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**Instem plc**  
(“Instem”, the “Company” or the “Group”)

**Proposed Placing of 2,500,000 New Ordinary Shares to raise £5.0 million,**

### **Posting of Circular and Notice of General Meeting**

Instem, a leading provider of IT solutions to the global early development healthcare market, announces that it has conditionally raised £5.0 million before expenses through the placing of 2,500,000 New Ordinary Shares at 200 pence per share to fund growth through acquisition and also for working capital to enhance organic growth.

#### **Key highlights of the Placing**

- Proposal to raise £5.0 million (before fees and expenses) to fund strategic acquisitions and enhance organic growth
- Placing of 2,500,000 New Ordinary Shares at an issue price of 200 pence per share
- In addition to the placing of New Ordinary Shares, the DG 2008 Discretionary Settlement (of which David Gare, Chairman, is a trustee) and David Sherwin, Non-Executive Director, have agreed to sell 600,000 and 200,000 Existing Ordinary Shares, respectively, at the Placing Price
- As part of the Placing, Mike McGoun, Non-Executive Director, has subscribed for 22,500 Ordinary Shares
- The Placing is conditional, inter alia, on Shareholder approval
- The Circular is expected to be posted to Shareholders today
- General Meeting to be held at the offices of N+1 Singer, One Bartholomew Lane, London, EC2N 2AX at 1.00 p.m. on 23 February 2016

#### **Commenting, Phil Reason, Chief Executive Officer, said:**

“This fundraising comes at the ideal time as both Instem and our life sciences clients enjoyed great success in 2015. With record levels of potential new drugs moving through the earlier stages of the research and development pipeline, the industry is keen to deploy proven and innovative technologies that can increase their efficiency and effectiveness while maximising patient safety.”

“Deploying the capital raised on acquisitions that complement our existing market leading software products and services will ensure that we will continue to help our clients bring life enhancing products to market faster.”

“We are delighted that the placing was oversubscribed, with demand from both existing shareholders and new institutional investors.”

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The Placing is conditional, inter alia, on the passing of the Resolutions at the General Meeting, Admission becoming effective by no later than 8.00 a.m. on 24 February 2016 (or such other time and/or date, being no later than 24 March 2016, as the Company and N+1 Singer may agree) and the Placing Agreement between the Company, the Selling Shareholders and N+1 Singer becoming unconditional and not being terminated prior to Admission (in accordance with its terms). Notice of the General Meeting will be set out on page 16 of the circular to Shareholders (the "Circular"). It is expected that the New Ordinary Shares will be admitted to trading on AIM on or around 8.00 a.m. on 24 February 2016. The Placing is not underwritten.

The Circular, extracts of which are set out below, is expected to be posted today, and will provide details of, and the background to, the Fundraising, and sets out the reasons why the Board believes that the Fundraising is in the best interests of the Company and its Shareholders and to seek Shareholder approval of the Resolutions at the forthcoming General Meeting.

Unless otherwise defined in this announcement, all defined terms used in this announcement shall have the meaning ascribed to them in the Circular.

Copies of the Circular will be available shortly following posting on the Company's website ([www.instem.com](http://www.instem.com)) and will be available, free of charge, at the Company's registered office at Diamond Way, Stone Business Park, Stone, Staffordshire ST15 0SD during normal business hours on any weekday (public holidays excepted) up to and including 1.00 p.m. on 23 February 2016.

A copy of this announcement will be published on the Company's website at [www.instem.com](http://www.instem.com). For the avoidance of doubt, neither the content of the Company's website nor the content of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this announcement nor, unless previously published by means of a recognised information service, should such content be relied upon in reaching a decision as to whether or not to acquire, continue to hold, or dispose of securities in the Company.

Nplus1 Singer Advisory LLP ("N+1 Singer") is acting as Nominated Adviser and broker to the Company in relation to the Fundraising. N+1 Singer, which is a member of the London Stock Exchange and is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting for the Company and for no one else in relation to the Fundraising. N+1 Singer will not be responsible to any other person for providing the protections afforded to its clients nor for advising any other person in connection with the matters contained in this announcement.

This announcement has been issued by, and is the sole responsibility of, the Company. N+1 Singer has not authorised the contents of any part of this announcement and no representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by N+1 Singer, or by any of its respective affiliates or agents, as to or in relation to, the accuracy or completeness of this announcement or any other written or oral information made available to any interested party, and any liability therefore is expressly disclaimed.

All statements in this announcement other than statements of historical fact are, or may be deemed to be, "forward-looking statements". In some cases, these forward-looking statements may be identified by the use of forward-looking terminology, including the terms "targets", "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. They appear in a number of places throughout the announcement and include statements regarding the intentions, beliefs or current expectations of the Company and/or the Directors concerning, among other things, the trading performance, results of operations, financial condition, liquidity, prospects and dividend policy of the Company. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company's actual performance, result of operations, financial condition, liquidity and dividend policy may differ materially from the impression created by the forward-looking statements contained in this announcement. Important factors that may cause these differences include, but are not limited to, changes in economic conditions generally; changes in interest rates and currency fluctuations; impairments in the value of the Company's assets; legislative/regulatory changes; changes in taxation regimes; the availability and cost of capital for future expenditure; the availability of suitable financing; the ability of the Group to retain and attract suitably experienced personnel and competition within the industry.

#### **Extracts from the Circular**

##### **EXPECTED TIMETABLE OF PRINCIPAL EVENTS**

Publication of the Circular	3 February 2016
Latest time and date for receipt of Form of Proxy	1.00 p.m. on 19 February 2016
General Meeting	1.00 p.m. on 23 February 2016
Admission and commencement of dealings in the New Ordinary Shares on AIM	8.00 a.m. on 24 February 2016
Where applicable, expected date for CREST accounts to be credited in respect of Placing Shares in uncertificated form	24 February 2016
Where applicable, expected date for despatch of definitive share certificates for Placing Shares in certificated form	2 March 2016

#### **LETTER FROM THE CHAIRMAN**

##### **1. Introduction**

The Company has conditionally raised £5.0 million (before expenses) by way of a placing with certain new and existing institutional and other investors of 2,500,000 New Ordinary Shares at a price of 200 pence per share. The Placing Price represents a discount of approximately 2.4 per cent. to the Closing Price on 2 February 2016, being the latest practicable date prior to the publication of the Circular. The Net Proceeds are intended to be used in the near term primarily to fund growth through acquisition and also for working capital to enhance organic growth.

The Placing is conditional, *inter alia*, on the passing of the Resolutions at the General Meeting, Admission becoming effective by no later than 8.00 a.m. on 24 February 2016 (or such other time and/or date, being no later than 8.00 a.m. on 24 March 2016, as N+1 Singer may agree) and the Placing Agreement between the Company, the Selling Shareholders and N+1 Singer becoming unconditional and not being terminated prior to Admission (in accordance with its terms). It is expected that the New Ordinary Shares will be admitted to trading on AIM on or around 8.00 a.m. on 24 February 2016.

The Board believes that raising equity finance by way of a placing is the most appropriate method of financing for the Group at this time. This method allows both existing institutional holders and new institutional and other investors to be targeted and to participate in the Fundraising. It also avoids the need for a prospectus to be prepared and issued, which is a costly and time consuming process.

The purpose of the Circular is to set out the reasons for, and provide further information on, the Placing, to explain why the Board considers the Fundraising to be in the best interests of the Company and its Shareholders as a whole and why the Directors unanimously recommend that you vote in favour of the Resolutions, as David Gare, David Sherwin and Philip Reason have irrevocably undertaken to do (or procure to be done) in respect of their own legal and/or beneficial holdings (or those of their connected parties) of Ordinary Shares, in aggregate representing approximately 33.5 per cent. of the Company's issued share capital on 2 February 2016 (being the last Business Day prior to publication of the Circular).

At the end of the Circular you will find a notice convening the General Meeting at which the Resolutions will be proposed. The General Meeting has been convened for 23 February 2016 at 1.00 p.m. and will take place at the offices of N+1 Singer, One Bartholomew Lane, London EC2N 2AX.

## **2. Background to, and reasons for, the Fundraising**

### **Background**

#### *Market Environment*

Global drug discovery activity is displaying consistent and accelerating growth, with new drug approvals at record levels. Recent capital inflows to the biotech industry leave it well funded for several years. The focus has returned to the earlier stages of research and development where Instem specialises. The Company currently directly addresses markets with a combined value of approximately \$100 million.

#### *Strategy*

The Board's strategy is to pursue expansion through both organic growth and targeted acquisitions, capitalising on current strong market dynamics. Three acquisitions have been completed since the Company's admission to AIM in October 2010 and the Board believes that there is an opportunity to further consolidate what remains a fragmented market.

### **Rationale for the Fundraising**

The Directors primarily intend to use the Net Proceeds, potentially along with existing cash resources, retained earnings and Ordinary Shares to accelerate the Company's consolidation strategy. The Directors believe that having the funding in place would be a significant benefit for the Company in negotiating acquisition terms and give it greater flexibility in completing acquisitions. The Board's experience is that certainty of funding is an extremely important factor for the vendors of these typically owner-managed businesses. The Directors believe that the requirement for Instem to raise equity funding from the market

can deter such owners from engaging with the Company in relation to a potential sale.

The Directors believe that raising funds for potentially more than one acquisition in one tranche is more cost efficient than returning to the market each time finance is required, as an equity fund raise process is relatively time consuming for management and has a significant fixed cost element.

Additionally, the Directors believe that there is a significant opportunity to accelerate the roll-out of the Group's submit™ product and associated services as a result of the US Food & Drug Administration making it mandatory to use the Standard for the Exchange of Non-clinical Data ("SEND") for all related study submissions, starting with those run after December 2016 that support the submission of a new drug application. The Directors believe that the total market spend on technology and services in respect of SEND will be approximately \$150 million per annum in 2019. Part of the Net Proceeds will be used to accelerate strategic growth opportunities, such as this.

### **Acquisition track record**

The Company has a proven track record of making acquisitions. Three acquisitions have been completed since 2010 and all of the acquired companies have been integrated into the Group. Such acquisitions have, amongst other things, broadened the Group's product offering and Instem has been able to leverage the Group's global sales channels for the benefit of the acquired businesses. These acquisitions are further described below.

#### *BioWisdom Limited*

The Company acquired BioWisdom Limited (renamed Instem Scientific Limited) ("Instem Scientific") in March 2011 for approximately £1.1 million, including contingent consideration. It provides sophisticated software technology, highly tailored for life sciences applications, to enable "big data" aggregation, mining and analysis. The widespread use of SEND is expected, in the future, to provide a rich source of additional high quality data. Instem Scientific leverages its technology platform to provide KnowledgeScan services, which provide additional insight at various stages in the research and development lifecycle.

#### *Logos Holdings Limited*

The Company acquired Logos Holdings Limited (renamed Instem Clinical Limited) ("Instem Clinical") in May 2013 for an initial cash consideration of £0.55 million, with further consideration of up to £4.45 million payable in a mixture of cash and Ordinary Shares, subject to performance over the following four years.

The acquisition of Instem Clinical represented a strategic move by the Group into the early phase clinical market through its ALPHADAS product. The broader coverage of the early development domain extended the addressable market for the Group giving access to a market where IT penetration was quite modest with good growth potential.

There was little overlap between the two customer bases, providing the opportunity for the cross-selling of certain modules from the Group's existing Provantis® and submit™ suites into the Logos customer base and of certain elements of the ALPHADAS suite into the Group's pharmaceutical customers. Instem Clinical also benefited from the Group's global sales and marketing capability.

Instem Clinical had met all earn out financial performance targets when, in December 2015, the Company reached an early agreement on the remaining deferred consideration payable, bringing the total consideration to £4.8 million and enabling the full integration of the business ahead of schedule.

#### *Perceptive Instruments Limited*

The Company acquired Perceptive Instruments Limited ("Perceptive Instruments") in November 2013 for £1.3 million, including deferred consideration, enabling the Company's entry into the *in vitro* research and development marketplace.

Perceptive Instruments develops, manufactures and supplies software and hardware products for *in*

*vitro* study data collection and study management in the genetic toxicology, microbiology and immunology markets. The acquisition of Perceptive Instruments extended the Group's range of activities to earlier in the drug development life cycle.

### **Acquisition strategy**

The Directors are targeting acquisitions to complement the Group's existing products, to leverage and enhance its global market position and to provide access to adjacent markets.

Supplier consolidation is encouraged by the Group's customer base in order to reduce their own costs of supplier management and to increase the efficiency and effectiveness of their business processes. The highly fragmented pharmaceutical software market provides a significant number of bolt-on opportunities and Instem has profiled over 150 companies. The Group's acquisition targets typically have a revenue range of \$1 million to \$6 million per annum, with the near term potential to deliver annual EBITDA in excess of \$0.5 million. Several of these, which the Directors believe would be highly complementary, relatively low risk and immediately earnings accretive have been well profiled. The Group is particularly focused on the areas of niche regulatory study management solutions, electronic regulatory data submission tools, modelling solutions and data visualisation and analysis tools. In addition, there are also a small number of larger transformational acquisition opportunities, but these are outside the scope of the purpose of the Fundraising.

### **3. Trading update**

The following text is extracted from the Company's trading update for the year ended 31 December 2015, which was announced on 13 January 2016.

"Revenue for the 12 month period is expected to be ahead of consensus market estimates at approximately £15.8m (2014: £13.4m), of which recurring revenue will be at least £9.6m (2014: £9.2m). Both new and existing clients contributed well during the year while also generating a strong backlog of orders and increasing recurring revenues.

Net cash as of 31 December 2015 is also expected to be ahead of market estimates at £2.1m (31 December 2014: £1.7m) due to a combination of the growth in activity and efficient working capital management.

The Company has taken the opportunity during 2015 to increase investment in its growth markets in the expectation that this will drive future growth and earnings. One such area is the US Food & Drug Administration mandated Standard for the Exchange of Non-clinical Data (SEND), where market interest is continually building. Instem secured the majority of SEND technology related customers and contracts placed globally during 2015.

Overall earnings for the year are expected to be in line with current market expectations."

### **4. Use of proceeds**

The Company intends to utilise approximately £4.4 million of the Net Proceeds to finance future bolt-on acquisitions, as set out above. The Company will use the balance of the Net Proceeds to accelerate the implementation of identified strategic organic growth initiatives, including the roll-out of its submit™ platform.

### **5. Information on the Placing**

#### ***(a) Placing of New Ordinary Shares***

The Company has conditionally raised £5.0 million (approximately £4.7 million net of expenses) by way of a placing of 2,500,000 New Ordinary Shares at the Placing Price with certain new and existing institutional and other investors. The New Ordinary Shares will represent approximately 16.1 per cent. of the Enlarged

Share Capital. The Placing Price represents a discount of 2.4 per cent. to the Closing Price of 205 pence per Existing Ordinary Share on 2 February 2016, being the last Business Day prior to the publication of the Circular.

**(b) Selling Shareholders**

In addition to the placing of New Ordinary Shares, the trustees of the DG 2008 Discretionary Settlement (of which David Gare (the Company chairman) and his wife are the trustees) and David Sherwin (Non-Executive Director) have agreed to sell 600,000 and 200,000 Existing Ordinary Shares, respectively, at the Placing Price, being in aggregate approximately 6.1 per cent. of the Existing Ordinary Shares.

For a period of 12 months following Admission, the Ordinary Shares held by the Selling Shareholders will be subject to lock-in agreements such that no such Ordinary Shares may be transferred by them, save in limited circumstances, without the prior written consent of the Company and N+1 Singer.

**(c) The placing of New Ordinary Shares and sell-down of Existing Ordinary Shares**

In connection with the Fundraising and the sales of Existing Ordinary Shares, the Company and the Selling Shareholders have entered into the Placing Agreement with N+1 Singer, pursuant to which N+1 Singer has agreed to use reasonable endeavours, as agent on behalf of the Company and the Selling Shareholders, to procure places for the New Ordinary Shares and the Existing Ordinary Shares being sold by the Selling Shareholders at the Placing Price.

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

- the passing of the Resolutions at the General Meeting;
- the conditions in the Placing Agreement being satisfied or (if applicable) waived and the Placing Agreement not having been terminated in accordance with its terms prior to Admission; and
- Admission becoming effective by no later than 8.00 a.m. on 24 February 2016 (or such later time and/or date, being no later than 8.00 a.m. on 24 March 2016, as the Company and N+1 Singer may agree).

Accordingly, if any of such conditions are not satisfied, or, if applicable, waived, the Placing will not proceed.

The Placing Agreement contains provisions entitling N+1 Singer to terminate the Placing Agreement at any time prior to Admission in certain circumstances that are customary for an agreement of this nature including circumstances where any of the warranties are found to be untrue or inaccurate or were misleading and which in any such case is material, or the occurrence of certain *force majeure* events. If this right is exercised, the Placing will not proceed. The Placing has not been underwritten by N+1 Singer or any other party.

The Placing Agreement contains customary warranties given by the Company and the Selling Shareholders to N+1 Singer and a customary indemnity given by the Company to N+1 Singer in respect of liabilities arising out of or in connection with the Placing.

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective, and that dealings on AIM will commence, at 8.00 a.m. on 24 February 2016 on which date it is also expected that the New Ordinary Shares will be enabled for settlement in CREST.

The New Ordinary Shares will, when issued, rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive dividends and other distributions declared following Admission.

**6. Related party transactions**

Henderson Global Investors Limited (“Henderson”) is a related party of the Company for the purposes of

the AIM Rules as it holds greater than 10 per cent. of the Existing Ordinary Shares. It is anticipated that Henderson will participate in the Placing in respect of 500,000 Ordinary Shares and such participation represents a related party transaction pursuant to Rule 13 of the AIM Rules. The Directors, having consulted with N+1 Singer, consider that the terms of the related party transaction are fair and reasonable insofar as the Shareholders are concerned.

## 7. Director Dealing

Mike McGoun, Non-Executive Director, is participating in the Placing at the Placing Price as set out below

	<i>Amount subscribed</i>	<i>Number of Placing Shares</i>	<i>Number of shares held following Admission</i>	<i>Percentage of Enlarged Share Capital</i>
Mike McGoun	£45,000	22,500	36,786	0.2%

The DG 2008 Discretionary Settlement (of which David Gare and his wife are the trustees) and David Sherwin are selling a proportion of their Existing Ordinary Shares, as described in paragraph five above.

## 8. The General Meeting

Set out at the end of the Circular is a notice convening the General Meeting of the Company to be held at 1.00 p.m. on 23 February 2016, at which the Resolutions summarised below will be proposed:

### ***Resolution 1 – authority to allot***

An ordinary resolution to authorise the Directors to allot New Ordinary Shares up to an aggregate nominal amount of £250,000 pursuant to the Fundraising, representing approximately 19.2 per cent. of the Existing Ordinary Shares.

### ***Resolution 2 – disapplication of pre-emption rights***

Conditional on the passing of the ordinary resolution to allot the New Ordinary Shares, a special resolution to authorise the Directors to allot New Ordinary Shares pursuant to the Fundraising on a non pre-emptive basis.

## 9. Irrevocable Undertakings

David Gare, David Sherwin and Philip Reason have irrevocably undertaken to vote (or to procure a vote) in favour of the Resolutions in respect of their own legal and/or beneficial holdings (or those of their connected parties) of 4,363,780 Ordinary Shares, in aggregate representing approximately 33.5 per cent. of the Existing Ordinary Shares.

Additionally, members of David Gare's immediate family, being Adrian Gare and Deborah Walker have given irrevocable undertakings to vote in favour of the Resolutions in respect of their own legal and/or beneficial holdings of Ordinary Shares. Accordingly, taken together with the irrevocable undertakings given by the Directors as described above, there are irrevocable undertakings representing, in aggregate 45.5 per cent. of the Existing Ordinary Shares.

## 10. Action to be taken in respect of the General Meeting

Please check that you have received with the Circular:

- a Form of Proxy for use in respect of the General Meeting; and
- if you are a Shareholder based in the United Kingdom and hold your Ordinary Shares in certificated form, a reply-paid envelope for use in conjunction with the return of the Form of Proxy.

Whether or not you propose to attend the General Meeting in person, you are strongly encouraged to complete, sign and return your Form of Proxy in accordance with the instructions printed thereon as soon as possible, but in any event so as to be received, by post or, during normal business hours only, by hand, to Instem plc, Diamond Way, Stone Business Park, Stone, Staffordshire ST15 0SD by no later than 1.00 p.m. on 19 February 2016, (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any part of a day that is not a Business Day)).

If you hold your shares in the Company in uncertificated form (that is, in CREST) you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the Notice of the General Meeting set out at the end of the Circular). Proxies submitted via CREST must be received by the Company's agent (3RA50) by no later than 1.00 p.m. on 19 February 2016 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any part of a day that is not a Business Day)).

Appointing a proxy in accordance with the instructions set out above will enable your vote to be counted at the General Meeting in the event of your absence. The completion and return of the Form of Proxy or the use of the CREST Proxy Voting service will not prevent you from attending and voting at the General Meeting, or any adjournment thereof, in person should you wish to do so.

## 11. Recommendation

Your Board believes the Fundraising to be in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors unanimously recommend that you vote in favour of the Resolutions. David Gare, Phil Reason and David Sherwin have irrevocably undertaken to vote (or procure a vote) in favour of the Resolutions in respect of, in aggregate, 4,363,780 Existing Ordinary Shares, representing approximately 33.5 per cent. of the Existing Ordinary Shares.

## DEFINITIONS

The following definitions apply throughout the Circular unless the context otherwise requires:

"Act"	the Companies Act 2006 (as amended)
"Admission"	the admission of the New Ordinary Shares to trading on AIM following completion of the Placing and such admission becoming effective in accordance with the AIM Rules
"AIM"	the AIM market operated by the London Stock Exchange
"AIM Rules"	the AIM Rules for Companies and accompanying guidance notes published by the London Stock Exchange from time to time
"Business Day"	any day on which banks are usually open in England and Wales for the transaction of business, other than a Saturday, Sunday or public holiday
"certificated form" or "in certificated form"	a share or other security not held in uncertificated form (that is, not in CREST)
"Closing Price"	the closing middle market quotation of an Ordinary Share as derived from the AIM Appendix of the Daily Official List of the London Stock Exchange
"Company" or "Instem"	Instem plc, a company incorporated and registered in England and Wales under the Companies Act 1985 with registered number 7148099
"CREST"	a relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in the CREST Regulations)
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (S.I. 2001 No. 3755) (as amended)
"Directors" or "Board"	the directors of the Company whose names are set out on page 5 of the Circular
"EBITDA"	earnings before interest, tax, depreciation and amortisation
"Euroclear"	Euroclear UK & Ireland Limited, the operator of CREST
"Enlarged Share Capital"	the issued share capital of the Company immediately following Admission

<b>"Existing Ordinary Shares"</b>	comprising the Existing Ordinary Shares and the New Ordinary Shares
<b>"Form of Proxy"</b>	the 13,043,774 Ordinary Shares in issue at the date of the Circular the form of proxy for use in connection with the General Meeting which accompanies the Circular
<b>"FCA"</b>	the Financial Conduct Authority
<b>"FSMA"</b>	the Financial Services and Markets Act 2000 (as amended)
<b>"Fundraising"</b>	the conditional placing of the New Ordinary Shares by N+1 Singer, as agent for and on behalf of, the Company, on the terms and subject to the conditions contained in the Placing Agreement
<b>"General Meeting"</b>	the general meeting of the Company to be held at the offices of N+1 Singer, One Bartholomew Lane, London EC2N 2AX at 1.00 p.m. on 23 February 2016, or any reconvened meeting following any adjournment of the general meeting, notice of which is set out at the end of the Circular
<b>"Group"</b>	the Company and its subsidiaries
<b>"HMRC"</b>	Her Majesty's Revenue & Customs
<b>"London Stock Exchange"</b>	London Stock Exchange plc
<b>"Net Proceeds"</b>	the estimated net proceeds from the Fundraising receivable by the Company after the deduction of the related fees and expenses
<b>"New Ordinary Shares"</b>	the 2,500,000 new Ordinary Shares to be issued pursuant to the Fundraising
<b>"Nominated Adviser" or</b>	Nplus1 Singer Advisory LLP, the Company's nominated adviser and broker
<b>"N+1 Singer"</b>	
<b>"Notice of General Meeting"</b>	the notice convening the General Meeting which is set out at the end of the Circular
<b>"Ordinary Shares"</b>	the ordinary shares of 10 pence each in the capital of the Company
<b>"Placing"</b>	the conditional placing of the Placing Shares at the Placing Price by N+1 Singer, as agent for and on behalf of the Company and the Selling Shareholders, on the terms and subject to the conditions contained in the Placing Agreement
<b>"Placing Agreement"</b>	the conditional agreement dated 3 February 2016 between N+1 Singer and the Company in relation to the Placing
<b>"Placing Price"</b>	200 pence per New Ordinary Share
<b>"Placing Shares"</b>	2,500,000 New Ordinary Shares and 800,000 Sale Shares which have been conditionally placed pursuant to the Placing
<b>"Prospectus Rules"</b>	the prospectus rules made by the FCA pursuant to section 73A of the FSMA
<b>"Resolutions"</b>	the resolutions set out in the Notice of General Meeting
<b>"Sale Shares"</b>	the 600,000 and 200,000 Existing Ordinary Shares held by the trustees of the DG 2008 Discretionary Settlement and David Sherwin, respectively, to be placed with institutional and other investors pursuant to the Placing
<b>"Selling Shareholders"</b>	the DG 2008 Discretionary Settlement, of which David Gare and his wife are the trustees, and David Sherwin
<b>"Shareholders"</b>	holders of Ordinary Shares
<b>"UK"</b>	the United Kingdom of Great Britain and Northern Ireland
<b>"United Kingdom Listing Authority"</b>	the FCA acting in its capacity as the competent authority for the purposes of Part VI of the FSMA
<b>"US" or "United States"</b>	the United States of America, each State thereof, its territories and possessions (including the District of Columbia) and all other areas subject to its jurisdiction
<b>"uncertificated" or "in uncertificated form"</b>	a shareholding which is recorded on the register of members of the Company as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST