



**Registration of a Charge**

Company name: **CELLNOVO LIMITED**

Company number: **04349221**



X4C6RXN4

Received for Electronic Filing: **22/07/2015**

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**Details of Charge**

Date of creation: **06/07/2015**

Charge code: **0434 9221 0013**

Persons entitled: **KREOS CAPITAL IV (UK) LIMITED (THE LENDER)**

Brief description: **1. THE CHARGOR CHARGES TO THE LENDER BY WAY OF FIRST LEGAL MORTGAGE ALL FREEHOLD, LEASEHOLD (WITH AN UNEXPIRED TERM OF MORE THAN FIVE YEARS) OR OTHER IMMOVABLE PROPERTY NOW VESTED IN OR CHARGED TO THE BORROWER. 2. THE CHARGOR CHARGES TO THE LENDER BY WAY OF FIRST FIXED CHARGE ALL OTHER FREEHOLD, LEASEHOLD AND OTHER IMMOVABLE PROPERTY NOW OR IN THE FUTURE BELONGING TO THE BORROWER. 3. THE CHARGOR CHARGES TO THE LENDER BY WAY OF FIRST FIXED CHARGE THE BENEFIT OF ALL INTELLECTUAL PROPERTY. PLEASE SEE THE INSTRUMENT FOR MORE DETAILS.**

**Contains fixed charge(s).**

**Contains floating charge(s) (floating charge covers all the property or undertaking of the company).**

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**Authentication of Form**

This form was authorised by: **a person with an interest in the registration of the charge.**

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## Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **CHARLES RUSSELL SPEECHLYS LLP**



## **CERTIFICATE OF THE REGISTRATION OF A CHARGE**

Company number: 4349221

Charge code: 0434 9221 0013

The Registrar of Companies for England and Wales hereby certifies that a charge dated 6th July 2015 and created by CELLNOVO LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 22nd July 2015 .

Given at Companies House, Cardiff on 23rd July 2015

The above information was communicated by electronic means and authenticated  
by the Registrar of Companies under section 1115 of the Companies Act 2006



**Companies House**



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES

DATED

6 July 2015

(1) CELLNOVO LIMITED

(2) KREOS CAPITAL IV (UK) LIMITED

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**DEBENTURE**

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THIS DEBENTURE is dated

6 July 2015

**BETWEEN:**

- (1) **CELLNOVO LIMITED** a company incorporated in England and Wales under number 4349221 whose registered office is at Ethos, King's Road, Swansea, SA1 8AS (the "Borrower"); and
- (2) **KREOS CAPITAL IV (UK) Limited** a company incorporated in England and Wales under registered number 07758282 whose registered office is at 25-28 Old Burlington Street, London, W1S 3AN (the "Lender").

**BACKGROUND:**

Under the terms of the Loan Agreement, the Lender has agreed to advance monies to the Borrower on condition, inter alia, that the Borrower will execute and deliver to the Lender this Debenture to secure the payment of the Secured Obligations (as defined below).

**AGREED PROVISIONS:**

**1. INTERPRETATION**

- 1.1 In this Debenture, the following words and expressions shall, unless the context otherwise requires, bear the following meanings:

**Business Day** a day on which clearing banks are open for business in the City of London;

**Debenture** this debenture including its recitals;

**Event of Default** shall have the meaning given to such term in the Loan Agreement;

**Excluded Patents** The patents described in the Fixed Charge over Patents entered into between the Lender and Borrower on the same date as this Debenture

**Finance Documents** shall have the meaning give to such term in the Loan Agreement;

**Intellectual Property** all legal and beneficial interests of the Borrower (in any part of the world) in inventions, improvements, modifications, processes, formulae, know-how, designs, models, prototypes, sketches, drawings, plans,

business names, licences, patents, patent applications, trademarks (registered and unregistered), service marks, designs (registered and unregistered) and any other intellectual property rights of every kind, together with choses in action and claims and all fees, royalties and other rights of every kind deriving from them now or in the future belonging to the Borrower, including without limitation the intellectual property specified on Schedule 2, other than the Excluded Patents;

**Loan Agreement**

the loan facility agreement between the Lender and the Borrower dated on around the date of this Debenture, as amended, restated, supplemented or replaced from time to time;

**Material Contracts**

means the contracts listed in Schedule 5;

**Permitted Security**

- (i) security created in favour of the Lender under the Finance Documents; and
- (ii) any security permitted by the Lender in writing from time to time;

**Receivables**

all present and future book debts and other debts, rentals, fees, VAT and monetary claims and all other amount at any time recoverable or receivable by, or due or owing to, the Borrower (whether actual or contingent and whether arising under contract or in any other manner whatsoever) together with:

- (i) the benefit of all rights, guarantees, securities and remedies relating to any of the foregoing (including, without limitation, negotiable instruments, indemnities, reservations of property rights, rights of tracing and unpaid vendor's liens and similar association rights); and
- (ii) all proceeds of any of the foregoing;

**Receiver**

as defined in clause 8.1;

<b>Secured Obligations</b>	all monies, liabilities and obligations which are now or may at any time in the future be due, owing or incurred by the Borrower to the Lender in any manner whatsoever under the Finance Documents;
<b>Securities</b>	shall have the meaning given to that term in clause 4.1.2(g);
<b>Security Assets</b>	all property and assets from time to time charged or assigned (or expressed to be charged or assigned) by or pursuant to this Debenture;
<b>Security Period</b>	means the period commencing on the date of this Debenture and ending on the date upon which the Secured Obligations have been unconditionally and irrevocably paid and discharged in full; and
<b>Specified Accounts</b>	the bank accounts set out in Schedule 3, as renumbered or redesigned from time to time, each replacement or sub-account relating to it, all money from time to time standing to the credit of that account and all interest accruing in relation to it.

1.2 In this Debenture unless the context requires otherwise:

- 1.2.1 Capitalised terms not defined in this Debenture shall have the respective meanings given to those terms in the Loan Agreement;
- 1.2.2 any reference to a clause, Schedule or appendix (other than a Schedule to a statutory provision) is a reference to a clause of or Schedule or appendix to this Debenture and the Schedule and appendices form part of and are deemed to be incorporated in and in references to this Debenture;
- 1.2.3 references to this Debenture and to any provisions of this Debenture or to any other document or agreement shall be construed as references to this Debenture or that document or agreement in force for the time being and as amended, varied, supplemented, substituted or novated from time to time;
- 1.2.4 words importing the singular number only shall include the plural number and vice versa; and words importing the masculine gender only shall include the feminine gender;

- 1.2.5 references to persons includes a reference to firms, corporations, unincorporated associations or personal representatives;
- 1.2.6 references to any person are to be construed to include that person's assigns or transferees or successors in title, whether direct or indirect;
- 1.2.7 references to any statutory provision means that statutory provision as amended, supplemented, re-enacted or replaced from time to time (whether before or after the date of this Debenture) and are to include any orders, regulations, instruments or other subordinate legislation made under the relevant statutory provision except to the extent that any amendment, supplement, re-enactment or replacement coming into force after the date of this Debenture would increase or extend the liability of the parties to one another;
- 1.2.8 the rule known as the ejusdem generis rule shall not apply and general words shall not be given a restrictive interpretation by reason of their being preceded or followed by words indicating a particular class of acts, matters or things.
- 1.2.9 clause headings are for ease of reference only and are not to affect the interpretation of this Debenture;
- 1.2.10 the terms of the Loan Agreement are incorporated into this Debenture to the extent required to ensure that any disposition of the Real Property contained in this Debenture is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989;
- 1.2.11 it is intended by the parties to this Debenture that this document shall take effect as a deed notwithstanding the fact that a party may only execute this document underhand; and
- 1.2.12 references to a continuing Event of Default means an Event of Default that has not been remedied or waived.

## **2. COVENANT TO PAY**

- 2.1 The Borrower covenants (when the same shall be or become due) on demand to pay and discharge to the Lender the Secured Obligations when the same become due and payable under the Loan Agreement.
- 2.2 Any amount which is not paid under this Debenture when due shall bear interest (both before and after judgment and payable on demand) from the due date until the date on which that amount is unconditionally and irrevocably paid and discharged in full at the rate and in the manner specified in the Loan Agreement but without charging default interest under this Debenture on any amounts of default interest accruing or payable under the Loan Agreement.

### **3. NATURE OF SECURITY**

3.1 All mortgages, charges, assignments and other security made or created under this Debenture are made or created:

- 3.1.1 in favour of the Lender;
- 3.1.2 with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994; and
- 3.1.3 as a continuing security for the payment or discharge of all Secured Obligations hereby covenanted to be paid or discharged by the Borrower.

3.2 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 (incorporated by Schedule 16 of the Enterprise Act 2002) applies to any floating charge created by or pursuant to this Debenture (and each such floating charge is a qualifying floating charge for the purposes of the Insolvency Act 1986).

### **4. SECURITY**

4.1 The Borrower charges and agrees to charge all the present and future right, title and interest of the Borrower in and to the following assets which are at any time owned by the Borrower or in which the Borrower from time to time has an interest:

- 4.1.1 by way of first legal mortgage all freehold, leasehold (with an unexpired term of more than five years) or other immovable property now vested in or charged to the Borrower, including the property listed on Schedule 1;
- 4.1.2 by way of first fixed charge:
  - (a) all other freehold, leasehold and other immovable property now or in the future belonging to the Borrower (and not charged by clause 4.1.1);
  - (b) all plant and machinery now or in the future belonging to the Borrower other than fixed plant and machinery charged under clauses 4.1.1 and 4.1.2(a);
  - (c) all computers, vehicles, office equipment and other equipment;
  - (d) all stock in trade;
  - (e) the Specified Accounts and all other accounts held with any bank, financial institution or other person, from time to time, and all monies from time to time standing to the credit of those accounts and all interest accruing in relation to them;
  - (f) all Receivables;

- (g) all stocks, shares, loan capital, bonds and other securities now or in the future belonging to the Borrower (either legally or beneficially) together with all dividends and all other rights deriving from them (the **Securities**);
- (h) the goodwill of the Borrower and its uncalled capital both present and future;
- (i) the benefit of all Intellectual Property.

4.2 The Borrower assigns and agrees to assign absolutely to the Lender (to the fullest extent assignable or capable of assignment without first infringing any contractual provision restricting the same (unless any applicable consent or waiver to any such consent has been granted) and subject to a proviso for reassignment on redemption in accordance with clause 18, the benefit of all its right, title and interest to, in and under all present and future:

4.2.1 the Material Contracts;

4.2.2 all policies and contracts of insurance issued or entered into for the benefit of or by the Borrower and all rights, claims and interests which the Company has from time to time in any such policy or contract.

4.3 If so requested by the Lender, the Borrower shall (within ten Business Days) in respect of any of the assets assigned under clause 4.2, deliver a duly completed notice of assignment to each of the other parties to the relevant contract (if applicable).

4.4 To the extent not validly and effectively charged by way of first mortgage pursuant to clause 4.1.1 or fixed charge pursuant to clause 4.1.2 or effectively assigned pursuant to clause 4.2, the Borrower by way of first floating charge charges the whole of the Borrower's undertaking and all its property and assets whatsoever and wheresoever present and future.

4.5 If an Event of Default occurs and is continuing the Lender may convert the floating charge by notice in writing to the Borrower into a fixed charge as regards all the property and assets which for the time being are the subject of such floating charge or, as the case may be, such of the said property and assets as are specified by such notice.

4.6 The floating charge created by this Debenture shall unless otherwise agreed in writing by the Lender automatically, immediately and without notice be converted into a fixed charge in the event that (i) the Borrower shall create or permit to subsist any Security other than Permitted Security in breach of clause 14.2 of the Loan Agreement; (ii) if any third party levies any distress, attachment, execution or other legal process against any asset charged by this floating charge; (iii) a receiver is appointed over all or any of the Security Assets that are subject to the floating

charge or (iv) the Lender receives notice of the appointment of, or a proposal or an intention to appoint, an administrator of the Borrower.

- 4.7 A reference in this Debenture to a mortgage, assignment or charge of any freehold or leasehold property includes all buildings and fixtures on the property other than those belonging to any landlord, tenant or occupant other than the relevant Borrower, the proceeds of sale of any part of that property, any licence, agreement for sale or agreement for lease in relation to that property and the benefit of any covenants for title given or entered into by any predecessor in title of the Borrower in respect of that property to the extent held by the Borrower, or any monies paid or payable in respect of those covenants.
- 4.8 The security from time to time constituted by or pursuant to this Debenture shall be in addition to and shall not prejudice, determine or affect any other security which the Lender may from time to time hold for or in respect of all or any part of the Secured Obligations hereby secured. No prior security held by the Lender over the property charged by this Debenture or any part of it shall merge in the security created hereby or pursuant to this Debenture which will remain in full force and effect as a continuing security until discharged by the Lender.
- 4.9 There shall be excluded from the charge created by clause 4.1 and from the operation of clause 15 any leasehold property held by the Borrower under a lease which either precludes absolutely or conditionally (including requiring the consent of any third party) the Borrower from creating any charge over its leasehold interest in that property (each an **Excluded Property**) until the relevant condition or waiver has been satisfied or obtained.
- 4.10 For each Excluded Property, the Borrower undertakes to apply for the relevant consent or waiver of prohibition or condition within 14 days of the date of this deed and, in respect of each Excluded Property which provides that the relevant third party will not unreasonably withhold its consent to charging, to use all reasonable endeavours to obtain that consent as soon as possible and to keep the Lender informed of the progress of its negotiations.
- 4.11 Forthwith upon receipt of the relevant waiver or consent, the relevant formerly Excluded Property shall stand charged to the Lender under clause 4.1. If required by the Lender at any time following receipt of that waiver or consent, the Borrower will forthwith execute a valid legal mortgage in such form as the Lender shall reasonably require.
- 4.12 Nothing in this Debenture shall prevent the continuing existence or enforcement of Permitted Security.

## **5. COVENANTS BY THE BORROWER**

5.1 The Borrower shall, in addition to covenants contained in the Loan Agreement during the Security Period:

5.1.1 as soon as reasonably practicable following execution of this deed serve a notice of charge in the form of Part 1 of Schedule 4 in respect of the Specified Account and use all reasonable endeavours to procure that the relevant bank acknowledges that notice by signing and returning to the Lender a letter of acknowledgement substantially in the form of Part 2 of Schedule 4. Any instructions contained in a notice of charge sent by the Borrower pursuant to this clause may not be revoked or amended without the Lender's prior written consent;

5.1.2 not, without the prior consent of the Lender, maintain any other bank account other than the Specified Account;

5.1.3 promptly (but in any event within five days) on request by the Lender give notice to any:

(a) bank or other financial institution with whom the Borrower has any other bank account;

(b) party to a Material Contract;

(c) party to a policy of insurance; and

(d) other applicable third party,

of the creation of the Security Interests under this Debenture and use reasonable efforts to procure that each addressee of any such notice promptly provides an acknowledgement of the Lender's interest to the Lender. The Borrower shall obtain the Lender's prior approval of the form of any notice or acknowledgement to be used under this clause;

5.1.4 permit the Lender, any Receiver and any person appointed by either of them to enter on and inspect any Property on reasonable prior notice in accordance with the terms of the Facility Agreement;

5.1.5 duly and promptly pay all calls, instalments and other monies that may be payable from time to time in respect of the Securities. The Borrower acknowledges that the Lender shall not be under any liability in respect of any such calls, instalments or other monies;

5.1.6 not, without the prior written consent of the Lender, amend, or agree to the amendment of, the memorandum or articles of association, or any other constitutional documents, of any issuer of Securities that is not a

public company, or the rights or liabilities attaching to any of the Securities;

5.1.7 ensure (as far as it is able to by the exercise of all voting rights, powers of control and other means available to it) that any issuer of Securities that is not a public company shall not other than as permitted under the Facility Agreement:

(a) consolidate or subdivide any of its Securities, or reduce or re-organise its share capital in any way;

(b) issue any new shares or stock; or

(c) refuse to register any transfer of any of its Investments that may be lodged for registration by, or on behalf of, the Lender or the Borrower in accordance with this Debenture;

5.1.8 if so requested by the Lender (acting reasonably), place and maintain on each item of plant, machinery or equipment, in a conspicuous place, a clearly legible identification plate in a form approved by the Lender specifying that such item is subject to the security created under this Debenture;

5.1.9 use all reasonable efforts to register applications for the registration of any Intellectual Property, and shall keep the Lender informed of all matters relating to each such registration;

5.1.10 inform the Lender in writing within seven days of any Intellectual Property being registered in the name of the Borrower which is not specified on Schedule 2;

5.2 After the security constituted by this Debenture has become enforceable:

5.2.1 all dividends and other distributions paid in respect of the Investments and received by the Borrower shall be held by the Borrower on trust for the Lender and immediately paid into an account directed by the Lender in writing or, if received by the Lender, shall be retained by the Lender; and

5.2.2 all voting and other rights and powers attaching to the Investments shall be exercised by, or at the direction of, the Lender and the Borrower shall, and shall procure that its nominees shall, comply with any directions the Lender may give, in its absolute discretion, concerning the exercise of those rights and powers.

5.3 If the Borrower shall fail to perform any of its obligations under this clause 5.1, then the Lender may take such steps as it considers appropriate to procure the performance of such obligation and shall not thereby be deemed to be a mortgagee

in possession and the monies reasonably expended by the Lender shall be reimbursed by the Borrower on demand and until so reimbursed shall carry interest as mentioned in clause 2.2 from the date of payment to the date of reimbursement.

## **6. WARRANTIES**

The Borrower warrants to the Lender on the date of this deed and on each day that the Secured Obligations or any of them remain outstanding that:

- 6.1 Schedule 1 to this deed lists all the freehold and leasehold property beneficially owned by it as at the date of this deed;
- 6.2 Schedule 2 to this deed lists all the Intellectual Property which is registered in its name as at the date of this deed;
- 6.3 the Specified Accounts are the only bank accounts maintained by the Borrower;

## **7. ENFORCEMENT**

- 7.1 This Debenture shall become enforceable on the occurrence of an Event of Default that is continuing.
- 7.2 Section 103 of the Law of Property Act 1925 shall not apply and the statutory power of sale and all other powers under that or any other Act as varied or extended by this Debenture shall arise on and be exercisable at any time after the Lender shall have demanded the payment or discharge by the Borrower of all or any of the Secured Obligations secured by this Debenture.
- 7.3 Section 93 of the Law of Property Act 1925 dealing with the consolidation of mortgages shall not apply to this Debenture.

## **8. RECEIVER**

- 8.1 At any time after this Debenture has become enforceable or if the Borrower so requests in writing the Lender may without further notice to the Borrower appoint by writing, under hand or under seal any one or more persons either singly, jointly, severally or jointly and severally to be a receiver, receiver and manager or administrative receiver (each a "**Receiver**") of all or any part of the property charged by this Debenture and either at the time of appointment or any time after may fix his or their remuneration and except as otherwise required by statute may remove any such Receiver and appoint another or others in his or their place.
- 8.2 Any Receiver shall be the agent of the Borrower which shall be solely responsible for his acts and defaults and the payment of his remuneration.
- 8.3 Any Receiver shall have all the powers conferred by the Law of Property Act 1925 and the Insolvency Act 1986 on mortgagors, mortgagees in possession (but without liability as such), receivers, administrative receivers and administrators appointed under those Acts which in the case of joint receivers may be exercised either jointly

or severally. In addition, but without prejudice to the generality of the foregoing the Receiver shall have power (in the name of the Borrower or otherwise and in such manner and on such terms and conditions as he shall think fit) to:

- 8.3.1 take possession of, collect and get in all or any part of the property in respect of which he is appointed and for that purpose to take any proceedings;
- 8.3.2 carry on or concur in carrying on the business of the Borrower and to raise money from the Lender or others on the security of any property charged by this Debenture;
- 8.3.3 purchase or acquire any land and purchase, acquire and grant any interest in or right over land;
- 8.3.4 sell or concur in selling, let or concur in letting and terminate or accept surrenders of leases or tenancies of any of the property charged by this Debenture and to carry any such transactions into effect;
- 8.3.5 sell, assign, let or otherwise dispose of or concur in selling, assigning, letting or otherwise disposing of all or any of the debts and any other property in respect of which he is appointed;
- 8.3.6 make any arrangement or compromise between the Borrower and any other person which he may think expedient;
- 8.3.7 make and effect all repairs, improvement and insurances;
- 8.3.8 purchase materials, tools, equipment, goods or supplies;
- 8.3.9 call up any uncalled capital of the Borrower with all the powers conferred by the articles of association of the Borrower in relation to calls;
- 8.3.10 employ, engage and appoint managers and other employees and professional advisers; and
- 8.3.11 do all such other acts and things as may be considered to be incidental or conducive to any other matters or powers aforesaid or to the realisation of the security constituted by this Debenture and which he lawfully may or can do.

## **9. APPLICATION OF PROCEEDS**

- 9.1 Any monies received by the Lender or any Receiver shall subject to the repayment of any claims having priority to the charges created by this Debenture be applied in the following order but without prejudice to the right of the Lender to recover any shortfall from the Borrower:

- 9.1.1 in the payment of all costs, charges and expenses of and incidental to the appointment of the Receiver and the exercise of all or any of his powers and of all outgoings paid by him;
  - 9.1.2 in the payment of the Receiver's remuneration;
  - 9.1.3 in or towards the satisfaction of the Secured Obligations secured by this Debenture in such order as the Lender in its absolute discretion thinks fit;
  - 9.1.4 in payment of the surplus (if any) to the person or persons entitled to it.
- 9.2 All monies received, recovered or realised by the Lender under this Debenture may be credited at the discretion of the Lender to any interest bearing suspense or impersonal account and may be held in such account for so long as the Lender shall think fit pending its application from time to time in or towards the discharge of any of the Secured Obligations secured by this Debenture.

## **10. PROTECTION OF THIRD PARTIES**

No person dealing with a Receiver or the Lender shall be concerned to enquire whether any power which he or it is purporting to exercise has become exercisable or whether any money is due under this Debenture or as to the application of any money paid raised or borrowed or as to the propriety or regularity of any sale by or other dealing with such Receiver or the Lender. All the protection to purchasers contained in sections 104 and 107 of the Law of Property Act 1925 shall apply to any person purchasing from or dealing with a Receiver or the Lender.

## **11. ENTRY INTO POSSESSION AND LIABILITY TO PERFORM**

- 11.1 If the Lender or any Receiver shall enter into possession of the property charged under this Debenture or any part of it, it or he may from time to time and at any time go out of such possession. Neither the Lender nor any Receiver shall in any circumstances (either by reason of any entry into or taking of possession of any such property or for any other reason and whether as mortgagee in possession or on any other basis) be liable to account to the Borrower for anything except its or his actual receipts or be liable to the Borrower for any loss or damage arising from any realisation of the property hereby charged or from any act, default or omission in relation to that.
- 11.2 Notwithstanding anything contained in this Debenture or implied to the contrary, the Borrower remains liable to observe and perform all of the conditions and obligations assumed by it in relation to the Security Assets. The Lender is under no obligation to perform or fulfil any of those conditions or obligations or make any payment in respect of those conditions or obligations.

## **12. POWER OF ATTORNEY**

The Borrower irrevocably appoints the Lender, any Receiver and any person nominated by the Lender jointly and also severally to be the attorney of the Borrower with the power of substitution and in its name and otherwise on its behalf and as its act and deed at any time after the occurrence of an Event of Default which is continuing, whilst the same is continuing, to sign or execute all deeds instruments and documents which the Lender or any Receiver or any person nominated by the Lender may require or deem proper for any of the purposes of or which the Borrower ought to do under this Debenture. The Borrower agrees to ratify and confirm anything such attorney shall lawfully and properly do.

## **13. NEW ACCOUNTS**

If the Lender shall at any time receive actual or constructive notice of any charge or other interest affecting any part of the property of the Borrower hereby charged then the Lender may open a new account or accounts for the Lender and if the Lender does not do so then the Lender shall be treated as if it had done so at the time when it received or was deemed to receive notice and as from that time all payments made by the Borrower to the Lender shall be credited or treated as having been credited to the new account and shall not operate to reduce the amount secured by this Debenture at the time when the Lender received or was deemed to receive notice.

## **14. PRIOR CHARGES**

If there is any encumbrance over any of the property charged by this Debenture which ranks in priority to this Debenture and any proceedings or steps are taken to exercise or enforce any powers or remedies conferred by such prior encumbrance the Lender or any Receiver appointed under this Debenture in respect of such property may (but without prejudice to any rights the Receiver may have under section 43 of the Insolvency Act 1986) redeem such prior encumbrance or procure its transfer to itself and may settle and pass the accounts of any prior mortgagee, chargee or encumbrancer. Any account so settled and passed shall be conclusive and binding on the Borrower and all the principal, interest, costs, charges and expenses of and incidental to such redemption or transfer shall be secured on the property charged by this Debenture and all the powers conferred by any prior encumbrance upon the encumbrancer or any receiver under such encumbrance shall be exercisable by the Lender or a Receiver in like manner as if the same were expressly included in this Debenture.

## **15. FURTHER ASSURANCE**

- 15.1 The Borrower shall whenever requested by the Lender (acting reasonably) immediately execute and sign all such deeds and documents and do all such things as the Lender may require over any property or assets specified by the Lender for

the purpose of perfecting security to the Lender for the payment and discharge of the Secured Obligations secured by this Debenture.

- 15.2 In relation to real property charged by way of legal mortgage under this deed situated in England and Wales, the Borrower hereby irrevocably consents to the Lender applying to the Chief Land Registrar for a restriction to be entered on the Register of Title of all that real property (including any unregistered properties subject to compulsory first registration at the date of this deed) on the prescribed Land Registry form and in the following or substantially similar terms:

*"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [            date] in favour of Kreos Capital IV (UK) Limited referred to in the charges register or, if appropriate, signed on such proprietor's behalf by its authorised signatory."*

- 15.3 Subject to the terms of the Loan Agreement, the Lender is under an obligation to make further advances to the Borrower (which obligation is deemed to be incorporated into this deed) and this security has been made for securing those further advances. In relation to real property charged by way of legal mortgage under this deed situated in England and Wales, the Lender may apply to the Chief Land Registrar for a notice to be entered onto the Register of Title of all that real property (including any unregistered properties subject to compulsory first registration at the date of this deed) that there is an obligation to make further advances on the security of the registered charge.

## **16. SET OFF**

The Lender may at any time and without notice to the Borrower combine or consolidate all or any of the Borrower's then existing accounts with and liabilities to the Lender and set off or transfer any sums standing to the credit of any one or more of such accounts in or towards satisfaction of any of the liabilities of the Borrower to the Lender on any other account or in any other respects. The Lender shall notify the Borrower that such a transfer has been made.

## **17. AVOIDANCE OF PAYMENTS**

- 17.1 No assurance, security or payment which may be avoided or adjusted under any enactment relating to bankruptcy or insolvency or Part IV of the Insolvency Act 1986 or similar legislation binding on the Borrower in a jurisdiction other than England and Wales and no release, settlement or discharge given or made by the Lender on the faith of any such assurance, security or payment shall prejudice or affect the right of the Lender to recover from the Borrower (including the right to recover any monies which it may have been compelled by due process of law to refund under the provisions of the Insolvency Act 1986 and any costs payable by it pursuant to or otherwise incurred in connection with such process) or to enforce the security

created by or pursuant to this Debenture to the full extent of the Secured Obligations secured by this Debenture.

**18. RELEASE**

18.1 Upon redemption and payment in full (in accordance with the terms of the Finance Documents) of all the Secured Obligations, the Lender shall do all things reasonably necessary to release the assets of the Borrower from the security constituted by this Debenture, re-assign any rights assigned under this deed, return all deeds and documents of title delivered to the Lender under this deed and execute and deliver such further deeds or documents as the Borrower may reasonably require in order to give effect to this Clause (including, without limitation, any filings required to be made in order to remove the restriction at clause 15.2 of this deed).

18.2 The Lender may release any asset of the Borrower from the security constituted by this Debenture at any time and any release shall not in any way affect, prejudice or invalidate the security created under this Debenture over any of the remaining assets of the Borrower.

**19. COSTS AND INDEMNITY**

Save to the extent that any such costs have been recovered under the Loan Agreement, the Lender and every Receiver, attorney or other person appointed by the Lender under this Debenture and their respective employees shall be entitled to be indemnified on a full indemnity basis out of the property charged by this Debenture in respect of all liabilities and reasonable expenses incurred by any of them in or directly or indirectly as a result of the lawful exercise or purported exercise of any of the powers authorities or discretions vested in them under this Debenture and against all actions, proceedings, losses, costs, claims and demands in respect of any matter or thing lawfully done or omitted in any way relating to the property charged by this Debenture provided that such actions, proceedings, losses, costs, claims and demands did not arise as a consequence of the gross negligence or wilful default of any such person and the Lender and any such Receiver may retain and pay all sums in respect of the same out of the monies received under the powers conferred by this Debenture.

**20. NOTICES**

20.1 Any notice under this Debenture shall be in writing signed by or on behalf of the party giving it in the case of a company to its registered office and in the case of an individual to the relevant address shown in the preamble to this Debenture or to such other address as shall be notified in writing for these purposes.

20.2 Without prejudice to any other proper method of service approved by the Courts, any such notice may be served:

20.2.1 by leaving it or sending it by prepaid, recorded delivery letter sent through the post; or

- 20.2.2 by facsimile (in which case it shall be deemed to have been signed by or on behalf of the party giving it) to such facsimile number as any party may from time to time notify in writing to the others. A copy of any such notice shall also be sent by first class post to the last known principal place of business of the relevant party and to the relevant party's solicitors.
- 20.3 A notice served by post shall be deemed to have been served two Business Days after the day of posting and in proving such service it shall be sufficient to prove that the notice was properly addressed and posted.
- 20.4 A notice served personally or by facsimile shall be deemed to have been served on the day of delivery or transmission if in the ordinary course of transmission it would first be received by the addressee on a Business Day prior to 4pm and otherwise on the next Business Day.

## **21. MISCELLANEOUS**

- 21.1 The Lender may without discharging or in any way affecting the security created by this Debenture or any remedy of the Lender grant time or other indulgence or abstain from exercising or enforcing any remedies, securities, guarantees or other rights which it may now or in the future have from or against the Borrower and may make any arrangement, variation or release with any person or persons without prejudice either to this Debenture or the liability of the Borrower for the Secured Obligations secured by this Debenture.
- 21.2 All the provisions of this Debenture are severable and distinct from one another and if, at any time, any one or more of the provisions of this Debenture is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity and enforceability of the remaining provisions of this Debenture nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall be in any way affected or impaired as a result.
- 21.3 The rights and remedies of the Lender provided by this Debenture are cumulative and are not exclusive of any rights powers or remedies provided by law and may be exercised from time to time and as often as the Lender may deem expedient.
- 21.4 This Debenture may be executed in any number of counterparts each of which when executed and delivered is an original, but all counterparts together constitute the same document.
- 21.5 A person who is not a party to this Debenture shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Debenture. This clause does not affect any right or remedy of any person which exists, or is available, otherwise then pursuant to that Act.
- 21.6 At any time, without the consent of the Borrower, the Lender may assign or transfer the whole or any part of its rights and obligations under this Debenture to any other

person. The Borrower may not assign any of its rights, or transfer any of its obligations, under this debenture, or enter into any transaction that would result in any of those rights or obligations passing to another person.

- 21.7 Any waiver or variation of any right or remedy by the Lender (whether arising under this debenture or under the general law), or any consent given under this Debenture, is only be effective if it is in writing and signed by the waiving, varying or consenting party, and applies only in the circumstances for which it was given, and shall not prevent the party giving it from subsequently relying on the relevant provision.
- 21.8 No act or course of conduct or negotiation by, or on behalf of, the Lender shall, in any way, preclude the Lender from exercising any right or remedy under this debenture or constitute a suspension or variation of any such right or remedy.
- 21.9 No delay or failure to exercise any right or remedy under this debenture shall operate as a waiver of that right or remedy.
- 21.10 No single or partial exercise of any right or remedy under this debenture shall prevent any further or other exercise of that right or remedy, or the exercise of any other right or remedy under this Debenture.

## **22. GOVERNING LAW AND JURISDICTION**

- 22.1 This Debenture and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.
- 22.2 The parties to this debenture irrevocably agree that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of, or in connection with, this Debenture or its subject matter or formation (including non-contractual disputes or claims). Nothing in this clause shall limit the right of the Lender to take proceedings against the Borrower in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of that other jurisdiction.
- 22.3 The Borrower irrevocably consents to any process in any proceedings being served on it in accordance with the provisions of this Debenture relating to service of notices. Nothing contained in this debenture shall affect the right to serve process in any other manner permitted by law.

**EXECUTED** as a Deed and delivered on the date above.



**Schedule 1**  
**Freehold and Leasehold Property**

None

## **Schedule 2**

### **Registered Intellectual Property**

The following trademarks:

MDM registered in EU number 009942632,

C.ONLINE registered in EU number 012422069

CELLNOVO published subject to an objection from Novo Nordisk A/S in EU number 008136921, and registered in USA number 77708262

C.PAL registered in EU number 012422085.

The following domain names:

- [www.cellnovo.com](http://www.cellnovo.com)
- [www.cellnovo.co.uk](http://www.cellnovo.co.uk)
- [www.cellnovian.com](http://www.cellnovian.com)
- [www.cellnovosecure.com](http://www.cellnovosecure.com)
- [www.cellnovo-secure.com](http://www.cellnovo-secure.com)
- [www.starbridgesystems.co.uk](http://www.starbridgesystems.co.uk)

**Schedule 3**  
**Specified Accounts**

Account name	Account Bank	Account number	Sort Code	Denomination
Cellnovo Limited	HSBC			Euro

## Schedule 4

### Part 1

#### Form of bank account notices

##### [On the Letterhead of the Borrower]

To: [name and address of third party bank]

Attention: [ ]

Copy to: Kreos Capital IV (UK) Limited

Date: [ ]

Dear Sirs

**Debenture dated [ ] (the "Debenture") between Cellnovo Limited (the "Chargor") and Kreos Capital IV (UK) Limited (the "Lender")**

This letter constitutes notice to you that, pursuant to the Debenture, we have charged (by way of fixed charge) in favour of the Lender all our present and future rights and interest in and to account number [ ] in our name with you (the "**Account**") together with all money from time to time standing to the credit of that Account, all interest accruing in relation thereto and all related rights as defined in the Debenture.

We hereby irrevocably instruct and authorise you to:

1. credit to the Account all interest from time to time earned on the sums of money held in the Account;
2. hold all sums from time to time standing to the credit of the Account to the order of the Lender;
3. until such time as you receive notice signed by a director of the Lender that an Event of Default has occurred and is continuing (a "**Default Notice**"), comply with the terms of any written notice or instructions (including payment instructions) relating to the Account or the sums standing to the credit of the Account from time to time which you may receive signed by or on behalf of the Chargor;

4. following receipt of a Default Notice: (i) you shall comply only with the terms of any written notice or instructions (including payment instructions) relating to the Account or the sums standing to the credit of the Account from time to time which you may receive from the Lender and signed by a director of the Lender without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instructions; and (ii) you will not accept or comply with any notice or instruction (including payment instructions) received from the Chargor;
5. disclose to the Lender, without any reference to or further authority from us and without any enquiry by you as to the justification for such disclosure, such information relating to the Account and the sums in the Account as the Lender may from time to time request; and
6. send copies of all notices and communications relating to the Account to the Lender as well as ourselves.

Please note that we are and will remain liable to perform all the obligations assumed by us under any mandate or other agreement relating to the Account and that neither the Lender, any Receiver nor any of their agents will at any time have any liability to you regarding the Account.

We are not permitted, without the Lender's prior written consent, to permit or agree to any variation of the terms and conditions relating to the Account or to close the Account.

The instructions in this notice may not be revoked or varied without the prior written consent of the Lender.

This notice is governed by English law.

Please confirm your agreement to the above by sending the attached acknowledgement to the Lender with a copy to us at the above address.

Yours faithfully

.....

[Authorised signatory of Chargor]

**Part 2**  
**Form of Acknowledgement**

**[On the letterhead of the account bank]**

To: Kreos Capital IV (UK) Limited

Attention: [ ]

Copy to: Cellnovo Limited

Date: [ ]

Dear Sirs

**Debenture dated [ ] (the "Debenture") between Cellnovo Limited (the "Chargor") and Kreos Capital IV (UK) Limited (the "Lender")**

We confirm receipt from the Chargor of a notice dated [ ] 2015 [ ] (the "Notice") of the creation of a first fixed charge, pursuant to the terms of the Debenture, of all the Chargor's present and future rights and interest in and to account number [ ] held with us in the name of the Chargor (the "Account") together with all money from time to time standing to the credit of that Account, all interest accruing in relation thereto and all related rights.

We confirm that:

1. we accept the instructions and authorisations contained in the Notice and undertake to comply with the terms of the Notice;  
  
we have not received notice of the creation of any other assignment or security regarding the Account or of the creation of any third party interest in the Account or in the sums of money held in the Account or the debts represented by those sums and we will notify you promptly should we receive any such notice;
2. we do not have and will not in future create, accept or enforce any security interest or right of set-off or combination or other right in respect of the Account, the sums of money held in the Account or the debts represented by those sums; and
3. we will not amend the terms or conditions upon which the Account is operated or close the Account without your prior written consent.

This letter is governed by English law.

Yours faithfully

.....

for and on behalf of

[third party bank]

## **Schedule 5**

### **Contracts**

The following contracts:

- Consultancy framework agreement with Varasco LLC of 22 September 2014
- Manufacturing and assembly agreement with Flextronics Medical Sales and Marketing Limited of October 2012

SIGNED as a DEED by  
CELLNOVO LIMITED acting by a  
director:

Director

In the presence of:

Name .....

Address .....

Occupation .....

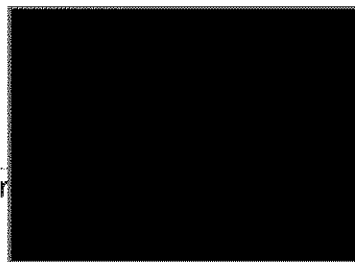
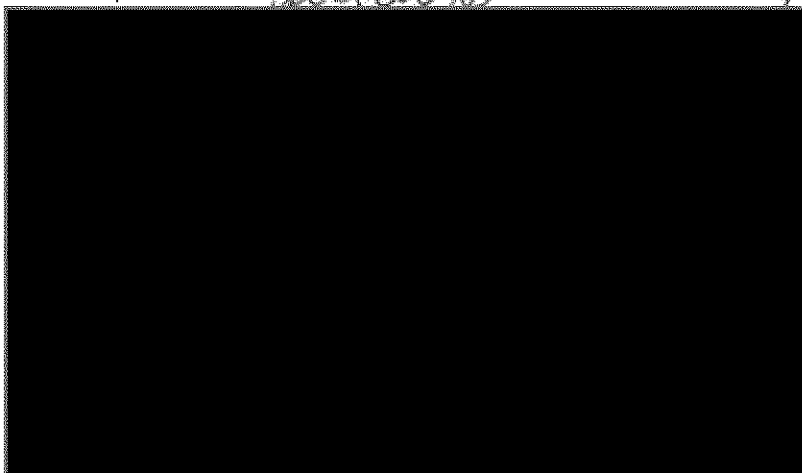
SIGNED as a DEED by KREOS  
CAPITAL IV (UK) LIMITED acting  
by a director:

LUCA COLUCCI

Director

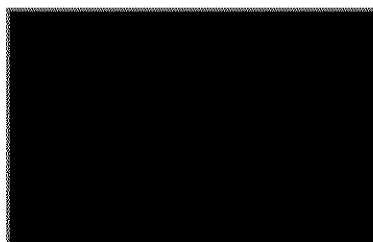
In the presence of:

*[Signature]*

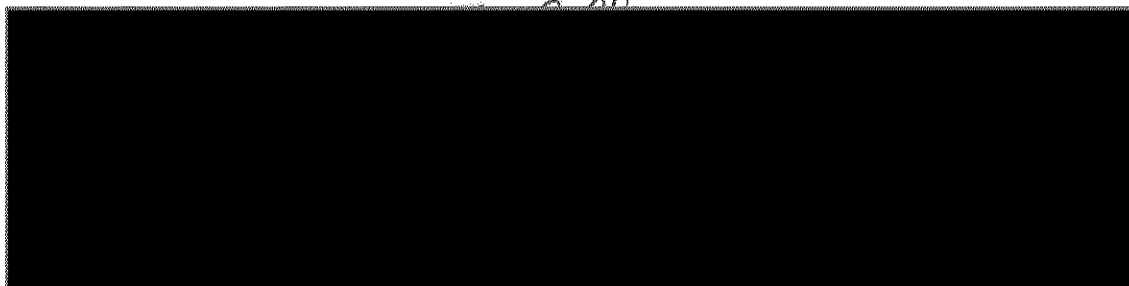


SIGNED as a DEED by  
**CELLNOVO LIMITED** acting by a  
director:

ERIC BEARD



In the presence of:



Occupation..... *Secretary* .....

SIGNED as a DEED by **KREOS  
CAPITAL IV (UK) LIMITED** acting  
by a director:

Director

In the presence of:

Name .....

Address.....

.....

.....

Occupation.....

## **DRAWDOWN NOTICE**

**Drawdown No. 1**

**Dated June 2015**

**between**

**KREOS CAPITAL IV (UK) LIMITED**

**CELLNOVO LIMITED**

**the ("Lender")**

**the ("Borrower")**

This Drawdown Notice forms a Schedule to a Loan Agreement between the Lender and the Borrower dated June 2015 (the "Loan Agreement")

The Lender has granted the Borrower a loan facility pursuant to the terms and conditions set out in the Loan Agreement and attached Schedules.

Words and expressions in this Drawdown Notice shall have the same meanings as in the Loan Agreement.

# PART 1

## Loan Details

<b>Total Loan Facility</b>	EUR	4,000,000.00
<b>Amount of Loan Facility utilised under previous Drawdown Notice(s)</b>	EUR	0.00
<b>Amount of Loan Facility to be drawn down pursuant to this Drawdown Notice</b>	EUR	3,000,000.00
<b>Balance Loan Facility available for drawdown under future Drawdown Notices</b>	EUR	1,000,000.00
<b>Loan Term</b>		36 months
<b>Bank Account Details for remittance of funds</b>		
Bank Name:		
Bank Address:		
Beneficiary Name:		
Beneficiary Address:		
Account number:		
IBAN:		
SWIFT/BIC:		
<b>Anticipated Drawdown Date</b> <i>(a Business Day no later than the Date of Expiry of the Loan Facility)</i>		1 July 2015

Repayment Amounts – Please see Part 2

We confirm that:

- (a) the representations and warranties made by us in the Loan Agreement are true and accurate on the date of this Drawdown Notice as if made on such date; and
- (b) no Event of Default has occurred and is continuing or would result from the delivery of this Drawdown Notice.

This Drawdown Notice is irrevocable.

for and on behalf of

**Cellnovo Limited**

.....  
Authorised Signatory

.....  
Name

Dated June 2015

## PART 2

Repayment Schedule (all amounts are in EUR)

Payment Due	Fees	Advance Payment	Capital	Interest	Total
01-Jul-15	50,000.00	114,115.94	0.00	28,125.00	192,240.94
01-Aug-15	0.00	0.00	0.00	28,125.00	28,125.00
01-Sep-15	0.00	0.00	0.00	28,125.00	28,125.00
01-Oct-15	0.00	0.00	0.00	28,125.00	28,125.00
01-Nov-15	0.00	0.00	0.00	28,125.00	28,125.00
01-Dec-15	0.00	0.00	0.00	28,125.00	28,125.00
01-Jan-16	0.00	0.00	114,115.94	0.00	114,115.94
01-Feb-16	0.00	0.00	87,060.77	27,055.16	114,115.94
01-Mar-16	0.00	0.00	87,876.97	26,238.97	114,115.94
01-Apr-16	0.00	0.00	88,700.82	25,415.12	114,115.94
01-May-16	0.00	0.00	89,532.39	24,583.55	114,115.94
01-Jun-16	0.00	0.00	90,371.75	23,744.19	114,115.94
01-Jul-16	0.00	0.00	91,218.99	22,896.95	114,115.94
01-Aug-16	0.00	0.00	92,074.17	22,041.77	114,115.94
01-Sep-16	0.00	0.00	92,937.36	21,178.58	114,115.94
01-Oct-16	0.00	0.00	93,808.65	20,307.29	114,115.94
01-Nov-16	0.00	0.00	94,688.10	19,427.83	114,115.94
01-Dec-16	0.00	0.00	95,575.81	18,540.13	114,115.94
01-Jan-17	0.00	0.00	96,471.83	17,644.11	114,115.94
01-Feb-17	0.00	0.00	97,376.25	16,739.69	114,115.94
01-Mar-17	0.00	0.00	98,289.15	15,826.78	114,115.94
01-Apr-17	0.00	0.00	99,210.62	14,905.32	114,115.94
01-May-17	0.00	0.00	100,140.71	13,975.22	114,115.94
01-Jun-17	0.00	0.00	101,079.53	13,036.40	114,115.94
01-Jul-17	0.00	0.00	102,027.15	12,088.78	114,115.94
01-Aug-17	0.00	0.00	102,983.66	11,132.28	114,115.94
01-Sep-17	0.00	0.00	103,949.13	10,166.81	114,115.94
01-Oct-17	0.00	0.00	104,923.65	9,192.28	114,115.94
01-Nov-17	0.00	0.00	105,907.31	8,208.62	114,115.94
01-Dec-17	0.00	0.00	106,900.19	7,215.74	114,115.94
01-Jan-18	0.00	0.00	107,902.38	6,213.55	114,115.94
01-Feb-18	0.00	0.00	108,913.97	5,201.97	114,115.94
01-Mar-18	0.00	0.00	109,935.04	4,180.90	114,115.94
01-Apr-18	0.00	0.00	110,965.68	3,150.26	114,115.94
01-May-18	0.00	0.00	112,005.98	2,109.96	114,115.94
01-Jun-18	22,500.00	(114,115.94)	113,056.04	1,059.90	22,500.00

### Instalments Payable to:

Bank Name: Silicon Valley Bank  
 Bank Address: 41 Lothbury, London, EC2R 7HF, United Kingdom  
 Account Name: Kreos Capital IV (UK) Ltd  
 IBAN: GB76 SVBK 6210 0020 1115 68  
 SWIFT: SVBKGB2L