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If you have sold or otherwise transferred all of your Ordinary Shares, please forward this document, together with the accompanying Form of Proxy, at once to the purchaser or transferee or to the stockbroker, banker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. Such documents should not, however, be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction. If you have sold or transferred only part of your holding of Ordinary Shares, you should retain these documents.

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# Defenx plc

*(Incorporated in England and Wales under the Companies Act 2006 with registered number 08993398)*

## Conditional Placing and Subscription of 1,897,500 New Ordinary Shares at 80 pence per share and Notice of General Meeting

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This document does not constitute a prospectus for the purposes of the prospectus rules of the Financial Conduct Authority, nor does it comprise an admission document prepared in accordance with the AIM Rules. Accordingly, this document has not been approved by or filed with the Financial Conduct Authority. This document does not constitute or form part of any offer or invitation to sell or issue or a solicitation of any offer to acquire, purchase or subscribe for New Ordinary Shares in any jurisdiction.

This document must not be distributed to a US Person (as such term is defined in Rule 902 of Regulation S under the US Securities Act of 1933, as amended (the "Securities Act")) or within or into the United States, Canada, Japan, South Africa, the Republic of Ireland or Australia. The Ordinary Shares have not been and will not be registered under the Securities Act, and may not be offered or sold or subscribed, directly or indirectly, within the United States, Canada, Japan, South Africa, the Republic of Ireland or Australia or to or by any US Person (as such term is defined in Regulation S promulgated under the Securities Act) or any national resident or citizen of Canada, Japan, the Republic of South Africa, the Republic of Ireland or Australia or any corporation, partnership or other entity created or organised under the laws thereof.

Application has been made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected, subject, *inter alia*, to the passing of the requisite Resolutions at the General Meeting (other than in the case of the Minimum Placing, as defined) that Admission will become effective in respect of, and that dealings on AIM will commence in, the New Ordinary Shares, on or around 27 October 2016.

Notice of the General Meeting of Defenx plc to be held at the offices of Taylor Vinters LLP, Tower 42, 33rd Floor, 25 Old Broad Street, London EC2N 1HQ on 26 October 2016 at 12.00 p.m. is set out at the end of this document. The Form of Proxy accompanying this document for use in connection with the General Meeting should be completed and returned in accordance with the instructions thereon so as to be received by the Company's registrars, SLC Registrars, 42-50 Hersham Road, Walton-on-Thames, Surrey, KT12 1RZ by no later than 12.00 p.m. on 24 October 2016. The recommendation of the Directors on the Resolutions to be proposed at the General Meeting is set out on page 12 of this document. Completion and return of a Form of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting should they so wish.

This document should be read in its entirety in conjunction with the accompanying Form of Proxy and the definitions set out herein. In particular, your attention is drawn to the letter from the Chairman, which is set out on pages 9 to 12 of this document, and which recommends that you vote in favour of the Resolutions.

Strand Hanson Limited ("Strand Hanson"), 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 as Financial and Nominated Adviser to the Company in connection with the Placing and Subscription and is not acting for any other person and will not be responsible to any person other than the Company for providing the protections afforded to clients of Strand Hanson.

WH Ireland Limited ("WH Ireland") and Beaufort Securities Ltd ("Beaufort Securities"), which are authorised and regulated in the United Kingdom by the Financial Conduct Authority, are acting for Defenx plc and no-one else in connection with the Placing. WH Ireland and Beaufort Securities will not regard any other person (whether or not a recipient of this document) as their client or be responsible to any other person for providing the protections to clients of WH Ireland or Beaufort Securities nor for providing advice in relation to the transactions and arrangement described in this document. WH Ireland and Beaufort Securities are not making any representation or warranty, express or implied, as to the contents of this document. WH Ireland and Beaufort Securities have not approved the contents of, or any part of, this document and no liability whatsoever is accepted by WH Ireland or Beaufort Securities for the accuracy of any information or opinions contained in this document or for the omission of any information from this document.

Past performance is not a guide to future performance. Neither the content of websites referred to in this document, nor any hyperlinks on such websites is incorporated in, or forms part of, this document.

This document is published on 10 October 2016. Copies of this document will be available free of charge during normal business hours on weekdays (excluding Saturday, Sunday and public holidays) from the date hereof until a month after the General Meeting from the Company's registered office. Copies will also be available to download from the Company's website at [www.defenx.com](http://www.defenx.com).

## **FORWARD LOOKING STATEMENTS**

This document contains forward-looking statements. These statements relate to the Group's future prospects, developments and business strategies. Forward-looking statements are identified by their use of terms and phrases such as "potential", "estimate", "expect", "may", "will" or the negative of those, variations or comparable expressions, including references to assumptions. The forward-looking statements in this document are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. These forward-looking statements speak only as at the date of this document. No statement in this document is intended to constitute a profit forecast or profit estimate for any period. Neither the Directors nor the Group undertake any obligation to update forward-looking statements or risk factors other than as required by the AIM Rules or by the rules of any other securities regulatory authority, whether as a result of new information, future events or otherwise.

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## DEFINITIONS

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

“Act”	the Companies Act 2006 (as amended)
“Admission”	admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules
“AIM”	the market of that name operated by London Stock Exchange
“AIM Rules”	the rules for AIM companies and their AIM advisers, as published from time to time by the London Stock Exchange in relation to AIM traded securities
“Announcement”	the announcement regarding the Placing and Subscription released by the Company on 7 October 2016
“Beaufort Securities”	Beaufort Securities Ltd of 131 Finsbury Pavement, London, EC2A 1NT
“Circular”	this document
“Company” or “Defenx”	Defenx PLC, a public limited company registered in England and Wales with registration number 08993398
“CREST”	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear which facilitates the transfer of title to shares in uncertificated form
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) including any enactment or subordinate legislation which amends or supersedes those regulations and any applicable rules made under those regulations or any such enactment or subordinate legislation for the time being in force
“Directors” or “Board”	all of the directors of Defenx, whose names are set out on page 8 of this document
“Enlarged Issued Ordinary Share Capital”	the Existing Issued Ordinary Share Capital as enlarged by the allotment and issue of the New Ordinary Shares
“Existing Issued Ordinary Share Capital”	the 6,720,306 Ordinary Shares in issue on the Latest Practicable Date
“Form of Proxy”	the form of proxy accompanying this document for use by Shareholders in connection with the General Meeting
“General Meeting” or “GM”	the general meeting of the Shareholders called pursuant to the notice of General Meeting set out at the end of this document at which the Resolutions will be proposed
“Group”	the Company and its subsidiaries
“Latest Practicable Date”	close of business (5.00 p.m. London time) on 6 October 2016, being the latest practicable date prior to the publication of the Announcement
“London Stock Exchange”	London Stock Exchange PLC
“Minimum Placing”	the placing of 600,000 New Ordinary Shares to be issued pursuant to the Placing, whose issue is not conditional on the requisite Resolutions being passed

“New Ordinary Shares”	the 1,897,500 new Ordinary Shares to be issued by the Company pursuant to the Placing and Subscription (and in the event the requisite Resolutions are not passed, the 600,000 new Ordinary Shares to be issued pursuant to the Minimum Placing)
“Option holders”	holders of options over Ordinary Shares
“Ordinary Shares”	the ordinary shares of £0.018 each in the capital of the Company
“Placing”	the conditional allotment and issue of the 1,647,500 New Ordinary Shares by the Company pursuant to the terms of the Placing Agreement
“Placing Agreement”	the placing agreement between the Company, WH Ireland and Beaufort Securities dated 6 October 2016 in respect of the Placing
“Placing Price”	80 pence per New Ordinary Share
“Resolutions”	the resolutions set out in the notice of General Meeting (set out at the end of this document) and which are to be proposed as ordinary and special resolutions as indicated
“Shareholders”	the holders of Ordinary Shares from time to time
“Strand Hanson”	Strand Hanson Limited, the nominated and financial adviser to the Company
“Subscription”	the conditional allotment and issue of 250,000 New Ordinary Shares by the Company pursuant to the terms of the applications made by the Directors subscribing for them
“Warrants”	means warrants as constituted under two warrant instruments dated 6 October 2016
“WH Ireland”	WH Ireland Limited of 24 Martin Lane, London, EC4R 0DR

*References to “£”, “pence” and “p” are to British pounds and pence sterling, the currency of the United Kingdom.*

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Date of publication of this document	10 October 2016
Latest time and date for receipt of Forms of Proxy	12.00 p.m. on 24 October 2016
General Meeting	12.00 p.m. on 26 October 2016
Admission and commencement of dealings in the New Ordinary Shares on AIM	8.00 a.m. on 27 October 2016
Expected date for CREST accounts to be credited (where appropriate) with the New Ordinary Shares	27 October 2016
Expected date for dispatch of share certificates	by 2 November 2016

Notes:

1. Each of the times and dates above are indicative only and are subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified by the Company to Shareholders by announcement through a regulatory information service.
2. All of the above times refer to London time unless otherwise stated.
3. The Admission and commencement of dealings in the New Ordinary Shares on AIM are conditional (other than in respect of the Minimum Placing) on, *inter alia*, the passing of the requisite Resolutions at the General Meeting.

## PLACING AND SUBSCRIPTION STATISTICS

Issue price per New Ordinary Share issued pursuant to the Placing and Subscription	80 pence
Number of existing Ordinary Shares prior to Admission of the New Ordinary Shares	6,720,306
Number of New Ordinary Shares to be issued by the Company pursuant to the Placing	1,647,500
Number of New Ordinary Shares to be issued by the Company pursuant to the Subscription	250,000
Number of Ordinary Shares in issue following Admission of the New Ordinary Shares (the Enlarged Issued Ordinary Share Capital) <sup>(1)</sup>	8,617,806
Total gross proceeds of the Placing and Subscription	£1.52 million
Total net proceeds of the Placing and Subscription	£1.38 million
Percentage of Enlarged Issued Ordinary Share Capital represented by the New Ordinary Shares	22.0 per cent.
Implied market capitalisation of the Company immediately following the Placing and Subscription at the Placing Price <sup>(1)</sup>	£6.89 million

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(1) For the purposes of this calculation it is assumed that no Ordinary Shares, other than the New Ordinary Shares, will be issued between the Latest Practicable Date and the allotment and issue of the New Ordinary Shares and the Company's share price remains equal to the Placing Price.

## DIRECTORS, SECRETARY AND ADVISERS

<b>Directors</b>	Anthony Henry Reeves – <i>Non-Executive Chairman</i> Andrea Steconi – <i>Founder &amp; Chief Executive Officer</i> Philipp Nicholas Andre Martin Prince – <i>Chief Financial Officer</i> Leonard Robert Seelig – <i>Non-Executive Director</i>
<b>Company Secretary</b>	Equiniti David Venus Limited 42-50 Hersham Road Walton-on-Thames Surrey KT12 1RZ
<b>Business address</b>	Lake View House Tournament Fields Warwick CV34 6RG
<b>Registered office of the Company</b>	42-50 Hersham Road Walton-on-Thames Surrey KT12 1RZ
<b>Financial &amp; Nominated Adviser</b>	Strand Hanson Limited 26 Mount Row London W1K 3SQ
<b>Joint Broker</b>	WH Ireland Limited 24 Martin Lane London EC4R 0DR
<b>Joint Broker</b>	Beaufort Securities Limited 131 Finsbury Pavement London EC2A 1NT
<b>Solicitors to the Company</b>	Taylor Vinters LLP Tower 42, 33rd Floor 25 Old Broad Street London EC2N 1HQ
<b>Financial PR</b>	IFC Advisory Ltd 73 Watling Street London EC4M 9BJ
<b>Registrar And Receiving Agent</b>	SLC Registrars 42-50 Hersham Road Walton-on-Thames Surrey KT12 1RZ
<b>Company's website</b>	<a href="http://www.defenx.com">www.defenx.com</a>



# LETTER FROM THE CHAIRMAN OF DEFENX PLC

(Incorporated in England and Wales under the Companies Act 2006 with registered number 08993398)

Directors:

Anthony Henry Reeves (*Non-Executive Chairman*)  
Andrea Steconi (*Founder & Chief Executive Officer*)  
Philipp Nicholas Andre Martin Prince (*Chief Financial Officer*)  
Leonard Robert Seelig (*Non-Executive Director*)

Registered Office:

42-50 Hershams Road  
Walton-on-Thames  
Surrey  
WA16 7GY

10 October 2016

Dear Shareholder

## **Proposed Placing and Subscription of 1,897,500 New Ordinary Shares at 80 pence per share**

**and**

## **Notice of General Meeting**

### **1. Introduction**

On 7 October 2016, the Company announced a conditional placing and subscription of, in aggregate, 1,897,500 New Ordinary Shares of £0.018 each at a price of 80 pence per share, raising gross proceeds of approximately £1.52 million before expenses, with certain existing and new institutional and other investors and the executive Directors.

The net proceeds of the Placing and Subscription, together with existing cash resources, will be used to enable the Company to accelerate software development work (further details on which are set out in paragraph 2 below) and for general working capital purposes.

The Placing and Subscription are subject to, *inter alia*, the receipt of Shareholder approval of the necessary Resolutions to enable the issue of the New Ordinary Shares, however the Minimum Placing is not conditional on the Resolutions being passed. Accordingly, the Company is today convening a General Meeting to seek Shareholders' approval to update the relevant Board authorities to allot shares in the Company. These updated authorities will enable the Directors to, *inter alia*, complete the Placing and Subscription through the allotment of in aggregate 1,897,500 New Ordinary Shares for cash on a non-pre-emptive basis.

The Company is convening the requisite General Meeting for 12.00 p.m. on 26 October 2016 at the offices of Taylor Vinters LLP, Tower 42, 33rd Floor, 25 Old Broad Street, London EC2N 1HQ to approve, *inter alia*, the necessary resolutions in respect of the Placing and Subscription. In the event that the requisite Resolutions are not passed, the Placing and Subscription will not proceed, save for the issue of 600,000 New Ordinary Shares at a price of 80 pence per share which will still be issued to certain new investors pursuant to the Company's existing share authorities, raising gross proceeds of £480,000 (the "Minimum Placing").

This document explains, *inter alia*, the background to and reasons for the Placing and Subscription, and why the Directors consider the Placing and Subscription to be in the best interests of the Company and its Shareholders as a whole and recommend that you vote in favour of the Resolutions to be proposed at the General Meeting, notice of which is set out at the end of this document.

### **2. Background to and reasons for the Placing and Subscription and use of net proceeds**

The Company intends to use the net proceeds of the Placing and the Subscription to accelerate software development, both to enhance existing products and to develop and test new products, and for general working capital purposes.

A key benefit of the Company's business model is the market intelligence provided by its channel partners. Its software development plans therefore reflect the actual demand in the market for new products and features. As a result of this feedback, the Directors are satisfied that accelerating the Company's development plans is in the best interest of the Company and Shareholders. Doing so, will enable the

Company to bring new products and features to market more quickly than previously envisaged and, in particular, in time for the peak 2017 sales season starting with the back-to-school market next summer, followed by the mobile hardware launch cycle and the run into the Christmas season.

A significant proportion of the anticipated development spend over the next year will be to bring all of the Company's products substantially within the control and ownership of the Group, with limited licensing of external IP. This will provide the Company with greater flexibility in managing the graphical user interface, user activation and license management and facilitate white-labelling where channel partners request this. There is also significant scope to integrate Defenx's security products and the Cloud products acquired with Memopal Srl in August 2016 (as announced on 2 August 2016).

As previously announced, the Company has debt facilities of €1.2 million, of which €0.4 million has been drawn. The Placing and the Subscription will therefore provide flexibility in the timing of and requirement to draw on these facilities and will also provide additional working capital.

### **3. Details of the Placing**

The Placing Price represents a discount of approximately 19 per cent. to the closing middle market price of 99 pence per Ordinary Share on 6 October 2016, being the last business day prior to the announcement of the Placing and the Subscription.

The New Ordinary Shares to be issued pursuant to the Placing have been conditionally placed by WH Ireland and Beaufort Securities as agents of the Company, with certain existing and new institutional and other investors pursuant to the Placing Agreement, subject to the passing of Resolutions 1 and 2. In the event that Resolutions 1 and 2 are not passed, the Placing and Subscription will not proceed, save for the Minimum Placing.

Under the terms of the Placing Agreement, WH Ireland and Beaufort Securities will receive commission from the Company conditional on Admission and the Company will give customary warranties and undertakings to WH Ireland and Beaufort Securities in relation, *inter alia*, to its business and the performance of its duties.

The Company has conditionally agreed to issue WH Ireland and Beaufort Securities 101,000 and 63,750 Warrants respectively in consideration for their broking services in respect of the Placing. These Warrants will have an exercise price of 80 pence and an expiry date of five years from the date of issue. On the passing of the Resolutions, 60,000 Warrants shall be issued to Beaufort Securities and on Admission 101,000 Warrants shall be issued to WH Ireland and a further 3,750 Warrants will be issued to Beaufort Securities. Separately, as part of Beaufort Securities' appointment to act as Joint Broker to the Company (as announced on 19 September 2016), the Company will issue Beaufort Securities a further 40,000 Warrants, which have an exercise price of between 125 and 200 pence and an expiry date of five years from the date of issue. The issue of these Warrants is conditional on the passing of the Resolutions.

In addition, the Company has agreed to indemnify WH Ireland and Beaufort Securities in relation to certain liabilities that they may incur in undertaking the Placing. WH Ireland and Beaufort Securities have the right to terminate the Placing Agreement in certain circumstances prior to Admission, in particular, in the event that there has been, *inter alia*, a material breach of any of the warranties. The Placing is not being underwritten.

Application has been made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. Subject to, *inter alia*, the passing of Resolutions 1 and 2, it is expected that Admission will take place and that trading will commence on AIM at 8.00 a.m. on or around 27 October 2016.

Following the issue of the New Ordinary Shares, the Company will have 8,617,806 Ordinary Shares in issue and there are no shares held in treasury. This figure may be used by Shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure and Transparency Rules.

The New Ordinary Shares will, when issued, be credited as fully paid and will rank *pari passu* in all respects with the existing Ordinary Shares of the Company, including the right to receive all dividends or other distributions made, paid or declared in respect of such shares after the date of issue of the New Ordinary Shares.

#### 4. Directors' participation in the Subscription and Related Party Transaction

The following Directors are subscribing for New Ordinary Shares pursuant to the Subscription. Their subscription for New Ordinary Shares is taking place on the same terms and conditions as the wider Placing.

<i>Director</i>	<i>No of New Ordinary Shares subscribed for pursuant to the Subscription</i>	<i>Resulting holding of Ordinary Shares</i>	<i>% of Enlarged Issued Ordinary Share Capital</i>
Andrea Steconi	218,750	1,826,836	21.2%
Philipp Prince	31,250	71,255	0.8%

#### ***Related Party Transaction***

The Subscription by Philipp Prince and Andrea Steconi is a related party transaction under the AIM Rules. The Directors, other than Philipp Prince and Andrea Steconi, consider, having consulted with Strand Hanson, the Company's nominated adviser, that the terms of the Subscription are fair and reasonable insofar as Shareholders are concerned.

#### 5. The Resolutions

Set out below is an explanation of the Resolutions to be considered at the General Meeting. Resolutions 1 and 3 will be proposed as ordinary resolutions. This means that for Resolution 1 or 3 to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 2 and 4 will be proposed as special resolutions. This means that for Resolution 2 or 4 to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

- Resolution 1 (to be proposed as an ordinary resolution): to authorise the Directors under section 551 of the Companies Act 2006 (the "Act") to allot shares and warrants up to an aggregate nominal amount of £37,841 for the purposes of the Placing and Subscription and the issue of, in aggregate, 204,750 Warrants to Beaufort Securities and WH Ireland. If passed, this authority will expire on the earlier of the date of the next annual general meeting of the Company and 30 June 2017;
- Resolution 2 (to be proposed as a special resolution): to dis-apply the pre-emption rights pursuant to the provisions of section 570 of the Act in respect of the allotment of shares and warrants pursuant to the Placing and Subscription and the issue of, in aggregate, 204,750 Warrants to Beaufort Securities and WH Ireland. If passed, this authority will expire on the earlier of the date of the next annual general meeting of the Company and 30 June 2017;
- Resolution 3 (to be proposed as an ordinary resolution): to authorise the Directors under section 551 of the Act to allot additional shares up to an aggregate nominal amount of £51,190 (representing approximately 33 per cent. of the nominal value of the Enlarged Issued Ordinary Share Capital). If passed, this authority will expire on the earlier of the date of the next annual general meeting of the Company and 30 June 2017 and will be in substitution for the authority granted by the Company at the annual general meeting held on 22 June 2016; and
- Resolution 4 (to be proposed as a special resolution): to dis-apply the pre-emption rights pursuant to the provisions of section 570 of the Act in respect of the allotment of additional equity securities up to an aggregate nominal amount of £15,510 (representing approximately 10 per cent. of the nominal value of the Enlarged Issued Ordinary Share Capital). If passed, this authority will expire on the earlier of the date of the next annual general meeting of the Company and 30 June 2017 and will be in substitution for the authority granted by the Company at the annual general meeting held on 22 June 2016.

The Board is proposing Resolutions 1 and 2 in order to effect the Placing and Subscription. The Placing (other than the Minimum Placing) and Subscription are conditional on the passing of Resolutions 1 and 2. Accordingly, if Resolutions 1 and 2 are passed, but Resolutions 3 and 4 are not passed, the Placing and Subscription will proceed.

Resolutions 3 and 4 will be conditional on the passing of Resolutions 1 and 2. The Board is proposing Resolutions 3 and 4 in order to seek Shareholder approval to grant the Board additional flexibility to issue Ordinary Shares up to a certain amount without the need to seek Shareholder approval at the relevant time. These proposed authorities are in the same proportions as those approved by Shareholders at the 2016 annual general meeting. If passed, this would give the Board flexibility to take advantage of, *inter alia*, future acquisition opportunities and/or to be able to raise funds on an expedited basis if such opportunities arise. The Board has no present intention of exercising these authorities, if granted, (other than in connection with the issue of options) and the Board will only exercise these authorities when it is satisfied that it is in the Company and Shareholders' interests to do so.

## **6. General Meeting**

A notice convening the General Meeting to be held at the offices of Taylor Vinters LLP, Tower 42, 33rd Floor, 25 Old Broad Street, London EC2N 1HQ on 26 October 2016 at 12.00 p.m., is set out at the end of this document.

## **7. Action to be taken by Shareholders**

You will find enclosed with this document a reply-paid form of proxy for use by Shareholders at the General Meeting. Whether or not you intend to be present at the General Meeting, you are requested to complete this form in accordance with the instructions printed on it as soon as possible. To be valid, completed forms of proxy must be received by SLC Registrars, 42-50 Hersham Road, Walton-on-Thames, Surrey KT12 1RZ, by no later than 12.00 p.m. on 24 October 2016.

Completion and return of the Form of Proxy will not preclude you from attending and voting in person at the General Meeting if you so wish.

Shareholders are reminded that the Placing and Subscription is conditional, *inter alia*, on the passing of the necessary Resolutions to be proposed at the General Meeting. Should either of the necessary Resolutions, being Resolution 1 and 2, not be passed, the Placing (other than the Minimum Placing) and Subscription will not proceed and the associated subscription monies in respect of the New Ordinary Shares will be returned to investors. In such an event, the Company will issue 600,000 New Ordinary Shares, which will be issued pursuant to the Company's existing share authorities, at the Placing Price pursuant to the Minimum Placing, raising, in aggregate, £480,000.

**Whilst the Minimum Placing will enable the Company to seek to accelerate a proportion of the development pipeline, the ability to accelerate all areas as desired will be dependent on the availability of further funding. There is no guarantee such funding would be forthcoming or on terms acceptable to Shareholders.**

## **8. Recommendation**

**The Directors consider the passing of the Resolutions and the completion of the Placing and Subscription to be in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors unanimously recommend that all Shareholders vote in favour of the Resolutions, as they intend to do, or procure to be done, in respect of their own beneficial shareholdings, being at the Latest Practicable Date, in aggregate, 1,704,341 Ordinary Shares, representing approximately 25.4 per cent. of the Existing Issued Ordinary Share Capital.**

Yours faithfully

Anthony Henry Reeves  
*Non-Executive Chairman*

## NOTICE OF GENERAL MEETING

### Defenx Plc

*(Incorporated in England and Wales under the Companies Act 2006 with registered number 08993398)*

NOTICE IS GIVEN that a general meeting of the above named company (the "Company") will be held at 12.00 p.m. on 26 October 2016 at the offices of Taylor Vinters LLP, Tower 42, 33rd Floor, 25 Old Broad Street, London EC2N 1HQ for the purpose of considering and, if thought fit, passing the following resolutions, which will be proposed as an ordinary or special resolution as indicated:

#### ORDINARY RESOLUTION

1. That in substitution for all existing authorities, the Directors be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the Act) to exercise all the powers of the Company to allot shares in the Company or to grant rights to subscribe for or convert any security into shares in the Company up to an aggregate nominal amount of £37,841 in connection with the Placing and Subscription and the issue of, in aggregate, 204,750 Warrants to Beaufort Securities and WH Ireland (as defined in the Circular accompanying this Notice of General Meeting) and during the period from the date of the passing of this resolution and expiring on the date of the next AGM or, if earlier, 30 June 2017, but so that this authority shall allow the Company to make offers or agreements before the expiry of this authority which would, or might, require shares to be allotted or rights to subscribe for or convert security into shares to be granted after such expiry.

#### SPECIAL RESOLUTION

2. That, subject to Resolution 1 above being passed and section 551 of the Act, the Directors be empowered, pursuant to section 570 of the Act, to allot equity securities (as defined in section 560 of the Act) in the Company up to an aggregate nominal amount of £37,841 in connection with the Placing and Subscription and the issue of, in aggregate, 204,750 Warrants to Beaufort Securities and WH Ireland (as defined in the Circular accompanying this Notice of General Meeting) as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:
  - a) during the period expiring on the date of the next AGM of the Company or, if earlier, on 30 June 2017 but so that this power shall enable the Company to make offers or agreements which would or might require equity securities to be allotted after the expiry of this power; and
  - b) shall include the power to sell treasury shares under section 727 of the Act.

#### ORDINARY RESOLUTION

3. That, subject to Resolutions 1 and 2 above being passed, and in substitution for all existing authorities, the Directors be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the Act) to exercise all the powers of the Company to allot shares in the Company or to grant rights to subscribe for or convert any security into shares in the Company up to an aggregate nominal amount of £51,190 during the period from the date of the passing of this resolution and expiring on the date of the next AGM, or, if earlier, on 30 June 2017 but so that this authority shall allow the Company to make offers or agreements before the expiry of this authority which would, or might, require shares to be allotted or rights to subscribe for or convert security into shares to be granted after such expiry.



## SPECIAL RESOLUTION

4. That, subject to Resolutions 1, 2 and 3 above being passed and section 551 of the Act, the Directors be empowered, pursuant to section 570 of the Act, to allot equity securities (as defined in section 560 of the Act) as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:
- during the period expiring on the date of the next AGM of the Company or, if earlier, on 30 June 2017 but so that this power shall enable the Company to make offers or agreements which would or might require equity securities to be allotted after the expiry of this power;
  - up to an aggregate nominal amount of £15,510 representing the nominal value of approximately 10 per cent. of the Enlarged Issued Ordinary Share Capital (as defined in the Circular accompanying this Notice of General Meeting); and
  - shall include the power to sell treasury shares under section 727 of the Act.

### BY ORDER OF THE BOARD

Dated 10 October 2016

*Company Secretary*

Equiniti David Venus Limited  
42-50 Hersham Road  
Walton-on-Thames  
Surrey KT12 1RZ

*Registered Office:*

42-50 Hersham Road  
Walton-on-Thames  
Surrey KT12 1RZ

#### Notes:

- The Resolutions are subject to the approval of the Shareholders (being the holders of Ordinary Shares in the Company).
- Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members holding ordinary shares in the capital of the Company and registered on the Company's register of members at 6.30 p.m. on 24 October 2016 (London time) (or, if the General Meeting is adjourned, 6.30 p.m. on the day which is two days before the date of the adjourned meeting) shall be entitled to attend and vote at the General Meeting.
- If you are a member of the Company at the time set out in note 2 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a form of proxy with this document. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form. If you do not have a form of proxy and believe that you should have one, or if you require additional forms, please contact the Company's registrars using the contact details set out at note 10 below.
- A proxy does not need to be a member of the Company but must attend the meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
- You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the Company's registrars using the contact details set out at note 10 below.
- To direct your proxy on how to vote on the Resolutions, please mark the appropriate box with an "X". To abstain from voting, select the relevant "Vote Withheld" box. A vote withheld is not a vote in law, which means that the vote will not be counted in calculation of votes for or against the relevant Resolution. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
- The notes to the proxy form explain how to direct your proxy how to vote on each Resolution or withhold their vote. If you return more than one proxy appointment, either by paper or electronic communication, the proxy appointment received last by the Company's registrars before the latest time for receipt of proxies will take precedence.

To appoint a proxy using the proxy form, the form must be:

- completed and signed;
- sent or delivered to SLC Registrars, 42-50 Hersham Road, Walton-on-Thames, Surrey KT12 1RZ or scanned by email to [slc@davidvenus.com](mailto:slc@davidvenus.com); and

received no later than 12.00 p.m. on 24 October 2016 or 48 hours before the time fixed for any adjourned meeting at which the proxy is to vote. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

- In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

9. The return of a completed form of proxy or other such instrument will not prevent a shareholder attending the General Meeting and voting in person if he/she wishes to do so.
10. Members who have general queries about the meeting should do so by calling SLC Registrars on +44 (0) 1903 706 150. Calls from within the UK are charged at standard geographic rates plus network extras, lines are open 9.00 a.m. – 5.30 p.m., Monday to Friday. Calls from outside the UK will be charged at the applicable international rate. Different charges may apply to calls made from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that SLC Registrars cannot provide investment advice, nor advise you on how to cast your vote on the Resolutions.
11. If a corporation is a member of the Company, it may by resolution of its directors or other governing body authorise one or more persons to act as its representative or representatives at the meeting and any such representative or representatives shall be entitled to exercise on behalf of the corporation all the powers that the corporation could exercise if it were an individual member of the Company. Corporate representatives should bring with them either an original or certified copy of the appropriate board resolution or an original letter confirming the appointment, provided it is on the corporation's letterhead and is signed by an authorised signatory and accompanied by evidence of the signatory's authority.
12. As at 7 October 2016 (being the latest practicable business day prior to the date of posting of this notice of General Meeting), the Company's issued Ordinary Share capital comprised 6,720,306 Ordinary Shares of £0.018 each and therefore that the total voting rights in the Company as at that time were 6,720,306.

