

25 August 2015

Oxaco plc
("Oxaco" or the "Company")

Proposed Subdivision, Acquisition, Placing, Demerger (and related issues) and change of name
Notice of General Meeting

Following a strategic review process undertaken by the Board of the Company and which commenced in 2014, the Board today announces its intention to acquire the entire issued share capital of Cronin 3D Limited ("Cronin 3D"), to demerge its entire holding of shares in the capital of Oxford Advanced Surfaces Limited ("OASL") through a return of capital to Existing Ordinary Shareholders and to seek to cancel its share premium account.

In addition, in order to provide ongoing working capital for the Enlarged Group following completion of the Acquisition, the Board also announced today that it has undertaken a conditional placing to raise £3.3 million by the issuance of 132,000,000 New Ordinary Shares at a price of 2.5 pence per New Ordinary Share.

In order to achieve the Proposals, the Board is seeking Existing Ordinary Shareholder approval to:

- (a) amend the Existing Articles by the adoption of the New Articles;
- (b) subdivide and re-classify each Existing Ordinary Share into 1 New Ordinary Share of £0.0001 each and 1 Participating Deferred Share of £0.0099 each;
- (c) increase the Directors' authority to allot New Ordinary Shares to enable the Company to issue and allot the Placing Shares and the Consideration Shares in connection with the Placing and the Acquisition;
- (d) dis-apply statutory pre-emption rights in relation to the proposed issue and allotment of the Placing Shares;
- (e) return capital to the Participating Deferred Shareholders *in specie* by the transfer of the Company's holding of OASL Shares;
- (f) cancel the Company's share premium account; and
- (g) change the name of the Company to Cronin Group PLC

A circular is being posted today to Shareholders (the "Circular"). The Circular sets out in more detail the background to and reasons for the Proposed Subdivision, Acquisition, Placing, Demerger (and related issues) and change of name and their respective terms. All capitalised terms in this announcement are as defined in the Circular which will be available on the Company's website: www.oxaco.co.uk

Background and reasons for the Acquisition and Demerger

In 2007, the Company adopted a strategy to become an advanced materials and technology solutions company with business units across a range of markets, including electronics, industrial specialties and life sciences/health care.

The Existing Group subsequently executed the strategy through the development of its ONTO™ and VISARC™ technologies. In 2013, the decision was taken by the Board to suspend further investment in VISARC™ due to market and competitive changes that occurred during the technology development period. In 2014, the Board announced that, whilst still firmly of the view that OASL will be commercially successful in developing its ONTO™ technology, operating OASL from within a public company would not offer the best means of achieving that success. The Board further announced at this time that the Company would pursue new investment opportunities whilst concurrently seeking to maximise the value of its holding in OASL, including the options of a sale or distribution of its shares in OASL to the Existing Ordinary Shareholders.

Acquisition

Further to these announcements, the Company has secured conditional agreement with the Cronin 3D Shareholders to acquire the entire issued share capital of Cronin 3D. The Board has concluded that the Acquisition will provide the Company with access to a new intellectual property pipeline and a substantial research capability with which to address the Company's existing strategy. The acquisition is conditional upon the approval of the Resolutions.

Cronin 3D is a spin-out company from the University, created to commercialise a platform technology with the potential to research and develop innovative, proprietary chemistry. The Platform is intended to be used in the discovery, optimisation and portable manufacture of small molecules and nano materials, with applications that are particularly relevant in the pharmaceutical, formulation and materials science industries. Cronin 3D's Platform comprises and is enabled through the application of 3D printing and related technologies for proprietary chemistry.

3D printing has been described as the third industrial revolution and the driving force behind a manufacturing renaissance in America's industrial heartland. New 3D bioprinters are already being used in the overlapping fields of healthcare and materials science, including many types of products from dental fixtures and prosthetic limbs to custom hearing aids. Pharmaceutical companies are also beginning to realise that 3D printing technologies might result in substantially lower manufacturing costs for bringing personalised doses of new drugs to market, as has been recently demonstrated by the FDA's approval of the first 3D-printed pill. 3D printer systems have the potential, via automation, to speed up repetitive and complex tasks aiding research, which Cronin 3D wishes to capitalise on in terms of applications including the research and development of innovative, proprietary chemistry.

Under the Research Agreement, the CRT is currently researching ways for Cronin 3D to make a device that is able to use the Technology to implement a digital code for the discovery and manufacturing of molecules thereby digitalising chemistry, is inspired by the way that 3D printers can download plans and create objects. The Directors and Proposed Directors believe that such a device could potentially transform the discovery and manufacturing of new molecules, materials and sequence polymers with consequential reductions in development times and costs. The Directors and the Proposed Directors currently anticipate that a significant application of the Technology could be in the personalised medicine space, although applications of the Technology in developing formulations and nanomaterials are likely to face lower barriers to adoption when bringing them to market.

The Board believes the Acquisition to be in the best interests of the Company and its shareholders.

Demerger

The Demerger will allow OASL to continue commercialisation of the ONTO™ technology as a private company while providing Existing Ordinary Shareholders with continued participation through the receipt of OASL Shares. The Board believes the Demerger to be in the best interests of the Company and its shareholders.

Background and reasons for the cancellation of the Share Premium Account

The Board considers it highly desirable that the Company has the maximum flexibility to consider the payment of dividends and otherwise return value to its shareholders. However, the Company is generally precluded from the payment of any dividends or other distributions or the redemption or buy back of its shares in the absence of sufficient distributable reserves.

The Company's Share Premium Account currently stands at approximately £10,603,000. As at 30 June 2015, the Company had a retained earnings deficit of approximately £10,082,000. It is proposed that all of the Share Premium Account be cancelled.

The purpose of the cancellation of the Share Premium Account is to eliminate the deficit on the Company's profit and loss account and to create distributable reserves in the Company to facilitate the future consideration of payment of dividends to shareholders, where justified by the profits of the Company, or to allow the redemption or buy back of the Company's shares. As the Company currently has negative distributable reserves, it is prohibited from returning money to its shareholders including by way of dividends or carrying out buy backs of the Company's shares (if considered appropriate). The proposed cancellation of the Share Premium Account will create sufficient distributable reserves to enable such distributions or buy-backs (if considered appropriate) to be made.

If the cancellation of the Share Premium Account is approved by the Existing Ordinary Shareholders at the General Meeting, it will be subject to the scrutiny of, and confirmation by, the High Court to ensure that the interests of existing creditors are protected and, subject to that confirmation and registration by the Registrar of Companies of the order of the High Court, is expected to take effect in October 2015. Assuming that there is no material change in the financial position or prospects of the Company, and subject to any undertakings which the Company may be required to offer the High Court for the protection of creditors, the Board anticipates that the cancellation of the Share Premium Account will result in the creation of distributable reserves of approximately £521,000. Once the retained earnings deficit is extinguished the sum of up to £521,000 will be potentially available for the purposes set out in the paragraph above.

The terms of the Acquisition

On 25 August 2015, the Company and the Cronin 3D Shareholders entered into the Acquisition Agreement pursuant to which the Company has conditionally agreed to acquire the entire issued share capital of Cronin 3D from the Cronin 3D Shareholders for an aggregate consideration of approximately £4.9 million. The consideration is to be satisfied by the issue and allotment of the Consideration Shares to the Cronin 3D Shareholders, credited as fully paid up at 2.5 pence per Consideration Share.

In order to issue and allot the Consideration Shares to the Cronin 3D Shareholders, the Directors need to be granted authority under Section 551 of the Act. The Resolutions include a resolution of the Existing Ordinary Shareholders to grant the Directors sufficient authority to allot the Consideration Shares to the Cronin 3D Shareholders. Completion of the Acquisition is therefore conditional upon the passing of the Resolutions at the General Meeting.

Completion of the Acquisition is also conditional, *inter alia*, on the Company raising not less than £3 million by way of the Placing and admission of the Consideration Shares and the Placing Shares to trading on AIM.

The Consideration Shares and the Placing Shares will, when issued, rank *pari passu* in all respects with the New Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after they are admitted to trading on AIM.

Each of the Cronin 3D Shareholders has undertaken in the Acquisition Agreement that, subject to certain customary exceptions, he or it will not dispose of any interest in the Consideration Shares held by him or it for a period of twelve months from completion of the Acquisition and then only dispose of shares through the Company's broker, with certain exceptions, for a further 12 month period.

Details of the Placing

The Company has arranged a conditional placing of 132,000,000 Placing Shares at the Placing Price to raise approximately £3.3 million, before expenses. The proceeds of the Placing will be used to finance the planned further development and commercialisation of Cronin 3D's intellectual property rights (including, without limitation, the Licensed IPR) and as general working capital for the Enlarged Group. The Placing is conditional on approval of the Resolutions and completion of the Acquisition.

The Placing Shares will, when issued, rank *pari passu* in all respects with the New Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after they are admitted to trading on AIM.

Demerger and Subdivision

It is the Board's intention that all of the Company's holding of OASL Shares will be demerged to the Existing Ordinary Shareholders as part of the Demerger. The Company's residual holding of OASL Shares following the Demerger will be 28,195 OASL Shares (which is less than 1% of OASL's issued share capital as at the date of this document). In order to effect the Demerger, a number of events need to occur.

Amending Articles of Association

The Company needs to amend its Existing Articles to create two new classes of share (the New Ordinary Shares and the Participating Deferred Shares) and make some consequential amendments as a result. The amendments to the Existing Articles are shown in the blacklined version of the New Articles attached to the Notice of General Meeting. Such amendments are proposed to be effected by the adoption of the New Articles. A summary of the two classes of Shares is as follows:

The New Ordinary Shares

The rights attaching to the New Ordinary Shares will be the same as the Existing Ordinary Shares save that they will have a nominal value of £0.0001 and are subject to the rights of the Participating Deferred Shares.

The Participating Deferred Shares

The Participating Deferred Shares will carry all of the "economic rights" to OASL (for as long as the Company has a Qualifying Holding) so that the Company's value in its holding of shares in OASL is ring-fenced for the Existing Ordinary Shareholders and will not be affected by the Acquisition or the Placing. The Participating Deferred Shares will be non-voting (meaning that they do not allow the holder(s) to attend and/or vote at general meetings of the Company), and will only be allowed to participate in a return of capital of the Company.

Subdivision

Conditional upon the Existing Ordinary Shareholders approving the adoption of the New Articles (and the creation of the New Ordinary Shares and the Participating Deferred Shares), the Existing Ordinary Shareholders' holdings of Existing Ordinary Shares will be subdivided and reclassified so that each Existing Ordinary Share of £0.01 will be subdivided into 1 New Ordinary Share of £0.0001 each and reclassified into 1 Participating Deferred Share of £0.0099 each.

The Subdivision will be made by reference to holdings of Existing Ordinary Shares on the Record Date, being 15 September 2015.

Settlement

Following completion of the Subdivision, for holdings of New Ordinary Shares in uncertificated form, it is expected that accounts in CREST will be credited with New Ordinary Shares on 15 September 2015. For holdings of New Ordinary Shares in certificated form, it is expected that share certificates in respect of New Ordinary Shares will be posted, at the risk of shareholders by 22 September or as soon as practicable thereafter. These will replace existing certificates which should be destroyed.

Pending the receipt of new certificates, transfers of New Ordinary Shares held in certificated form will be certified against the register of members of the Company.

Application will be made for the New Ordinary Shares to be admitted to AIM. It is expected that dealings in the New Ordinary Shares will commence on 15 September 2015.

No certificates will be issued in respect of the Participating Deferred Shares.

Following the Subdivision, each Existing Ordinary Shareholder's proportionate holding of New Ordinary Shares out of the Company's total issued New Ordinary Shares shall remain unchanged subject to the dilution caused by the issue of the Consideration Shares and the Placing.

Demerging the OASL Shares

Once the Capital Reductions are approved by the Court (see Paragraph 8 of this Part I) the Participating Deferred Shares will be cancelled and the Company shall distribute to the Participating Deferred Shareholders *in specie* substantially all of its holding of OASL Shares on the basis of 1 OASL Share for every 89 Participating Deferred Shares held. Fractional entitlements will be ignored.

OASL Shares

It is intended that OASL Shares will be registered in CREST in advance of their distribution to Participating Deferred Shareholders. The directors of OASL have confirmed to the Company that they intend to maintain communication with its shareholders through OASL's website www.oxfordsurfaces.com with regular news releases and updates on business development and performance.

Shareholders are reminded that the Company's holdings of OASL Shares amounts to approximately 77.5% of OASL's entire issued share capital. Shareholders' attention is drawn to the Risk Factors set out in the Circular which highlights the consequences of owning the OASL Shares directly rather than through their shareholdings in the Company and the differences between holding these shares as a private limited company and through a public company whose shares are listed on AIM.

Capital Reductions - Procedure

In order to effect the Capital Reductions, the Company first requires the authority of its Existing Ordinary Shareholders by the passing of special resolutions at the General Meeting. Resolutions 3 and 4 are proposed in this regard.

The Capital Reductions must be confirmed by the High Court, to which the Company will make an application if Resolutions 3 and 4 are passed. If the Capital Reductions are confirmed by the High Court the Company will effect the Demerger by distributing *in specie* its entire holding of OASL Shares to the Participating Deferred Shareholders.

The Board has provisionally scheduled the two Court hearings, at which, subject to the discretion of the High Court, the Capital Reductions will be confirmed. The actual dates of the Court hearings to confirm the Capital Reductions will be advertised in a national newspaper, as directed by the High Court, at least seven days prior to the second of these Court hearings.

The Capital Reductions will take effect when the Order of the High Court confirming them and a statement of capital approved by the High Court have been registered with the Registrar of Companies. The effective date of the Capital Reduction is currently expected to be no later than 14 October 2015. The date is likely to be within a few working days of the hearing at which the Capital Reductions are confirmed by the High Court, which is currently scheduled to be on 7 October 2015.

In order to approve the Capital Reductions, the High Court will need to be satisfied that the interests of the creditors of the Company will not be prejudiced. It is unlikely that any undertaking will be required to be given by the Company regarding the use of the reserve arising on the Capital Reductions given that the Company has been advised that the relatively small amount due to creditors and the value of the assets of the Company reduce the likelihood that such an undertaking would be required.

The Board reserves the right (where necessary by application to the High Court) to abandon, discontinue or adjourn any application to the High Court for confirmation of the Capital Reductions, and hence the Capital Reductions themselves, if the Board believes that the terms required to obtain confirmation are unsatisfactory to the Company or if as the result of a material unforeseen event the Board considers that to continue with the Capital Reductions is inappropriate or inadvisable.

Related Party Transactions

The Acquisition constitutes a related party transaction under the AIM Rules. James Ede-Golightly and Michael Bretherton are directors of and each hold a 5% beneficial interest in ORA Limited. ORA Limited has a direct interest of 23.6% in the issued share capital of Cronin 3D and has committed to subscribe for shares in the Placing. Further, Richard Griffiths and IP2IPO are also related parties in relation to the Acquisition and their (and in IP2IPO's case, IPVFII's) participation in the Placing. Upon completion of the Acquisition and Placing, the following shareholders (together the "Related Parties") will have the following holdings in the Enlarged Group:

	Current Holding	% Issued share Capital	Consideration Shares	Placing Shares	Enlarged Shareholding	% Enlarged issued share Capital
ORA Limited	Nil	Nil	46,242,676	24,000,000	70,242,676	13.4%
Richard Griffiths and Controlled undertakings*	57,077,194	28.9%	46,242,676	47,000,000	150,319,870	28.6%
IP2IPO	28,503,396	14.4%	42,663,222	47,600,000	118,766,618	22.6%
IPVFII**	Nil	Nil	13,350,396	20,400,000	33,750,396	6.4%

*including ORA Limited

** IP Venture Fund II LP is a fund managed by Top Technology Limited, a group company of IP2IPO

Philip Spinks is considered to be independent of the Acquisition for the purposes of Rule 13 of the AIM Rules. The Independent Director, having consulted with the Company's Nominated Advisor, WH Ireland, believes that the terms of the Acquisition referred to above and the Related Parties' participation in the Placing are fair and reasonable in so far as the Existing Ordinary Shareholders are concerned.

Change of name

Given that following completion of the Acquisition and the Demerger, the Company will be the holder of all the issued shares in Cronin 3D (and will have no other holding of shares) the Directors and the Proposed Directors feel it appropriate to change the Company's name to "**Cronin Group PLC**". A resolution to this effect is included in the Resolutions.

Proposed Directors

Following completion of the proposed Acquisition it is intended that Mark Warne and Professor Cronin will become directors of the Company, Mark Warne as a Non-executive Director and Professor Cronin as Founding Scientific Director.

Mark Warne is currently Head of Healthcare at IP Group plc. Mark has been with IP Group plc since 2008 developing and commercialising healthcare technology innovations primarily from research intensive universities. Mark currently represents IP Group plc on the boards of a number of its life science portfolio companies. He joined IP Group plc from pre-clinical drug discovery contract research organisation, Exelgen, where he was managing director. Mark spent eight years at Exelgen (formerly Tripos Discovery Research) where he also held positions in licensing and strategic affairs, project management and research. He has a PhD in Computational Chemistry, an MSc in Colloid Science and a BSc in Chemistry, all from the University of Bristol. Mark is a Chartered Chemist and member of the Royal Society of Chemistry.

Professor Cronin is the Regius Chair of Chemistry in the Department Chemistry at the University. He was elected to the Fellowship of the Royal Society of Edinburgh, the Royal Society of Chemistry, and appointed to the Gardiner Chair in April 2009. He was awarded a Philip Leverhulme Prize by the Leverhulme Trust in 2007. He was awarded the Corday-Morgan medal of the Royal Society of Chemistry in 2012. Professor Cronin has a large active group at the University of Glasgow performing cutting-edge research into how complex chemical systems, created from non-biological building blocks, can have real-world applications with wide impact. Professor Cronin has published in excess of 300 peer-reviewed articles in a number of journals and has given over 280 invited presentations at conferences and universities worldwide.

The appointments will be subject to the Company's standard non-executive appointment letters.

Share Option Schemes

Philip Spinks and certain employees of OASL have signed deeds of cancellation in respect of 2,000,000 options over shares in the Company.

It is proposed that following approval of the Resolutions, Existing Ordinary Shares held in the EBT be distributed to James Ede-Golightly and Michael Bretherton in consideration for services provided in relation to the Acquisition, the Demerger and the Capital Reductions. Once these Existing Ordinary Shares have been distributed the EBT will be closed. It is intended that James Ede-Golightly will receive 1,500,000 Existing Ordinary Shares and Michael Bretherton will receive 500,000 Existing Ordinary Shares (or an equivalent number of New Ordinary Shares and Participating Deferred Shares following the Subdivision). The proposed distribution is classified as a related party transaction. The Independent Director, having consulted with WH Ireland, has confirmed his view that the proposed distribution is fair and reasonable as regards the interest of shareholders.

Following the Acquisition, it is proposed that a new option pool be approved over up to 12% of the Enlarged Issued Share Capital of the Company.

Taxation

There should be generally no tax liabilities for UK resident Existing Ordinary Shareholders arising from the Proposals.

If shareholders are in any doubt about their tax position or are subject to tax in a jurisdiction other than the UK, they should consult a professional adviser. The absence of any reference to the tax consequences of the Demerger for Existing Ordinary Shareholders who are subject to tax in any other particular jurisdiction should not be taken to imply that the implementation of the Demerger might not have adverse tax consequences for such Existing Ordinary Shareholders.

Overseas Shareholders

The implications of the Demerger for Overseas Shareholders may be affected by the laws of the jurisdiction in which they are resident or otherwise located. Overseas Shareholders should inform themselves about and observe all applicable legal requirements. It is the responsibility of any person into whose possession the Circular comes to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection with the transfer of OASL Shares pursuant to the Demerger, including the obtaining of any governmental, exchange control or other consents which may be required and/or compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes or levies due in such jurisdiction.

General Meeting

The Circular will contain a notice convening the General Meeting to be held at the offices of WH Ireland Limited at 24 Martin Lane, London EC4R 0DR at 11.00 a.m. on 10 September 2015 at which resolutions will be proposed to, *inter alia*, approve the Proposed Subdivision, Acquisition, Placing, Demerger (and related issues) and change of name.

Key Statistics

<i>Existing Ordinary Shares</i>	
Number of Existing Ordinary Shares of £0.01 in issue at the date of this document	197,740,641
<i>Subdivided Shares</i>	
Number of New Ordinary Shares of £0.0001 following the Subdivision	197,740,641
<i>Participating Deferred Shares</i>	
Number of Participating Deferred Shares of £0.0099 following the Subdivision	197,740,641
<i>New Ordinary Shares</i>	
Number of New Ordinary Shares of £0.01 following completion of the Acquisition, Subdivision and Placing	525,739,933
<i>Ratio of OASL Shares to Participating Deferred Shares</i>	
1 OASL Share for each 89 Participating Deferred Shares	
<i>Company's residual holding of OASL Shares following the Demerger</i>	
28,195 OASL Shares (less than 1% of OASL's issued share capital)	

Expected timetable of principal events

Publication of the Circular	25 August 2015
Latest time and date for receipt of Forms of Proxy for the General Meeting	8 September 2015
General Meeting	10 September 2015
Ex entitlement date for the proposed Subdivision	11 September 2015
Record Date for the proposed Subdivision	14 September 2015
Dealings in New Ordinary Shares (following Subdivision) expected to commence	15 September 2015
Expected date for crediting CREST accounts	15 September 2015

Expected date of completion of the Acquisition	15 September 2015
Expected date of High Court hearing to confirm the Capital Reductions	7 October 2015
Expected effective date for the Capital Reductions	14 October 2015
Expected date for completion of the Demerger	21 October 2015

Notes:

- (1) Each of the times and dates set out in the above timetable and mentioned in this announcement is subject to change by the Company, in which event details of the new times and dates will be notified by an appropriate announcement to a Regulatory Information Service.
- (2) References to times in this announcement are to London times unless otherwise stated.
- (3) All events in the above timetable following the holding of the General Meeting are conditional upon: (i) the passing of the Resolutions; (ii) approval of the Capital Reductions by the High Court; and (iii) registration of the High Court Order confirming the Capital Reductions with the UK Registrar of Companies.

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