**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, or the action you should take, you should seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.**

**Application has been made for the Enlarged Issued Share Capital to be admitted to trading on AIM. 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 UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.**

**Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers.**

**The London Stock Exchange has not itself examined or approved the contents of this document.**

This document is an AIM admission document prepared in accordance with the AIM Rules for Companies in connection with the proposed admission to trading of the Ordinary Shares on AIM. This document contains no offer to the public within the meaning of the FSMA and, accordingly, it does not comprise a prospectus for the purposes of the Prospectus Rules and has not been approved by or filed with the Financial Conduct Authority.

The Company and the Directors (whose names appear on page 5 of this document) accept responsibility for the information contained in this document including individual and collective responsibility for the Company's compliance with the AIM Rules. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and contains no omission likely to affect the import of such information.

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# KRM22 Plc

*(Incorporated and registered in England and Wales under the Companies Act 2006 with registered number 11231735)*

**KRM22**

## Placing of 10,250,239 Ordinary Shares at 100 pence per share

## Subscription of 70,000 Ordinary Shares at 100 pence per share

## and

## Admission to trading on AIM

***Nominated Adviser and Broker***

---

**The attention of investors is drawn to the risk factors set out in Part II of this document. Notwithstanding this, prospective investors should read the whole text of this document. All statements regarding the Company's business, financial position and prospects should be viewed in light of the risk factors set out in Part II of this document.**

The New Ordinary Shares will, on Admission, rank *pari passu* in all respects with the Existing Ordinary Shares and rank in full for all dividends and other distributions declared, made or paid on Ordinary Shares after Admission. It is expected that Admission will become effective and that dealings will commence in the Ordinary Shares on 30 April 2018.

finnCap, which is authorised and regulated in the United Kingdom by the FCA, is acting as Nominated Adviser and Broker exclusively for the Company in connection with the Fundraising and Admission and is not acting for any other person and will not be responsible to any other person for providing the protections afforded to customers of finnCap, or for advising any other person in connection with Admission. The responsibility of finnCap, as Nominated Adviser, is owed solely to the London Stock Exchange and is not owed to the Company or the Directors or any other person. No representation or warranty, express or implied, is made by finnCap or any of its directors, officers, partners, employees, agents or advisers as to the contents of this document (without limiting the statutory rights of any person to whom this document is issued). No liability whatsoever is accepted by finnCap or any of its directors, officers, partners, employees, agents or advisers for the accuracy of any information or opinions contained in this document or for the omission of any material information for which it is not responsible.

The Ordinary Shares have not been, nor will they be, registered under the United States Securities Act of 1933, as amended ("US Securities Act"), or with any securities regulatory authority of any state or other jurisdiction of the United States or under the applicable securities laws of Australia, Canada, Japan or the Republic of South Africa. Subject to certain exceptions, the Ordinary Shares may not be offered or sold, directly or indirectly, in or into the United States, Australia, Canada, Japan or the Republic of South Africa or to or for the account or benefit of any national, resident or citizen of Australia, Canada, Japan or the Republic of South Africa or any person located in the United States. This document does not constitute an offer to issue or sell, or the solicitation of an offer to subscribe for or buy, any Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction. Without limiting the generality of the foregoing, subject to certain exemptions in accordance with United States federal and applicable state securities laws and pursuant to a U.S. Investor Subscription Agreement, this document does not constitute an offer of Ordinary Shares to any person with a registered address, or who is resident in, the United States, or who is otherwise a "U.S. Person" as defined in Regulation S under the US Securities Act. There will be no public offer of Ordinary Shares in the United States. Outside of the United States, the Ordinary Shares are being offered in reliance on Regulation S promulgated under the US Securities Act. Neither this document nor any copy of it may be distributed directly or indirectly to any persons with addresses in the United States or any of its territories or possessions unless in accordance with applicable law.

Copies of this document will be available free of charge during normal business hours on any weekday (except Saturdays, Sundays and public holidays) at the Company's registered office and at the offices of finnCap at 60 New Broad Street, London, EC2M 1JJ from the date of this document and for a period of at least one month from Admission. A copy of this document is also available on the Company's website, www.krm22.com.

**Forward Looking Statements**

Certain statements contained in this document constitute forward-looking statements. When used in this document, the words may, would, could, will, intend, plan, anticipate, believe, seek, propose, estimate, expect, and similar expressions, as they relate to the Company, are intended to identify forward-looking statements. These statements are primarily contained in Part I of this document. Such statements reflect the Company's current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company's actual results, performance or achievements to vary from those described in this document. Should one or more of these risks or uncertainties materialise, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this document as intended, planned, anticipated, believed, proposed, estimated or expected.

The forward looking statements in this document are based on current expectations and intentions and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by these statements. Certain risks to the Company are specifically described in Part II of this document headed "Risk Factors". If one or more of these risks or uncertainties materialises, or if underlying assumptions prove to be incorrect, the Company's actual results may vary materially from those expected, estimated or projected. Given these risks and uncertainties, potential investors should not place any reliance on forward looking statements. These forward looking statements are stated as at the date of this document. Neither the Directors nor the Company undertake any obligation to update forward looking statements or risk factors other than as required by the AIM Rules or by the rules of any other securities regulatory authority whether as a result of new information, future events or otherwise.

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## FUNDRAISING STATISTICS

| | |
|---|---|
| Placing Price | 100 pence |
| Number of Existing Ordinary Shares | 2,000,000 |
| Number of Placing Shares | 10,250,239 |
| Number of Subscription Shares | 70,000 |
| Number of New Ordinary Shares | 10,320,239 |
| Enlarged Issued Share Capital | 12,320,239 |
| Percentage of Enlarged Issued Share Capital represented by the New Ordinary Shares | 83.8% |
| Gross proceeds of the Fundraising receivable by the Company | £10.32 million |
| Estimated net proceeds of the Fundraising receivable by the Company | £9.87 million |
| Market capitalisation of the Company following Admission at the Placing Price | £12.32 million |
| Number of Ordinary Shares subject to Warrants following Admission | 6,000,000 |
| Fully diluted enlarged share capital on Admission | 18,320,239 |
| TIDM | KRM |
| International Security Identification Number (ISIN) | GB00BFM6WC61 |
| SEDOL | BFM6WC6 |
| LEI | 213800IBCSBLSLJ9OD78 |

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

| | *2018* |
|---|---|
| Publication of this document | 25 April |
| Admission and dealings expected to commence in the Ordinary Shares on AIM | 8.00 a.m. on 30 April |
| CREST accounts credited with New Ordinary Shares issued pursuant to the Fundraising | 8.00 a.m. on 30 April |
| Where applicable, definitive share certificates in respect of the New Ordinary Shares issued pursuant to the Fundraising dispatched by post by | 15 May |

**Notes:**

1. References to time in this document are to London time unless otherwise stated.
2. Each of the times and dates set out above and mentioned elsewhere in the document may be subject to change at the absolute discretion of the Company and finnCap without further notice.

## DIRECTORS, SECRETARY AND ADVISERS

| | |
|---|---|
| **Directors:** | Thomas Keith Todd ("Keith")<br>*(Executive Chairman and Chief Executive Officer)*<br>Karen Bach *(Chief Operating Officer)*<br>Stephen Douglas Casner *(Chief Executive Officer USA)*<br>James ("Jim") Elliot Oliff *(Non-Executive Director)*<br>Alexander Masson ("Sandy") Broderick<br>*(Independent Non-Executive Director)*<br>David Arthur Ellis *(Independent Non-Executive Director)*<br>Matthew Robert Reed<br>*(Independent Non-Executive Director)* |
| **Company Secretary:** | Karen Bach |
| **Registered Office:** | Mocatta House<br>Trafalgar Place<br>Brighton<br>BN1 4DU |
| **Website address:** | www.krm22.com |
| **Nominated Adviser and Broker:** | finnCap Ltd<br>60 New Broad Street<br>London<br>EC2M 1JJ |
| **Legal adviser to the Company:** | Fieldfisher LLP<br>Riverbank House<br>2 Swan Lane<br>London<br>EC4R 3TT |
| **Legal adviser to the Nominated Adviser:** | Stephenson Harwood LLP<br>1 Finsbury Circus<br>London<br>EC2M 7SH |
| **Auditors:** | BDO LLP<br>55 Baker Street<br>London<br>W1U 7EU |
| **Reporting Accountant:** | BDO LLP<br>55 Baker Street<br>London<br>W1U 7EU |
| **Registrars:** | Equiniti Limited<br>Aspect House<br>Spencer Road<br>Lancing<br>West Sussex<br>BN99 6DA |

## DEFINITIONS

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

| | |
|---|---|
| **2006 Act** | the Companies Act 2006 |
| **Admission** | the admission of the Enlarged Issued Share Capital to trading on AIM and such admission becoming effective in accordance with the AIM Rules for Companies |
| **AIM** | a market operated by the London Stock Exchange |
| **AIM Rules** | the AIM Rules for Companies and the AIM Rules for Nominated Advisers |
| **AIM Rules for Companies** | the AIM Rules for Companies issued by the London Stock Exchange governing admission to and the operation of AIM, as amended or re-issued from time to time |
| **AIM Rules for Nominated Advisers** | the AIM Rules for Nominated Advisers issued by the London Stock Exchange setting out the eligibility, ongoing responsibilities and certain disciplinary matters in relation to nominated advisers, as amended or re-issued from time to time |
| **Articles** | the articles of association of the Company, further details of which are set out in paragraph 4 of Part III of this document |
| **Company** or **KRM22** | KRM22 plc, a company incorporated in England with registered number 11231735 |
| **Concert Party** | the Existing Shareholders of the Company, further information on which is set out in paragraph 20 of part I of this document |
| **CREST** | the computerised settlement system to facilitate the transfer of title to or interests in securities in uncertificated form, operated by Euroclear |
| **CREST Regulations** | the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended |
| **Directors** or **Board** | the directors of the Company whose names are set out on page 5 of this document |
| **DTR** | the Disclosure Guidance and Transparency Rules published by the Financial Conduct Authority |
| **EBITDA** | earnings before interest, tax, depreciation and amortisation |
| **EIS** | Enterprise Investment Scheme under provision of Part 5 of the Income Tax Act 2007 |
| **Enlarged Issued Share Capital** | the enlarged issued share capital of the Company upon Admission comprising the Existing Ordinary Shares and the New Ordinary Shares |
| **ESOP** | the employee share option plan adopted by the Company prior to Admission, details of which are set out in paragraph 11.1 of Part III of this document |

| | |
|---|---|
| **Euroclear** | Euroclear UK and Ireland Limited, the operator (as defined in the CREST Regulations) of CREST |
| **Existing Ordinary Shares** | the 2,000,000 Ordinary Shares in issue as at the date of this document |
| **Existing Shareholders** | Keith Todd, Karen Bach, Francois Bach, Libor Soucek, Hamish Purdey, James E. Ollif Trust and Stephen Casner |
| **FCA** | the Financial Conduct Authority of the United Kingdom |
| **FCA Rules** | the FCA Handbook of Rules and Guidance |
| **finnCap** | finnCap Ltd, nominated adviser and broker to the Company |
| **FSMA** | the Financial Services and Markets Act 2000 |
| **Fundraising** | means the Placing and the Subscription |
| **Group** | the Company and its Subsidiaries from time to time |
| **HMRC** | HM Revenue and Customs |
| **Investee Company** | a company in receipt of investment by the Company pursuant to the Investing Policy |
| **Investing Policy** or **Investment Policy** | the Company's policy which sets out the target investment types, market and criteria |
| **KRM22 Americas, Inc.** | KRM22 Americas, Inc. a company incorporated in the USA, a Subsidiary of the Company |
| **KRM22 Central** | KRM22 Central Limited, a company incorporated in England and Wales with company number 10909543, a Subsidiary of the Company |
| **KRM22 Development** | KRM22 Development Limited, a company incorporated in England and Wales with company number 11082447, a Subsidiary of the Company |
| **Lock-In Agreements** | the lock-in and orderly marketing agreements between the Company, finnCap and each of the Locked-In Persons, details of which are set out in paragraph 10.3 of Part III of this document |
| **Locked-In Persons** | the Directors, together with Francois Bach, Libor Soucek and Hamish Purdey, all of whom are Existing Shareholders |
| **London Stock Exchange** | London Stock Exchange plc |
| **MAR** | the EU Market Abuse Regulation (596/2014) |
| **M&A** | mergers and acquisitions |
| **MiFID II** | Markets in Financial Instruments Directive II |
| **New Ordinary Shares** | the Placing Shares and the Subscription Shares |
| **Official List** | the Official List of the UKLA |
| **Options** | options to subscribe for Ordinary Shares which may be granted from time to time pursuant to the ESOP |

| | |
|---|---|
| **Ordinary Shares** | ordinary shares of £0.10 each in the capital of the Company |
| **Panel** | the Panel on Takeovers and Mergers |
| **Placees** | those persons acquiring or subscribing for Placing Shares at the Placing Price |
| **Placing** | the conditional placing by finnCap, as agent for the Company, of the Placing Shares at the Placing Price, pursuant to the terms of the Placing Agreement |
| **Placing Agreement** | the conditional agreement dated 25 April 2018 and made between the Company (1), the Directors (2) and finnCap (3) relating to the Placing, details of which are set out in paragraph 10.1 of Part III of this document |
| **Placing Price** | 100 pence per new Ordinary Share |
| **Placing Shares** | 10,250,239 new Ordinary Shares to be issued pursuant to the Placing |
| **Prospectus Rules** | the Prospectus Rules made by the FCA pursuant to Part VI of the FSMA |
| **QCA Code** | the QCA's Corporate Governance Code for Small and Mid-Sized Quoted Companies 2013 (as amended) |
| **RMaaS** | risk management as a service |
| **Reverse Takeover** | an acquisition or acquisitions in a 12 month period which satisfy any of the criteria in Rule 14 of the AIM Rules for Companies |
| **SaaS** | software as a service |
| **Shareholder(s)** | holders of Ordinary Shares |
| **Significant Shareholder** | any person with a holding of three per cent. or more of the issued Ordinary Shares |
| **Small cap or SME** | businesses and companies which have an enterprise value typically not exceeding £50 million |
| **Subscriber** | Jim Oliff as trustee for the James E. Oliff Trust |
| **Subscription** | the subscription for the Subscription Shares by the Subscriber at the Placing Price |
| **Subscription Agreement** | the agreement between the Subscriber and the Company relating to the Subscription |
| **Subscription Shares** | the 70,000 new Ordinary Shares to be subscribed by the Subscriber pursuant to the Subscription Agreement |
| **Subsidiary, Subsidiaries** or **subsidiary undertaking** | have the meanings given to them by the 2006 Act |
| **Takeover Code** | the City Code on Takeovers and Mergers, administered by the Panel |
| **UK** | the United Kingdom of Great Britain and Northern Ireland |

| | |
|---|---|
| **UKLA** | the United Kingdom Listing Authority, being the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA |
| **uncertificated** or **in uncertificated form** | recorded on the register of Ordinary Shares as being held in uncertificated form in CREST, entitlement to which, by virtue of the CREST Regulations, may be transferred by means of CREST |
| **VAT** | UK value added tax |
| **VCT** | a company approved as a Venture Capital Trust under the provisions of part 6 of the Income Tax Act 2007 |
| **Warrant Agreements** | the warrant agreements dated 24 April 2018 between the Company and each of Karen Bach, Stephen Casner, Jim Oliff and Libor Soucek and a proposed agreement to be entered into with Keith Todd relating to the Warrants, the principal terms of which are set out in paragraph 11.2 of Part III |
| **Warrants** | the warrants to subscribe for up to 6,000,000 Ordinary Shares with an exercise price of £1 per Ordinary Share which have been or will be granted pursuant to the Warrant Agreements, upon or shortly following Admission, details of which are set out in paragraph 6.1.2 and 6.1.3 of Part III |

**Note:** Any reference to any provision of any legislation includes any amendment, modification, re-enactment or extension of it. Words importing the singular include the plural and vice versa and words importing the masculine gender shall include the feminine or neuter gender.

# PART I

# INFORMATION ON THE GROUP

## 1. INTRODUCTION

KRM22 is a closed-ended investment company incorporated in England and Wales on 2 March 2018. The Company has been established with the objective of creating value for its investors through the investment in, and subsequent growth and development of, target Investee Companies in the technology and software sector, with a particular focus on risk management in capital markets. The Company will be led by Keith Todd in his role as Executive Chairman and CEO, Karen Bach in her role as Chief Operating Officer and Stephen Casner in his role as KRM22 CEO USA. Together they intend to use their experience and successful track records in the software and technology industry to drive business transformation and growth from a portfolio of Investee Companies.

Keith Todd CBE, Executive Chairman and CEO, has 40 years of global technology and software business experience and is currently Non-Executive Chairman of AIM listed Amino Technologies plc, which provides digital TV entertainment and cloud solutions to network operators. Keith was previously Chairman of FFastFill plc, a provider of Software as a Service to the global derivatives community at the time. FFastFill was subsequently acquired by Ion Group in 2013 for £106 million. He also served as Non-Executive Chairman of UK Broadband Stakeholder Group (a UK Government advisory board), Easynet PLC and Chief Executive of ICL PLC.

Karen Bach, COO, is an entrepreneur and non-executive director with over 20 years of international technology and transactional expertise. In 2012, Karen founded and was Chief Executive Officer of KalliKids Ltd and prior to this, she was Chief Financial Officer at growing software businesses including AIM-listed ACS Plc and Main Market listed Kewill Plc. Previously Karen was CFO of IXEurope Plc from its admission to AIM in 2006 (with a market capitalisation of £38 million) until its sale to Equinix Inc for £250 million in 2007.

Stephen Casner, KRM22 CEO USA, has over 20 years in the technology financial services industry and has scale-up experience. He was co-founder and CEO of treasury management firm Hazeltree Fund Services Inc., until he stepped down in March 2017. He was also CEO of hedge fund software development company AIM-TO and CEO of IT risk management company Picasso Software Inc.

The Company has raised, conditional upon Admission, £10.25 million through the issue of 10,250,239 Ordinary Shares at a price of 100 pence per Placing Share pursuant to the Placing. In addition, the Company has raised, conditional upon Admission, £70,000 through the issue of 70,000 Ordinary Shares at the Placing Price pursuant to the Subscription. The Fundraising is conditional, *inter alia*, on Admission becoming effective by no later than 8.00 a.m. on 30 April 2018 or such later date (being no later than 5.00 p.m. 30 May 2018) as the Company and finnCap may agree.

## 2. INVESTMENT AND MARKET BACKGROUND

### Overview

Pursuant to the Company's Investment Policy, as described in paragraph 5 of this Part I, the Board proposes to invest in businesses with one or more of the following criteria:

- Market leading software offering: a software product used by customers;
- Customer revenues: the business shall have a revenue-generating customer base;
- Subject matter expert: the business founder, CEO or other key members of staff have expertise in a relevant risk management aspect or a technology;
- Capital markets focus: the product fits into one of KRM22's four key risk domains being Market Risk, Regulatory Risk, Infrastructure Risk and Operational Risk;
- Risk management focus: the product helps customers manage risk in one of the four risk domains identified by KRM22;
- Acquisition price: a valuation for the deal which the Directors believe will deliver capital appreciation value for investors; and

- Where the Board believes that there are good growth opportunities through strategic and operational guidance and providing a platform to scale.

Through the investments made in the Investee Companies, the Company will separately aim to create and provide a platform for risk management software solutions to be provided as a fully integrated, real-time, system agnostic risk management tool for financial service markets further information on which can be found later in this document.

### Four Key Categories of Risk

The KRM22 investment focus will be on risk management tools for all types of risks across a capital market participant's business. The Directors have identified four key risk categories or domains on which to focus: regulatory, market, technology and operational.

The Directors intend to focus the Company's first investments on the regulatory and market risk areas as this is where they have most personal experience and contacts. However, investment opportunities may arise and be executed within the technology or operational risk categories as well (if deemed appropriate and subject to adhering to the investment criteria of the Investing Policy).

***Regulatory***

These risks focus on compliance with all authority filings and regulations, which include:

- Surveillance (MAR)
- Senior Manager Regime (SMR)
- Voice & new media recording
- Know Your Customers (KYC)
- Money laundering

***Market***

These risks focus on trading and execution risk in optimising results, which include:

- Golden source static & market data
- Portfolio
- Stress tests
- Valuation tools

***Operational***

These risks focus on the business as a whole and all other aspects of it, which include:

- Succession planning and skills
- Facilities and physical security
- Financial
- Competition

***Technology***

These risks focus on the IT infrastructure and cyber security, which include:

- Cyber-attack threat assessment
- Event monitoring
- Benchmarks
- ITIL framework

### The Risk Problem

Risk management involves understanding, analysing and addressing risk to make sure organisations achieve their objectives. Risks for financial institutions include fines and reputational issues from non-compliance with a multitude of increasing regulations and expanding regulatory burden and reporting standards along with operational risks when next identifying business risks.

Risk management is also taking on more prominence at board level in capital markets: According to research by Deloitte, 86 per cent. of Company boards are taking more time to manage risk than two years previously (10th Global Risk Management survey with 77 financial institutions, Deloitte's global financial services industry group).

The Directors' own experience shows that customers often have multiple risk management systems and tools with poor integration, no single real-time view, no benchmarking and with a direct result of increasing costs as a result of these inefficiencies. This understanding is illustrated by two quotes from CEOs known by the Directors:

*"We comprehensively reassess enterprise-wide risks for the firm on a quarterly basis using a passive risk system which is updated manually. I am not sure exactly how many underlying systems we have, but it takes a considerable amount of manual effort to update the enterprise risk system. A real-time, enterprise-wide risk dashboard would be a significant improvement, to efficiently monitor and manage risk"* Quote from Futures Commission Merchant CEO.

*"I was responsible for a large multi asset class trading floor and inherited product silo based systems with no integration. This created real concerns around risk management. A consolidated single view of risks on a real time basis would have been a distinct advantage."* Quote from CEO, multi-asset trading.

**RMaaS Global Platform**

Through investment and in the future, KRM22 intends to develop a risk management platform which will be a Software as a Service offering: Risk Management as a Service ("RMaaS").

It is intended that the platform will provide a risk cockpit to CEOs, Chief Risk Officers ("CROs") and senior managers of customers in primarily the capital markets industry so that they can see their full risk position in real-time.

The Directors intend for the specialist risk management software of the Investee Companies, and legacy systems of other capital markets focused on risk management software providers, will feed into the system agnostic risk cockpit via Application Programme Interfaces ("APIs") and provide the cockpit user with real-time risk information from across the business acting as a aggregator of all tools.

Other planned features of the RMaaS platform include:

- Customisable content, workflows and alerts;
- Hierarchy of risks with drill down capability;
- Audit trail and clear accountability;
- Progressive application of Artificial Intelligence ("AI"); and
- Single "golden" sources of data (for example, market prices and customer lists).

The Company's Chief Technical Officer, Libor Soucek, intends to provide his expertise in the sector to the Board of Directors when selecting potential investment opportunities and will provide guidance with regards to the underlying technology within Investee Companies. Unfortunately, Libor was diagnosed with a serious illness in early March 2018 that means Libor cannot work full time for at least two months following Admission. However, the Company has identified a highly competent senior manager in the technology sector to work alongside him at such time that is appropriate. It is the Board's intention that both Libor and the proposed senior manager mentioned above will in future proceed to start developing the risk cockpit, as described above.

**The Investee Company's Customer Journey**

As each new regulation is implemented, organisations tend to react to each one by adding new processes and teams and end up with increasing costs of compliance. According to research by Accenture, of 150 capital market respondents, 89 per cent. expect continued cost increases in their compliance departments over the next two years.

Global spending among banks on compliance alone reached almost $100 billion in 2016 growing year on year from 15 per cent. to 25 per cent. over four years (according to research by consulting firm Opimas).

The Directors want to help the existing customers of Investee Companies and future customers of the Group solve their high cost and complexity by taking them on a journey away from costly compliance by:

- First, minimising the Total Cost of Risk (TCR) whilst improving or at least maintaining effectiveness; and
- Secondly, supporting "elite performance" by adding all risk factors, including financial KPIs, into a real-time cockpit.

KRM22 intends to take customers on this journey by:

- Benchmarking the risk management activities of customers within the capital markets industry;
- Providing the customers with an integrated real-time risk management risk cockpit on a SaaS platform; and
- Giving to all future customers of the group access to the specialised Investee Companies' software services.

**Benchmarking**

The Company will initially undertake market research at an individual organisation level and market level with regards to current risk management procedures. The intention is to produce market comparisons that allow companies to benchmark themselves and their risk management procedures against others. The Directors intend to charge for this service to cover the costs of the sector experts required to undertake the benchmarking studies. By providing this service, the Company also expects to gain further market insight which can then help Investee Companies respond to underlying customers' needs.

## 3. COMPETITIVE LANDSCAPE

The competitive landscape is very fragmented and the Company's own market research so far has identified 265 businesses that offer risk management software. Of these, 176 focus on capital market clients and over 50 are of interest to the Company as potential investments.

The Directors believe that the number of businesses in the sector reflects the challenge small businesses have with scaling-up. This is where the Directors intend to help through the power of scale, by bringing Investee Companies into the Group and leveraging expertise throughout the organisation.

**Power of Scale: 22 Growth Barriers**

The Directors have identified 22 barriers to growth for small businesses which it will seek to reduce:

***Marketing***

- Market knowledge: restricted to niche
- Marketing to large audience
- Ability to say no
- Ability to go international
- Number & quality of customers
- Access to global customer framework agreements
- Skills and resource
- Brand reputation and awareness
- Getting to speak with decision makers

***Admin***

- Working facilities
- Compliance cost
- Skills and resource
- Clear strategic planning
- Legal advice and optimisation
- Automated systems
- Management focus

***Technology***

- Skills and resource
- Restricted product improvements
- Tech infrastructure restricted by resource

***Finance***

- Capital and funding
- Skills and resource
- Pricing power
- Purchasing power
- Balance sheet strength
- Risk aversion

By making investments in businesses that are experiencing and struggling against scale-up challenges, the Directors believe they can reduce some of these hurdles to help the Investee Companies scale and grow. For example, leveraging:

- Strategic leadership, technological expertise and other skills that will be available from the senior KRM22 management team;
- Introductions to new potential customers who are either contacts of the senior management team or existing customers of other Investee Companies;
- Specialised resource in the Group such as a senior Cyber Security expert etc.; and
- The credibility of an AIM-listed Group and access to public market funding.

## 4. INVESTMENT OBJECTIVE

The Company's investment objective is to provide Shareholders with total returns achieved through capital appreciation through investments in, and acquisitions of, both private and public businesses in the technology and software sector, with a focus on risk management and capital markets.

## 5. INVESTMENT POLICY

The Company will seek to achieve its investment objective through the long term investment in, or acquisition of, private and public companies. The Company intends to acquire or invest in companies that have some of, or all of, the following features:

- Market leading software offering: a software product used by customers;
- Customer revenues: the business has a recurring revenue generating customer base;
- Subject matter expert: the business founder, CEO or other key members of staff have expertise in a relevant risk management aspect or a technology;
- Capital markets focus: the product fits into one of KRM22's four key risk domains being Market Risk, Regulatory Risk, Infrastructure Risk and Operational Risk;
- Risk management focus: the product helps customers manage risk in one of the four risk domains identified by KRM22;
- Acquisition price: a valuation for the deal which the Directors believe will deliver capital appreciation value for investors; and
- Where the Board believes that there are good growth opportunities through strategic and operational guidance and providing a platform to scale.

The Directors intend to use their multiple years of experience and successful track records in the software and technology industry, as well as proven managerial and business experience, to drive business transformation and growth in the Investee Companies. The Directors intend to invest and take controlling stakes in businesses (or in minority stakes) which are intended to create value for investors. It is the intention for investments to be made using cash and equity which may also include earn-out payments, subject to the Investee Company achieving certain key financial performance conditions. Investments may be made using debt where the Board concludes this is more appropriate. It is the Board's intention to keep each acquisition or investment operating independently of each other. However, the Board does intend to help each investment scale, using the expertise of the Board, as well as capitalising on cross-selling opportunities across Investee Companies customer base, deriving synergies and efficiencies by sharing technical expertise within the portfolio. Over time, the Board intends to create appropriate procedures to enhance returns by sharing some services across the Investee Companies while keeping them operationally separate.

KRM22 will have an active investment policy and the Board intends to exercise appropriate control and strategic influence over the day-to-day operational management of any Investee Company. The Board and the senior management team will provide strategic, technology and business support. In addition, at least one executive Board member or senior manager of KRM22 will be a director on the board of each Investee Company to provide strategic and corporate governance oversight.

The Company may invest or acquire globally, including emerging markets, however its short-term focus will be on the UK, North America, Europe and Asia.

There is no set holding period for investments. However, it is the Company's intention to hold its investments on a long-term basis. The investments made by the Company may take a variety of legal forms; for example it may acquire complete control or take both a majority stake of a business or a minority stake of a business, or form a joint venture or partnership. The Company expects to raise additional external funding when required to achieve its investment objective and to make further investments.

**Nature of Returns Sought**

The Company aims to provide Shareholders with an attractive total return, which is expected to comprise primarily of capital growth, although there is also the potential for distribution of income to be made throughout the Company's life. Accordingly, the Company does not currently intend to pay a regular dividend but may choose to do so from time to time as is determined to be appropriate by the Board.

The Board has discretion as to whether the capital proceeds of realising investments contained in the Company's portfolio will be reinvested or distributed to shareholders and will consider the most appropriate action whenever portfolio investments are realised in the light of available investment opportunities at the relevant time. When returning and/or distributing capital to Shareholders, the Directors will do so in such manner as they consider efficient.

**Restrictions and Asset Classes**

The Company is not restricted in terms of the type of investments or equity in which it may invest and the Company's portfolio of investments may include, without limitation, equity and debt securities in public and private companies.

The Company does not have a policy on the spread of investments. However, it is the Directors' intention that once the initial funding has been deployed, no one investment will account for greater than 75 per cent. of the portfolio.

No material change will be made to the Investing Policy without the approval of Shareholders by ordinary resolution at any general meeting, which will also be notified by an announcement through a Regulatory Information Service.

In accordance with Rule 8 of the AIM Rules for Companies if the Group has not substantially implemented its Investing Policy within 18 months of Admission, the Company will seek the approval of Shareholders at its next annual general meeting of its Investing Policy and on annual bases thereafter until such time as its Investing Policy has been substantially implemented. If it appears unlikely that the Investing Policy can be implemented at any time, the Directors will consider returning remaining funds to Shareholders.

**Borrowing and Cash Management**

The Board may use gearing to make investments if it believes it will enhance shareholder returns over the longer term. Potential future borrowings may be used for working capital and/or investment purposes.

## 6. INVESTMENT PROCESS

**Origination**

The Directors intend to source and identify potential direct investments for KRM22 in line with the Investing Policy through market research and existing market relationships. The Company has already commenced market research into possible investment opportunities and has identified a strong pipeline of potential opportunities as described in more detail in paragraph 3 of this Part I.

**Review and Due Diligence**

In order to mitigate investment risk, the Directors intend to carry out a thorough due diligence process in evaluating each potential investment including: internal and external due diligence to review projects;

technology review of products and services; where possible speak with customers and employees as well as key management; its own adjusted financial projections or those of the Investee Company; analysis of financial, legal and operational aspects of each investment opportunity, meetings with management, risk analysis, review of corporate governance and anti-corruption procedures and the seeking of third party expert opinions and valuation reports where the Directors see fit.

It is the Board's intention for Libor Soucek, CTO, to provide his expertise in technology and to also provide guidance with regards to the underlying technology in Investee Companies. Unfortunately Libor was diagnosed with a serious illness in early March 2018 that means Libor cannot work full time for at least two months following Admission. However, the Company has identified a highly competent senior manager in the technology sector to work alongside him at such time that it is appropriate.

**Approval**

All investments by the Company will be approved by the Board.

Investments are expected to be mainly in the form of equity although investments may be by way of debt, convertible securities or investments in specific projects. In the case of equity investments, the Directors intend to take positions (with suitable minority protection rights where appropriate), primarily in private companies but could, should the opportunity arise, make investments in public companies. The Company will be an active investor, typically taking at least one board position on each Investee Company.

The Directors consider that as investments are made, or promising new investment opportunities arise, further funding of the Company, either through new equity and/or debt capital, may be required. Subject to prevailing authorities, new Ordinary Shares may be used as consideration, in whole or in part, for investments or corporate transactions.

## 7. PIPELINE

The Board is continuously reviewing and considering various investment opportunities that may meet the Company's Investing Policy as set out in paragraph 5 of this Part I.

Investment by the Company in any of these opportunities is subject, among other things, to the Board and senior management completing satisfactory due diligence and documentation, as well as the Company having sufficient cash resources available and Board approval.

The Company has identified the following potential future opportunities:

| *Risk domain* | *Recurring revenue** |
|---|---|
| Market (options risk) | £1.0 million |
| Governance Risk Management and Compliance Management (GRC) (enterprise risk) | £0.1 million |
| Market (principal trader stress tests) | £0.4 million |
| Regulation (FCS Senior Management Regime) | £0.8 million |
| Regulation (mobile & new media) | £2.0 million |
| Regulations (surveillance) | £1.0 million |
| Regulation (codified regulation rules) | $0.1 million |
| Market (market data) | $1.7 million |
| Market (options risk, multi-asset) | $5.0 million |

* Recurring revenue values are based on the most recent information available to KRM22 and are based on past or near future results.

The Company has been progressing discussions with a number of its investment targets and is in advanced discussions on non-binding heads of terms with two companies.

As explained above, the Company has identified a number of possible investment opportunities that it hopes to pursue within 18 months of Admission, however there can be no assurance or certainty that any of these opportunities will be completed or will be acquired or funded by the Company. The Company will, in any event, continue to evaluate other potential investment opportunities in accordance with its investment objective and Investing Policy.

In accordance with Rule 8 of the AIM Rules for Companies, if the Group has not substantially implemented its Investing Policy within 18 months of Admission, the Company will seek the approval of Shareholders at its next annual general meeting of its Investing Policy and on an annual basis thereafter until such time as its Investing Policy has been substantially implemented.

## 8. BACKGROUND AND HISTORY

The Company was incorporated in England on 2 March 2018 as a public limited company under the 2006 Act, with number 11231735. On 19 April 2018, pursuant to a share purchase agreement, it acquired the entire issued share capital of KRM22 Central (together with its wholly owned subsidiaries KRM22 Development Limited and KRM22 Americas Inc.) in consideration for the issue of 1,999,998 Ordinary Shares to the Existing Shareholders. On 26 February 2018, KRM22 Americas, Inc. was incorporated in Delaware, USA as a wholly owned subsidiary of KRM22 Central. Neither the Company nor any of its Subsidiaries have traded since the respective dates of their incorporation. The Group's initial costs to date have been funded by: (i) investment in KRM22 Central equity by four of the Directors, the CTO and Hamish Purdey; and (ii) a loan facility made available by Keith Todd (further information on which can be found in paragraph 10.5 of Part III of this document).

## 9. DIRECTORS AND SENIOR MANAGEMENT

The Board comprises three Executive Directors and four Non-Executive Directors. The Directors are ultimately responsible for managing the Company's business in accordance with its Articles and assessing the appropriateness of its Investing Policy. The Directors also have overall responsibility for the Company's activities, including its investment activities, and reviewing the performance of the Company's portfolio of investments.

The Directors have been assembled to provide the Company with the necessary combination of operational, strategic financial and M&A experience that will be key to the Company's success.

### Directors

The Directors are as follows:

**Thomas Keith Todd ("Keith"),** aged 64, ***Executive Chairman and CEO***

Keith has 40 years of global technology business experience from publicly listed and large multi-nationals to start-up businesses. As well as being Executive Chairman and CEO of the Company, he is currently Non-Executive Chairman of AIM-listed Amino Technologies plc a provider of digital TV entertainment and cloud solutions to network operators. From 2002 to 2017 he served as Executive Chairman of FFastFill plc ("FFastFill"), provider of SaaS to the global derivatives community. Keith retained this position even after FFastFill was acquired by Ion Group in 2013. He also served as Non-executive Chairman of UK Broadband Stakeholder Group (a UK Government advisory board), Easynet PLC and Chief Executive of ICL PLC.

**Karen Bach,** aged 48, ***Chief Operating Officer***

Karen is an entrepreneur and Non-Executive with strong international technology and transactional expertise. In 2012, Karen founded and was Chief Executive Officer of KalliKids and prior to this, she was Chief Financial Officer at growing technology businesses IXEurope Plc, ACS Plc and Kewill Plc. At the start of her career, Karen gained international experience in finance with blue chip multi-nationals including EDS France, MCI WorldCom, General Motors and Ernst & Young. Karen is also Non-Executive of IXCellerate, a Russian datacentre business, and of AIM listed Amino Plc, a hybrid TV and cloud solution provider and of AIM listed Escape Hunt Plc, an entertainment business based on escape rooms. She was also a trustee of the eLearning Foundation, which supports technology in education, and Non-Executive of Belvoir Lettings Plc.

**Stephen Douglas Casner,** aged 58, ***Chief Executive Officer USA***

Stephen has over 20 years in the industry and scale-up experience. He was co-founder and CEO of treasury management firm Hazeltree Fund Services Inc. until he stepped down in March 2017. He was also CEO of hedge fund software development company AIM-TO and CEO of IT risk management company Picasso Software Inc.

**James Elliot Oliff ("Jim"),** aged 69, ***Non-Executive Director***

Jim is a highly respected financial services Board Member with over 30 years of board experience. He was on the board of NASDAQ listed CME Group Ltd (including its subsidiaries CME Clearing Europe and CME Europe) for 33 years over which he oversaw multiple key transactions and key company milestones. As well as CME, he was Deputy Chairman of AIM listed FFastFill LLC and the Chairman of its US entity for 10 years, before the company was sold in 2012. Jim is currently Chairman of FILO Corp, a consulting and derivatives brokerage business and is the former Chairman of three CME Clearing House Risk Committees.

**Alexander Masson Broderick ("Sandy"),** aged 55, ***Independent Non-Executive Director***

Sandy was previously Non-Executive Director of AIM listed regulatory reporting and collateral risk management solutions company, Lombard Risk Management plc, which was recently acquired by Vermeg Group. Prior to Lombard Risk Management he was CEO of DTCC DerivSERV, where he led the roll-out of its Global Trade Repository in Europe and Asia, as well as holding the CEO position of New York Portfolio Clearing, where he oversaw its development and successful sale to ICE. During Sandy's trading career at Societe Generale and Bank of America, he was at the centre of several industry initiatives in clearing and market infrastructure, including development of the LCH Clearnet SwapClear system. Sandy was Chairman of the OTC Derivnet Board from 2011 to 2012.

**David Arthur Ellis,** aged 45, ***Independent Non-Executive Director***

David is an experienced lawyer who has represented international financial institutions and corporates and has held high level in-house roles in the financial services industry. David is currently Global Head of International Legal for Tower Research Capital, a leading quantitative trading firm. Prior to Tower Research, David was Head of Legal and Compliance for Sanford C. Bernstein in London for six years, before which he was Senior Vice President and Counsel at Citigroup Global Markets, with responsibility for equities sales and trading.

**Matthew Robert Reed,** aged 43, ***Independent Non-Executive Director***

Matthew serves as the Chief Operating Officer and Member of Business Growth Fund plc. Mr. Reed joined BGF at its launch in 2011 and is responsible for the finance, compliance, and the operations of the business. His role also encompasses risk and corporate governance oversight. He was previously a Director of Risk and Finance at the firm. Matthew served as a Vice President and Chief Financial Officer at CCMP Capital Advisors UK. He was responsible for the local finance department and for covering CCMP Capital's European portfolio activity and transaction execution. Prior to joining CCMP in 2006, Matthew was the Global Product Controller for Clearance and Trust products in the World Wide Securities Services business at JPMorgan Chase. He spent six years at JP Morgan, performing numerous roles, including Financial Controller positions in both Luxembourg and London. Matthew served as the Chief Financial Officer at private equity firms including, CCMP Capital Partners UK, Trilantic Capital Partners and Santander Infrastructure Capital. He is a Chartered Accountant.

**Senior management:**

**Libor Soucek,** aged 47, ***Chief Technology Officer***

Libor has over 20 years of software development experience and over 14 years as a software architect designing SaaS platforms for the financial services sector. He successfully built the FFastFill platform which was instrumental in the company's success and was noted for its high performance, scalability and resilience.

Unfortunately Libor was diagnosed with a serious illness in early March 2018 that means Libor cannot work full time for at least two months following admission. However the Company has identified a highly competent senior manager in the technology sector to work alongside him at such time that it is appropriate.

## 10. THE FUNDRAISING

The Company has raised £10.32 million (before expenses), conditional on Admission, by way of a Placing of the Placing Shares and the Subscription of the Subscription Shares, in each case at the Placing Price. finnCap has agreed, pursuant to the Placing Agreement and conditional, *inter alia*, upon Admission, to use

its reasonable endeavours to place the Placing Shares at the Placing Price with investors. The Placing has not been underwritten.

The Company has entered into a Subscription Agreement with Jim Oliff as trustee for the James E. Oliff Trust whereby it has agreed to subscribe for the Subscription Shares at the Placing Price conditional, *inter alia*, upon Admission.

Admission and dealings in the Ordinary Shares are expected to commence on 30 April 2018.

The New Ordinary Shares will be in registered form and will be issued credited as fully paid. The New Ordinary Shares will rank in full for all dividends and other distributions declared paid or made on the Ordinary Shares after Admission.

Further details of the Placing Agreement and the Subscription Agreement are set out in paragraphs 10.1 and 10.8 of Part III of this document.

### 11. THE NEW ORDINARY SHARES

The New Ordinary Shares comprise 10,320,239 Ordinary Shares. The New Ordinary Shares were created under the 2006 Act and can be issued in certificated or uncertificated form. The ISIN for the Ordinary Shares is GB00BFM6WC61.

### 12. REASONS FOR ADMISSION AND USE OF FUNDRAISING PROCEEDS

The Company has conditionally raised net proceeds of approximately £9.87 million pursuant to the Fundraising, which are intended to be used to make investments in line with the Company's Investing Policy and to provide working capital for the growth and development of the Group's business.

The Directors believe that Admission will have the following benefits:

- Quoted shares may be an attractive form of consideration to vendors of potential Investee Companies;
- The profile and corporate governance of an AIM-listed company should enhance the Company's reputation with potential customers of the Investee Companies;
- AIM may provide access to substantial equity funding from investors to support future investments;
- Admission should enhance the Company's reputation and profile with investment targets by virtue of its status as a quoted company; and
- Admission should enhance the Company's ability to retain and attract key staff with share incentive arrangements.

### 13. EIS/VCT QUALIFYING INVESTMENT

On 12 April 2018 the Company obtained advance assurance from HMRC that new Ordinary Shares represent a qualifying holding for Venture Capital Trusts and a subscription for new Ordinary Shares by way of the Placing was capable of qualifying for Enterprise Investment Scheme tax reliefs. The Company has given certain warranties and undertakings regarding its compliance with the regimes governing EIS and VCT Status to a number of the Placees.

### 14. ADMISSION, SETTLEMENT AND CREST

Application has been made to the London Stock Exchange for all of the Ordinary Shares, issued and to be issued pursuant to the Fundraising, to be admitted to trading on AIM. It is expected that Admission will become effective and dealings will commence in the Ordinary Shares on 30 April 2018.

The Articles permit the Company to issue Ordinary Shares in uncertificated form in accordance with the CREST Regulations. CREST is a voluntary computerised share transfer and settlement system. The system allows shares and other securities to be held in electronic form rather than paper form.

The Company has applied for the Ordinary Shares to be admitted to CREST and it is expected that the Ordinary Shares will be so admitted and accordingly enabled for settlement in CREST on the date of Admission. Accordingly, settlement of transactions in Ordinary Shares following Admission may take place within the CREST system if any individual Shareholder so wishes. Shareholders who wish to receive and retain share certificates are able to do so and share certificates representing the Ordinary Shares to be issued pursuant to the Fundraising are expected to be despatched by post to such Shareholders by no later than 15 May 2018, at the Shareholders' own risk.

## 15. REPORTS AND FINANCIAL STATEMENTS

Since the date of its incorporation the Company has not yet commenced operations and it has no material assets or liabilities, and therefore no financial statements have been prepared as at the date of this document.

As the Company is an acquisition vehicle, it does not propose to publish its net asset value other than through the publication of its accounts.

## 16. SHARE INCENTIVE ARRANGEMENTS

The Directors believe that the success of the Company will depend, to a significant degree, on the future performance of the Company's senior management team and therefore that it is important to ensure that the members of the senior management team are well motivated and identify closely with the success of the Company.

On 24 April 2018, the Company granted a Warrant to each of, Karen Bach, Stephen Casner, Jim Oliff and Libor Soucek over a total of 2,700,000 Ordinary Shares pursuant to the Warrant Agreements all conditional on Admission. In addition, the Company intends to grant a Warrant over 3,300,000 Ordinary Shares to Keith Todd immediately following Admission. These Warrants have, or will have, in the case of Keith Todd, an exercise price equal to the Placing Price and have an exercise period of 10 years from the date of Admission. The Warrants will vest in three equal tranches subject to the market price of the Ordinary Shares achieving certain hurdles, being 5 per cent. annual growth, 7.5 per cent. annual growth and 15 per cent. annual growth respectively, in each case compounded. Such growth will be determined by taking the 90 day average of the closing mid-market price of the Ordinary Shares and the earliest testing date will be the second anniversary of the date of Admission. The Board has a discretion to allow for early exercise of the Warrants subject to clawback arrangements to the extent that the hurdles have not been met.

In addition, the Company adopted the ESOP on 24 April 2018. The ESOP provides the Directors with the authority to grant Options over Ordinary Shares (excluding any Ordinary Shares under the Warrants) that represent in aggregate up to 10 per cent. of the issued share capital of the Company in any 10 year period. The exercise price of Options will not normally be less than the market value of an Ordinary Share on the date of grant. Options may normally be exercisable in whole or in part during the period between the third and tenth anniversaries of their grant date, provided any performance targets specified at the date of grant (if any) have been achieved.

Further details of the Warrant Agreements and the ESOP are set out in paragraph 11 of Part III of this document.

## 17. DIVIDEND POLICY

The Company aims to provide Shareholders with an attractive total return, which is expected to comprise primarily of capital growth, although there is also the potential for distribution of income to be made throughout the Company's life. Accordingly, the Company does not currently intend to pay a regular dividend but may choose to do so from time to time as is determined to be appropriate by the Board.

## 18. CORPORATE GOVERNANCE

The Directors are committed to maintaining a high standard of corporate governance and intend to comply with those aspects of the QCA Code which they consider appropriate, taking into account the size of the Company and the nature of its business. The Company currently has four Non-Executive Directors. Three Non-Executive Directors, Sandy Broderick, David Ellis and Matthew Reed are regarded by the Company as being independent of the Company and are free from any business or other relationship that could materially

interfere with the exercise of their independent judgment. The Board will have responsibility for the Company's Investment Policy and strategies. The Board intends to meet monthly, at least ten times a year and more frequently as required.

All the Directors will have access to the advice and services of the Company Secretary and will be able to gain access to external independent advice should they wish to do so. The Board will be supplied with regular and timely information concerning the activities of the Company from Executive Board members and senior management so that it is able to exercise its responsibilities and control functions in a proper and effective manner.

The Directors have established an Audit Committee, a Nominations Committee and a Remuneration Committee with formally delegated duties and responsibilities to operate with effect from Admission.

The Audit Committee, which will initially comprise David Ellis and Jim Oliff, with Matthew Reed acting as Chairman, will determine and examine any matters relating to the financial affairs of the Group including the terms of engagement of the Group's auditors and, in consultation with the auditors, the scope of the audit. In addition it will consider the financial performance, position and prospects of the Group and ensure they are properly monitored and reported on.

The Nominations Committee, which will initially comprise David Ellis and Jim Oliff with Sandy Broderick acting as Chairman, will review the composition and efficacy of the Board and where appropriate recommend nominees as new directors to the Board.

The Remuneration Committee, which will initially comprise David Ellis and Jim Oliff with Sandy Broderick acting as Chairman, will review the performance of the Executive Directors and set their remuneration, determine the payment of bonuses to the Executive Directors and consider the Group's bonus and incentive arrangements for employees.

The Directors will comply with Rule 21 of the AIM Rules for Companies relating to Directors' dealings and will take all reasonable steps to ensure compliance by the Group's applicable employees.

The Company has adopted and will operate a share dealing code for Directors and Group employees in accordance with the AIM Rules for Companies.

## 19. LOCK-IN AND ORDERLY MARKET ARRANGEMENTS

The Locked-In Persons who at Admission will hold in aggregate 2,662,143 Ordinary Shares (representing approximately 21.61 per cent. of the Enlarged Issued Share Capital), have undertaken, save in limited circumstances, not to dispose of any of their interests in Ordinary Shares (including Ordinary Shares that they may acquire) at any time prior to the third anniversary of Admission.

In addition, in order to ensure an orderly market in the Ordinary Shares, the Locked-In Persons have further undertaken, in respect of themselves and each of their connected persons, that for a further period of 12 months thereafter they will not (subject to certain limited exceptions) deal or otherwise dispose of any such interests other than through finnCap (or such other broker appointed by the Company from time to time).

Further details of the Lock-In Agreements are set out in paragraph 10.3 of Part III of this document.

## 20. THE CITY CODE ON TAKEOVERS AND MERGERS

The Company is a public company incorporated in England and Wales and its Ordinary Shares will be admitted to trading on AIM. Accordingly, the Takeover Code applies to the Company.

The Takeover Code governs, *inter alia*, transactions which may result in a change of control of a company to which the Takeover Code applies. Under Rule 9.1 of the Takeover Code any person who acquires, whether by a series of transactions over a period of time or not, an interest (as defined in the Takeover Code) in shares which, taken together with shares in which he is already interested or in which persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, that person will, except with the consent of the Panel, be required to make a general offer to all the remaining shareholders to acquire their shares. Similarly, Rule 9 of the Takeover Code also

provides that when any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of a company but does not hold shares carrying more than 50 per cent. of such voting rights and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, then, except with the consent of the Panel, such person shall extend offers, on the basis set out in Rules 9.3, 9.4 and 9.5 of the Takeover Code, to the holders of any class of equity capital whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights.

An offer under Rule 9 must be in cash and must be at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the company in question during the 12 months prior to the announcement of the offer.

Where any person who, together with persons acting in concert with him, holds shares carrying more than 50 per cent. of the voting rights of a company, and such person or any person acting in concert with him, acquires any further shares carrying voting rights, the concert party as a whole will not generally be required to make a general offer to the other shareholders to acquire the balance of their shares, though Rule 9 of the Takeover Code would remain applicable to individual members of a concert party who would not be able to increase their percentage interests in the voting rights of such company through or between Rule 9 thresholds without Panel consent.

The Takeover Code defines persons "acting in concert" as comprising persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control of a company or to frustrate the successful outcome of an offer for a company. "Control" means an interest, or interests, in shares carrying in aggregate 30 per cent. or more of the voting rights of a company, irrespective of whether such interest or interests give de facto control. A person and each of its affiliated persons will be deemed to be acting in concert with each other. There is a non-exhaustive list of persons who will be presumed to be acting in concert with other persons in the same category unless the contrary is established.

Accordingly, a concert party exists within the Company comprising of the Existing Shareholders (the "Concert Party"). Immediately following Admission, the Concert Party will be interested in, in aggregate, 2,662,143 Ordinary Shares representing approximately 21.61 per cent. of the Enlarged Issued Share Capital.

Further information on the key provisions of the Takeover Code is set out in paragraph 5 of Part III of this document.

## 21. TAXATION

Information regarding UK taxation is set out in paragraph 15 of Part III of this document. That information is intended only as a general guide to the current tax position under UK law. **If you are in any doubt as to your tax position, you should contact your independent professional adviser.**

## 22. ADDITIONAL INFORMATION

You should read the whole of this document which provides information on the Group and Fundraising and not rely on summaries or individual parts only. Your attention is drawn to Part II of this document which contains certain risk factors relating to any investment in the Company and to Part III of this document which contain further additional information on the Group.

## PART II

## RISK FACTORS

**An investment in Ordinary Shares involves a high degree of risk. Accordingly, before making a final decision prospective investors should carefully consider the specific risk factors set out below in addition to the other information contained in this document before investing in Ordinary Shares. No assurance can be given that Shareholders will realise a profit or will avoid a loss on their investment.**

The Board has identified the following risks which it considers to be the most significant for potential investors in the Company. The risks referred to below do not purport to be exhaustive and are not set out in any particular order of priority and potential investors should review this document carefully in its entirety and consult with their professional advisers before acquiring Ordinary Shares.

If any of the following events identified below occur, the Company's business, financial condition, capital resources, results and/or future operations and prospects could be materially adversely affected. In that case, the market price of the Ordinary Shares could decline and investors may lose part or all of their investment.

Additional risks and uncertainties not currently known to the Board or which the Board currently deem immaterial may also have an adverse effect on the Company's business. In particular, the Company's performance may be affected by changes in the market and/or economic conditions and in legal, regulatory and tax requirements. An investment in Ordinary Shares described in this document is speculative. A prospective investor should consider carefully whether an investment in the Company is suitable in light of his, her or its individual circumstances and the financial resources available to him, her or it. If you are in any doubt about the action you should take, you should consult your independent financial adviser authorised under FSMA.

### RISKS RELATING TO THE COMPANY, THE COMPANY'S INVESTMENT POLICY AND INVESTMENTS/ACQUISITIONS

#### Lack of trading history

The Company has not, since incorporation, carried out any trading activities. Accordingly, as at the date of this document, the Company has no historical financial data upon which prospective investors may base an evaluation of the Company. The value of any investment in the Company is, therefore, wholly dependent upon the successful implementation of the Investment Policy described in paragraph 5 of Part I of this document. As such, the Company is subject to all of the risks and uncertainties associated with any newly established business enterprise including the risk that the Company will not achieve its investment objectives and that the value of an investment in the Company could decline and may result in the loss of capital invested. The past performance of companies, assets or funds managed by the Directors, or persons affiliated with them, in other ventures in a similar sector or otherwise, is not necessarily a guide to the future business, results of operations, financial condition or prospects of the Company. Investors will be relying on the ability of the Company and the Directors to identify potential investment targets, evaluate their merits, conduct diligence and negotiations.

#### The Company's ability to complete an investment

The Company's future success is dependent upon its ability to not only identify opportunities but also to execute successful investments and/or acquisitions. There can be no assurance that the Company will be able to conclude agreements with any target business and/or shareholders in the future and failure to do so could result in the loss of an investor's investment. In addition, the Company may not be able to raise additional funds that may be required to acquire any target business and fund its working capital requirements in accordance with its Investment Policy.

In accordance with the AIM Rules for Companies, if the Company fails to make an investment or has not substantially implemented its Investment Policy within 18 months of Admission, the Company will seek Shareholder approval for its Investment Policy at each subsequent annual general meeting until such time as there has been an investment or the Investment Policy has been substantially implemented. The Directors

will, at any subsequent annual general meeting, ask Shareholders to consider whether to wind up the Company and return funds to Shareholders.

In such circumstances, there can be no assurance as to the particular amount or value of the remaining assets at such future time of any such distribution either as a result of costs from an unsuccessful investment or from other factors, including disputes or legal claims which the Group is required to pay out, the cost of the liquidation event and dissolution process, applicable tax liabilities or amounts due to third party creditors. Upon distribution of assets on a liquidation event, such costs and expenses will result in investors receiving less than the initial subscription price and investors who acquired Ordinary Shares after Admission potentially receiving less than they invested.

**Material facts or circumstances may not be revealed in the due diligence process**

Prior to making or proposing any investment, the Company intends to undertake due diligence on potential investment targets to a level considered reasonable and appropriate by the Company on a case by case basis. However, these efforts may not reveal all facts or circumstances that would have a material adverse effect upon the value of the investment. In undertaking due diligence, the Company will need to utilise its own resources and may be required to rely upon third parties to conduct certain aspects of the due diligence process. Further, the Company may not have the ability to review all documents relating to the target company and assets. Any due diligence process involves subjective analysis and there can be no assurance that due diligence will reveal all material issues related to a potential investment. Any failure to reveal all material facts or circumstances relating to a potential investment may have a material adverse effect on the business, financial condition, results of operations and prospects of the Group.

**Investments in private companies are subject to a number of risks**

The Company may invest in or acquire privately held companies or assets that may:

(1) Be highly leveraged and subject to significant debt service obligations, stringent operational and financial covenants and risks of default under financing and contractual arrangements, which may adversely affect their financial condition;

(2) Have limited operating histories and smaller market shares than publicly held businesses making them more vulnerable to changes in market conditions or the activities of competitors;

(3) Be more dependent on a limited number of management and operational personnel, increasing the impact of the loss of any one or more individuals; and

(4) Require additional capital.

All or any of these factors may have a material adverse effect on the business, financial condition, results of operations and prospects of the Group.

**The Company may not acquire total voting control of any target company or business**

The Company intends to invest in controlling stakes of business or in minority stakes of any target company or business. In such circumstances that controlling stakes are not acquired, the remaining ownership interest of the Investee Company will be held by third parties and the Company's decision-making authority may be limited. Such investments may also involve the risk that such third parties may become insolvent or unable or unwilling to fund additional investments in the Investee Company. Such third parties may also have interests which are inconsistent or conflict with the Company's interests, or they may obstruct the Company's strategy for the Investee Company or propose an alternative strategy. Any third party's interests may be contrary to the Company's interests. In addition, disputes among the Company and any such third parties could result in litigation or arbitration. Any of these events could impair the Group objectives and strategy, which could have a material adverse effect on the continued development or growth of the acquired company or business and therefore on the Group.

**The Company may face significant competition for investment opportunities**

There may be significant competition in some or all of the investment/acquisition opportunities that the Company may explore. Such competition may, for example, come from strategic buyers, market

competitors, special purpose acquisition companies and public and private investment funds, many of which are well established and have extensive experience in identifying and completing investments/acquisitions. A number of these competitors may possess greater technical, financial, human and other resources than the Company. The Company cannot assure investors that it will be successful against such competition. Such competition may cause the Company to be unsuccessful in executing an investment/acquisition or may result in a successful investment/acquisition being made at a significantly higher price than would otherwise have been the case which could materially adversely impact the business, financial condition, result of operations and prospects of the Group.

**Need for additional funding and dilution**

The net proceeds of the Fundraising may be insufficient to fund in full suitable acquisitions and/or investments identified by the Board. Accordingly, the Company expects to seek additional sources of financing (equity and/or debt) to implement its strategy if required. There can be no assurance that the Company will be able to raise those funds, whether on acceptable terms or at all.

As at Admission the Company will have authority to allot a number of new Ordinary Shares equal to 100 per cent of the Enlarged Issued Share Capital. Pre-emption rights will also be disapplied in respect of the same number of Ordinary Shares. Such authority may be applied in issuing shares in consideration for cash, shares in an Investee Company or a combination of the two. Such an authority to allot shares and disapply pre-emption rights is comparatively large. Nevertheless the Directors believe this level of authorisation is appropriate given the intention of the Company to make investments in the short to medium term.

If further financing is obtained or the consideration for an investment is provided by issuing equity securities or convertible debt securities, Shareholders at the time of such future fundraising or investment may be diluted and the new securities may carry rights, privileges and preferences superior to the Ordinary Shares.

The Company may seek debt financing to fund all or part of any future investment. The incurrence by the Company of substantial indebtedness in connection with an investment could result in:

(i) Default and foreclosure on the Company's assets, if its cash flow from operations was insufficient to pay its debt obligations as they become due; or

(ii) An inability to obtain additional financing, if any indebtedness incurred contains covenants restricting its ability to incur additional indebtedness.

An inability to obtain financing may have a material adverse effect on the business, financial condition, results of operations and prospects of the Company. If such financing is obtained the Company's ability to raise further finance and its ability to operate its business may be subject to restrictions.

The occurrence of any or a combination of these, or other, factors could decrease Shareholders' proportional ownership interests in the Group or have a material adverse effect on its financial condition and results of operations.

The Investee Companies may also have borrowings. Although such facilities may increase investment returns, they also create greater potential for loss. This includes the risk that the borrower will be unable to service the interest repayments, or comply with other requirements, rendering the debt repayable, and the risk that available capital will be insufficient to meet required repayments. There is also the risk that existing borrowings will not be able to be refinanced or that the terms of such refinancing will not be as favourable as the terms of existing borrowings. A number of factors (including changes in interest rates, conditions in the banking market and general economic conditions), all of which are beyond the Group's control, may make it difficult for the Group to obtain new financing on attractive terms or at all, which could have a material adverse effect on the business, financial condition, results of operations and prospects of the Group.

**Success of Investment Policy is not guaranteed**

The Company's level of profit will be reliant upon the performance of the assets acquired and the Investment Policy. The success of the Investment Policy depends on the Directors' ability to identify investments in accordance with the Company's investment objectives and to interpret market data correctly. No assurance can be given that the strategy to be used will be successful under all or any market conditions or that the Group will be able to generate positive returns for Shareholders. If the Investment Policy is not successfully

implemented, this could adversely impact the business, development, financial condition, results of operations and prospects of the Group.

### Changes in Investment Policy may occur

The Company's Investment Policy may be modified and altered from time to time with the approval of Shareholders, so it is possible that the approaches adopted to achieve the Group's investment objectives in the future may be different from those the Directors currently expect to use and which are disclosed in this document. Any such change could adversely impact the business, development, financial condition, results of operations and prospects of the Group.

### Inability to refocus and improve the operating and financial performance of an acquired business

The success of the Company's investments may depend in part on the Company's ability to implement the necessary technological, strategic, operational and financial change programmes in order to transform the Investee Company and improve its financial performance. Implementing change programmes within an Investee Company may require significant modifications, including changes to hardware and other business assets, operating and financial processes and technology, software, business systems, management techniques and personnel, including senior management. There is no certainty that the Group will be able to successfully implement such change programmes within a reasonable timescale and cost, and any inability to do so could have a material adverse impact on the Group's performance and prospects.

### Reliance on expertise of Directors and senior management

The Company will be highly dependent on the expertise and continued service of the Directors and other senior management. The experience and commercial relationships of Keith Todd, Karen Bach, Stephen Casner and Libor Soucek, in particular, should help provide the Company with a competitive edge. However, any one of the Directors could give notice to terminate their employment agreements at any time and their loss may have an adverse effect on the Group's business.

In particular, the service contracts of Keith Todd, Karen Bach and Stephen Casner contain provisions such that, upon any person acquiring control of 90 per cent. of the issued share capital of the Company (or a parent company), they may notify the Company that they do not wish to remain in the employment of the Company at which point the Company shall be deemed to have given notice to terminate their employment. In addition, in the event that Karen Bach or Stephen Casner is asked to report to any person other than Keith Todd, they may notify the Company that they do not wish to remain in the employment of the Company at which point the Company shall be deemed to have given notice to terminate their employment. A full summary of these employment contracts can be found in paragraph 8 of Part III of this document. While the Company has no current intention to appoint any further directors or senior managers, any decision to do so in the future could mean the loss of Karen Bach or Stephen Casner to the business which may have a detrimental impact on its future prospects.

Unfortunately Libor was diagnosed with a serious illness in early March 2018 that means Libor cannot work full time for at least two months following admission. However, the Company has identified a highly competent senior manager in the technology sector to work alongside him at such time that it is appropriate.

### Recruitment of skilled team members

The Company may not be able to recruit executives and key employees of sufficient expertise or experience to maximise any opportunities that present themselves, or that recruiting and retaining those executives is more costly or takes longer than expected. The failure to attract and retain those individuals may adversely affect the Group's operations.

### Protection of intellectual property

The technology used by the Investee Companies, and in time, the Group, will include software and other code and content. Whilst the Company intends to conduct some research and development into its own technology in the future, Investee Companies, and in time, the Group, will be dependent on proprietary

rights in software and other technology which relies on laws governing copyrights, trademarks and confidentiality for its protection.

Investee Companies are also expected to be dependent on contractual provisions regarding intellectual property ownership and licensing. These laws enable Investee Companies to protect and/or enforce intellectual property rights in software, including the ability to restrict use of software to those who have obtained relevant authorisation. Failure of Investee Companies to effectively restrict the use of software may result in another party copying or obtaining the software for unauthorised use or otherwise infringing the Investee Companies' intellectual property.

Some countries where the Company intends to invest/acquire may not have adequate protection for intellectual property in their legal systems and policing unauthorised use of proprietary information internationally is both complex and costly. Therefore, Investee Companies, and therefore the Group, may not be able to detect and prevent infringement of its intellectual property.

The above issues related to the protection of Investee Companies' intellectual property may adversely impact the Group's operating performance and increase its costs of business, which could have a material and adverse effect on the Group's business, financial condition, results of operations and prospects.

**The Company could incur costs for transactions that may ultimately be unsuccessful**

There is a risk that the Company may incur substantial legal, financial and advisory expenses arising from unsuccessful transactions which may include public offer and transaction documentation, legal, accounting and other due diligence which could have a material adverse effect on the business, financial condition, results of operations and prospects of the Group.

**Potential dilution from the incentivisation of management**

The Company has granted Warrants to certain Directors and Libor Soucek or will grant immediately following Admission in the case of Keith Todd, over a total of 6,000,000 Ordinary Shares pursuant to the Warrant Agreements. These Warrants have an exercise price equal to the Placing Price and have an exercise period of 10 years from the date of grant. Vesting of the Warrants is subject to certain performance criteria of the share price of the Company. Should the vesting criteria be met and the Warrants vest, the issue of these Ordinary Shares will be dilutive to all Shareholders in the Company. Although there is a possibility that the criteria is not met, and hence the Warrants do not vest. Further information on the principal terms of the Warrants and the Warrant Agreements can be found in paragraph 11.2 of Part III of this document.

**The Company will be subject to restrictions in offering its Ordinary Shares as consideration for an acquisition in certain jurisdictions and may have to provide alternative consideration, which may have an adverse effect on its operations**

The Company may offer its Ordinary Shares or other securities as part of the consideration to fund, or in connection with, an investment. However, certain jurisdictions may restrict the Company's use of its Ordinary Shares or other securities for this purpose, which could result in the Company needing to use alternative sources of consideration. Such restrictions may limit the Company's available acquisition opportunities or make certain acquisitions more costly which may have an adverse effect on its operations.

**The Company may make disposals at a loss**

Although the Company intends to hold all investments on a long term basis, the Company may make investments that need to be disposed of either partially or fully. Some investments may be lost through insolvency. Any of these circumstances could have a negative impact on the profitability and value of the Group.

**Foreign investment and exchange risks**

The Company's functional and presentational currency is pounds sterling. As a result, the Company's consolidated financial statements will carry the Company's assets in pounds sterling however certain Directors, and key management may incur costs to the Group in currencies other than pounds sterling.

In addition, any business the Company invests in may denominate its financial information, conduct operations or make sales in currencies other than pounds sterling. When investing in a business that has functional currencies other than pounds sterling, the Company will be required to translate, *inter alia*, the balance sheet and operational results of such business into pounds sterling. As a result, changes in exchange rates between pounds sterling and other currencies could lead to significant changes in the Group's reported financial results from period to period.

Among the factors that may affect currency values are trade balances, levels of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political or regulatory developments. Although the Company may seek to manage its foreign exchange exposure, including by active use of hedging and derivative instruments, there is no assurance that such arrangements will be entered into or available at reasonable cost at all times when the Company wishes to use them or that they will be sufficient to cover the risk and this may have a negative impact on the profitability and value of the Group.

**Interest rates**

Changes in interest rates can affect the Group's profitability by affecting the spread between, among other things, the income on its assets and the expense of any interest-bearing liabilities it has, the value of any interest earning assets and its ability to make an investment. In the event of a rising interest rate environment and/or economic downturn, loan defaults may increase and result in credit losses that may be expected to affect the Group's operating results adversely. Interest rates are highly sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits, regulatory requirements and other factors beyond the control of the Group.

**The Investee Company's information technology systems may be impacted by breaches of security with material negative consequences for the Group**

An Investee Company may use cloud based information technology systems to support its operations and may maintain security measures that it believes are up to date and appropriate. However there is no assurance that these measures will prevent security breaches and any such breaches may have material adverse consequences for the Investee Company and ultimately for the Group.

In addition, an Investee Company may rely on the provision of information technology services from third parties. If these are disrupted or withdrawn then it may have a material adverse impact on the Investee Company's (and hence the Group's) business, prospects for growth and/or financial position. Factors outside the Group's control, such as fire, flood, natural disasters, power loss, terrorism or factors impacting the Investee Company's software providers' businesses may give rise to such consequences.

**Internal controls may be insufficient to enable effective management**

Future growth and prospects for the Company will depend on its management's ability to manage the business of the Company and to continue to improve internal operational and financial management information and control systems on a timely basis, whilst at the same time maintaining effective cost controls. Any failure to improve such information and control systems in line with the Group's growth could adversely impact the business, development, financial condition, results of operations and prospects of the Group.

**Client and staff flight risk**

As with any company investment, there is always a risk of losing clients and staff from an Investee Company. The mitigation plan involves identifying and speaking with key clients to reassure them of the Group's commitment to them and its future development roadmap. Similarly, the Group will identify who the key staff in the target company are and will meet with them to reassure them of their position in the Group. Incentivisation via the issue of Options to future key staff may also be considered by the Company.

**Competition and market development**

The market for the Investee Company's solutions is rapidly evolving and the Company expects competition to intensify in the future. This market is characterised by rapidly changing technologies and an abundance of potential market participants. As the market, technologies and industries evolve and as the Group introduces additional technical solutions, the Directors expect to face significantly increased competition from other companies in the Risk Management technology space. Such increased competition could harm the Group's revenue and operations and may also provide additional future investment opportunities.

**EIS/VCT tax qualification and potential investments**

On 12 April 2018 the Company obtained advance assurance from HMRC that new Ordinary Shares represent a qualifying holding for Venture Capital Trusts and a subscription for new Ordinary Shares by way of the Placing was capable of qualifying for Enterprise Investment Scheme tax reliefs.

Although any potential future subscription for shares may be eligible for tax relief under the EIS, or be a qualifying holding for a VCT investor, neither the Company nor the Board will provide any warranty or guarantee in this regard. Investors would have to take their own advice and rely on it. Neither the Company nor the Directors will give any warranties or undertakings that EIS relief or VCT relief will not be withdrawn. Investors must take their own advice and rely on it. If the Company carries on activities beyond those disclosed to HMRC, then Shareholders may cease to qualify for the tax benefits. The actual availability of EIS relief and qualifying status for VCT purposes would be contingent upon certain conditions being met by both the Company and the relevant investors. Should the law regarding EIS or VCT change, then any reliefs or qualifying status previously obtained may be lost. If the Company ceases to carry on the business outlined in this document, changes the manner in which the business is undertaken or acquires or commences a business which is not insubstantial to the Company's activities at any time this could prejudice the status of any future tax efficient investments made in the Company under the VCT provisions, if clearance is received. If these changes are made during the three year period from the last allotment of any investment in tax efficient shares, this could prejudice the qualifying status of the Company (as referred to above) under the EIS provisions. Circumstances may arise where the Board believes that the interests of the Company are not best served by acting in a way that preserves the EIS or VCT qualifying status. In such circumstances, the Company cannot undertake to conduct its activities in a way designed to secure or preserve any such relief or status claimed by any Shareholder.

If the Company does not employ all of the proceeds of an EIS share issue for qualifying trading purposes within 24 months of the date of issue of any EIS shares, the Company will not be a qualifying company and as such EIS relief will be withdrawn. In respect of subscription for any VCT shares made by a VCT, if the Company does not employ the funds invested by the VCT for qualifying purposes within 24 months, the funds invested by the VCT would be apportioned *pro rata* and its qualifying holding would be equal to the VCT's funds that had been employed for qualifying trade purposes within the above time limits. Any remaining element of the VCT's investment would comprise part of its non-qualifying holding. The above information is based upon current tax law and practice and other legislation and any changes in the legislation or in the levels and bases of, and reliefs from, taxation may affect the value of an investment in the Company. Any person who is in any doubt as to their taxation position should consult their professional taxation advisers.

The attention of potential investors is drawn to paragraph 15 of Part III of this document. The tax rules, including stamp duty provisions and their interpretation relating to an investment in the Company may change. The levels of, and reliefs from, taxation may change. The tax reliefs referred to in this document are those currently available and their value depends on investors' individual circumstances. Any change in the Company's tax status or the tax applicable to holding Ordinary Shares or in taxation legislation or its interpretation, could affect the value of the investments held by the Company, its ability to provide returns to Shareholders and/or alter the post-tax returns to Shareholders. Statements in this document concerning taxation of the Company and its Shareholders are based on current UK tax law and practice which is subject to change.

**RISKS RELATING TO THE MARKET IN WHICH THE COMPANY INVESTS**

**Technological change**

The Company will invest in companies that operate in markets that are subject to constant technological development, evolving industry standards and changes in customer needs. Therefore, the Company is

subject to the effects of actions by competitors in these markets and relies on its Investee Companies' ability to anticipate and adapt to constant technological changes taking place in the industry. For the Company's Investee Companies to maintain a strong position in the market, these companies will need to successfully market their products and services and respond to both commercial actions by competitors and other competitive factors affecting these markets, anticipating and adapting promptly to technological changes, changes in consumer preferences and general economic, political and social conditions.

Failure to do so effectively could have an adverse effect on the Investee Companies (and therefore the Group's) business, prospects, results of operations, financial condition or the market price of the Ordinary Shares.

New products and technologies arise constantly while the development of existing products and technologies could render obsolete the products and services that Investee Companies offer and the technologies they use. Investee Companies may incur unforeseen costs due to technological change.

**The Group's infrastructure and systems are at risk from cyber attacks**

The Group and Investee Companies will rely on information technology systems to conduct their operations. Because of this reliance, the Group and Investee Companies will be at risk from cyber-attacks. Cyber-attacks can result from deliberate attacks or unintentional events and may include (but are not limited to) third parties gaining unauthorised access to the Group's infrastructure and systems for the purpose of misappropriating its financial assets, intellectual property or sensitive information, corrupting data, or causing operational disruption. If the Group or an Investee Company suffers from a cyber-attack, whether by a third party or insider, it may incur significant costs and suffer other negative consequences, such as remediation costs (including liability for stolen assets or information) and repairing any damage caused to the Group's software. The Group may also suffer reputational damage and loss of investor confidence.

**Legislative and regulatory risks**

Any investment is subject to changes in regulation and legislation. As the direction and impact of changes in regulations can be unpredictable, there is a risk that regulatory developments will not bring about positive changes and opportunities, or that the costs associated with those changes and opportunities will be significant. In particular, there is a risk that regulatory change will bring about a significant downturn in the prospects of one or more acquired businesses, rather than presenting a positive opportunity.

## RISKS RELATING TO THE ORDINARY SHARES AND THEIR TRADING ON AIM

**No prior trading record for the Ordinary Shares**

Prior to Admission, there will have been no public market for the Ordinary Shares. The Placing Price has been agreed between the Company, Placees and the Subscriber under the Fundraising and may not be indicative of the market price following Admission. The subsequent market price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, as referred to above. These conditions may substantially affect the market price of the Ordinary Shares.

**Trading on AIM**

The Ordinary Shares will be admitted to trading on AIM. An investment in shares quoted on AIM may be less liquid and may carry a higher risk than an investment in shares quoted on the Official List. The AIM Rules for Companies are less demanding than those which apply to companies traded on the Premium Segment of the Official List. Further, the FCA has not itself examined or approved the contents of this document. A prospective investor should be aware of the risks of investing in such shares and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser authorised under FSMA.

**Value and liquidity of the Ordinary Shares**

It may be difficult for an investor to realise his, her or its investment. The shares of publicly traded companies can have limited liquidity and their share prices can be highly volatile.

The price at which the Ordinary Shares will be traded and the price at which investors may realise their investment will be influenced by a large number of factors, some specific to the Company and its operations and others which may affect companies operating within a particular sector or quoted companies generally. A relatively small movement in the value of an investment or the amount of income derived from it may result in a disproportionately large movement, unfavourable as well as favourable, in the value of the Ordinary Shares or the amount of income received in respect thereof.

Prospective investors should be aware that the value of the Ordinary Shares could go down as well as up, and investors may therefore not recover their original investment. Furthermore, the market price of the Ordinary Shares may not reflect the underlying value of the Company's net assets. The investment opportunity offered in this document may not be suitable for all recipients of this document. Potential investors are therefore strongly recommended to consult an independent financial adviser authorised under FSMA who specialises in advising on investments of this nature before making an investment decision.

**Investing Company status**

The Company is currently considered to be an Investing Company for the purposes of the AIM Rules for Companies. As a result, it may benefit from certain partial carve-outs to the AIM Rules for Companies, such as those in relation to the classification of Reverse Takeovers. Were the Company to lose Investing Company status for any reason, such carve-outs would cease to apply.

**Reverse takeovers**

As the Company is an Investing Company, it is likely that the Company's financial resources will be invested in a small number of investments. This may eventually trigger a Reverse Takeover under the AIM Rules for Companies which will be subject to prior Shareholder approval and re-admission to AIM or another listing venue for the enlarged entity.

Shareholders should note that where a transaction is considered to be a Reverse Takeover for the purposes of the AIM Rules for Companies and the Shareholders approve any such transaction, trading on AIM in the Ordinary Shares will be cancelled and re-admission to AIM or another listing venue will be required to be sought in the same manner as any other applicant applying for admission of its securities for the first time. Trading in the Ordinary Shares will normally be suspended following the announcement of any such transaction until the Company has published a re-admission document in respect of the Company.

**Dilution of Shareholders' interest as a result of additional equity fundraising**

The Company is expected to raise additional external funding when required to achieve its investment objective and make further investments. While the 2006 Act contains pre-emption rights for Shareholders in relation to issues of shares in consideration for cash, such rights can be disapplied by a special resolution of Shareholders. If pre-emption rights are disapplied, any additional equity financing may be dilutive to those Shareholders who cannot, or choose not to, participate in such financing.

**Future investments may have an adverse effect on the Group's ability to manage its business**

If the Group is presented with appropriate opportunities, it may acquire complementary intellectual property, technologies, development teams, companies or assets. Future investments would expose the Group to potential risks, including risks associated with the assimilation of new technologies and personnel, unforeseen or hidden liabilities, the diversion of management attention and resources from the Group's existing business and the inability to generate sufficient revenues to offset the costs and expenses of investments. Any difficulties encountered in the investment and integration process may have an adverse effect on the Group's ability to manage its business.

**No guarantee that the Ordinary Shares will continue to be traded on AIM**

The Company cannot assure investors that the Ordinary Shares will always continue to be traded on AIM or on any other exchange. If such trading were to cease, certain investors may decide to sell their shares, which could have an adverse impact on the price of the Ordinary Shares. Additionally, if in the future the

Company decides to obtain a listing on another exchange in addition or as an alternative to AIM, the level of liquidity of the Ordinary Shares traded on AIM could decline.

## GENERAL RISKS

### United Kingdom exit from the European Union

The determination by the United Kingdom to serve notice on 29 March 2017 to exit the European Union pursuant to Article 50 of the Treaty of Lisbon ("Brexit"), means the United Kingdom is likely to leave the European Union no later than April 2019. Brexit could have significant impact on the Group. The extent of the impact would depend in part on the nature of the arrangements that are put in place between the UK and the EU following Brexit and the extent to which the UK continues to apply laws that are based on EU legislation. In addition, the macroeconomic effect of Brexit on the Group is unknown. As such, it is not possible to state the impact that Brexit would have on the Group. It could also potentially make it more difficult for the Group to operate its business in the EU as a result of any increase in tariffs and/or more burdensome regulations being imposed on UK companies. This could restrict the Group's future prospects and adversely impact its financial condition.

### Changes resulting from the General Data Protection Regulation and global data protection measures

The Company and its Investee Companies are subject to a number of laws relating to privacy and data protection, including the UK's Data Protection Act 1998 and the Privacy and Electronic Communications (EC Directive) Regulations 2003, as well as relevant non-EEA data protection and privacy laws. Such laws govern the Company's and Investee Companies' ability to collect, use and transfer personal information.

With effect from 25 May 2018, the Company and Investee Companies will be subject to the General Data Protection Regulation (Regulation (EU) 2016/679) (''GDPR") which will place more onerous obligations on the Company and its Investee Companies in relation to data protection compliance. The Company and Investee Companies will take steps to prepare for the implementation of GDPR but there is a risk that such measures may not be deemed sufficient in order to comply with the regulation or regulatory guidance. Failure to comply with the GDPR or other data protection legislation in the countries where the Group operates may leave it open to criminal and civil sanctions.

### Force majeure

The Group's operations now or in the future may be adversely affected by risks outside the control or anticipation of the Group, including labour unrest, civil disorder, war, subversive activities or sabotage, fires, earthquakes, floods, explosions or other catastrophes, epidemics or quarantine restrictions, which may have a material adverse effect on the Group's future financial condition and results.

### The general economic climate may be adverse for the Group

The Company may make investments in companies and businesses that are susceptible to economic recessions or downturns. During periods of adverse economic conditions, the markets in which the Group operates may decline, thereby potentially decreasing revenues and causing financial losses, difficulties in obtaining access to, and fulfilling commitments in respect of, financing, and increased funding costs. In addition, during periods of adverse economic conditions, the Company may have difficulty accessing financial markets, which could make it more difficult or impossible for the Company to obtain funding for additional investments and negatively affect the Company's operating results. Accordingly, adverse economic conditions could adversely impact the business, development, financial condition, results of operations and prospects of the Group.

### Taxation

There can be no certainty that the current taxation regime in England and Wales or overseas jurisdictions in which the Group may operate in the future will remain in force or that the current levels of corporation taxation will remain unchanged. Any change in the tax status of the Group or to applicable tax legislation may have a material adverse effect on the financial position of the Group.

**Foreign exchange movements**

The Company may invest in foreign companies, hence some contracts may be priced in foreign currencies and also have employees based overseas paid in foreign currencies. It is therefore exposed to the risk that adverse exchange rate movements could cause its costs to increase (relative to its reporting currency) resulting in reduced profitability. The Company, where deemed relevant, takes steps to mitigate this risk by putting in place hedging arrangements to reduce exposure to currency risk, however these may not always be entirely effective, and residual currency risk may exist.

# PART III

# ADDITIONAL INFORMATION

## 1. INCORPORATION AND STATUS OF THE COMPANY

1.1 The Company was incorporated in England and Wales on 2 March 2018 as a public limited company under the 2006 Act, with registered number 11231735 and under the name KRM22 plc.

1.2 The principal legislation under which the Company was formed and operates and under which the New Ordinary Shares will be issued is the 2006 Act. The liability of the Shareholders is limited.

1.3 The registered office and head office of the Company is at Mocatta House, Trafalgar Place, Brighton BN1 4DU. Its telephone number is 020 3740 3900.

1.4 The Company's website, at which the information required by Rule 26 of the AIM Rules can be found is www.krm22.com.

1.5 The Company has no administrative, management or supervisory bodies other than the Board, the Audit Committee, the Remuneration Committee and Nominations Committee.

1.6 The Company is domiciled in the United Kingdom.

## 2. THE GROUP AND THE SUBSIDIARIES

2.1 The Company is the holding company of the Group which comprises the Company and the following wholly owned Subsidiaries:

| *Name* | *Principal activity* | *Percentage owned at the date of this document* | *Country of incorporation* | *Holding Company* |
|---|---|---|---|---|
| KRM22 Central Limited | Group and UK head-office functions. | 100% | UK | Company |
| KRM22 Development Limited | Technical development of the Group's future SaaS platform that gives access to investee businesses to potential customers. | 100% | UK | KRM22 Central Limited |
| KRM22 Americas, Inc. | USA head-office functions. | 100% | UK | KRM22 Central Limited |

2.2 At the date of this document the Company, save for the Subsidiaries, has no other interest in any company.

2.3 The Company's main activity is that of a holding company. It acts as the holding company of the Group, whose principal activity is investing in other businesses to develop real-time enterprise risk management software for use by capital market organisations.

## 3. SHARE CAPITAL OF THE COMPANY

3.1 The issued fully paid up share capital of the Company as at the date of this document and as it is expected to be immediately following Admission is as follows:

| | Issued share capital | |
|---|---|---|
| | £ | Number of Ordinary Shares |
| As at the date of this document | 200,000 | 2,000,000 |
| Immediately following Admission | 1,232,023.90 | 12,320,239 |

3.2 On incorporation, the issued share capital of the Company consisted of two ordinary shares of £0.10 each of which was fully paid up.

3.3 There have been the following changes to the share capital of the Company between the date of incorporation and the date of this document:

3.3.1 on incorporation the share capital of the Company comprised two ordinary shares of £0.10; and

3.3.2 on 19 April 2018, a total of 1,999,998 Ordinary Shares were issued and allotted to the Existing Shareholders pursuant to a share exchange agreement further details of which are set out in paragraph 10.4 of this Part III.

3.4 By resolution of the members of the Company passed on 18 April 2018:

3.4.1 the Directors were generally and unconditionally authorised in accordance with section 551 of the 2006 Act to allot shares in the Company or grant rights to subscribe for or to convert any securities into shares in the Company:

(a) up to an aggregate nominal amount of £199,999.80 in connection with the issue of Ordinary Shares to the Existing Shareholders;

(b) up to an aggregate nominal amount of £1,500,000 in connection with the Placing and Subscription;

(c) up to an aggregate nominal amount of £600,000 in connection with the grant of the Warrants; and

(d) conditional on Admission, up to an aggregate nominal amount of £1,500,000, save that no shares shall be allotted or rights granted pursuant to this sub-paragraph which would exceed a nominal value in aggregate equal to 100 per cent. of the aggregate nominal value of the Company's issued share capital on Admission,

provided that such authorities shall expire at the conclusion of the AGM of the Company in 2019, save that the Company may before such expiry make any offer or agreement which would or might require shares to be allotted or rights to be granted, after such expiry and the Directors may allot shares, or grant rights to subscribe for or to convert any securities into shares, in pursuance of any such offer or agreement as if the authorities conferred by this resolution had not expired.

3.4.2 the Directors were generally and unconditionally empowered under Section 570 of the 2006 Act to allot equity securities (as defined in Section 560(1) of the 2006 Act) wholly for cash pursuant to the authority referred to by the previous authority in paragraph 3.4.1 above as if sub-section (1) of Section 561 of the 2006 Act did not apply to any such allotment. Such authority to be limited to:

(a) an allotment of equity securities in connection with an offer of such securities by way of rights issue, open offer or other pre-emptive offer to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings of such shares, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or any legal or practical issues under the laws of any territory or the requirements of any regulatory body or stock exchange; and

(b) the allotment of further equity securities:

(i) up to an aggregate nominal amount of £1,500,000 in connection with the Placing and Subscription;

(ii) up to an aggregate nominal amount of £600,000 in connection with the grant of the Warrants; and

(iii) conditional on Admission, up to an aggregate nominal amount of £1,500,000, save that no shares shall be allotted or rights granted pursuant to this sub-paragraph which would exceed a nominal value in aggregate equal to 100 per cent. of the aggregate nominal value of the Company's issued share capital on Admission

and shall expire at the conclusion of the AGM of the Company in 2019 (unless renewed, varied or revoked by the Company prior to its expiry), save that the Company may before such expiry make an offer or agreement which would or might require securities to be allotted after such expiry and the board may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

3.5 The provisions of section 561(1) of the 2006 Act (which confer on shareholders rights of pre-emption in respect of the allotment of equity securities which are paid up in cash) apply to the unissued share capital of the Company except to the extent disapplied by the resolution referred to in sub-paragraph 3.4.2 above.

3.6 The Ordinary Shares have attached to them full voting, dividend and capital distribution (including on winding up) rights, but do not confer any rights of redemption, and are subject to the rights and restrictions set out in the Articles which are summarised in paragraph 4 below.

3.7 The Ordinary Shares will, on Admission, rank *pari passu* in all respects and will rank in full for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company.

3.8 Save as disclosed in paragraphs 3.2 and 3.3 of this Part III of this document, there has been no issue of share or loan capital of the Company since its incorporation.

3.9 No commissions, discounts, brokerages or other special terms have been granted by the Company or any other member of the Group in connection with the issue or sale of any share or loan capital of the Company or any other member of the Group since its incorporation.

3.10 No Ordinary Shares are currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.

3.11 The Ordinary Shares are in registered form and may be held either in certificated form or in uncertificated form through CREST. The Articles permit the Company to issue shares in uncertificated form.

3.12 Save for the Warrants, the Company does not have in issue any securities not representing share capital and there are no outstanding securities in issue by the Company.

3.13 Other than the Fundraising and on exercise of the Warrants as described in paragraph 11 of this Part III, the Company has no present intention to issue any further Ordinary Shares in the Company.

3.14 Save as disclosed in paragraph 6.1.2 of Part III of this document, on Admission no share or loan capital of the Company or any other member of the Group will be under option or has been agreed conditionally or unconditionally to be put under option.

3.15 None of the Ordinary Shares have been sold or are available in whole or in part to the public in conjunction with the application for the Ordinary Shares to be admitted to AIM other than pursuant to the Fundraising.

3.16 The International Security Identification Number for the Ordinary Shares is GB00BFM6WC61.

## 4. ARTICLES OF ASSOCIATION

### 4.1 General

4.1.1 The Articles, which were adopted by the Company upon incorporation on 2 March 2018, available to download at the Company's website, www.krm22.com, contain certain provisions, the material provisions of which are set out below. This is a description of significant rights and does not purport to be complete or exhaustive.

4.1.2 In this paragraph 4 of Part III, "Statutes" means the 2006 Act and every other statute or statutory instrument, rule, order or regulation from time to time in force concerning companies so far as they apply to the Company.

4.1.3 The Company has unrestricted objects.

The Articles contain provisions, among others, to the following effect:

### 4.2 Meetings of Members

Subject to the requirement to convene and hold annual general meetings in accordance with the requirements of the 2006 Act, the Board may call general meetings whenever and at such times and places as it shall determine and, on the requisition of members pursuant to the provisions of the 2006 Act, shall forthwith proceed to convene a general meeting in accordance with the requirements of the 2006 Act.

An annual general meeting shall be called by at least 21 clear days' notice. All other general meetings shall be called by at least 14 clear days' notice. Subject to the provisions of the Articles and to any restrictions imposed on any shares, the notice shall be given to all the members, to each of the directors and the auditors for the time being of the Company. The notice shall specify the time and place of the meeting and, in the case of special business, the general nature of such business. The accidental omission to give notice of a meeting, or to send a form of proxy with a notice where required by the Articles, to any person entitled to receive the same, or the non-receipt of a notice of meeting or form of proxy by any person, shall not invalidate the proceedings of that meeting.

The directors may from time to time make such arrangements for the purpose of controlling the level of attendance as they shall in their absolute discretion consider appropriate.

The appointment of a proxy shall be executed by or on behalf of the appointer. Delivery of a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned. A member may appoint more than one proxy to attend on the same occasion.

A corporation or corporation sole which is a member of the Company may authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any separate meeting of the holders of any class of shares.

### 4.3 Voting Rights

At a general meeting of the Company, subject to any special rights or restrictions attached to any class of shares:

4.3.1 on a show of hands every member present in person has one vote, every duly appointed proxy present has one vote (unless he has been appointed by more than one member and has been instructed by one or more members to vote for a resolution and by one or more other members to vote against it, in which case he has one vote for and one vote against the resolution) and any person duly appointed to act as the authorised representative of a corporate member (or each of them if more than one) has one vote; and

4.3.2 on a poll every member has one vote for every share held by him.

No shareholder will be entitled to vote at a general meeting or any separate meeting of the holders of any class of shares in the Company in respect of any share held by him unless all moneys presently owed to the Company have been paid.

4.4 **Alteration of Capital**

The Company may from time to time by ordinary resolution:

4.4.1 increase its capital as the resolution shall prescribe;

4.4.2 consolidate and divide all or any of its shares into shares of larger amount;

4.4.3 sub-divide all or any of its shares into shares of smaller amount and attach varying rights to the shares resulting from such sub-division; and

4.4.4 cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

The Company may by special resolution reduce its share capital, any capital redemption reserve fund and any share premium account subject to the provisions of the 2006 Act.

4.5 **Variation of Rights**

All or any of the special rights for the time being attached to any class of shares for the time being issued may be varied or abrogated with the consent in writing of the holders of three-quarters in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of such holders (but not otherwise). At every such separate general meeting the necessary quorum shall be not less than two persons holding or representing by proxy not less than one third in nominal amount of the issued shares of the class or, at any adjourned meeting of such holders, one holder who is present in person or by proxy, whatever the amount of his holding, shall be deemed to constitute a meeting.

4.6 **Purchase of Own Shares**

Subject to the provisions of the 2006 Act and to the sanction by an extraordinary resolution passed at a separate class meeting of the holders of any convertible shares, the Company may purchase any of its own shares of any class (including redeemable shares) at any price.

4.7 **Transfer of Shares**

Any member may transfer all or any of his shares. Save where any rules or regulations made under the 2006 Act permit otherwise, the instrument of transfer of a share shall be in any usual form or in any other form which the Board may approve and shall be executed by or on behalf of the transferor and (in the case of a share which is not fully paid) by the transferee. The Board may in its absolute discretion and without giving any reason decline to register any transfer of shares which are not fully paid or on which the Company has a lien.

4.8 **Dividends and other distributions**

The Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Board. The Board may pay interim dividends if it appears that they are justified by the financial position of the Company.

All dividends shall be apportioned and paid *pro rata* to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid.

Any dividend unclaimed after a period of twelve years from the date when it became due for payment shall, if the Board so resolves, be forfeited and cease to remain owing by the Company.

The Board may, if authorised by an ordinary resolution of the Company, offer members the right to elect to receive shares credited as fully paid in whole or in part, instead of cash, in respect of the dividend specified by the ordinary resolution.

The Company may cease to send any cheque or dividend warrant through the post if such instruments have been returned undelivered or remain uncashed by a member on at least two

consecutive occasions. The Company shall recommence sending cheques or dividend warrants if the member claims the dividend or cashes a dividend warrant or cheque.

In a winding up, the liquidator may, with the sanction of an extraordinary resolution and subject to the Insolvency Act 1986, divide among the members in specie the whole or any part of the assets of the Company and/or vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as the liquidator determines.

4.9 **Restrictions on Shares**

If the Board is satisfied that a member or any person appearing to be interested in shares in the Company has been duly served with a notice under Section 793 of the 2006 Act and is in default in supplying to the Company the information thereby required within a prescribed period after the service of such notice the Board (of the Company) may serve on such member or on any such person a notice (''a direction notice") in respect of the shares in relation to which the default occurred (''default shares") directing that a member shall not be entitled to vote at any general meeting or class meeting of the Company. Where default shares represent at least 0.25 per cent. of the class of shares concerned (less any shares of that class held in treasury) the direction notice may in addition direct that: (i) except in a liquidation of the Company, no payment shall be made by the Company on the default shares, whether in respect of capital or dividend or otherwise, (ii) no other distribution shall be made on the default shares; and (iii) no transfer of any of the shares held by the member shall be registered unless: (A) the member itself is not in default as regards supply the requested information and the member certifies that no person in default as regards supplying the requested information is interested in any of the shares the subject of the transfer; (B) the transfer is an approved transfer; or (C) registration is required under regulation 27 of the CREST Regulations. The prescribed period referred to above means 14 days from the date of service of the notice under Section 793.

4.10 **Directors**

4.10.1 At the first annual general meeting of the Company all of the directors for the time being shall retire from office and put themselves up for re-election. At every subsequent annual general meeting, any director appointed by a resolution of the Board shall retire and in addition to any director who was not appointed or re-appointed at one of the preceding two annual general meetings.

4.10.2 Save as provided in sub-paragraph 4.10.3 below, a director shall not vote at a meeting of the Board or any committee of the Board on any resolution of the directors concerning a matter in which he has an interest which together with any interest of any person connected with him is to his knowledge a material interest. The Company may by ordinary resolution suspend or relax such provisions to any extent or ratify any transaction not duly authorised by reason of a contravention of such provisions.

4.10.3 The prohibition in sub-paragraph 4.10.2 above shall not apply to a director in relation to any of the following matters, namely: (i) the giving of any guarantee, security or indemnity to him in respect of money lent or obligations incurred by him for the benefit of the Company or any of its Subsidiaries; (ii) the giving of any guarantee, security or indemnity to a third party in respect of an obligation of the Company or any of its Subsidiaries for which he has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by giving of security; (iii) the subscription for or underwriting or sub-underwriting of any shares, debentures or other securities of the Company or any of its Subsidiaries by him; (iv) any proposal concerning any other company in which he and any persons connected with him do not to his knowledge hold an interest in shares representing one per cent or more of either any class of the equity share capital or the voting rights in such company); (v) any resolution relating to an arrangement for the benefit of employees of the Company or any of its Subsidiaries and which does not provide in respect of any director as such any privilege or benefit not accorded to the employees to whom the arrangement relates; and (vi) any proposal concerning the purchase and/or maintenance of any insurance policy against liability for negligence, default, breach of duty or breach of trust in relation to the Company under which he may benefit.

4.10.4 The ordinary remuneration of the directors who do not hold executive office for their services (excluding amounts payable under any other provision of the Articles) shall not exceed in aggregate £250,000 per annum or such higher amount as the Company may from time to time by ordinary resolution determine. Subject thereto, each such director shall be paid a fee (which shall be deemed to accrue from day to day) at such rate as may from time to time be determined by the Board. The directors shall be entitled to all such reasonable expenses as they may properly incur in attending meetings of the Board or in the discharge of their duties as directors. Any director who by request of the Board performs special services may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the Board may determine. The directors may pay pensions and other benefits to, *inter alia*s, present and past employees and directors and may set up and maintain schemes for the purpose.

4.10.5 Unless otherwise determined by ordinary resolution of the Company, the number of directors shall not be less than two. There is no maximum number of directors. A director shall not be required to hold any shares of the Company by way of qualification.

4.11 **Borrowing Powers**

The directors may exercise all the powers of the Company to borrow money, to guarantee, to indemnify and to mortgage or charge its undertaking, property, assets (present and future) and uncalled capital, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. The directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its Subsidiaries so as to secure (so far as regards Subsidiaries as by such exercise they can secure) that the aggregate principal amount (including any premium payable on final payment) for the time being outstanding of all monies borrowed by the Company and its Subsidiaries and for the time being owing to third parties shall not at any time, without the previous sanction of an ordinary resolution of the Company, exceed an amount equal to four times the Adjusted Capital and Reserves (as defined in the Articles).

## 5. TAKEOVER CODE

5.1 **Mandatory bid**

The Takeover Code applies to the Company. Under the Takeover Code, if an acquisition of Ordinary Shares were to increase the aggregate holding of the acquirer and its concert parties to shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer and, depending on the circumstances, its concert parties, would be required (except with the consent of the Panel on Takeovers and Mergers) to make a cash offer for the outstanding Ordinary Shares in the Company at a price not less than the highest price paid for the Ordinary Shares by the acquirer or its concert parties during the previous 12 months.

This requirement would also be triggered by any acquisition of Ordinary Shares by a person holding (together with its concert parties) shares carrying between 30 and 50 per cent. of the voting rights in the Company if the effect of such acquisition were to increase that person's percentage of the total voting rights of the Company.

5.2 **Squeeze-out**

Under the 2006 Act, if an offeror were to acquire 90 per cent. of the Ordinary Shares within four months of making its offer, it could then compulsorily acquire the remaining 10 per cent. It would do so by sending a notice to outstanding Shareholders telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for outstanding Shareholders.

The consideration offered to the Shareholders whose shares are compulsorily acquired under the 2006 Act must, in general, be the same as the consideration that was available under the takeover offer unless the Shareholders can show that the offer value is unfair.

5.3 **Sell-out**

The 2006 Act also gives minority Shareholders a right to be bought out in certain circumstances by an offeror who had made a takeover offer. If a takeover offer related to all the Ordinary Shares and at any time before the end of the period within which the offer could be accepted the offeror held or had agreed to acquire not less than 90 per cent. of the Ordinary Shares, any holder of shares to which the offer relates who has not accepted the offer can by a written communication to the offeror require it to acquire those shares. The offeror would be required to give any Shareholder notice of his right to be bought out within one month of that right arising.

The offeror may impose a time limit on the rights of minority Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a Shareholder exercises its rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

5.4 **Other**

There are no mandatory takeover bids outstanding in respect of the Company and none has been made either in the last financial year or the current financial year of the Company. No public takeover bids have been made by third parties in respect of the Company's issued share capital in the current financial year nor in the last financial year.

**6. DISCLOSURE OF INTERESTS**

6.1 **Directors' and other interests**

6.1.1 The interests of the Directors and their immediate families (all of which are beneficial unless otherwise stated) in the issued share capital of the Company which have been notified to the Company (or are required to be disclosed in the register of directors' interests pursuant to Section 808 of the 2006 Act) and the interests of connected persons of a Director within the meaning of section 252 of the 2006 Act which would, if the connected person were a Director, be required to be disclosed in accordance with the foregoing and the existence of which is known to or could with reasonable diligence be ascertained by that Director, as at the date of this document and as expected to be immediately following Admission are as follows:

| *Name* | *Number of Existing Ordinary Shares* | *% of Existing Ordinary Shares* | *Number of Ordinary Shares immediately following Admission* | *% of Enlarged Issued Share Capital* |
|---|---|---|---|---|
| Keith Todd | 1,180,000 | 59.0 | 1,540,000 | 12.5 |
| Karen Bach[1] | 200,000 | 10.0 | 225,000 | 1.8 |
| Stephen Casner | 400,000 | 20.0 | 507,143 | 4.1 |
| Jim Oliff[2] | 100,000 | 5.0 | 170,000 | 1.4 |
| Sandy Broderick | Nil | Nil | Nil | Nil |
| David Ellis | Nil | Nil | Nil | Nil |
| Matthew Reed | Nil | Nil | Nil | Nil |

(1) 112,500 of the 225,000 Ordinary Shares shown against Ms Bach's name are held by her husband, Francois Bach.

(2) The Ordinary Shares in which Mr Oliff is shown as being interested above are held by Jim Oliff as trustee for the James E. Oliff Trust.

6.1.2 As at the date of this document, the following Warrants have been granted, conditional on Admission, to the Directors set out below and Libor Soucek under the Warrant Agreements described in paragraph 11 of this Part III:

| *Name* | *Date of grant* | *Number of Ordinary Shares subject to Warrants* | *Expiry of Warrants* | *Exercise Price (£)* |
|---|---|---|---|---|
| Karen Bach | 24 April 2018 | 900,000 | 30 April 2028 | 1.00 |
| Stephen Casner | 24 April 2018 | 1,200,000 | 30 April 2028 | 1.00 |
| Jim Oliff | 24 April 2018 | 300,000 | 30 April 2028 | 1.00 |
| Libor Soucek | 24 April 2018 | 300,000 | 30 April 2028 | 1.00 |

6.1.3 As at the date of this document Keith Todd holds no Warrants. The Company intends to grant a Warrant to subscribe for 3,300,000 Ordinary Shares with an exercise price of £1.00 per Ordinary Share to Keith Todd immediately following Admission. The expiry date of such Warrants will be on 30 April 2028.

6.1.4 Save as disclosed in this paragraph 6.1 none of the Directors, nor any member of their families, nor any person connected with them within the meaning of section 252 of the 2006 Act, has any interest in the issued share capital of the Company or its Subsidiaries.

6.1.5 Save as disclosed in this paragraph 6.1 as at the date of this document, no Director has any option over or warrant to subscribe for any shares in the Company.

6.1.6 Save for the service agreements and letters of appointment referred to in paragraph 8 of this Part III or the Placing Agreement referred to in paragraph 10.1 of this Part III or the Lock-in Agreements referred to in paragraph 10.3 of this Part III or the Subscription Agreement referred to in paragraph 10.8 of this Part III, there are no agreements, arrangements or understandings (including compensation agreements) between any of the Directors, recent directors, shareholders or recent shareholders of the Company connected with or dependent upon Admission or the Fundraising.

6.2 **Significant Shareholders**

6.2.1 In addition to the interests of the Directors set out in paragraph 6.1 above, the Directors are aware of the following interests (within the meaning of Part 22 of the 2006 Act) in the Ordinary Shares which, immediately following Admission, would amount to three per cent. or more of the Enlarged Issued Share Capital:

| *Name* | *Number of Ordinary Shares following Admission* | *% of Enlarged Issued Share Capital* |
|---|---|---|
| Keith Todd | 1,540,000 | 12.50 |
| Hargreave Hale Ltd | 1,200,000 | 9.74 |
| Cinnober Financial Technology AB | 1,200,000 | 9.74 |
| Octopus Investments Ltd | 1,134,308 | 9.21 |
| Livingbridge VC LLP | 1,000,000 | 8.12 |
| Miton Asset Management Ltd | 1,000,000 | 8.12 |
| Rathbone Brothers Plc | 758,040 | 6.15 |
| Hargreave Hale AIM VCT | 619,387 | 5.03 |
| Herald Investment Management Limited | 600,000 | 4.87 |
| Stephen Casner | 507,143 | 4.12 |
| Maven Capital Partners UK LLP | 469,909 | 3.81 |
| Artemis Investment Management LLP | 387,095 | 3.14 |

6.2.2 Save as disclosed above in paragraphs 6.1 and 6.2, the Directors are not aware of any person or persons who, directly or indirectly, have an interest in the Company which represents

3 per cent. or more of its issued share capital or voting rights who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.

6.2.3 Neither the Directors nor any Significant Shareholders have different voting rights to other holders of the share capital of the Company.

## 7. ADDITIONAL INFORMATION ON THE DIRECTORS

7.1 The Directors currently hold (other than the Company) the following directorships and are partners in the following partnerships and have held the following directorships and have been partners in the following partnerships within the five years prior to the publication of this document:

| *Director* | *Current directorships/partnership* | *Past directorships/partnerships* |
|---|---|---|
| Keith Todd | Amino Technologies plc<br>Barletta Media Limited<br>K&K Consortium Limited<br>KGC22 Limited<br>KRM22 Central Limited<br>KRM22 Development Limited<br>Magic Lantern Productions Limited<br>Mastpoint Finance Limited<br>Mastpoint Limited<br>Myra Ventures Limited<br>Sleeping Lamp Ltd | FFastFill Europe Limited<br>FFastFill F D Limited<br>FFastFill Limited<br>FFastFill Post-Trade Processing Limited<br>FFastFill UK Limited<br>Home Park Properties Limited<br>Home Park Venue Services Limited<br>Plymouth Argyle Football Company Limited (The)<br>Plymouth Argyle Football Company (Holdings) Limited |
| Karen Bach | Amino Technologies plc<br>Escape Hunt plc<br>IXcellerate Limited<br>Kallikids Limited<br>KK Cura Limited<br>KRM22 Central Limited<br>KRM22 Development Limited<br>Purnoma Limited<br>Red Arc (TP) Limited<br>Sleeping Lamp Ltd | Belvoir Lettings plc<br>Learning Foundation<br>Red Arc Developments Limited |
| Stephen Casner | BHCC Foundation Inc. | Beacon Hill Country Club, Inc.<br>Hazeltree Fund Services Inc. |
| Jim Oliff | FILO Corp.<br>Rice Dairy LLC | CME Clearing Europe Limited<br>CME Europe Limited<br>CME Group, Inc. |
| Sandy Broderick | Broderick Associates Limited<br>Capitoline Dewatering LLP<br>ClearCompress Limited<br>Global Derivatives Indices Limited<br>LDX International Group LLP<br>London Derivatives Exchange Group Limited<br>London Derivatives Exchange Limited<br>The Third Scotts Atlantic Distributors LLP | Corefdata Limited<br>DTCC Data Repository (Japan) KK<br>DTCC Data Repository (Singapore) Pte. Ltd<br>DTCC Data Repository (US) LLC<br>DTCC Derivatives Repository plc<br>DTCC Deriv/SERV LLC<br>DTCC Europe Limited<br>DTCC Global Holdings BV<br>DTCC Global Parent CV<br>GMEX Technologies Limited<br>Lombard Risk Management plc<br>The Warehouse Trust Company LLC |

| *Director* | *Current directorships/partnership* | *Past directorships/partnerships* |
|---|---|---|
| David Ellis | 1892 Management Company Limited<br>Kingsway Place Freehold Limited<br>Tower Research Capital Europe Limited | Nil |
| Matthew Reed | BGF GP Limited<br>BGF Group Limited<br>BGF Investment Management Limited<br>BGF Ireland GP Limited<br>BGF Ireland Nominees Limited<br>BGF Nominees Limited<br>BGF Services Limited<br>Business Growth Fund plc | Nil |

7.2 Save as set out below in this document, no director has:

7.2.1 any unspent convictions in relation to indictable offences (including fraudulent offences);

7.2.2 ever had any bankruptcy order made against him or entered into any individual voluntary arrangements with his creditors;

7.2.3 ever been a director of a company which has been placed in receivership, creditors' voluntary liquidation, compulsory liquidation or administration, or been subject to a voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors, whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;

7.2.4 ever been a partner in any partnership which has been placed in compulsory liquidation or administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;

7.2.5 owned, or been a partner in a partnership which owned, any asset which, while he owned that asset, or while he was a partner or within 12 months after his ceasing to be a partner in the partnership which owned that asset, entered into receivership;

7.2.6 received any official public incrimination and/or sanction by any statutory or regulatory authority (including recognised professional bodies); or

7.2.7 been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of a company.

7.3 Keith Todd was a director of Plymouth Argyle Football Company (Holdings) Limited on the commencement of a creditors' voluntary winding up of that company on 15 December 2011. The winding up of the company completed on 9 April 2013 with a shortfall to creditors of £4,409,660.

7.4 No Director nor member of a Director's family has a related financial product (as defined in the AIM Rules) referenced to the Ordinary Shares.

7.5 Save as disclosed in this document, no Director is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Group and which was effected by the Group and remains in any respect outstanding or unperformed.

7.6 No loans made or guarantees granted or provided by the Group to or for the benefit of any Director are outstanding.

## 8. DIRECTORS' SERVICE AGREEMENTS AND TERMS OF APPOINTMENT

Summary details of the service agreements and letters of appointment entered into between the Company and the Directors are set out below:

8.1 Pursuant to an agreement with the Company dated 25 April 2018, Keith Todd is employed by the Company as Executive Chairman and Chief Executive Officer. Mr Todd's initial salary is £175,000 per annum. On the Group achieving annualised recurring revenue of £10 million based on the Group's performance over three consecutive months, Mr Todd's salary will be increased to £225,000 with effect from the first day of the calendar month immediately following the last of those three months. Mr Todd is entitled to participate, at the sole discretion of the Company, in any benefit scheme operated by the Company, subject to the rules of such scheme. The agreement may be terminated by either party giving 12 months' written notice or immediately by the Company in certain circumstances including gross misconduct.

Upon any person acquiring control of 90 per cent. of the issued share capital of the Company, (or a parent company), Mr Todd may within 30 days of such event notify the Company that he does not wish to remain in the employment of the Company, and on receipt of that notification the Company shall be deemed to have given notice to Mr Todd to terminate his employment under the service agreement and to have elected to make a payment in lieu of notice for the whole of his notice period, save for such period (not exceeding 90 days from the commencement of the 30 day period referred to above) during which the Company may require Mr Todd to remain in the Company's employment in order to achieve an orderly handover of his responsibilities.

Mr Todd's service agreement contains confidentiality undertakings and prohibitions (which apply for a period of six months following termination of employment) on competing, soliciting and dealing with customers, poaching employees and interfering with relationships with suppliers.

8.2 Karen Bach has agreed to act as Chief Operating Officer of the Company pursuant to a service agreement dated 25 April 2018. Ms Bach will receive an initial annual salary of £160,000 pursuant to her agreement. On the Group achieving annualised revenue of £10 million based on the Group's performance over three consecutive months, Ms Bach's salary will be increased to £200,000 with effect from the first day of the calendar month immediately following the last of those three months. Ms Bach is entitled to participate, at the sole discretion of the Company, in any benefit scheme operated by the Company, subject to the rules of such scheme. The agreement may be terminated by either party giving 12 months' written notice or immediately by the Company in certain circumstances including gross misconduct. If Ms Bach is asked to report to a person other than Keith Todd, Ms Bach may within 30 days of such event notify the Company that she does not wish to remain in the employment of the Company, and on receipt of that notification the Company shall be deemed to have given notice to Ms Bach to terminate her employment under the service agreement and to have elected to make a payment in lieu of notice for the whole of her notice period, save for such period (not exceeding 90 days from the commencement of the 30 day period referred to above) during which the Company may require Ms Bach to remain in the Company's employment in order to achieve an orderly handover of her responsibilities (save that Ms Bach shall not exercise her rights under this clause where to do so would be unreasonable in the context of any succession plan proposed by Keith Todd).

Upon any person acquiring control of 90 per cent. of the issued share capital of the Company, (or a parent company), Ms Bach may within 30 days of such event notify the Company that she does not wish to remain in the employment of the Company, and on receipt of that notification the Company shall be deemed to have given notice to Ms Bach to terminate her employment under the service agreement and to have elected to make a payment in lieu of notice for the whole of her notice period, save for such period (not exceeding 90 days from the commencement of the 30 day period referred to above) during which the Company may require Ms Bach to remain in the Company's employment in order to achieve an orderly handover of her responsibilities.

Ms Bach's service agreement contains confidentiality undertakings and prohibitions (which apply for a period of six months following termination of employment) on competing, soliciting and dealing with customers, poaching employees and interfering with relationships with suppliers.

8.3 Stephen Casner has agreed to act as a director of the Company pursuant to a letter of appointment dated 25 April 2018. Mr. Casner will receive an annual fee of £10,000 pursuant to his letter of appointment. The appointment may be terminated by either party giving one month's written notice, or by the Company, in its absolute discretion, at any time after notice is given by the Company or Mr Casner under the employment contract noted below. Mr Casner has also agreed to act as KRM22 CEO USA pursuant to an employment agreement with KRM22 Americas Inc. dated 25 April 2018. Mr Casner will receive an annual salary of US$287,500 pursuant to his employment agreement.

The agreement may be terminated without cause by Mr Casner giving 12 months' written notice or immediately by KRM22 Americas Inc. in certain circumstances including gross misconduct.

KRM22 Americas Inc may terminate Mr Casner's employment without cause on three months' written notice. In such circumstances, provided Mr Casner executes an agreement waiving any claims against KRM22 Americas Inc then he will receive, after the three month notice period, a further 9 months' salary up to US$215,625 plus medical coverage.

In addition, Mr Casner can elect to terminate the agreement in circumstances stipulated in the agreement, being:

8.3.1 a material reduction of the material duties, responsibilities or authority of Mr Casner;

8.3.2 a requirement that Mr Casner report to any corporate officer or employee other than the Executive Chairman or to the Board;

8.3.3 if Mr Casner is not re-elected to serve on the Board or is removed from his position as a member of the Board;

8.3.4 KRM22 Americas Inc's material breach of the agreement;

8.3.5 if Mr Casner required to report to someone other than Keith Todd without his consent; and

8.3.6 upon any person acquiring control of 90 per cent. of the issued share capital of the Company (in which case, Mr Casner must notify the Company of his intent to resign with good reason by the earlier of 90 days after the change of control; or 30 days after he first learns about the change of control).

If Mr Casner elects to terminate the agreement in these circumstances then he may resign on three months' written notice. In such circumstances, provided Mr Casner executes an agreement waiving any claims against KRM22 Americas Inc then he will receive, after the three month notice period, a further 9 months' salary up to US$215,625 plus medical coverage. Mr Casner's employment agreement contains confidentiality undertakings and prohibitions (which apply for a period of six months following termination of employment) on competing, soliciting and dealing with customers, poaching employees and interfering with relationships with suppliers.

8.4 Jim Oliff has agreed to act as a non-executive director of the Company pursuant to a letter of appointment dated 25 April 2018. Mr. Oliff will receive an annual fee of £25,000 plus US$5,000 per marketing event he attends on behalf of the Company pursuant to his letter of appointment. The appointment may be terminated by either party giving three months' written notice.

8.5 Sandy Broderick has agreed to act as a non-executive director of the Company pursuant to a letter of appointment dated 25 April 2018. Mr Broderick will receive an annual fee of £25,000 pursuant to his letter of appointment. The appointment may be terminated by either party giving three months' written notice.

8.6 David Ellis has agreed to act as a non-executive director of the Company pursuant to a letter of appointment dated 25 April 2018. Mr Ellis will receive an annual fee of £25,000 pursuant to his letter of appointment. The appointment may be terminated by either party giving three months' written notice.

8.7 Matthew Reed has agreed to act as a non-executive director of the Company pursuant to a letter of appointment dated 25 April 2018. Mr Reed will receive an annual fee of £25,000 plus £5,000 per year for the role of Audit Chairman pursuant to his letter of appointment. The appointment may be terminated by either party giving three months' written notice.

8.8 The aggregate estimated remuneration paid or payable to the Directors by any company in the Group for the current financial year under the arrangements in force is expected to amount to £668,000 (assuming an exchange rate of £1.00:$1.39).

8.9 Save as disclosed above, there are no existing or proposed service contracts between any Director and the Company or any other company in the Group and there are no existing or proposed service contracts between any Director and the Company or any company in the Group which provide for benefits upon termination of employment.

## 9. EMPLOYEES

The Group currently has three employees in the United Kingdom, being two executive directors and one intern.

The Group has one employee in the United States, being Stephen Casner. The Group has one employee in the Czech Republic, being Libor Soucek.

## 10. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Group within the two years immediately preceding the date of this document and are, or may be, material to the Group or have been entered into by any member of the Group and contain any provision under which any member of the Group has any obligation or entitlement which is material to the Group at the date of this document:

### 10.1 Placing Agreement

In connection with the Placing, the Company, the Directors and finnCap have entered into the Placing Agreement, pursuant to which, subject to certain conditions, finnCap has agreed to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price. The Placing Agreement is conditional upon, *inter alia*, the Subscription and Admission occurring on or before 8.00 a.m. on 30 April 2018 (or such later date as the Company and finnCap may agree, being not later than 5.00 p.m. on 30 May 2018).

The Placing Agreement contains customary indemnities and warranties from the Company and warranties from the Directors in favour of finnCap together with provisions which enable finnCap to terminate the Placing Agreement in certain circumstances, including circumstances where any of the warranties are found to be untrue or inaccurate in any material respect. The liability of the Directors for breach of warranty is limited.

The Company has agreed to pay to finnCap a corporate finance fee of £90,000 and a commission of 3.5 per cent. on the aggregate value at the Placing Price of the Placing Shares, save in respect of any Placing Shares subscribed by the Directors or placees procured by the Company.

### 10.2 Nominated Adviser and Broker Agreement

On 25 April 2018, the Company, the Directors and finnCap entered into an agreement pursuant to which finnCap has agreed to act as nominated adviser and broker to the Company in connection with and following Admission as required by the AIM Rules. finnCap shall provide, *inter alia*, such independent advice and guidance to the Directors of the Company and the Company as they may require from time to time, as to the nature of their responsibilities and obligations to ensure compliance by the Company on a continuing basis with the AIM Rules.

The Company has agreed to pay finnCap £75,000 per annum for its services as nominated adviser and broker under the agreement. The Company has also agreed to pay for any disbursements and expenses reasonably incurred by finnCap in the course of carrying out its duties as a nominated advisor and broker.

The agreement is terminable on three months' notice given by either finnCap or the Company, such notice not to take effect prior to the first anniversary of Admission. The agreement also contains provisions for early termination in certain circumstances and an indemnity given by the Company to finnCap in relation to the provision by finnCap of its services.

10.3 **Lock-in Agreements**

Each of the Locked-In Persons who at Admission will in aggregate hold 2,662,143 Ordinary Shares (representing 21.61 per cent. of the Enlarged Issued Share Capital) have entered into a lock-in and orderly market agreement dated 25 April 2018 pursuant to which they have agreed with the Company and with finnCap, subject to certain limited exceptions:

(a) not to dispose for a period of 36 months from Admission of any Ordinary Shares owned by him, her or it (as the case may be) at Admission or any Ordinary Shares acquired during that period, any shares and/or securities exchangeable for or convertible into Ordinary Shares, and any shares derived from such shares and/or securities including any Ordinary Shares issued upon the exercise of any option or warrant in respect of Ordinary Shares, except pursuant to acceptance of a general, partial or tender offer made to acquire the whole or part of the issued share capital of the Company, an intervening court order or in the event of the death of the shareholder; and

(b) only to dispose of such Ordinary Shares through finnCap for a further twelve month period, following consultation with the Company and finnCap, so as to ensure an orderly market for the issued share capital of the Company.

10.4 **Share Purchase Agreement**

Pursuant to an agreement dated 19 April 2018 between the Company and the Existing Shareholders, each of the Existing Shareholders agreed to transfer their shareholding in KRM22 Central to the Company, which represented the entire issued share capital of KRM22 Central ("**SPA**"). The Company holds the entire issued share capital in KRM22 Central as a result of the transactions set out in the SPA. In consideration for the transfers described in the SPA, the Company issued and allotted 1,999,998 Ordinary Shares in the Company to the Existing Shareholders in the following proportions:

| *Existing Shareholder* | *Number of Ordinary Shares in the Company issued and allotted under SPA* | *% shareholding of Existing* |
|---|---:|---:|
| Karen Bach | 99,999 | 5% |
| Francois Bach | 100,000 | 5% |
| Libor Soucek | 100,000 | 5% |
| Hamish Purdey | 20,000 | 1% |
| James E. Ollif Trust | 100,000 | 5% |
| Stephen Casner | 400,000 | 20% |
| Thomas Keith Todd | 1,179,999 | 59% |

10.5 **Loan Agreement**

On 24 January 2018 Keith Todd (the "**Lender**"), a director and shareholder of the Company, and KRM22 Central (the "**Borrower**") executed a letter pursuant to which the Lender agreed to make funds available to the Borrower by way of loan (the "**Facility**"). As at the date of this document, £40,000.00 of the Facility has already been advanced to the Borrower. The purpose of the Facility is to fund the Borrower's operations until Admission, and the Borrower must use the Facility for its general operational purposes only. The total amount outstanding under the Facility must be repaid by no later than 30 days following Admission (the "**Repayment Date**"). If the Borrower fails to make payment by the Repayment Date:

(a) the Borrower must use all reasonable endeavours to source alternative funding to repay the Facility and to fund its ongoing operations; and

(b) interest on the outstanding amount of the Facility shall accrue daily, from the Repayment Date to the date of actual payment, at a rate of 7 per cent. and shall be payable quarterly on the last business day of March, June, September and December in each year.

The Facility and all interest accrued under the Facility will become due and payable or repayable immediately on demand made by the Lender:

(c) if Admission has not occurred by 31 December 2018;

(d) the Borrower is in default of a material provision of the Facility and the default is not capable of remedy or is capable of remedy but is not remedied within 30 days of the Lender notifying the Borrower of the default and the remedy required;

(e) an administrator, receiver, manager or administrative receiver is appointed to the Borrower or any of its assets or the Borrower enters into liquidation, or any petition is presented, any resolution is proposed, or any other steps or proceedings are taken which may lead to such occurrences;

(f) any distress or execution of any analogous process is levied on or affects any of the Borrower's property or assets;

(g) the Borrower is or is deemed to be insolvent or unable to pay its debts; or

(h) the Borrower ceases to carry on business.

Under the Facility, the Borrower agreed to make various representations and warranties on the date of the Facility and on each date which further funds are advanced under the Facility including that all necessary corporate and other action has been taken to authorise it to enter into the Facility, no limit on the borrowing powers of the Borrower or its directors will be exceeded as a result of any drawing made and the Facility when accepted by the Borrower constitutes valid, binding and enforceable obligations on its part.

10.6 On 21 February 2018 KRM22 Central and Libor Soucek entered into a software licence and assignment agreement (the "**Assignment Agreement**") in relation to the development of the KRM22 risk cockpit and multiple risk management tools on a SaaS platform (the "**Project**"). Under the Assignment Agreement, Mr Soucek retains title to all intellectual property rights in the software relating to the Project created by him prior to the date of the agreement and grants a royalty free licence to KRM22 Central to use and commercially exploit such intellectual property rights. Mr Soucek further agrees to assign to KRM22 Central all intellectual property rights in the software relating to the Project which is created by Mr Soucek on or after the date of the Assignment Agreement. KRM22 Central has paid Mr Soucek a nominal fee of £1 in consideration for the licence and assignment of intellectual property rights pursuant to the Assignment Agreement. Mr Soucek has agreed not to licence the software relating to the Project to any third party or to develop software for a third party for any project which is substantially similar to the Project.

10.7 The Company and each of Karen Bach, Stephen Casner, Jim Oliff and Libor Soucek have entered into the Warrant Agreements dated on or around 24 April 2018 pursuant to which the Company has granted a Warrant to subscribe for an aggregate of 2,700,000 Ordinary Shares at a price of £1.00 per share. The Company intends to grant warrants over 3,300,000 Ordinary Shares on identical terms immediately following Admission. Paragraphs 6.1.2, 6.1.3 and 11.2 of this Part III set out details of the individual grants of Warrants and the key terms of the Warrant Agreements.

10.8 The Company has entered into a Subscription Agreement with Jim Oliff as trustee for the James E. Oliff Trust dated 25 April 2018 pursuant to which the Subscriber has agreed to subscribe for the Subscription Shares at the Placing Price. The Subscription Agreement is conditional upon, *inter alia*, Admission occurring on or before 8.00 a.m. on 30 April 2018.

## 11. SHARE SCHEMES

The Company has established the following arrangements for involving its employees in the share capital of the Company.

### 11.1 ESOP

The following is a summary of the rules of the ESOP:

(a) ***Eligibility***

All employees and full-time directors of the Group are eligible to participate in the ESOP at the discretion of the Board.

(b) ***Grant of options***

Options may be granted at any time, unless the Company is otherwise prohibited from granting Options by any law or regulation, or the Company's own dealing code.

Options may not be granted more than ten years after the date of adoption of the ESOP.

No consideration is payable for the grant of an Option. Options granted under the ESOP are personal to the option holder and, except on death, may not be transferred or assigned.

When granting options, the Board may specify objective performance targets to be satisfied before those options can be exercised.

(c) ***Dilution limit***

The maximum number of Ordinary Shares in respect of which options may be granted under the ESOP and any other share incentive plan adopted by the Company (but excluding for the avoidance of doubt the grant of the Warrants both conditional on Admission and immediately after) shall not exceed ten per cent. of the Company's issued ordinary share capital in any ten year period. Options or other rights to acquire Ordinary Shares which lapse or have been released do not count towards this limit.

(d) ***Exercise price***

The price at which option holders may acquire Ordinary Shares shall not normally be less than the greater of the nominal value of an Ordinary Share and its market value on the date of grant. Market value will normally be taken as the closing price for an Ordinary Share on the business day ending immediately prior to the relevant date of grant.

The Board will also have the discretion to grant options with an exercise price at less than market value, provided the vesting of such options is subject to stretching performance conditions set at the date of grant.

(e) ***Exercise, lapse and exchange of options***

Options may normally be exercisable in whole or in part during the period between the third and tenth anniversaries of their grant provided any performance targets specified at the date of grant (if any) have been achieved. Options may be satisfied by the issue of Ordinary Shares or the transfer of existing Ordinary Shares.

Options (both vested and unvested) will normally lapse on cessation of employment. However, exercise of vested options is permitted for a limited period following cessation of employment for specified reasons such as death, ill-health or in other circumstances, at the discretion of the Board.

In the event of a takeover or winding up of the Company, the Board shall have the discretion to permit any unvested options to be exercised in full, within certain time limits. There are also provisions for the exchange of options in specified circumstances.

(f) ***Adjustments***

The number of Ordinary Shares under option and/or the exercise price may be adjusted if any capitalisation issue, rights issue or any sub-division, reduction or consolidation of the Company's share capital occurs.

(g) ***Rights attaching to shares***

All Ordinary Shares allotted on exercise of options granted under the ESOP will rank equally with all other Ordinary Shares for the time being in issue, except as regards any rights arising by reference to a record date prior to the date of allotment. Application will be made for permission for any such Ordinary Shares to be admitted to trading on AIM.

(h) ***Amendments***

The Board may at any time amend the rules of the ESOP provided that no amendment may be made which would adversely affect the rights of option holders without their approval.

(i) ***Income tax and national insurance contributions***

Option holders shall indemnify the Company for any income tax liability and primary class 1 (employee) national insurance liability which arises on the exercise by them of their options. The Board has the discretion to require option holders to pay any secondary class 1 (employer) national insurance contributions which may arise for the Company on gains made on exercise of options. The intention is for options to qualify as enterprise management incentive options to the fullest extent possible.

11.2 **Founder Warrants**

The Warrants to subscribe for Ordinary Shares, details of which are set out above, have been granted conditional on Admission (except the Warrant to Keith Todd that will be granted immediately after Admission), pursuant to individual Warrant agreements between the Company and each Warrant holder. The principal terms of the Warrants are:

(a) ***Exercise conditions***

The Warrants are exercisable in three equal tranches (each a "**Tranche**") as follows:

(i) Tranche 1 is exercisable in full provided that the Company's share price has increased from the Placing Price by 5 per cent. per year (compounded), with the earliest testing date for such share price hurdle ("**Testing Date**") being the second anniversary of the date of Admission;

(ii) Tranche 2 is exercisable in full provided that the Company's share price has increased from the Placing Price by 7.5 per cent. per year (compounded), with the earliest Testing Date being the third anniversary of the date of Admission;

(iii) Tranche 3 is exercisable in full provided that the Company's share price has increased from the Placing Price by 15 per cent. per year (compounded), with the earliest Testing Date being the third anniversary of the date of Admission;

(each an "**Exercise Condition**").

The Board will determine whether the Exercise Conditions have been achieved on any Testing Date by taking a ninety day average of the closing mid-market price of an Ordinary Share as derived from AIM Appendix to the Daily Official List of the London Stock Exchange.

Except as set out below, no Warrant can be exercised prior to the third anniversary of Admission.

The Exercise Conditions can be retested throughout the Warrant period (being ten years from the date of Admission).

Notwithstanding the above Exercise Conditions, the Board can permit (without having any obligation to do so) early exercise of the Warrants either in full or in part at any time during the Warrant period provided that the Warrant holder enters into a restricted share agreement that includes equivalent vesting conditions to the Exercise Conditions set out above ("**Early Exercise**"). In the event the vesting conditions are not met following Early Exercise (or in the event the Warrant holder ceases to be an employee of the Company), the Ordinary Shares acquired on Early Exercise will be subject to compulsory transfer provisions at a price equal to the exercise price paid by the Warrant holder.

(b) ***Exercise of Warrants***

In the event the Warrants are exercised (including at the discretion of the Board pursuant to Early Exercise), the Company will consider (without having any obligation to do so) making a loan to the Warrant holder to fund the exercise price payable on exercise. In the event the

Warrant holder is also a Director at the time of exercise, such a loan will be subject to prior Shareholder approval.

The terms of the loan (if any) will be determined at the relevant time, including the term of the loan, the interest rate and repayment provisions.

Alternatively Warrants may be exercised on a cashless basis, whereby the exercise price of the Warrants is funded by the sale of Ordinary Shares acquired on exercise.

Exercise of Warrants will not be permitted during a closed period, being any period during which dealing in Ordinary Shares is prohibited by the EU Market Abuse Regulation (596/2014), the Company's share dealing code or otherwise.

(c) ***Lapse of Warrants***

In the event of termination of employment of a Warrant holder in certain specified circumstances being death, injury, ill-health or redundancy, or in any other circumstances at the discretion of the Board, the Warrant holder shall be entitled to retain their Warrants in full (with exercise still being subject to the satisfaction of the Exercise Conditions).

Termination of employment as a result of dismissal for gross misconduct or fraud will trigger the lapse in full of the Warrants (both (i) vested but unexercised; and (ii) unvested) immediately on termination of employment.

Termination of employment for reasons other than those specified above will mean that certain Tranches of the Warrants will lapse as follows:

(i) If termination takes place prior to the first anniversary of Admission, all Warrants will lapse.

(ii) If termination takes place on or after the first anniversary of Admission but prior to the second anniversary of Admission, Tranche 2 and Tranche 3 will lapse in full, and Tranche 1 will be retained subject to the Exercise Condition relating to that Tranche.

(iii) If termination takes place on or after the second anniversary of Admission but prior to the third anniversary of Admission, Tranche 3 will lapse in full, and Tranche 1 and Tranche 2 will be retained subject to the Exercise Conditions relating to those Tranches.

(iv) If termination takes place on or after the third anniversary of Admission, all three Tranches will be retained subject to the Exercise Conditions relating to those Tranches.

In the event of a takeover or winding up of the Company, Warrants may be exercised provided that the Exercise Conditions at the date of the takeover or winding-up are satisfied (with any time based Testing Date being ignored for these purposes).

(d) ***Adjustments***

The number of Ordinary Shares under Warrant and/or the exercise price may be adjusted if any capitalisation issue, rights issue or any sub-division, reduction or consolidation of the Company's share capital occurs.

(e) ***Rights attaching to shares***

All Ordinary Shares allotted on exercise of the Warrants will rank equally with all other Ordinary Shares for the time being in issue, except as regards any rights arising by reference to a record date prior to the date of allotment. Application will be made for permission for any such Ordinary Shares to be admitted to trading on AIM.

(f) ***Income tax and national insurance contributions***

Warrant holders shall indemnify the Company for any income tax liability and primary class 1 (employee) national insurance liability (or its overseas equivalent) which arises on the exercise by them of their Warrants. The Board has the discretion to require Warrant holders to pay any

secondary class 1 (employer) national insurance contributions which may arise for the Company on gains made on exercise of the Warrants. The intention is that Warrants granted to Keith Todd and Karen Bach qualify to the fullest extent possible as enterprise management incentive options.

(g) ***Transfer of Warrants***

Warrants will be transferrable to other family members or family trusts for tax planning purposes provided that Warrants granted to Keith Todd and Karen Bach will not be transferable to the extent they qualify as enterprise management incentive options.

Subject to Board approval, and save as provided above, Warrants may also be transferred to other employees to provide an appropriate incentive for them (in addition to any options that may be granted under the ESOP).

Any Warrants that lapse as a result of termination of employment of the relevant Warrant holder will be available for grant to another key employee of the Company (subject to Board approval).

## 12. LITIGATION

There are no governmental, legal or arbitration proceedings active, pending or threatened against, or being brought by, any member of the Group which are having, or may have or have had during the 12 months preceding the date of this document a significant effect on the Group's financial position or profitability.

## 13. RELATED PARTY TRANSACTIONS

Save in respect of the Warrant Agreements and the agreements summarised in paragraphs 8 and 10 of this Part III, there have been and are currently no agreements or other arrangements between the Company and individuals or entities that may be deemed to be related parties, for the period since 10 August 2017, being the incorporation of KRM22 Central Limited, up to the date of this document.

## 14. WORKING CAPITAL

The Directors are of the opinion that, having made due and careful enquiry, the working capital available to the Company and the Group, taking into account the estimated net proceeds of the Fundraising, will be sufficient for its present requirements, that is for at least 12 months from the date of Admission.

## 15. UNITED KINGDOM TAXATION

### 15.1 General

The following summary, which is intended as a general guide only, outlines certain aspects of current UK tax legislation, and what is understood to be the current practice of HMRC in the UK, regarding the ownership and disposal of ordinary shares. This summary does not purport to be a complete and exhaustive analysis of all the potential UK tax consequences for holders of Ordinary Shares. It addresses certain limited aspects of the UK taxation position of UK resident and domiciled Shareholders who are beneficial owners of their Ordinary Shares and who hold their Ordinary Shares as an investment (not as employment-related securities or through an "Individual Savings Account" or "Self-Invested Personal Pension"). This summary should not be construed as constituting advice and any person who is in any doubt as to his tax position or who is subject to taxation in a jurisdiction other than the UK should consult his professional advisers immediately as to the taxation consequences of their purchase, ownership and disposition of Ordinary Shares. This summary is based on current United Kingdom tax legislation and Shareholders should be aware that future legislative, administrative and judicial changes could affect the taxation consequences described below.

### 15.2 Tax residence of the Company

The information provided in this section reflects the taxation treatment appropriate to an investment in a UK tax resident company.

### 15.3 Taxation of dividends

The taxation of dividends paid by the Company and received by an investor resident for tax purposes in the UK is summarised below.

### 15.4 Individuals

Shareholders who are individuals receive a tax free dividend allowance of £2,000 per tax year and are liable to UK income tax on the amount of any dividends received over this. The rates of income tax on dividend income that exceed the tax free allowance are 7.5 per cent. for basic rate taxpayers, 32.5 per cent for higher rate taxpayers and 38.1 per cent. for additional rate taxpayers.

### 15.5 Trustees

UK resident trustees of a discretionary trust in receipt of dividends are liable to income tax at a rate of 7.5 per cent. on the first £1,000 and 38.1 per cent. thereafter.

### 15.6 Companies

A corporate Shareholder resident in the UK for tax purposes will be subject to UK corporation tax on dividend payments received from the Company unless the dividend falls within one of the exempt classes set out in Part 9A of the Corporation Tax Act 2009. In general, (i) dividends paid on shares that are not redeemable and do not carry any present or future preferential rights to dividends or to a company's assets on its winding-up and (ii) dividends paid to a person holding less than, among other things, 10 per cent of the issued share capital of the payer (or any class of that share capital) are examples of dividends that fall within an exempt class subject to certain anti-avoidance provisions.

### 15.7 Withholding tax

There is no UK withholding tax on dividends, including cases where dividends are paid to a Shareholder who is not resident (for tax purposes) in the UK.

### 15.8 Taxation of Chargeable Gains

A sale or other disposal of the Ordinary Shares may, subject to any available reliefs and exemptions, give rise to a chargeable gain (or allowable loss) for the purposes of UK taxation of chargeable gains.

### 15.9 Individuals and Trustees

Chargeable gains realised on a disposal of Ordinary Shares by an individual or trustee resident and ordinarily resident in the UK will be subject to capital gains tax which is charged at a rate of 20 per cent. for those individuals whose total income and gains exceed the income tax basic rate limit, and at a rate of 10 per cent. where total income and gains fall below the basic rate limit. A flat rate of 20 per cent. applies for trustees and personal representatives.

An individual shareholder who disposes of Ordinary Shares while only temporarily not resident in the UK for tax purposes, may, under anti-avoidance legislation, still be liable to UK tax on his return to the UK. A period of non-residence of less than 5 whole tax years prior to the year in which the shareholder returns to the UK will be treated as a temporary period for these purposes.

### 15.10 Companies

UK resident corporate shareholders are subject to corporation tax on their chargeable gains. Gains realised by such companies, as reduced by available indexation relief, are subject to corporation tax at the company's relevant rate. The main rate of corporation tax is currently 19 per cent., reducing to 17 per cent. from April 2020. Indexation relief is deductible in computing any gain arising on a disposal of, or out of, the holding and is computed by reference to the movement in the Retail Price Index over the period of ownership applied to the cost of the holding, or that part of the holding, disposed.

15.11 **Inheritance Tax**

Individual and trustee Shareholders domiciled or deemed to be domiciled in the UK may be liable on occasions to inheritance tax on the value of Ordinary Shares held by them. Under current law the primary occasions on which inheritance tax is charged are on the death of the Shareholder, on any gifts made during the seven years prior to the death of the Shareholder (which will be brought into account when calculating inheritance tax on the death of the Shareholder), and on certain lifetime transfers (including certain transfers to trusts).

However, a relief from inheritance known as business property relief potentially applies to the Ordinary Shares in an unquoted company (other than an investment company or one which carries on a business consisting wholly or mainly of dealing in securities, stocks, shares, land and buildings) potentially attract full relief (as business property) from inheritance tax where the shares have been held for 2 years prior to the chargeable transfer for inheritance tax purposes.

15.12 **Stamp Duty and Stamp Duty Reserve Tax ("SDRT")**

The following comments are intended as a guide to the general UK stamp duty and SDRT position and do not relate to persons such as market markers, brokers, dealers, intermediaries and persons connected with depository arrangements or clearance services to whom special rules apply.

No stamp duty or SDRT should be payable on the issue of Ordinary Shares.

AIM qualifies as a recognised growth market for the purposes of the UK stamp duty and SDRT legislation. Therefore, for so long as the Ordinary Shares are admitted to trading on AIM and are not listed on any other market (and being admitted to trading on AIM will not constitute a listing for these purposes) no charge to UK stamp duty or SDRT should arise on their subsequent transfer.

If the Ordinary Shares do not qualify for this exemption their transfer on sale will generally be subject to stamp duty or to SDRT (ordinarily payable by the purchaser and generally at the rate of 0.5 per cent. of the consideration given subject, in the case of stamp duty, to a de minimis limit).

Shareholders and prospective investors should consult their own professional advisers on whether an investment in an AIM security is suitable for them. Companies whose shares trade on AIM are deemed to be unlisted for the purposes of certain areas of UK taxation.

## 16. CREST

16.1 CREST is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument in accordance with the CREST Regulations.

16.2 The Ordinary Shares will be eligible for CREST settlement. Accordingly, following Admission, settlement of transactions in the Ordinary Shares may take place within the CREST system if a Shareholder so wishes. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates are able to do so.

16.3 For more information concerning CREST, Shareholders should contact their brokers or Euroclear UK & Ireland Limited at 33 Cannon Street, London EC4M 5SB or by telephone on +44 (0) 20 7849 0000.

## 17. NOTIFICATIONS OF SHAREHOLDINGS

The provisions of Chapter 5 of the DTR ("DTR 5") will apply to the Company and its Shareholders once its shares are admitted to AIM. DTR 5 sets out the notification requirements for Shareholders and the Company where the voting rights of a Shareholder exceed reach or fall below the threshold of 3 per cent. and each 1 per cent. thereafter up to 100 per cent. DTR 5 provides that disclosure by a Shareholder to the Company must be made within two trading days of the event giving rise to the notification requirement and the Company must release details to a regulatory information service as soon as possible following receipt of a notification.

## 18. GENERAL

18.1 Save for the Fundraising and as disclosed in this document, there has been no significant change in the trading or financial position of the Group or any significant trends concerning the development of the Company's business since 10 August 2017, the date to which KRM22 Central was incorporated.

18.2 finnCap is registered in England and Wales under company number 06198898 and its registered office is at 60 New Broad Street, London, EC2M 1JJ. finnCap is regulated by the Financial Services Authority and is acting in the capacity of nominated adviser and broker to the Company. finnCap Ltd has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and references to it in the form and context in which they appear.

18.3 The gross proceeds of the Fundraising receivable by the Company are expected to amount to approximately £10.32 million. Total costs and expenses payable by the Company in connection with the Admission and Fundraising (including professional fees, commissions, the costs of printing and the fees payable to the registrars) are estimated to amount to approximately £0.45 million (excluding VAT).

18.4 Save as set out in this document no person (other than a professional adviser referred to in this document or trade supplier) has:

18.4.1 received directly or indirectly, from the Company within the 12 months preceding the Company's application for Admission; or

18.4.2 entered into contractual arrangements (not otherwise disclosed in this document) to receive directly or indirectly, from the Company on or after Admission any of the following:

(a) fees totalling £10,000 or more;

(b) securities in the Company with a value of £10,000 or more calculated by reference to the issue price; or

(c) any other benefit with a value of £10,000 or more at the date of Admission.

18.5 Save in respect of the intellectual property rights licensed and assigned to the Company pursuant to the Assignment Agreement, details of which are set out in paragraph 10.6 of this Part III, the Directors are not aware of any patents or intellectual property rights, licences or industrial, commercial or financial contracts or new technological processes which may be of material importance to the Company's business or profitability.

18.6 As at the date of this document, the Company has made no investments and there are no investments in progress which are or may be significant.

18.7 The Company's accounting reference date is 31 December.

18.8 Save as disclosed in this document, the Company is not aware of any arrangements which may at a subsequent date result in a change of control of the Company.

18.9 Save as disclosed in this document, there are no provisions in the Articles which would have the effect of delaying, deferring or preventing a change of control of the Company.

18.10 No public takeover bids have been made by third parties in respect of the Company's issued share capital since its incorporation up to the date of this document.

18.11 Save as disclosed in this document, there are no mandatory takeover bids and/or squeeze out and sell-out rules in relation to the Ordinary Shares.

18.12 Insofar as the Directors are aware, the percentage of Ordinary Shares not in public hands (as that expression is defined in the AIM Rules) on Admission is expected to be approximately 36.38 per cent.

18.13 The New Ordinary Shares will represent 83.8 per cent. of the Ordinary Shares following Admission and their issue will result in a corresponding level of dilution.

18.14 Save as disclosed in this document, there are not, either in respect of the Company or its Subsidiaries, any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for at least the current financial year.

18.15 As far as the Directors are aware, there are no environmental issues that may affect the Group's utilisation of its tangible fixed assets.

18.16 Save as disclosed in this document, the Directors are unaware of any exceptional factors which have influenced the Company's recent activities.

18.17 The Directors are not aware of any other information that they should reasonably consider as necessary for the investors to form a full understanding of (i) the assets and liabilities, financial position, profits and losses, and prospects of the Company and the securities for which Admission is being sought; (ii) the rights attached to those securities; and (iii) any other matter contained herein.

18.18 The arrangements for payment of the New Ordinary Shares are set out in the placing letters referred to in the Placing Agreement and/or the Subscription Agreement. All monies received from applicants pursuant to the Placing will be held by finnCap prior to delivery of the Ordinary Shares. If any application is unsuccessful or scaled down, any monies returned will be sent by cheque crossed "A/C Payee" in favour of the first named applicant. Any monies returned will be sent by first class post at the risk of the addressee within three days of the completion of the Fundraising.

18.19 Where information has been sourced from a third party, the information has been accurately reproduced and as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

18.20 It is expected that definitive share certificates will be despatched by hand or first class post by 15 May 2018. In respect of uncertificated shares, it is expected that Shareholders' CREST stock accounts will be credited on 30 April 2018.

18.21 The Company expects a typical investor in the Company will be an institutional investor or high net worth individual with a large portfolio of investments.

18.22 BDO LLP, the Company's auditors, is a member of the Institute of Chartered Accountants in England and Wales.

## 19. AVAILABILITY OF ADMISSION DOCUMENT

A copy of this document is available free of charge from the registered office of the Company, and at the offices of finnCap Ltd at 60 New Broad Street, London, EC2M 1JJ, during normal business hours on any weekday (public holidays excepted) from the date of this document until at least one month after the date of Admission.

A copy of this document is also available on the Company's website, www.krm22.com.

Dated: 25 April 2018

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