

Statement re Possible Offer

[TMT ACQUISITION PLC](#)

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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION AS STIPULATED UNDER THE UK VERSION OF THE MARKET ABUSE REGULATION NO 596/2014 WHICH IS PART OF ENGLISH LAW BY VIRTUE OF THE EUROPEAN (WITHDRAWAL) ACT 2018, AS AMENDED. ON PUBLICATION OF THIS ANNOUNCEMENT VIA A REGULATORY INFORMATION SERVICE, THIS INFORMATION IS CONSIDERED TO BE IN THE PUBLIC DOMAIN

3 October 2023

TMT Acquisition plc
("TMT Acquisition" or the "Company")

Statement regarding possible offer for TMT Acquisition plc

The boards of TMT Acquisition plc ("**TMT Acquisition**") and Belluscura plc ("**Belluscura**") are pleased to announce that they have reached agreement on the key terms of a possible share for share offer for TMT Acquisition by Belluscura (the "**Possible Offer**").

The independent director of TMT Acquisition, Paul Tuson (the "**Independent TMT Acquisition Director**"), has confirmed to Belluscura that, should a firm offer be made on the Possible Offer Terms (as defined below), the Independent TMT Acquisition Director is minded to recommend it to TMT Acquisition shareholders, subject to the agreement by both Belluscura and TMT Acquisition of customary terms and conditions as well as the satisfactory completion of confirmatory due diligence by both Belluscura and TMT Acquisition.

Any announcement by Belluscura of a firm intention to make an offer for TMT Acquisition remains subject to the satisfaction or waiver (by Belluscura) of a number of customary pre-conditions,

including, *inter alia*, completion of confirmatory due diligence, agreement of the detailed terms of the Possible Offer and a recommendation from the Independent TMT Acquisition Director.

Terms of the Possible Offer

The proposed terms of the Possible Offer comprise the issuance of 15 new ordinary shares of Belluscura ("**Belluscura Shares**") in exchange for every 22 ordinary shares of TMT Acquisition ("**TMT Acquisition Shares**") equalling 18,750,000 Belluscura Shares (the "**Exchange Ratio**"). The Exchange Ratio would imply a valuation of 21.82 pence for each TMT Acquisition Share and a 24.7% premium to the three month volume weighted average price for TMT Acquisition Shares calculated for the period ending on 2 October 2023, the last practicable date prior to the announcement of the Possible Offer (the "**Possible Offer Terms**").

Accordingly, on the basis of the Exchange Ratio, the Possible Offer will imply a total valuation of £6.0 million for TMT Acquisition.

A compelling combination which significantly increases Belluscura's ability to execute on its burgeoning sales pipeline and strategy, creating considerable value for all stakeholders of both TMT Acquisition and Belluscura

Given the introduction and significant pre-launch demand expressed for the DISCOV-R product, building on top of the continued sales progress of the X-PLOR (as outlined below), Belluscura is seeking further growth capital to fund the increased working capital required to meet these growth opportunities. The funds available within TMT Acquisition (approximately £4.7 million), will provide the enlarged group with additional working capital, to help meet the planned growth through to Belluscura becoming cash flow positive, which the board of Belluscura expect to be by the end of the second quarter of next year. Following completion, the Belluscura board will remain in place and the directors of the TMT Acquisition board will step down from their roles.

Subject to the confirmatory due diligence required by Belluscura's Nominated Adviser (as is normal for the proposed appointment of any director of an AIM company), and agreement of terms in respect of the Non-Executive Director appointment letters, it is Belluscura's intention to invite both Jonathan Satchell and Paul Tuson, currently Non-Executive Directors of TMT Acquisition, to join the existing Belluscura board as Non-Executive Directors upon the Possible Offer becoming or being declared wholly unconditional, as the board of Belluscura believe each would make a positive contribution to Belluscura's board given their experience and expertise.

Benefits for TMT Acquisition shareholders

- An attractive valuation, providing the opportunity for all TMT Acquisition shareholders to participate in the significant future potential upside of the combination through the ownership of Belluscura Shares; and
- The Possible Offer represents a premium of approximately:
 - 28.3% to the closing price of a TMT Acquisition Share on 2 October 2023, being the last business day before this announcement; and
 - 24.7% to the TMT Acquisition three-month volume weighted average price for the period ending 2 October 2023, being the last business day before this announcement.

Benefits for Belluscura shareholders

- Adds a significant capital injection for working capital;
- Helps Belluscura to capitalise on its burgeoning opportunity in a fast-growing global market;
- Enhances Belluscura's ability to leverage its position as a leading provider of oxygen enrichment technology; and
- The board of Belluscura believes the structure and key terms of the Possible Offer are extremely attractive for Belluscura shareholders.

Break fee

Belluscura has agreed that, in the event that Belluscura withdraws or terminates discussions with regard to the Possible Offer or proposes to materially reduce the Exchange Ratio (a reduction of 5% or more being material for this purpose) Belluscura shall, subject to certain limited exceptions, no later than 5 business days from the date of written notice from TMT Acquisition to Belluscura, pay the sum of £100,000 in cash to TMT Acquisition.

About TMT Acquisition

TMT Acquisition is a cash shell that was admitted to the standard segment and to trading on the Main Market of the London Stock Exchange on 11 October 2021. For the year ended 31 March 2023, TMT Acquisition's unaudited accounts recorded net assets of £4,717,188 and made a loss before tax of £60,087 for the year. As at 30 September 2023, TMT Acquisition had unaudited cash of £4,735,575.

About Belluscura

AIM quoted Belluscura is a leading UK medical device company focused on developing oxygen enrichment technology spanning broad industries and therapies for global markets.

Belluscura's current portable oxygen concentrators focus is on improving the quality of life for millions of people worldwide who suffer from chronic lung diseases, such as the Chronic Obstructive Pulmonary Disease, respiratory distress caused by COVID-19, and many other respiratory disorders. The Portable Oxygen Concentrator Market is predicted¹ to grow at a compound annual growth rate of 14.0% from \$1.63 billion in 2022 to \$2.76 billion by 2026.

Together with its research partner, Separation Design Group, they have developed a patented portable oxygen concentrator, the X-PLOR, that can deliver up to 95% pure oxygen to patients 24 hours a day, 7 days a week. The X-PLOR is lightweight and highly portable, specifically designed to replace metal oxygen tanks and heavier portable oxygen concentrator devices. The X-PLOR portable oxygen concentrator has been granted 510(K) clearance from the U.S. Food and Drug Administration.

In late March 2023, Belluscura unveiled its second portable oxygen concentrator, the DISCOV-R, at Medtrade, the largest home health trade show in the US. Weighing approximately 6.5 lbs, the DISCOV-R generates nearly three times as much oxygen by weight than other concentrators in its class. The DISCOV-R was awarded a prestigious Silver in the best new product category at Medtrade. The full commercial launch of the DISCOV-R is anticipated later this year.

The DISCOV-R has been met with strong pre-launch demand with over 125 durable medical equipment providers and internet retailers already requesting access to this innovative device. The Belluscura directors believe that amounts to only 2% of the durable equipment companies in the US. With two litres of continuous flow and eight levels of pulse dose delivery, Belluscura anticipates the product being covered by both Centres for Medicare & Medicaid Services codes E1390 and E1392, stationary and portable concentrator, respectively. To meet this demand, Belluscura has been focusing significant resources to bring the DISCOV-R to market as soon as possible and to increase production and manufacturing capacity in the US and China where the product will be manufactured.

In August 2023, Belluscura announced it had signed a distribution agreement with McKesson Medical-Surgical, a division of McKesson, the ninth largest group by revenue in the US. McKesson delivers a third of all pharmaceuticals used in North America and operates the fourth-largest pharmacy chain in North America. The X-PLOR portable oxygen concentrator will now be available to McKesson's customers through their online catalogue.

Belluscura also announced that that it has received purchase orders for over 6,500 DISCOV-R portable oxygen concentrator. This represents approximately \$15 million of potential revenue to Belluscura, with initial production of the DISCOV-R expected to begin by the end of this quarter.

Also in August 2023, Belluscura announced that it has entered into an Exclusive License, Marketing and Distribution Agreement with its global manufacturing partner, InnoMax Medical Technology Ltd ("**InnoMax**"). InnoMax, headquartered in Shenzhen, China, has acquired the exclusive right to manufacture and distribute X-PLOR in China, Hong Kong, Macau and Singapore (together "**The Territories**"). In addition to the X-PLOR, the agreement will also include the DISCOV-R, when registration is received in The Territories for both devices.

Under the terms of the ten-year agreement with InnoMax, effective from 1 October 2023, Belluscura is to receive annually increasing minimum cumulative royalties over the term of the agreement. In addition to receiving royalties on licensed products (subject to annually increasing minimum amounts), Belluscura will receive a share of the net profits on sales of accessories. The agreement will be exclusive for a minimum of five years, though if minimum sales quantities are not achieved, Belluscura and InnoMax can mutually agree to grant InnoMax a non-exclusive license for the remainder of the term. Minimum cumulative royalties over the term of the Agreement will therefore range from \$27.5 million if the license is converted to non-exclusive from year 6 and up to \$55 million in cumulative royalties if the license remains exclusive for the entire term.

Finally, in September 2023 Belluscura announced that it has received approval from the Hong Kong Department of Health - Medical Device Division to distribute its X-PLOR portable oxygen concentrator.

The Group employs 24 people across two locations in the UK and US.

In its unaudited interim results for the six months ended 30 June 2023 which it announced on 13 September 2023, Belluscura reported revenue of \$0.4 million, an adjusted EBITDA loss of \$2.9 million, inventory of \$8.8 million and cash of \$3.8 million and that trading since the period end remained in line with expectations for the full year.

¹ Source: <https://www.precedenceresearch.com/portable-oxygen-concentrators-market>

Important Takeover Code notes

There is no certainty any offer will be made even if the pre-conditions are satisfied or waived.

This announcement has been made with the consent of Belluscura.

In accordance with Rule 2.6(a) of the Takeover Code, Belluscura is required, by not later than 5.00 p.m. on 31 October 2023, to either announce a firm intention to make an offer for TMT Acquisition in accordance with Rule 2.7 of the Takeover Code or announce that it does not intend to make an offer, in which case the announcement will be treated as a statement to which Rule 2.8 of the Takeover Code applies. This deadline can be extended with the consent of the Panel in accordance with Rule 2.6(c) of the Takeover Code.

Belluscura reserves the right to make an offer for TMT Acquisition on less favourable terms than those set out in this announcement with the agreement or recommendation of the Independent TMT Acquisition Director. Belluscura reserves the right to implement the transaction through or together with a subsidiary of Belluscura or a company which will become a subsidiary of Belluscura. Belluscura reserves the right to adjust the terms of the Possible Offer to take account of the value of any dividend or other distribution which is announced, declared, made or paid by TMT Acquisition after the date of this announcement.

A further announcement will be made in due course.

The person responsible for arranging the release of this announcement on behalf of TMT Acquisition is Harry Hyman, Chairman.

For further information please contact:

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Sources and bases

In this announcement, unless otherwise stated or the context otherwise requires, the following bases and sources have been used:

- the closing price of TMT Acquisition Shares on 2 October 2023, the day before the Possible Offer was announced was 17 pence;
- the TMT Acquisition three month volume weighted average price as at 2 October 2023 is 17.5 pence;
- the trailing Belluscura three-month volume weighted average price for the period up to 2 October 2023 is 40.12 pence;
- TMT Acquisition's cash balance as at 30 September 2023 was £4,735,575.

Responsibility

The Independent TMT Acquisition Director accepts responsibility for the information contained in this announcement relating to TMT Acquisition. The board of Belluscura accept responsibility for all of the other information contained in this announcement.

Important notice related to financial advisors

Dowgate Capital Limited ("**Dowgate**"), which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for Belluscura and for no one else in connection with the subject matter of this announcement and will not be responsible to anyone other than Belluscura for providing the protections afforded to its clients or for providing advice in connection with the subject matter of this announcement.

SPARK Advisory Partners Limited ("**SPARK**"), which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for Belluscura and for no one else in connection with the subject matter of this announcement and will not be responsible to anyone other than Belluscura for providing the protections afforded to its clients or for providing advice in connection with the subject matter of this announcement.

Wyvern Partners Limited ("**Wyvern**"), which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for TMT Acquisition and for no one else in connection with the subject matter of this announcement and will not be responsible to anyone other than TMT Acquisition for providing the protections afforded to its clients or for providing advice in connection with the subject matter of this announcement.

Disclosure requirements of the Code

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified.

Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position disclosure or a dealing disclosure.

Rule 26.1 disclosure

In accordance with Rule 26.1 of the Takeover Code, a copy of this announcement will be available (subject to certain restrictions relating to persons resident in restricted jurisdictions) at www.TMTAcquisition.com by no later than 12 noon (London time) on the business day following the date of this announcement. The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

In accordance with Rule 26.1 of the Takeover Code, a copy of this announcement will be available (subject to certain restrictions relating to persons resident in restricted jurisdictions) at www.Belluscura.com by no later than 12 noon (London time) on the business day following the date of this announcement. The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

Rule 2.9 information

In accordance with Rule 2.9 of the Takeover Code:

As at the close of business on 2 October 2023 TMT Acquisition's issued share capital consisted of 27,500,000 ordinary shares of 4 pence each (and TMT Acquisition does not hold any shares in treasury). The International Securities Identification Number for TMT Acquisition Shares is GB00BN7DKC44.

As at the close of business on 2 October 2023 Belluscura's issued share capital consisted of 135,670,067 ordinary shares of 1 penny each (and Belluscura does not hold any shares in treasury). The International Securities Identification Number for Belluscura Shares is GB00BD3B8Z11.

Additional Information

This announcement is not intended to, and does not, constitute or form part of any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to this announcement or otherwise. Any offer, if made, will be made solely by certain offer documentation which will contain the full terms and conditions of any offer, including details of how it may be accepted. The distribution of this announcement in jurisdictions other than the United Kingdom and the availability of any offer to shareholders of TMT Acquisition who are not resident in the United Kingdom may be affected by the laws of relevant jurisdictions. Therefore,

any persons who are subject to the laws of any jurisdiction other than the United Kingdom or shareholders of TMT Acquisition who are not resident in the United Kingdom will need to inform themselves about, and observe any applicable requirements.

Forward looking statements

This document contains "forward-looking statements". These statements are based on the current expectations of the management of Belluscura and/or TMT Acquisition and are naturally subject to uncertainty and changes in circumstances. The forward-looking statements contained in this document include statements relating to the expected effects of the Offer on TMT Acquisition and/or Belluscura, the expected timing and scope of the Possible Offer, and other statements other than historical facts. Forward-looking statements include statements typically containing words such as "will", "may", "should", "believe", "intends", "expects", "anticipates", "targets", "estimates" and words of similar import. Although TMT Acquisition and/or Belluscura believes that the expectations reflected in such forward-looking statements are reasonable, TMT Acquisition and/or Belluscura can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward looking statements. These factors include: local and global political, business and economic conditions, including changes in the financial markets; significant price discounting by competitors; changes in consumer habits and preferences; foreign exchange rate fluctuations and interest rate fluctuations (including those from any potential credit rating decline); legal or regulatory developments and changes; the outcome of any litigation; the impact of any acquisitions or similar transactions; competitive product and pricing pressures; success of business and operating initiatives; changes in the level of capital investment; market related risks and developments pertaining to the industry in which TMT Acquisition operates; the impact of external events, such as pandemics or natural disasters, including the ongoing impact of COVID-19 and changes to current expectations as to the rate of economic recovery therefrom; and the impact of a cyber security breach. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. Neither TMT Acquisition and/or Belluscura nor any of its affiliated companies undertakes any obligation to update or revise forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.