

THIS DOCUMENT AND THE ENCLOSED FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document and/or the action that you should take, you are recommended to seek your own financial advice from your stockbroker, bank manager, solicitor or other independent professional adviser authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA"), if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your Ordinary Shares, please forward this document and the enclosed Form of Proxy as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold or otherwise transferred only part of your holding, you should retain these documents.

Any person (including, without limitation, agents, custodians, nominees or trustees) who has a contractual or legal obligation to forward any documents issued by the Company should note that this document should not be forwarded to or transmitted in the United States or any of the Excluded Jurisdictions. The distribution of this document into any jurisdictions outside the United Kingdom may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws or regulations of such jurisdictions.

THIS DOCUMENT DOES NOT CONSTITUTE OR FORM PART OF ANY OFFER OR INVITATION FOR ANY PERSON TO SUBSCRIBE FOR OR PURCHASE ANY SECURITIES IN HORIZON DISCOVERY GROUP PLC OR ANY OTHER MEMBER OF THE GROUP.

This document is a shareholder circular, not a prospectus, and it is being sent to you solely for your information in connection with the Resolutions to be proposed at the General Meeting of Horizon Discovery Group plc.

This document does not constitute an offer of transferable securities to the public within the meaning of section 102B of FSMA. The issue of the New Placing Shares and the sale of the Existing Placing Shares will not constitute an offer to the public requiring an approved prospectus under section 85 of FSMA and accordingly this document does not constitute a prospectus for the purposes of the Prospectus Rules. Accordingly, this document has not been, and will not be, reviewed or approved by the Financial Conduct Authority ("FCA"), pursuant to sections 85 and 87 of FSMA, the London Stock Exchange or any other authority or regulatory body.

Application will be made to the London Stock Exchange for the New Placing Shares to be admitted to trading on AIM and dealings are expected to commence on 20 May 2015. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks in investing in such companies and should make the decision to invest only after careful consideration, and if appropriate, consultation with a financial adviser.

Horizon Discovery Group plc

(incorporated and registered in England and Wales under the Companies Act 2006 with registered number 8921143)

Proposed Placing of 13,157,895 New Placing Shares at 190 pence per share

**Proposed Placing of 7,939,038 Existing Placing Shares
at 190 pence per share on behalf of the Selling Shareholders**

and

Notice of General Meeting

This document should be read in its entirety. Your attention is drawn to the letter from the Chairman of the Company which is set out on page 8 of this document and which includes a recommendation that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below.

Notice of a General Meeting of Horizon Discovery Group plc (the "**Company**"), to be held at the offices of Covington & Burling LLP, 265 Strand, London WC2R 1BH at 10.00 a.m. on 18 May 2015, is set out at the end of this document. Shareholders will find enclosed a Form of Proxy for use at the General Meeting. The Form of Proxy should be completed and returned to Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, in accordance with the instructions printed on it as soon as possible and, in any event, so as to be received no later than 10.00 a.m. on 14 May 2015. Completion and return of the Form of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting should they so wish.

Panmure Gordon (UK) Limited ("**Panmure Gordon**"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company and the Selling Shareholders in relation to the transaction referred to herein. Panmure Gordon is not acting for, and will not be responsible to, any person other than the Company and the Selling Shareholders for providing the protections afforded to customers of Panmure Gordon or for advising any other person on the contents of this document or any other matter, transaction or arrangement referred to herein.

J.P. Morgan Securities Plc, which conducts its UK investment banking business as J.P. Morgan Cazenove ("**J.P. Morgan**"), which is authorised by the Prudential Regulation Authority (the "**PRA**") and regulated by the FCA and PRA in the United Kingdom, is acting

exclusively for the Company and the Selling Shareholders in relation to the transaction referred to herein. J.P. Morgan is not acting for, and will not be responsible to, any person other than the Company and the Selling Shareholders for providing the protections afforded to customers of J.P. Morgan or for advising any other person on the contents of this document or any other matter, transaction or arrangements referred to herein.

Apart from the responsibilities and liabilities, if any, which may be imposed upon Panmure Gordon and J.P. Morgan by FSMA or the AIM Rules or the regulatory regime established thereunder or by any other applicable legislation or regulation neither Panmure Gordon nor J.P. Morgan has authorised the contents of any part of this document and does not accept any liability or any responsibility whatsoever for the accuracy of any information or opinion contained in this document or for the omission of any material information from this document for which the Company is responsible. No representation or warranty, express or implied, is made by Panmure Gordon or J.P. Morgan as to any of the contents of this document (without limiting the statutory rights of any person to whom this document is issued) including its accuracy, completeness or verification, or concerning any other statement made or purported to be made by them, or on their behalf, in connection with the Company, the New Placing Shares, the Existing Placing Shares or the Placing and nothing in this document is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or future. Each of Panmure Gordon and J.P. Morgan accordingly disclaims to the fullest extent permitted by law all and any responsibility and liability whether arising in tort, contract or otherwise (save as referred to herein) which it might otherwise have in respect of this document or any such statement.

Important Information to Overseas Shareholders

The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document and/or accompanying documents come should inform themselves about and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws or regulations of such jurisdictions. In particular, subject to certain exceptions, this document should not be distributed, forwarded, transmitted or otherwise disseminated in or into the United States, or the Republic of Ireland, Canada, Australia, South Africa and Japan (the “**Excluded Jurisdictions**”). This document does not constitute an offer to sell or issue or the solicitation of an offer to buy or subscribe for Placing Shares in the United States or any other jurisdiction. The Placing Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), or under the applicable securities laws of any state or other jurisdiction of the United States, and may not be offered, sold, taken up, resold, transferred or delivered, directly or indirectly within, into or in the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with the securities laws of any relevant state or other jurisdiction of the United States. There will be no public offer of the Placing Shares in the United States. In the opinion of the Directors, there is a significant risk of civil, regulatory or criminal exposure to the Company and its Directors were the Placing to be made into any of the Excluded Jurisdictions. On this basis, none of the Placing Shares have been, or will be, registered under the relevant laws of any state, province or territory of any of the Excluded Jurisdictions. Subject to certain limited exceptions, none of the Placing Shares may be offered, sold, taken up, resold, transferred or delivered, directly or indirectly, in, into or within any of the Excluded Territories or to any national, resident or citizen of, or any corporation, partnership or other entity created or organised under the laws of, any Excluded Jurisdiction.

It is the responsibility of any person receiving a copy of this document outside the United Kingdom to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant territory in connection therewith, including obtaining any governmental or other consents which may be required or observing any other formalities required to be observed in such territory and paying any other issue, transfer or other taxes due in such other territory. Persons (including, without limitation, nominees and trustees) receiving this document should not distribute or send it into any jurisdiction when to do so would, or might contravene local securities laws or regulations, whether in connection with the Resolutions or otherwise.

Forward-Looking Statements

This document includes statements that are, or may be deemed to be, forward-looking statements that are based on current expectations or beliefs, as well as assumptions about future events. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “anticipates”, “milestones”, “targets”, “aims”, “continues”, “expects”, “intends”, “hopes”, “may”, “will”, “would”, “could” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not facts. They appear in a number of places throughout this document and include statements regarding the Directors’ intentions, beliefs or current expectations concerning, amongst other things, the Company’s results of its operations, financial condition, liquidity, prospects, growth and strategy. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Any forward-looking statements contained in this document based on past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Subject to any requirement under FSMA or the regulatory regime established thereunder or the AIM Rules or other applicable legislation or regulation, none of the Company, the Directors, Panmure Gordon nor J.P. Morgan undertakes any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Undue reliance should not be placed on forward-looking statements, which speak only as of the date of this document. There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in expectations and assumptions used and changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates and changes in tax rates.

CONTENTS

	<i>Page</i>
DEFINITIONS	4
PLACING STATISTICS	6
EXPECTED TIMETABLE OF PRINCIPAL EVENTS	6
DIRECTORS, SECRETARY AND ADVISERS	7
LETTER FROM THE CHAIRMAN	8
NOTICE OF GENERAL MEETING	15

DEFINITIONS

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

Admission	the admission of the New Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules
AIM	the market known as AIM, a market operated by the London Stock Exchange
AIM Rules	the AIM Rules for Companies published by the London Stock Exchange, as in force at the date of this document
Company or Horizon	Horizon Discovery Group plc, whose registered number is 8921143 and whose registered office address is Building 7100, Cambridge Research Park, Waterbeach, Cambridge CB25 9TL, United Kingdom
CREST	the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001, No. 3755) as amended) for paperless settlement of share transfers and the holding of shares in uncertificated form in respect of which Euroclear UK & Ireland Limited is the operator (as defined in those regulations)
Directors or the Board	the board of directors of the Company as at the date of this document
EBITDA	earnings before interest, tax, depreciation and amortisation
Enlarged Issued Share Capital	the issued ordinary share capital of the Company immediately following Admission
EU	the European Union
Euroclear	Euroclear UK & Ireland Limited, the operator of CREST
Excluded Jurisdictions	the Republic of Ireland, Canada, Australia, South Africa and Japan
Existing Ordinary Shares	the 80,314,677 Ordinary Shares in issue at the date of this document, all of which are admitted to trading on AIM
Existing Placing Shares	7,939,038 Existing Ordinary Shares to be sold by the Selling Shareholders pursuant to the Placing
FCA	the Financial Conduct Authority
Form of Proxy	the form of proxy accompanying this document for use in connection with the General Meeting
FSMA	Financial Services and Markets Act 2000 (as amended)
General Meeting	the general meeting of the Company convened for 10.00 a.m. on 18 May 2015 (or any adjournment thereof), pursuant to the Notice of Meeting
Group	the Company and its Subsidiaries
IPO	the Company's initial public offering on AIM in March 2014
J.P. Morgan	J.P. Morgan Securities plc, whose registered office is at 25 Bank Street, Canary Wharf, London E14 5JP, which conducts its UK investment banking activities as J.P. Morgan Cazenove
London Stock Exchange	London Stock Exchange plc

New Placing Shares	the 13,157,895 new Ordinary Shares to be issued by the Company pursuant to the Placing
Nominated Adviser or Panmure Gordon	Panmure Gordon (UK) Limited, a company incorporated in England and Wales (registered number 4915201) and having its registered office at One New Change, London EC4M 9AF
Notice of Meeting	the notice of the General Meeting, set out at the end of this document
Ordinary Shares	ordinary shares of 1 penny each in the capital of the Company
Overseas Shareholders	Shareholders who are resident in or a citizen or national of any country outside the United Kingdom
Placing	the conditional placing of the Placing Shares at the Placing Price pursuant to the Placing Agreement
Placing Agreement	the conditional agreement dated 1 May 2015 and made between Panmure Gordon, J.P. Morgan, the Selling Shareholders and the Company in relation to the Placing, further details of which are set out on page 11 of this document
Placees	persons procured by Panmure Gordon and J.P. Morgan to subscribe for or acquire the Placing Shares at the Placing Price
Placing Price	190 pence per Placing Share
Placing Shares	the New Placing Shares and the Existing Placing Shares
£ and pence	respectively pounds and pence sterling, the lawful currency of the United Kingdom
Prospectus Rules	the Prospectus Rules published by the FCA
Registrar	Capita Asset Services, registrar to the Company
Regulatory Information Service	a regulatory information service that is approved by the FCA as meeting the Primary Information Provider criteria and that is on the list of Regulatory Information Services maintained by the FCA
Resolutions	the resolutions set out in the Notice of Meeting at the end of this document
Selling Shareholders	being DFJ Esprit Capital III, L.P., DFJE III FP, L.P., DFJ Europe X, L.P., Telegraph Hill Partners III, L.P., THP III Affiliates Fund, LLC, Execute Technologies, Inc., David Smoller, David Evans, Genentech, Inc., Edward Weinstein, Dan Cowell, Haplogen GmbH and CF Odey Absolute Return Fund
Shareholder	a holder of Ordinary Shares
Subsidiaries	the subsidiary undertakings of the Company
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland
US or United States	the United States of America, its territories and possessions, any State of the United States, the District of Columbia and all areas subject to its jurisdiction

PLACING STATISTICS

Number of Existing Ordinary Shares in issue at the date of this document	80,314,677
Total number of New Placing Shares to be issued by the Company pursuant to the Placing	13,157,895
Total number of Existing Placing Shares to be sold by the Selling Shareholders pursuant to the Placing	7,939,038
Aggregate number of Placing Shares in the Placing	21,096,933
Placing Price	190 pence
Estimated gross proceeds of the Placing receivable by the Company	£25.0 million
Estimated net proceeds of the Placing receivable by the Company (after estimated expenses of approximately £0.8 million) ⁽¹⁾	£24.2 million
Number of Ordinary Shares in issue immediately following Admission	93,472,572
New Placing Shares as a percentage of the Existing Ordinary Shares	16.4%
New Placing Shares as a percentage of the Enlarged Issued Share Capital	14.1%
Existing Placing Shares as a percentage of the Existing Ordinary Shares	9.9%

EXPECTED TIMETABLE OF PRINCIPAL EVENTS ^{(2), (3), (4)}

Announcement of the Placing	1 May 2015
Date of publication of this document and Form of Proxy	1 May 2015
Latest time and date for receipt of Forms of Proxy and electronic proxy appointments via the CREST system	10.00 a.m. on 14 May 2015
General Meeting	10.00 a.m. on 18 May 2015
Admission and dealings in the New Placing Shares expected to commence on AIM	8.00 a.m. on 20 May 2015
Placing Shares that are in uncertificated form to be credited to CREST accounts (CREST shareholders only)	8.00 a.m. on 20 May 2015
Definitive share certificates for Placing Shares in certificated form to be dispatched (non-CREST shareholders only) ⁽⁵⁾	27 May 2015

Notes:

- (1) The Company will not receive any of the proceeds from the sale of the Existing Placing Shares by the Selling Shareholders.
- (2) Each of the times and dates in the above timetable are indicative only and subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders by means of an announcement through a Regulatory Information Service.
- (3) References to time in this document are to London time.
- (4) All events listed in the above timetable following the General Meeting are conditional on the passing at the General Meeting of the Resolutions.
- (5) Or as soon as practicable thereafter.

DIRECTORS, SECRETARY AND ADVISERS

Directors	Dr Ian Gilham (<i>Non-executive Chairman</i>) Dr Darrin Disley (<i>Chief Executive Officer</i>) Mr Richard Vellacott (<i>Chief Financial Officer</i>) Dr David Smoller (<i>Chief Business Officer</i>) Dr Susan Galbraith (<i>Non-executive Director</i>) Dr Vishal Gulati (<i>Non-executive Director</i>) Dr Jonathan Milner (<i>Non-executive Director</i>) Mrs Susan Searle (<i>Non-executive Director</i>)
Company Secretary	Mr Richard Vellacott
Registered office of the Company	Building 7100, Cambridge Research Park Waterbeach Cambridge CB25 9TL United Kingdom
Legal advisers to the Company	Covington & Burling LLP 265 Strand London WC2R 1BH United Kingdom
Auditors	Deloitte LLP City House 126-130 Hills Road Cambridge CB2 1RY United Kingdom
Registrars	Capita Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU United Kingdom

LETTER FROM THE CHAIRMAN

Horizon Discovery Group plc

(incorporated and registered in England and Wales under the Companies Act 2006 with registered number 8921143)

Directors:

Dr Ian Gilham *(Non-executive Chairman)*
Dr Darrin Disley *(Chief Executive Officer)*
Mr Richard Vellacott *(Chief Financial Officer)*
Dr David Smoller *(Chief Business Officer)*
Dr Susan Galbraith *(Non-executive Director)*
Dr Vishal Gulati *(Non-executive Director)*
Dr Jonathan Milner *(Non-executive Director)*
Mrs Susan Searle *(Non-executive Director)*

Registered Office:

Building 7100, Cambridge Research Park
Waterbeach
Cambridge CB25 9TL
United Kingdom

1 May 2015

To Shareholders and, for information purposes only, to the holders of options in or awards in respect of Ordinary Shares

Dear Shareholders

Proposed Placing of 13,157,895 New Placing Shares at a Placing Price of 190 pence per share to raise gross proceeds of £25.0 million for the Company and proposed Placing of 7,939,038 Existing Ordinary Shares at a Placing Price of 190 pence per share on behalf of the Selling Shareholders, and Notice of General Meeting

Introduction

Your Board announced today that the Company has conditionally raised approximately £25.0 million before fees and expenses by a Placing of 13,157,895 New Placing Shares with existing and new institutional investors at the Placing Price of 190 pence per New Placing Share, which represents a 4.3 per cent. discount to the closing middle market price per Ordinary Share on 30 April 2015, being the latest practicable date prior to publication of this document. In addition, the Placing includes the sale of 7,939,038 Existing Placing Shares in aggregate, owned by the Selling Shareholders, which are to be placed with existing and new institutional investors at a price of 190 pence per Existing Placing Share. The Placing is conditional, among other things, upon the approval of the Resolutions by the Shareholders at the General Meeting for the purposes of authorising the Directors to allot the New Placing Shares and to dis-apply statutory pre-emption rights in relation thereto. The formal Notice of Meeting is set out at the end of this document.

This document provides you with information about the Placing and explains why the Board considers it to be in the best interests of the Company and its Shareholders, and why the Directors recommend that you vote in favour of the Resolutions at the General Meeting of the Company, which has been convened for 10.00 a.m. on 18 May 2015 at the offices of Covington & Burling LLP at 265 Strand, London WC2R 1BH.

Background to and Reasons for the Placing

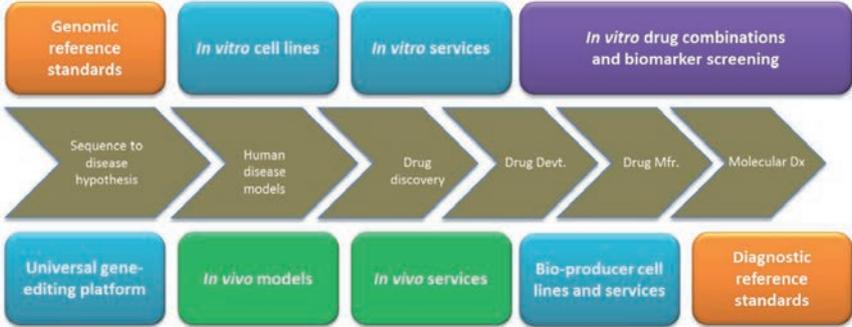
Company overview

Horizon is an international life sciences group supplying research tools to organisations engaged in genomics research and the development of personalised medicines. Horizon's products, services and research programmes enable the elucidation of the genetic basis of human disease and the development of targeted personalised medicines, which lead to significant improvements in outcomes for patients and the more efficient use of healthcare resources.

Most diseases, such as cancer, are now clearly associated with genetic variations which may pre-dispose disease onset, progression or clinical response to therapy. The Directors believe that knowledge of these

genetic drivers of disease is resulting in a powerful shift away from a ‘one-size-fits-all’ approach to human healthcare towards the development, diagnosis and prescription of targeted therapies that are more clinically effective and cost effective. Blockbuster drugs are becoming less common and drugs are increasingly being targeted at specific patient populations based on the understanding that not all patients are identical, and nor should their treatment be.

This new paradigm requires new approaches to research and development, diagnosis and patient treatment, and the Directors believe that Horizon is well positioned to support this revolution for the benefits of patients, drug developers and reimbursers. Horizon is an expert in genome editing and translational genomics. The Group’s growth has been underpinned by the deployment of its proprietary translational genomics platform, GENESIS™, a high-precision and flexible suite of gene editing tools which enables the recapitulation of the specific genetic drivers of disease and their translation into personalised medicines at every stage of the human healthcare continuum from DNA sequence to patient treatment. With costs now rapidly decreasing (in January 2014, Illumina announced at the J.P. Morgan conference in San Francisco that the sequence of a human genome was now possible for under \$1,000, whereas in 2007 it was estimated to cost \$10 million), the full range of genetic variation between populations and individuals is now becoming understood, especially in relation to the genetic differences that define a diseased state versus a normal state.



Horizon’s products and services offering from sequence to treatment

2014 was a transformational year in which the Company transitioned from being a private UK life sciences business, employing approximately 80 staff on a single site in Cambridge (UK), to a publicly-listed international life science group, employing 183 staff across facilities located in Cambridge (UK), Cambridge (USA), Pennsylvania (USA), St Louis (USA) and Vienna (Austria). The Group’s experienced Board and management team were further strengthened by the appointments of Susan Searle and Dr Susan Galbraith as non-executive directors and Dr David Smoller as Chief Business Officer. Since the Company’s over-subscribed AIM IPO in March 2014, raising net proceeds of £37.8 million for the Company, organic growth has been supported by three strategic acquisitions to fuel the continued growth of the Group over the coming years; namely, the acquisition of the CombinatorRx assets from Zalicus, Inc., the acquisition of SAGE Labs Inc and the acquisition of Haplogen Genomics GmbH.

In 2014, the Group’s revenues increased by 79 per cent. to £11.9 million, of which approximately 92 per cent. represented exports. Between 2007 and 2014, the Group’s revenues grew at a compound annual growth rate of 119 per cent. The Company has entered into research and development programmes with clients which have the potential to generate future milestone payments of up to £158 million, which the Directors believe represent significant upside potential for investors. In addition, the Company’s growing inventory of c. 16,500 products (2,750 as at 31 December 2014), which comprises X-MAN™ human cellular disease models, SAGE Speed™ mammalian disease models as well as numerous derivative products and services, is being deployed by an established and growing customer base of approximately 1,000 organisations in about 50 countries.

Growth strategy

The Directors estimate that the addressable markets in which Horizon operates are worth approximately £29 billion in aggregate in 2015, with potential for future growth, comprising:

- Global genomics market, estimated at £6.65 billion in 2013 and forecast to grow to £12.0 billion in 2018¹;
- Cell based assays market, estimated at £1.7 billion in 2012 and forecast to grow to £2.9 billion in 2016²;
- Molecular diagnostics market, estimated at £12.1 billion in 2013 and forecast to grow to £21.9 billion in 2018³; and
- Biopharmaceutical manufacturing market, estimated at £1.8 billion in 2012 and forecast to grow to £2.9 billion in 2017⁴.

In order to achieve its objective of establishing a dominant position across these high growth markets, the Group's strategy is to continue building and delivering a fully-integrated business model leveraging value and building scale across the whole continuum from sequence to treatment, either organically or through acquisitions and in-licensing opportunities.

The Group's strategic progress to date is reflected by the acquisitions carried out by the Group since its IPO in 2014, which have significantly enhanced the Group's capabilities:

- In June 2014, the Group announced the acquisition of the CombinatorRx assets from Zalicus Inc. for £4.7 million. This has provided access to a unique platform enabling the high-throughput screening and analysis of thousands of complementary drug combinations, as well as a US footprint comprising a 23,000 square foot laboratory in Cambridge, Massachusetts.
- In September 2014, the Group announced the acquisition of SAGE Labs Inc. for £29.0 million. This has added an *in vivo* gene editing platform, which complements the Group's existing *in vitro* services offering, and a broad catalogue of advanced animal models, while providing opportunities to enhance revenue and reduce costs as well as a further US footprint comprising 43,000 square feet of facilities in St. Louis, Missouri, and Philadelphia, Pennsylvania.
- In January 2015, the Group announced the acquisition of Haplogen Genomics GmbH for an initial consideration of £6.0 million. This has added a proprietary high-throughput cell line generation platform, enabling broader market penetration and providing a continental European footprint in Vienna, Austria.

Integration in respect of the acquisitions of Haplogen Genomics and the CombinatorRx assets is complete and the integration of Sage Labs is progressing in line with Board expectations.

The Company has started a "horizon scanning" strategic exercise aimed at prioritising market opportunities and shortlisting potential targets. Subject to suitable targets being identified, the Directors believe that the process of identifying and carrying out further strategic acquisitions could commence from the second half of 2015 onwards. The Company's preferred criteria for potential targets for significant acquisitions include:

- strategic fit with the Company's existing capabilities;
- revenue between \$10 million and \$30 million per annum; and
- earnings accretion, with proven traction and an EBITDA margin in excess of 10 per cent.

Compelling transformational opportunities outside of the above criteria would also be considered by the Company.

¹ Source: Markets and Markets, Genomics Market by Products – Global Forecast to 2018 (January 2014)

² Source: Visiongain, Cell-Based Assays: World Market Prospects 2013-2023 (February 2013)

³ Source: Markets and Markets, Genomics Market by Products – Global Forecast to 2018 (January 2014)

⁴ Source: BCC Research, Molecular Diagnostics: Technologies and Global Markets (March 2013)

Use of Proceeds

The Directors intend to use the net proceeds of the Placing receivable by the Company from the issue of the New Placing Shares, being approximately £24.2 million, to accelerate the Company's growth strategy. In particular, the Directors intend to:

- increase the leverage of the Group's products and services to deliver a fully integrated business model from sequence to treatment including milestone upside;
- invest in efficient global infrastructure and additional distribution channels to expand into new markets and increase penetration in existing markets;
- invest in the Group's commercially focussed research and development capabilities to stay at the forefront of scientific leadership and add to the Group's intellectual property portfolio to drive productivity and margins; and
- accelerate the growth of the Group through acquisitions or in-licensing of products and technologies.

The Company will not receive any of the proceeds in respect of the sale of Existing Placing Shares placed on behalf of the Selling Shareholders.

Preliminary Results

The Company announced the unaudited preliminary results of the Group for the year ended 31 December 2014 on 14 April 2015. Financial and operational highlights for the year include:

- reported revenue increased by 79 per cent. to £11.9 million (2013: £6.6 million) with revenues from products and services growing by 99 per cent.;
- gross margin improvement to 55 per cent., up from 52 per cent. as at 31 December 2013;
- research milestone portfolio increased by 32 per cent. to approximately £158 million (2013: £120 million) plus royalties;
- operating loss of £5.3 million (2013: £2.9 million), before exceptional items of £0.8 million, as the Group invests for scale in line with its stated strategy;
- closing cash and cash equivalents of £18.5 million (2013: £4.2 million);
- number of products grew by 186 per cent. to 2,750 (2013: 962), and further increased to approximately 16,500 since year-end following the acquisition of Haplogen Genomics GmbH; and
- number of customers increased by 171 per cent. to 955 (2013: 353), including 30 of the top 50 pharmaceutical companies.

Please refer to the Company's announcement as notified through the Regulatory Information Service and made available on the Company's website at <http://www.horizondiscovery.com/investor-relations/investor-news>.

Current Trading and Outlook

As disclosed in the announcement of the Group's unaudited preliminary results on 14 April 2015, the Group has a clear strategy for continued growth and is well positioned to deliver further strong revenue growth in 2015. In the coming year the Company intends to further invest in the scaling of the Group's products and services businesses, including the development and implementation of new Group-wide e-commerce and enterprise resource planning systems which it expects will deliver long-term value. Horizon has taken significant strides in 2014, underpinning the Group's progress to becoming a fully integrated international life science company and the Board is excited by the Group's prospects for the future.

The Placing

The Company is proposing to raise approximately £25.0 million (before fees and expenses) by way of a conditional, non-pre-emptive placing of 13,157,895 New Placing Shares at the Placing Price pursuant to the Placing Agreement. The New Placing Shares will represent approximately 14.1 per cent. of the Enlarged Issued Share Capital following Admission. In addition, the Placing includes the placing of 7,939,038 Existing

Placing Shares on behalf of the Selling Shareholders at the Placing Price pursuant to the Placing Agreement. The Placing Price represents a discount of approximately 4.3 per cent. to the closing mid-market price on 30 April 2015, being the latest practicable date prior to the announcement of the Placing. The Company will not receive any of the proceeds in respect of the Existing Placing Shares placed on behalf of the Selling Shareholders.

In order to broaden the Company's institutional shareholder base and to minimise the time and transaction costs of the Placing, the Placing Shares are being placed by Panmure Gordon and J.P. Morgan with only a limited number of existing and new institutional shareholders. The Placing Shares are not being made available to the public.

The Board believes that raising equity finance using the flexibility provided by a non-pre-emptive placing is the most appropriate and optimal structure for the Company at this time. This allows both existing institutional holders and new institutional investors the opportunity to participate in the Placing and avoids the requirement for a prospectus. The Board believes that the Placing Price is the best price reasonably obtainable for the issue of each New Placing Share.

The Placing Agreement

In connection with the Placing, the Company and the Selling Shareholders have entered into a Placing Agreement with Panmure Gordon and J.P. Morgan pursuant to which Panmure Gordon and J.P. Morgan agreed to use their respective reasonable endeavours to procure subscribers or purchasers for the Placing Shares at the Placing Price.

The placing of 18,421,052 Placing Shares has been underwritten by J.P. Morgan. In accordance with the terms of the Placing Agreement, J.P. Morgan's underwriting obligations for such underwritten Placing Shares will cease as and when placing letters are received from certain placees by Panmure Gordon or J.P. Morgan.

In accordance with the terms of the Placing Agreement, the Placing is conditional upon, amongst other things, the passing of the Resolutions, the conditions in the Placing Agreement relating to the Placing being satisfied or (if applicable) waived, the Placing Agreement not having been terminated in accordance with its terms prior to Admission and Admission occurring on or before 20 May 2015 (or such later date as the Company, Panmure Gordon and J.P. Morgan may agree, not being later than 3 June 2015).

The Placing Agreement contains certain customary warranties given by the Company concerning the accuracy of information given in this document and the announcement made by the Company in respect of the Placing as well as other matters relating to the Group and its business. The Placing Agreement is terminable by Panmure Gordon and J.P. Morgan in certain circumstances prior to Admission, including for *force majeure* or in the event of a material adverse change to the business of the Company or the Group. The Company has also agreed to indemnify Panmure Gordon and J.P. Morgan against all losses, costs, charges and expenses which Panmure Gordon and J.P. Morgan may suffer or incur as a result of, occasioned by or attributable to the carrying out of their duties under the Placing Agreement.

Application will be made to the London Stock Exchange for the New Placing Shares to be admitted to trading on AIM. Subject to the passing of the Resolutions at the General Meeting, it is expected that Admission will become effective in respect of, and that dealings on AIM will commence in, the New Placing Shares, on or around 20 May 2015, being the second business day following the passing of the Resolutions at the General Meeting.

The New Placing Shares will be issued credited as fully paid and will be identical to and rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all future distributions declared, paid or made in respect of the Existing Ordinary Shares following the date of Admission.

The Company has agreed for a period beginning on the date of the Placing Agreement and ending 90 calendar days after Admission not to, *inter alia*, issue, allot, pledge, sell or grant any option over (other than pursuant to its existing employee share schemes) Ordinary Shares or enter into any similar contract or transaction in respect of the same, without the prior written consent of the Joint Bookrunners, such consent not to be unreasonably withheld or delayed and subject to other customary terms and provisions.

The Selling Shareholders have agreed for a period beginning on the date of the Placing Agreement and ending 90 calendar days after Admission not to, *inter alia*, and save in respect of the Existing Placing Shares, offer, pledge, sell, contract to sell or grant any option over Ordinary Shares or enter into a swap or any similar contract or transaction in respect of the same, or enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Ordinary Shares.

It is expected that the CREST accounts of the investors in the Placing Shares who wish to hold their Ordinary Shares in CREST will be credited with their Placing Shares on 20 May 2015. In the case of investors in the Placing Shares who wish to hold their Ordinary Shares in certificated form, it is expected that certificates will be dispatched within fourteen days of the allotment of the New Placing Shares. Pending dispatch of the share certificates or the crediting of CREST accounts, the Registrar will certify any instruments of transfer against the register.

Directors' Shareholdings

One of the Directors has agreed to sell 209,898 Existing Ordinary Shares at the Placing Price pursuant to the Placing to satisfy tax liabilities arising as a result of the acquisition of Sage Laboratories, Inc. by the Company, representing approximately 0.26 per cent. of the Existing Ordinary Shares. Details of such Director's sale of Existing Ordinary Shares in the Placing are shown below:

<i>Name of Director</i>	<i>Number of Existing Ordinary Shares held as at the date of this document</i>	<i>Number of Existing Ordinary Shares held as at the date of this document as a percentage of Existing Ordinary Shares</i>	<i>Number of Existing Ordinary Shares sold</i>	<i>Resulting number of Ordinary Shares held immediately following Admission</i>	<i>Resulting number of Ordinary Shares held immediately following Admission as a percentage of the Enlarged Issued Share Capital</i>
David Smoller	<u>922,238</u>	<u>1.15</u>	<u>209,898</u>	<u>712,340</u>	<u>0.70</u>

Immediately following Admission, the Directors will together hold 11,120,931 Ordinary Shares, representing 11.9 per cent. of the Enlarged Issued Share Capital.

General Meeting

A notice convening the General Meeting, to be held at the offices of Covington & Burling LLP at 265 Strand, London WC2R 1BH on 18 May 2015, commencing at 10.00 a.m., is set out at the end of this document. At the General Meeting, the following Resolutions will be proposed for the purposes of implementing the proposed Placing:

- Resolution 1 will be proposed as an ordinary resolution to authorise the Directors to allot the New Placing Shares in connection with the Placing provided that such authority shall expire at the later of the conclusion of the next Annual General Meeting of the Company or 30 June 2015; and
- Resolution 2, which is subject to the passing of Resolution 1, will be proposed as a special resolution to dis-apply Shareholders' statutory pre-emption rights in relation to the issue of the New Placing Shares provided that such authority shall expire at the later of the conclusion of the next Annual General Meeting of the Company or 30 June 2015.

Action to be Taken

You will find enclosed with this document a Form of Proxy for use at the General Meeting. Whether or not you propose to attend the General Meeting in person, it is important that you complete and sign the enclosed Form of Proxy in accordance with the instructions printed thereon and return it to the Company's Registrars, Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, as soon as possible, and so as to arrive by 10.00 a.m. on 14 May 2015 at the latest. Completing and returning the Form of Proxy will not preclude you from attending the General Meeting and voting in person should you wish to do so.

Recommendation by the Directors and Irrevocable Undertakings

The Directors believe that the Placing is in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors unanimously recommend that you vote in favour of the Resolutions to be proposed at the General Meeting as they have irrevocably undertaken to do in respect of their own beneficial

holdings of Ordinary Shares amounting to, in aggregate, 11,330,829 Ordinary Shares, representing approximately 14.1 per cent. of the Existing Ordinary Shares.

In addition to the Directors, certain existing Shareholders have irrevocably undertaken to vote in favour, or procure the vote in favour, of the Resolutions in respect of the Existing Ordinary Shares in which they are interested, amounting to 35,862,485 Ordinary Shares in aggregate, representing approximately 44.7 per cent. of the Existing Ordinary Shares.

Yours sincerely,

Dr Ian Gilham

Non-executive Chairman

NOTICE OF GENERAL MEETING

Horizon Discovery Group plc

(incorporated and registered in England and Wales under the Companies Act 2006 with registered number 8921143)

NOTICE IS HEREBY GIVEN that a general meeting of Horizon Discovery Group plc (the “**Company**”) will be held at the offices of Covington & Burling LLP at 265 Strand, London WC2R 1BH on 18 May 2015 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the following Resolutions, of which Resolution 1 will be proposed as an ordinary resolution and Resolution 2 will be proposed as a special resolution (the “**General Meeting**”).

Ordinary Resolution

1. That the directors of the Company (the “**Directors**”) be and they are hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the “**Act**”) (in addition to all existing authorities conferred upon the Directors pursuant to section 551 of the Act which shall continue in full force and effect) to exercise all the powers of the Company to allot ordinary shares of 1 penny each in the capital of the Company (“**Ordinary Shares**”) and to grant rights to subscribe for or to convert any security into such Ordinary Shares up to an aggregate nominal amount (within the meaning of section 551(3) and (6) of the Act) of £131,579 in connection with the proposed placing of new Ordinary Shares on behalf of the Company (the “**Placing**”), and unless previously renewed, revoked, varied or extended, this authority shall expire at the later of the conclusion of the next annual general meeting of the Company or 30 June 2015, save that prior to such expiry the Company may make an offer or agreement which would or might require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after such expiry and the Directors may allot shares or grant such rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

Special Resolution

2. That, subject to and conditional on the passing of Resolution 1 above (and in addition to all existing authorities conferred upon the Directors pursuant to sections 570 or 571 of the Act which shall continue in full force and effect), the Directors be and they are hereby empowered under section 571 of the Act to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the authority conferred by Resolution 1 above as if section 561(1) of the Act did not apply to any such allotment, provided that the power conferred by this resolution shall be limited to the allotment of equity securities for cash up to an aggregate nominal value of £131,579 in connection with the Placing. Such power shall, subject to the continuance of the authority conferred by Resolution 1 and unless previously renewed, revoked, varied or extended, expire on the later of the conclusion of the next annual general meeting of the Company or 30 June 2015, save that prior to such expiry, revocation, variation or extension the Company may make an offer or agreement which would or might require equity securities to be allotted after such expiry, revocation, variation or extension and the Directors may allot equity securities in pursuance of such offer or agreement as if such power had not expired or been revoked, varied or extended.

By order of the Board

Mr Richard Vellacott
Company Secretary

Dated: 1 May 2015

Registered Office:
Building 7100
Cambridge Research Park
Waterbeach
Cambridge CB25 9TL
United Kingdom
Registered in England and Wales with number 8921143

Notes:**Attendance and Voting**

1. In accordance with the articles of association of the Company, only holders of Ordinary Shares are entitled to attend and vote at the meeting convened by the above Notice of General Meeting.
2. The right to vote at the meeting is determined by reference to the register of members. Only those shareholders registered in the register of members of the Company as at 6.00 p.m. on 16 May 2015 (or, if the meeting is adjourned, shareholders on the register of members not later than 48 hours before the time fixed for the adjourned meeting) shall be entitled to attend and vote at the above meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.
3. Shareholders wishing to vote online should visit www.capitashareportal.com and follow the instructions. To use this service you will need to log in to your share portal account or register for the share portal if you have not already done so. To register for the share portal you will need your Investor Code (IVC) which can be found on your share certificate or on the Form of Proxy. The use by members of the electronic proxy appointment service will be governed by the terms and conditions of use which appear on the website. Electronic proxies must be completed and lodged in accordance with the instructions on the website by no later than 10.00 a.m. on 14 May 2015 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting).

Proxies

4. A member entitled to attend and vote at the General Meeting is entitled to appoint a proxy or proxies to attend and vote on his/her behalf. A proxy need not be a shareholder of the Company.
5. A Form of Proxy is enclosed together with a reply-paid envelope for lodging the same. To be valid proxies must be completed and lodged with the Company's Registrars, Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU by 10.00 a.m. on 14 May 2015.
6. Completion and return of the Form of Proxy does not preclude a member from attending and voting at the General Meeting should he or she subsequently decide to do so.
7. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share.
8. In the case of a member which is a company, the Form of Proxy must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
9. A proxy does not need to be a member of the Company but must attend the meeting to represent you. To appoint as your proxy a person other than the Chairman of the meeting, insert their full name in the box on your proxy form. If you sign and return your proxy form with no name inserted in the box, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the Chairman and give them the relevant instructions directly.
10. To direct your proxy how to vote on the resolutions mark the appropriate box on your proxy form with an 'X'. To abstain from voting on a resolution, select the relevant "Vote withheld" box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
11. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
12. Any power of attorney or any other authority under which your proxy form is signed (or a duly certified copy of such power or authority) must be included with your proxy form.
13. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

14. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf of all its powers as a member provided that they do not do so in relation to the same shares.
15. If you have any questions on how to complete the Form of Proxy, please contact Capita Asset Services on telephone number 0871 664 0321 (calls cost 10p per minute including VAT plus service provider's network extras) (+44 208 639 3399 from outside the UK). This helpline is open from 9.00 a.m. to 5.30 p.m. on business days (i.e. Monday to Friday). Calls to the helpline from outside of the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones. Please note that calls to the helpline may be monitored or recorded and that the helpline is not able to advise on the merits of the matters set out in this document or provide any personal legal, financial or taxation advice.
16. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) of the General Meeting by using the procedures described in the CREST manual available at www.euroclear.com. CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
17. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK and Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent (ID RA10) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
18. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK and Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timing and limitations will therefore apply in relation to the input of CREST Proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, a CREST sponsor voting service provider are referred in particular to those sections of the CREST manual concerning practical limitations of the CREST system and timings.
19. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
20. You may not use any electronic address (within the meaning of Section 333(4) of the Companies Act 2006 provided either in this Notice of Meeting or any related documents (including the Form of Proxy)) to communicate with the Company for any purposes other than those expressly stated.

