	–	–	3,500,000	8.05%
Blackrock Inv Mgmt (UK) Limited	–	–	2,142,857	4.93%
River and Mercantile Asset Mgmt Ltd	–	–	2,142,857	4.93%
Unicorn AIM VCT	–	–	2,142,857	4.93%
MASA Life Sciences Ventures, LP	1,853,879	6.35%	1,853,879	4.26%
Medinet Co., Ltd.	1,071,573	3.67%	1,071,573	2.47%

1 Harbert Annex Funds, an affiliate of Harbert Venture Partners LLC, holds 235,746 Common Stock (0.81 per cent. of Existing Common Stock) and is expected to hold 336,349 Common Stock (0.77 per cent. of Enlarged Stock Capital) immediately following Admission.

(e) At Admission, the Stockholders listed in (d) above do not have voting rights different from other Stockholders.

(f) The Company is not aware of any person or entity who, directly or indirectly, jointly or severally, will or could exercise control over the Company immediately following Admission and there are no arrangements the operation of which could result in a change of control of the Company.

(g) No Director or Proposed Directors has or has had any interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company and was effected during the current or immediately preceding financial year or was effected during any earlier financial year which remains outstanding and unperformed in any respect.

(h) There are no loans or guarantees granted or provided by the Company to or for the benefit of any of the Directors or the Proposed Directors which are now outstanding.

8. Service agreements and compensation of the executive directors, senior managers and the Proposed Directors

(a) The terms of the service agreements which will be in effect from Admission for the Directors and the senior manager are summarized below.

(i) *Summary of current compensation and benefits of executive directors and senior manager*

Executive directors	*Salary/ fees ($)*	*Maximum bonus ($)*	*Total ($)*
Doug Doerfler	300,000	90,000	390,000
Ron Holtz	210,800	52,700	263,500

Senior manager	*Salary/ fees ($)*	*Maximum bonus ($)*	*Total ($)*
Madhusudan Peshwa	241,400	60,350	301,750

(ii) *Summary of potential compensation and benefits of executive directors and senior manager following Admission*

The current compensation committee of the Company has recommended to the current Board, and the current Board is recommending to the Board of Directors of the Company following Admission that the Board give consideration to increasing the compensation and benefits of the executive directors and senior manager as follows:

Executive directors	*Salary/ fees ($)*	*Maximum bonus ($)*	*Total ($)*
Doug Doerfler	381,000	190,500[1]	571,500
Ron Holtz	270,000	94,500[2]	364,500

1 Up to 50% of base salary based on a formula determined by the Compensation Committee and the Board.

2 Up to 35% of base salary based on a formula determined by the Compensation Committee and the Board.

Senior manager	*Salary/ fees ($)*	*Maximum bonus ($)*	*Total ($)*
Madhusudan Peshwa	285,000	99,750	384,750

1 Up to 35% of base salary based on a formula determined by the Compensation Committee and the Board.

The executive directors and senior manager also receive standard company benefits that are available to other employees and officers, including health and life insurance and are entitled to participate in the New Option Plan as described in paragraph 5 of Part 5 above.

(iii) *Termination provisions of executive directors and senior manager*

Doug Doerfler is entitled to the following benefits mentioned below for termination of his employment:

- Termination by reason of death: Doug Doerfler's estate will continue to receive the base salary until the last day of the third month following the month in which the death occurred and 25 per cent. of his average incentive compensation.

- Termination by the Company for any reason (including disability): Company will continue to pay compensation through the effective date of the termination and (i) six months' base salary, (ii) 50 per cent. of his average incentive compensation, payable in six equal monthly instalments after termination and (iii) six months' payment of insurance premiums (or less if Doug Doerfler obtains new coverage earlier). Termination payments in (i) and (ii) are contingent upon Doug Doerfler's execution of a standard release in favour of the Company.

- Voluntary termination by the executive: No additional severance payments, but in exchange for Doug Doerfler agreeing to provide consulting services for eight weeks post-termination (ten hours/week or less) and execution of a standard release, the Company will pay him eight weeks' base salary in a lump sum at the end of that period.

Ron Holtz and Madhusudan Peshwa are entitled to the following benefits mentioned below for termination of their employment:

- Termination by the Company without cause or termination by the executive for good reason (includes termination due to death/disability): During the three month post-termination period, the Company will pay one-fourth of the annual base salary less any amounts paid under a disability plan during the severance period. The Company will reimburse the Director or senior manager for payments made by him/her under the Consolidated Omnibus Budget Reconciliation Act and continue his/her coverage under

the Company's insurance benefit programs. All such benefits will be payable monthly, although the Board in its sole discretion may elect to make all payments in a lump sum on the termination date. All severance payments are contingent upon the execution of a standard release in favour of the Company.

- Notice Requirements: Any termination by the executive, other than by reason of death, requires 60 days' advance written notice and an explanation of how the termination qualifies for severance treatment under the Severance Agreement dated 18 November 2008.

(b) John Johnston has, through Johnston Asset Management Ltd., entered into an appointment letter with the Company which will take effect from Admission. The remuneration for serving as a non-executive Director of the Company is set by the Board from time to time, and will cover all duties, with the exception of service on any Board committee, Company subsidiary or committee chairmanships for which separate remuneration will be provided. Stock options may be a part of non-executive director compensation. The appointment of John Johnston is terminable by the Company with immediate effect on the happening of certain events. The agreement imposes certain restrictions on John Johnston as regards the use of intellectual property.

John Johnston has been appointed as a Class III director for an initial term of three years.

(c) The annual remuneration payable to non-executive directors on the Board is $35,000 annually. Additional remuneration of $23,000 is payable to the Chairman. $11,000 and $10,000 is payable annually to the chairperson of the Audit and Compensation committees respectively. Membership of audit and compensation committee entitles directors to a further fee of $5,500 and $5,000 per annum respectively. Non-executive directors are also entitled to options in accordance with the recommendation of the Board.

(d) Save as set out in paragraphs 8(a) and 8(b) above, on Admission there will be no existing or proposed service agreements between the Directors or the Proposed Directors and the Company. Furthermore, save as set out at paragraph 8(a) above and the New Option Plan described in paragraph 5 above, there are no commissions or profit-sharing arrangements with any of the Directors or the Proposed Directors.

(e) There is no arrangement under which any Director has waived or agreed to waive future emoluments nor has there been any waiver of emoluments during the financial year immediately preceding the date of this document.

9. Employees and Pensions

(a) Employees other than the executive Directors may receive an offer letter. In connection with their acceptance of employment, all employees are required to sign the Company's standard form of invention, non-disclosure and non-compete agreement.

(b) As at 31 December 2015, the Company had 25 full-time employees, 20 of whom were based in the Company's Gaithersburg, Maryland headquarters, with the remainder based in various locations in the US and Europe.

(c) The Company's only pension-type benefit is a section 401(k) of the US Internal Revenue Code of 1986, offered to employees, and there is currently no employer contribution to such plan.

10. Arrangements relating to the Placing, Lock-in and the Direct Subscription

On 15 March 2016, (1) the Company, (2) the Directors, (3) the Proposed Directors and (4) Panmure Gordon entered into the Placing Agreement pursuant to which Panmure Gordon has agreed, conditionally upon, inter alia, Admission taking place not later than 29 March 2016 (or such later date as the Company and Panmure Gordon may agree not being later than 22 April 2016), to use its reasonable endeavours to procure subscribers for the New Common Stock at the Placing Price.

Under the Placing Agreement Panmure Gordon will receive a corporate finance fee of £350,000 plus a commission of 5 per cent. of the aggregate value at the Placing Price of the New Common Stock, excluding the New Common Stock placed in relation to the Direct Subscription (to be paid by the Company in proportion to the New Common Stock placed). The Company has agreed to pay all other costs, charges and expenses of, or incidental to, the Placing and the application for Admission and related arrangements.

The Placing Agreement, which contains certain warranties, undertakings and indemnities by the Company and warranties and undertakings by the Directors and Proposed Directors in favour of Panmure Gordon (UK) Limited, is conditional, inter alia, on (i) Admission occurring not later than 29 March 2016 (or such later date as the Company and Panmure Gordon may agree not being later than 22 April 2016) and (ii) none of the warranties given to Panmure Gordon being untrue, inaccurate or misleading in any material respect prior to Admission. Panmure Gordon has subscribed for 1,245,980 New Common Stock pursuant to the Placing, representing 2.9 per cent. of the Enlarged Stock Capital.

Panmure Gordon may terminate the Placing Agreement in specified circumstances, including for breach of warranty and in the event of force majeure at any time prior to Admission.

Pursuant to deeds of undertaking dated 15 March 2016 (the "**Lock-in Deeds**"), the Directors and the Proposed Directors (holding at Admission 3,903,675 Common Stock and options to acquire Common Stock in aggregate, 8.16 per cent. of the Enlarged Stock Capital and Common Stock issuable upon exercise of options) have agreed (subject to certain limited exceptions) not to dispose of any Common Stock in which they are interested following Admission, without the prior consent of Panmure Gordon, for a period of 12 months from the date of Admission and, for a further period of 12 months, only to dispose of Common Stock in accordance with Panmure Gordon's reasonable requirement to maintain an orderly market for the Common Stock.

In addition, under the Lock-in Deeds, certain other holders of Common Stock including all Stockholders of Common Stock who hold more than half a per cent. (0.5 per cent.) of the Existing Common Stock and Common Stock issuable upon exercise of options and who at Admission hold in aggregate 28,863,127 Common Stock and options to acquire Common Stock (representing 60.36 per cent. of the Enlarged Stock Capital and Common Stock issuable upon exercise of options), as well as certain other Placees, have also agreed to restrictions as to the disposal of their respective holdings following Admission on substantially the same terms as those given by the Directors and Proposed Directors as set out above.

Accordingly, pursuant to the Lock-in Deeds, holders of 32,766,802 Common Stock and options to acquire Common Stock representing 68.52 per cent. of the Enlarged Stock Capital and Common Stock issuable upon exercise of options have agreed to the restrictions on disposal set out above.

On 15 March 2016, the Company entered into subscription agreements with Placees acquiring New Common Stock through the Direct Subscription (the "**Subscription Agreements**"). The Subscription Agreements contain certain representations, warranties and undertakings by the Placees in favour of the Company and are conditional on Admission occurring not later than 29 March 2016 (or such later date as the Company and Panmure Gordon may agree not being later than 22 April 2016) and the Placing Agreement having become unconditional in all material respects (save for any conditions relating to the Subscription Agreements).

11. United Kingdom taxation

The following statements are intended only as a general guide to current UK tax legislation and to the current practice of HM Revenue & Customs ("**HMRC**") and may not apply to certain stockholders in the Company, 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 Common Stock and who hold their Common Stock as an investment (and not as employment-related securities). **Any person who is in any doubt as to his or her tax position, or who is subject to taxation in any jurisdiction other than that of the UK, should consult his or her own professional advisers immediately.**

(a) ***Dividends***

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

Individual stockholders 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 stockholder'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. The tax credit will be available to set against a stockholder's liability (if any) to income tax on the gross dividend.

Individual stockholders 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 stockholder's liability to pay income tax on the dividend received.

The rate of income tax applied to dividends received by an individual stockholder liable to income tax at the higher rate will be 32.5 per cent. In the case of a dividend received by an individual stockholder liable to income tax at the additional rate, the 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 additional income tax of 22.5 per cent. of the gross dividend, equal to 25 per cent. of the net dividend and an additional rate taxpayer will be liable to additional income tax of 27.5 per cent. of the gross dividend (equal to 30.6 per cent. of the net dividend).

For example, an individual stockholder 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 stockholder 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.

Please note that the taxation of dividend income on stock held by UK individual stockholders will likely soon change. Specifically, it is likely that from 6 April 2016, UK resident individual stockholders will no longer be entitled to a tax credit on dividends received nor be required to gross up the dividends receipts. Rather, a dividend allowance of £5,000 will apply regardless of the tax rate band of the individual stockholder, such that individual stockholders will only be taxed on the portion of dividends exceeding £5,000.

Simultaneously, the rate at which dividends received by UK individual stockholders are taxed will increase after April 2016. Individual stockholders 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 7.5 per cent. after the application of the dividend allowance. The rate of income tax applied to dividends received by an individual stockholder liable to income tax at the higher rate will be 32.5 per cent. after the application of the dividend allowance. In the case of a dividend received by an individual stockholder liable to income tax at the additional rate, the rate of income tax will be 38.1 per cent. after the application of the dividend allowance.

These changes to the UK taxation legislation are expected to be introduced in the Finance Bill 2016 which is expected to be confirmed in the Budget 2016 on 16 March 2016.

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 stockholder resident for tax purposes in the UK 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 stockholders 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 stockholders will generally not be able to claim payment of the tax credit from HMRC.

Other stockholders who are not resident in the UK for tax purposes should consult their own advisers concerning their tax liabilities on dividends received. They should note that they will not generally be entitled to claim payment of any part of their tax credit from HMRC under any double taxation treaty or otherwise or such claim may be negligible.

(b) ***Chargeable gains***

Stockholders who are resident in the UK for tax purposes and who dispose of their Common Stock 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 Common Stock.

Stockholders who are not resident in the UK for tax purposes but who carry on a trade, profession or vocation in the UK through a permanent establishment, 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 Common Stock, if those shares of Common Stock are or have been held, used or acquired for the purposes of that trade, profession or vocation or for the purposes of that permanent establishment, branch, agency or fixed place of business.

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

(c) ***Stamp duty and stamp duty reserve tax ("SDRT")***

With effect from 28 April 2014, the UK Government granted full relief from stamp duty and SDRT on transactions in shares admitted to trading only on "recognised growth markets", including AIM.

(d) ***AIM***

Companies whose shares trade solely on AIM are deemed to be unlisted for the purposes of certain areas of UK taxation. Common Stock held by individuals for at least two years may qualify for more generous exemptions from inheritance tax on death or in relation to lifetime transfers of those shares. Stockholders should consult their own professional advisers on whether an investment in an AIM security is suitable for them, or whether the tax benefit referred to above may be available to them. It is possible to hold shares traded solely on AIM in individual savings accounts (ISAs).

12. Material contracts

The following are the only contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Company within the two years immediately preceding the date of publication of this document and which are, or may be, material to the Company or have been entered into by the Company at any time and contain a provision under which the Company has any obligation or entitlement which is material to the Company at the date of this document.

(a) ***Placing Agreement***

Details of the Placing Agreement are fully described in paragraph 10 above;

(b) ***Nominated Adviser and Broker Agreement***

A nominated adviser and broker agreement dated 15 March 2016 between Panmure Gordon and the Company pursuant to which the Company has appointed Panmure Gordon to act as nominated adviser and broker to the Company for the purposes of the AIM Rules for Companies. The Company has agreed to pay Panmure Gordon a fee of £75,000 plus VAT per annum for its services as nominated adviser and broker under the agreement.

The agreement contains certain undertakings, warranties and indemnities given by the Company to Panmure Gordon. The agreement is for a fixed term of 12 months from the date of Admission and thereafter is terminable upon not less than three months' prior written notice by either the Company or Panmure Gordon.

The nominated adviser and broker agreement is governed by the laws of England and Wales.

(c) ***Lock-In Deeds***

Details of the lock-in agreement are fully described in paragraph 10 above.

(d) ***The Subscription Agreements***

The details of the Subscription Agreements are fully described in paragraph 10 above.

(e) ***Registrar Agreement***

On 15 March 2016, the Company entered into a registrar agreement under which the Registrar will provide services connected with the maintenance of the Company's register. The initial term of the registrar agreement shall be three years from the commencement date after which period the registrar agreement shall automatically renew for successive periods of 12 months. Either party may terminate the registrar agreement by giving three months' notice. The registrar agreement contains certain indemnities given by the Company to the Registrar which are customary for an agreement of this nature.

(f) ***Depositary Agreement***

On 15 March 2016, the Company and the Depositary entered into an agreement for the provision of Depositary services and custody services (the "**Depositary Agreement**"), pursuant to which the Company appointed the Depositary to act as the depositary and custodian in respect of the Depositary Interests and to provide the services set out in the Depositary Agreement. The Company has agreed to pay the Depositary an annual fee of £4,500 (which shall be agreed annually) and to reimburse the Depositary for all reasonable out-of-pocket expenses. The Depositary's maximum liability under the Depositary Agreement in respect of any twelve month period is capped at an amount equal to the lesser of (i) £500,000; and (ii) five times the Depositary's fees earned in that twelve month period. The parties are required under the Depositary Agreement to indemnify each other in certain circumstances. Neither party is liable to indemnify the other in respect of any loss arising from the fraud, negligence or wilful default of the other party or as a result of a breach by the other party of the Depositary Agreement. Upon completion of the initial period of twelve months, the appointment of the Depositary shall continue in force until terminated by either party giving the other not less than three months' notice.

(g) ***Consulting Agreement***

In 2014, the Company entered into an agreement with Mark Randall Associates for the provision, to the Company, of consulting services in relation to the admission of the Company's Common Stock to trading on AIM. In exchange for these services, Mark Randall Associates is due to receive £100,000 upon Admission from the Company.

13. Working capital

Having made due and careful enquiry, the Directors and Proposed Directors are of the opinion that, taking into account available banking facilities and the net proceeds of the Placing, the Company will have sufficient working capital available for their present requirements, that is, for at least the 12 months following the date of Admission.

14. Litigation and arbitration

The Company has not, and has not at any time in the 12 months immediately preceding the date of this document been, involved in any governmental, legal or arbitration proceedings, and the Company is not aware of any governmental, legal or arbitration proceedings pending or threatened by or against the Company, nor of any such proceedings having been pending or threatened at any time in the 12 months immediately preceding the date of this document, in each case which may have, or have had in the recent past, a significant effect on the Company's financial position or profitability.

15. Effects of US Domicile

The Company is a US corporation organised under the laws of the State of Delaware. There are a number of differences between the corporate structure of the Company and that of a public limited company incorporated in England under the Companies Act 2006 (the "**Companies Act**"). While the Directors and Proposed Directors consider that it is appropriate to retain the majority of the usual features of a US corporation, the Directors and Proposed Directors intend to take certain actions to conform to UK standard practice adopted by companies under English law and admitted to AIM. Set out below is a description of the principal differences and, where appropriate, the actions the Board intends to take.

(a) ***Share Allotment; Limitations on Borrowing***

Companies incorporated under the Companies Act must explicitly authorise directors to allot shares under Sections 550 or 551 of the Companies Act. It is usual for UK companies to place restrictions on the authority of directors to allot shares. In particular, it is a requirement under Section 551 of the Companies Act that such authority be limited to expire after a specified time period of no longer than five years, with stockholder approval required for renewal. An issue of shares and other equity securities of a company incorporated in Delaware requires prior approval by the board of directors. However, the authority of the Board to issue equity securities is not unconditional; it is limited by the number of shares authorised for issue in the Company's Certificate of Incorporation, which has authorised a total of 200,000,000 shares, all of which are Common Stock.

UK companies may impose limits on their borrowing powers by, for example, specifying that borrowed amounts may not exceed a multiple of the company's capital and reserves. The Company does not have limitations on its ability to borrow funds, as this type of limitation is extremely rare for US companies.

(b) ***Pre-emptive rights***

Companies incorporated under the Companies Act are subject to pre-emption rights on new shares issued by the company pursuant to Section 561 of the Companies Act. These rights provide for existing stockholders to have a right of first refusal on the issue of new shares for cash.

The DGCL does not automatically provide for pre-emptive rights. However, the Certificate of Incorporation provides that unless otherwise determined in a general meeting by Stockholders holding at least two thirds of the voting rights of the Common Stock represented at such meeting, each Stockholder shall have a pre-emption right to subscribe for its *pro rata* share of Common Stock (with certain exceptions) that the Company may, from time to time, propose to allot and issue wholly for cash, but subject to such exclusions or other arrangements as the Board may deem necessary or expedient in their exclusive discretion to deal with fractional entitlements or legal or practical problems under the laws of any country, territory or political subdivision thereof, or the requirements of any regulatory authority or stock exchange in any jurisdiction. The Company may, at any time and

from time to time upon approval by the Board, disapply the pre-emption provisions, provided that such disapplication is limited to (i) the allotment for cash of Common Stock where the nominal amount of such Common Stock during any twelve month period does not exceed in aggregate, ten per cent. (10%) of the Common Stock in issue from time to time, or (ii) the allotment is in connection with a rights issue or (iii) the grant of options or other rights to subscribe for Common Stock (and the subsequent issue of Common Stock upon the exercise or vesting of such options or rights) pursuant to a plan approved by Stockholders for the incentivisation of employees and consultants of the Company. These pre-emption rights will cease to apply if the Company becomes a reporting company under the US Exchange Act.

Please see paragraph 3 of this Part 5 for a description of such pre-emptive rights.

(c) ***Takeovers***

Except to the extent voluntarily incorporated by the Company to be administered by the Board, the Company will not be subject to the Takeover Code and certain provisions contained in the Company's Certificate of Incorporation and Bylaws make a hostile takeover of the Company more difficult to achieve. These provisions are set out below.

The Company has included a provision in its Certificate of Incorporation requiring Stockholders who acquire certain percentages of stock of the Company to offer to purchase all of the outstanding capital stock of the Company at a value not less than the highest price paid by such Stockholder for shares of that class during the previous twelve months. The provision is intended to give the Company and its Stockholders protections similar to those available under Rule 9 of the Takeover Code as if it applied to the Company, and is described in paragraph 3 of this Part 5.

Generally under Delaware law, a court will defer to the "business judgment" of the directors in their response to a proposed merger transaction. While this legal principle is limited, in that transactions involving a "sale of control" (as defined within Delaware case law) shifts the standard and requires the Board to obtain the highest value reasonably available for stockholders, the "business judgment" presumption leaves the Board with the ability to reject a takeover offer and to take certain actions to position the Company against a takeover in the future. Additionally, Section 203 of the DGCL imposes restrictions on business combinations such as mergers between the Company and a holder of 15 per cent. or more of its voting stock. Ownership of the Company's shares is concentrated among a small number of Stockholders, which may make it difficult or impossible for a third party to take over the Company if one or more of these Stockholders does not want to sell. The US federal securities laws also regulate certain types of takeover activity. In particular, the Williams Act (which is part of the Exchange Act) regulates tender offers and requires public disclosure, by means of a filing with the US Securities Exchange Commission, of acquisitions of a substantial block of equity securities in a publicly traded company. Many of the provisions of the Williams Act will not apply to the Company unless and until it has a class of shares registered under the Exchange Act.

(d) ***Limitation of Director liability***

While both the Companies Act and the DGCL allow for indemnification of directors, the scope of indemnification allowed under Delaware law is broader. Section 232 of the Companies Act generally prohibits UK companies from exempting directors from, or indemnifying them against, liabilities in instances where the directors are found to be negligent, in default, or in breach of duty or trust (subject to certain statutory relaxations, whereby directors may (if a company so chooses) be indemnified against third party proceedings and the costs of defending actions brought against them by the company).

By comparison, the Company's Certificate of Incorporation eliminates any monetary liability of Directors to the Company or its Stockholders for breaches of fiduciary duty as a Director, except: (i) for any breach of the Director's duty of loyalty to the Company or its Stockholders; (ii) for acts or omissions not in good faith or which involved intentional misconduct or a knowing violation of the law; (iii) under Section 174 of the DGCL (which deals with unlawful payments of dividends and

unlawful stock purchases or redemptions); or (iv) for any transaction from which the Director derived an improper personal benefit.

In addition, the Bylaws provide that the Company will indemnify its Directors, officers, employees and agents to the fullest extent permitted by the DGCL, provided that the Company will not be obligated to indemnify any officer, employee or agent of the Company or Director on account of proceedings: (i) initiated or brought voluntarily by such individual and not by way of defence; (ii) initiated by such individual to enforce or interpret his or her indemnification rights, if such proceeding is determined by a court of competent jurisdiction to be not made in good faith or frivolous; (iii) for which expenses or liabilities have been paid directly to such individual by the carrier of the Company's officers' and Directors' liability insurance; or (iv) if the Company is prohibited by law from paying such indemnification. Section 145 of the DGCL provides that directors and officers generally may be indemnified for acts taken in good faith and in a manner reasonably believed to be in or not opposed to the best interest of the corporation.

The Bylaws provide that the Company will reimburse or advance defence expenses to a Director or officer in connection with any such proceeding for which indemnification is allowed, subject to an affirmation of the Director's or officer's good faith belief that he or she has met the standard of conduct required to be eligible for indemnification and to an undertaking by such Director or officer to repay such expenses in limited circumstances where indemnification is not granted. Section 145 of the DGCL permits a corporation to: (i) reimburse present or former directors or officers for their defence expenses to the extent they are successful on the merits or otherwise; and (ii) advance defence expenses upon receipt of an undertaking to repay the corporation if it is determined that payment of such expenses is unwarranted.

(e) ***Stockholder notifications of interests***

As a company incorporated under the laws of the State of Delaware, the Company is not subject to the provisions of the Disclosure and Transparency Rules and, consequently, Stockholders would not ordinarily be subject to any requirement to disclose to the Company the level of their interests in Common Stock or any changes thereto in accordance with Rule 17 of the AIM Rules for Companies. However, in line with current best practice for companies incorporated outside the UK whose shares are admitted to trading on AIM, the Company has elected to incorporate certain provisions of the Disclosure and Transparency Rules and the Companies Act into its Certificate of Incorporation, further details of which are set out in paragraph 3 of this Part 5.

(f) ***Additional corporate matters***

In addition, the following provisions of Delaware law applicable to the Company, and the following provisions in the Company's Certificate of Incorporation and Bylaws, are standard for US corporations but may not be typical for UK companies:

(i) the holders of a majority of the stock issued and outstanding and entitled to vote, present in person or represented by proxy, shall constitute a quorum for action at all meetings of the Stockholders; and

(ii) the quorum required for action at a meeting of the Board is a majority of the number of authorised number of directors.

A summary of the terms of the Company's Certificate of Incorporation and Bylaws and certain other provisions of the DGCL are set forth in paragraph 3 of this Part 5.

16. General

(a) The gross proceeds of the Placing are expected to be approximately £10.0 million. The total costs and expenses relating to Admission and Placing are approximately £2.2 million (including value added tax) payable by the Company.

(b) Mazars LLP has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of its reports as set out in Part 4 of this document.

(c) Panmure Gordon has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of its name in the form and context in which it is included.

(d) Norton Rose LLP has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of its reports and letter as set out in Part 3 of this document.

(e) There are no arrangements in place under which future dividends are to be waived or agreed to be waived.

(f) The Placing Price is payable in full in cash on acceptance.

(g) Other than the current application for Admission, the Common Stock has not been admitted to dealings on any recognised investment exchange nor has any application for such admission been made or refused nor are there intended to be any other arrangements for dealings in the Common Stock.

(h) The Directors and Proposed Directors are not aware of any exceptional factors which have influenced the Company's activities.

(i) Save as set out in Part 3 of this document, the Directors and Proposed Directors are not aware of any patents or other intellectual property rights, licences or particular contracts which are or may be of fundamental importance to the Company's business.

(j) There has been no significant change in the trading or financial position of the Company since 30 June 2015, being the date to which the financial information contained in Part 4A of this document was prepared.

(k) Save as disclosed in paragraph 12 above, no person (excluding the Company's professional advisers to the extent disclosed elsewhere in this document and trade suppliers) in the 12 months preceding the Company's application for Admission received, directly or indirectly, from the Company or has entered into any contractual arrangements to receive, directly or indirectly, from the Company on or after Admission any of the following:

  (i) fees totalling £10,000 or more;

  (ii) securities in the Company with a value of £10,000 or more calculated by reference to the Placing Price; or

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

(l) Monies received from applicants pursuant to the Placing will be held by Panmure Gordon until such time as the Placing Agreement becomes unconditional in all respects. If the Placing Agreement does not become unconditional in all respects by 29 March 2016 (or such later date as Panmure Gordon and the Company may agree), application monies will be returned to applicants at their own risk without interest prior to delivery of the New Common Stock.

(m) There have been no takeover offers (within the meaning of Part 28 of the Companies Act) by third parties for any of the Company's Common Stock during the last financial year and the current financial year.

(n) The Directors and Proposed Directors are unaware of any environmental issues that may affect the Company's utilisation of its tangible assets.

(o) The Common Stock has not been sold, nor are they available, in whole or in part, to the public in conjunction with the application for Admission.

(p) Copies of this Admission Document will be available on the Company's website upon Admission. Investors located in the United States and US Persons will not have access to the Admission Document located on the Company's website.

PART 6

US RESTRICTIONS ON THE TRANSFER OF COMMON STOCK

Terms used in the following description that are defined in Regulation S of the Securities Act are used as defined therein.

The Common Stock has not been, and will not be, registered under the Securities Act or under any securities laws of any state or other jurisdiction of the US and are "restricted securities" as defined in Rule 144 promulgated under the Securities Act. A purchaser of New Common Stock may not offer, sell, pledge or otherwise transfer New Common Stock, directly or indirectly, in or into the United States or to, or for the account or benefit of, any US Person, except pursuant to a transaction meeting the requirements of Rules 901 to 905 (including the Preliminary Notes) of Regulation S, pursuant to an effective registration statement under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act. Hedging transactions in the Common Stock may not be conducted, directly or indirectly, unless in compliance with the Securities Act. Once the Common Stock are admitted to trading on AIM, Common Stock (as represented by the Depositary Interests) held in the CREST system will be identified with the marker "REGS" and will be segregated into a separate trading system within CREST. The Common Stock held in the CREST will also bear a legend to the following effect, unless the Company determines otherwise in compliance with applicable law:

"THE SHARES REPRESENTED HEREBY HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")). THE SHARES ARE BEING OFFERED ONLY TO NON-US PERSONS OUTSIDE THE UNITED STATES IN TRANSACTIONS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IN RELIANCE ON REGULATION S. THE SHARES ARE "RESTRICTED SECURITIES" AS DEFINED UNDER RULE 144 (A)(3) PROMULGATED UNDER THE SECURITIES ACT. THE SHARES MAY NOT BE TAKEN UP, OFFERED, SOLD, RESOLD, DELIVERED OR DISTRIBUTED, DIRECTLY OR INDIRECTLY WITHIN, INTO OR FROM THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS (AS DEFINED IN REGULATION S) EXCEPT: (A)(I) IN AN OFFSHORE TRANSACTION MEETING THE REQUIREMENTS OF REGULATION S, (II) PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, OR (III) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. RESALES OR REOFFERS OF SHARES MADE OFFSHORE IN RELIANCE ON REGULATION S MAY NOT BE SOLD TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY US PERSON (AS DEFINED IN REGULATION S) DURING THE ONE YEAR DISTRIBUTION COMPLIANCE PERIOD UNDER REGULATION S. HEDGING TRANSACTIONS INVOLVING THESE SHARES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE SECURITIES ACT.

BY ACCEPTING THESE SHARES, THE HOLDER REPRESENTS AND WARRANTS THAT IT (A) IS NOT A US PERSON (AS DEFINED IN REGULATION S) AND (B) IS NOT HOLDING THE SHARES FOR THE ACCOUNT OR BENEFIT OF ANY US PERSON."

Certificated Common Stock will bear a legend to the following effect, unless the Company determines otherwise in compliance with applicable law:

THE COMMON STOCK REPRESENTED HEREBY HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")) EXCEPT IN TRANSACTIONS EXEMPT FROM THE REGISTRATION REQUIREMENTS UNDER THE SECURITIES ACT. THE COMMON STOCK ARE "RESTRICTED SECURITIES" AS DEFINED UNDER RULE 144 (A)(3) PROMULGATED UNDER THE

SECURITIES ACT. THE COMMON STOCK MAY NOT BE TAKEN UP, OFFERED, SOLD, RESOLD, DELIVERED OR DISTRIBUTED, DIRECTLY OR INDIRECTLY WITHIN, INTO OR FROM THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS (AS DEFINED IN REGULATION S) EXCEPT: (I) IN AN OFFSHORE TRANSACTION MEETING THE REQUIREMENTS OF REGULATION S, (II) PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, OR (III) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. RESALES OR OFFERS OF COMMON STOCK MADE OFFSHORE IN RELIANCE ON REGULATION S MAY NOT BE SOLD TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY US PERSON (AS DEFINED IN REGULATION S) DURING THE ONE YEAR DISTRIBUTION COMPLIANCE PERIOD UNDER REGULATION S. HEDGING TRANSACTIONS INVOLVING THE COMMON STOCK MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE SECURITIES ACT.

Prior to the end of the Distribution Compliance Period, the holder of Common Stock represents that:

(a) Any offer or sale of the New Common Stock held through CREST must be made to non US Persons in "offshore transactions" as defined in and pursuant to Regulation S;

(b) No directed selling efforts (as defined in Regulation S) may be made in the United States by, for purposes of Rule 903 of Regulation S, the Company, a Distributor (as defined in Regulation S), any of their respective Affiliates, or any person acting on behalf of any of the foregoing, or, for the purposes of Rule 904 of Regulation S, the seller, an Affiliate, or any person acting on their behalf;

(c) Offering restrictions (as set out under section 903(b)(3)) must be implemented;

(d) Any offer or sale of certificated New Common Stock must be made to non-US Persons in "offshore transactions" as defined in and pursuant to Regulation S, pursuant to an effective registration statement under the Securities Act or otherwise in transactions exempt from registration under the Securities Act;

(e) The Company may refuse to register any transfer of the New Common Stock not made in accordance with the provisions of Regulation S, pursuant to registration under the Securities Act, or pursuant to an available exemption from registration;

(f) Any offer or sale, if made prior to the expiration of a one-year Distribution Compliance Period, must be made pursuant to the following conditions:

  (i) The purchaser of the New Common Stock (other than a Distributor) must certify that it is not a US Person and is not acquiring the New Common Stock for the account or benefit of any US Person or is a US Person who purchased New Common Stock in a transaction that did not require registration under the Securities Act;

  (ii) The purchaser of the New Common Stock must agree to resell such New Common Stock only in accordance with the provisions of Regulation S, pursuant to registration under the Securities Act, or pursuant to an available exemption from registration; and must agree not to engage in hedging transactions with regard to such New Common Stock unless in compliance with the Securities Act;

  (iii) The New Common Stock must contain the appropriate legend, set out above;

  (iv) The Company is required to refuse to register any transfer of the New Common Stock not made in accordance with the provisions of Regulation S, pursuant to registration under the Securities Act, or pursuant to an available exemption from registration; and

  (v) Each Distributor selling New Common Stock to a Distributor, a dealer (as defined in Section 2(a)(12) of the Securities Act), or a person receiving a selling concession, fee or other remuneration, prior to the expiration of the one-year Distribution Compliance Period, must send a confirmation or other notice to the purchaser stating that the purchaser is subject to the same restrictions on offers and sales that apply to a Distributor;

(g) In the case of an offer or sale of New Common Stock prior to the expiration of the Distribution Compliance Period by a dealer (as defined in Section 2(a)(12) of the Securities Act), or a person receiving a selling concession, fee or other remuneration in respect of the New Common Stock offered or sold:

(i) Neither the seller nor any person acting on its behalf may know that the offeree or buyer of the Common Stock is a US Person; and

(ii) If the seller or any person acting on the seller's behalf knows that the purchaser is a dealer (as defined in Section 2(a)(12) of the Securities Act) or is a person receiving a selling concession, fee or other remuneration in respect of the New Common Stock sold, the seller or a person acting on the seller's behalf must send to the purchaser a confirmation or other notice stating that the New Common Stock may be offered and sold during the one-year Distribution Compliance Period only in accordance with the provisions of Regulation S; pursuant to registration of the securities under the Securities Act; or pursuant to an available exemption from the registration requirements of the Securities Act; and

(h) In the case of an offer or sale of New Common Stock by an officer or director of the issuer or a Distributor, who is an affiliate of the issuer or Distributor solely by virtue of holding such position, no selling concession, fee or other remuneration may be paid in connection with such offer or sale other than the usual and customary broker's commission that would be received by a person executing such transaction as agent.

New Common Stock acquired from the Company, a Distributor, or any of their respective affiliates in a transaction subject to the conditions of Rule 901 or Rule 903 are deemed to be "restricted securities" as defined in Rule 144 under the Securities Act. Resales of any of such restricted securities by the offshore purchaser must be made in accordance with Regulation S, the registration requirements of the Securities Act or an exemption therefrom. Any "restricted securities", as defined in Rule 144, will continue to be deemed to be restricted securities, notwithstanding that they were acquired in a resale transaction made pursuant to Rule 901 or 904.

Prior to the end of the Distribution Compliance Period and prior to any transfer of such New Common Stock, each purchaser of New Common Stock acquired through CREST and in reliance on Regulation S will be required, to represent and agree as follows, that:

(a) the purchaser is not a US Person and is not acting for the account or benefit of a US Person and is not located in the United States at the time the investment decision is made with respect to the New Common Stock;

(b) the purchaser understands that the New Common Stock has not been registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred by such purchaser except: (i) in an offshore transaction to non-US Persons and otherwise meeting the requirements of Rule 901 through Rule 905 (including Preliminary Notes) of Regulation S; (ii) pursuant to an effective registration statement under the Securities Act; or (iii) pursuant to an exemption from the registration requirements of the Securities Act, and in each case, in accordance with all applicable securities laws of the states of the United States and any other applicable jurisdictions;

(c) the purchaser understands and agrees that, if in the future it decides to resell, pledge or otherwise transfer any New Common Stock or any beneficial interests in any New Common Stock prior to the date which is one year after the later of: (i) the date when the New Common Stock are first offered to persons (other than distributors) pursuant to Regulation S; and (ii) Admission, it will do so only outside the United States in an offshore transaction to non-US Persons and otherwise in compliance with Rule 901 to Rule 905 (including the Preliminary Notes) under the Securities Act, pursuant to an effective registration statement under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act and in each of such cases in accordance with any applicable securities law of any state of the United States;

(d) the Company is required to refuse to register any transfer of the New Common Stock not made in accordance with the provisions of Regulation S, pursuant to registration under the Securities Act, or pursuant to an available exemption from registration;

(e) hedging transactions involving the Common Stock may not be conducted, directly or indirectly, unless in compliance with the Securities Act;

(f) the purchaser agrees to, and each subsequent holder is required to, notify any purchaser of the New Common Stock from it of the resale restrictions referred to above, if then applicable;

(g) the purchaser acknowledges that, prior to any proposed transfer of New Common Stock other than pursuant to an effective registration statement, the transferee of New Common Stock will be required to provide certifications and other documentation relating to the non-US Person status of such transferee and that such transferee was not located in the United States at the time the investment decision was made with respect to the New Common Stock;

(h) the purchaser acknowledges that the Company, Panmure Gordon and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and warranties and agrees that if any such acknowledgement, representation or warranty deemed to have been made by virtue of its purchase of New Common Stock is no longer accurate, it shall promptly notify the Company and Panmure Gordon; and

(i) the purchaser acknowledges that the New Common Stock will bear a restrictive legend to the following effect, unless the Company determines otherwise in compliance with applicable law:

"THE SHARES REPRESENTED HEREBY HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")). THE SHARES ARE BEING OFFERED ONLY TO NON-US PERSONS OUTSIDE THE UNITED STATES IN TRANSACTIONS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IN RELIANCE ON REGULATION S. THE SHARES ARE "RESTRICTED SECURITIES" AS DEFINED UNDER RULE 144 (A)(3) PROMULGATED UNDER THE SECURITIES ACT. THE SHARES MAY NOT BE TAKEN UP, OFFERED, SOLD, RESOLD, DELIVERED OR DISTRIBUTED, DIRECTLY OR INDIRECTLY WITHIN, INTO OR FROM THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS (AS DEFINED IN REGULATION S) EXCEPT: (A)(I) IN AN OFFSHORE TRANSACTION MEETING THE REQUIREMENTS OF REGULATION S, (II) PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, OR (III) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. RESALES OR REOFFERS OF SHARES MADE OFFSHORE IN RELIANCE ON REGULATION S MAY NOT BE SOLD TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY US PERSON (AS DEFINED IN REGULATION S) DURING THE ONE YEAR DISTRIBUTION COMPLIANCE PERIOD UNDER REGULATION S. HEDGING TRANSACTIONS INVOLVING THESE SHARES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE SECURITIES ACT.

BY ACCEPTING THESE SHARES, THE HOLDER REPRESENTS AND WARRANTS THAT IT (A) IS NOT A US PERSON (AS DEFINED IN REGULATION S) AND (B) IS NOT HOLDING THE SHARES FOR THE ACCOUNT OR BENEFIT OF ANY US PERSON."

Subject to various conditions including, among others, the availability of current information regarding the Company, applicable holding periods and volume and manner of sale restrictions, Rule 144 may be available for US resales of New Common Stock by affiliates of the Company. Common Stock held by "Affiliates" (as defined in Rule 405 of the Securities Act) of the Company shall be held in certificated form and accordingly settlement shall not be permitted via CREST until such time as the relevant restrictions are no longer applicable. Affiliates of the Company at the time of the Placing, or investors that become Affiliates at any time after the Placing, should seek independent US legal counsel prior to selling or transferring any Common

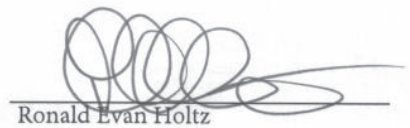
Stock. A liquid trading market for the Common Stock does not currently exist in the United States, and the Company does not expect such a market to develop soon.

Rule 144 may be available for resales of New Common Stock on the market or otherwise after the first anniversary of the purchase of New Common Stock.

PRIOR TO PURCHASING ANY COMMON STOCK OR CONDUCTING ANY TRANSACTIONS IN ANY NEW COMMON STOCK, INVESTORS ARE ADVISED TO CONSULT PROFESSIONAL ADVISERS REGARDING THE ABOVE RESTRICTIONS ON TRANSFER AND OTHER RESTRICTIONS REFERRED TO IN THIS DOCUMENT.

In this document, a "US Person" has the meaning set forth in Regulation S and includes:

- any natural person resident in the United States;
- any partnership or corporation organised or incorporated under the laws of the United States;
- any estate of which any executor or administrator is a US Person;
- any trust of which any trustee is a US Person;
- any agency or branch of a foreign entity located in the United States;
- any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S Person;
- any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the United States; and
- any partnership or corporation if it is organised or incorporated under the laws of any foreign jurisdiction and formed by a US Person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organised or incorporated and owned, by accredited investors (as defined in Rule 501(a) under the Securities Act) who are not natural persons, estates or trusts.



Ronald Evan Holtz
Chief Financial Officer and Director

for Ronald Evan Holtz and
under powers of attorney for Douglas Arthur Doerfler, J. Stark Thompson, William Wade Brooke, Stanley Charles Erck, Arthur Michael Mandell, and John Joseph Johnston.

Dated: 23 March 2016