



AQUIS[®]
EXCHANGE

Admission Document

June 2018

Aquis Exchange PLC

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant, fund manager or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (“FSMA”) if you are in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

The Directors, whose names appear on page 10 of this document, and the Company accept responsibility, both individually and collectively, for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (having taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

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.

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.

Prospective investors should read the whole text of this document and should be aware that an investment in the Company is speculative and involves a high degree of risk and prospective investors should carefully consider the section entitled “Risk Factors” set out in Part II of this document. All statements regarding the Company’s business, financial position and prospects should be viewed in light of these risk factors.

Aquis Exchange PLC

(a company incorporated in England and Wales with the company number 07909192)

Placing of 11,916,981 Ordinary Shares at 269 pence per Ordinary Share and Admission to trading on AIM

***Nominated Adviser, Sole Corporate Broker and Sole Bookrunner
Liberum Capital Limited***

Application has been made for the entire issued and to be issued ordinary share capital of the Company to be admitted to trading on AIM, a market operated by London Stock Exchange. It is expected that Admission will become effective, and that dealings in the Ordinary Shares will commence on 14 June 2018. The Ordinary Shares are not dealt on any other recognised investment exchange and no application has been or is being made for the Ordinary Shares to be admitted to any such exchange. The Placing is conditional, *inter alia*, on Admission taking place by 8.00 a.m. on 14 June 2018 (or such later date as the Company and Liberum may agree, being not later than 14 July 2018). The New Ordinary Shares and the Existing Ordinary Shares will, upon Admission, rank *pari passu* in all respects and will rank in full for all dividends and other distributions declared paid or made in respect of the Ordinary Shares after Admission.

This document, which is drawn up as an AIM admission document in accordance with the AIM Rules for Companies, has been issued in connection with the application for admission to trading on AIM of the entire issued and to be issued ordinary share capital of the Company. This

document does not constitute an offer to the public requiring an approved prospectus under section 85 of FSMA and, accordingly, this document does not constitute a prospectus for the purposes of FSMA and the Prospectus Rules and has not been pre-approved by the FCA pursuant to section 85 of FSMA.

Liberum, which is authorised and regulated in the UK by the Financial Conduct Authority, is acting as nominated adviser, sole corporate broker and sole bookrunner to the Company. Liberum will not be responsible to any person other than the Company for providing the protections afforded to its customers or for advising any other person on the contents of any part of this document. The responsibilities of Liberum as the Company's nominated adviser, sole corporate broker and sole bookrunner under the AIM Rules for Companies and AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or any Director or Shareholder or to any other person in respect of any decision to subscribe for and/or acquire Ordinary Shares in reliance on any part of this document or otherwise, Liberum is not making any representation or warranty, express or implied, as to the contents of this document or as to any matter, transaction or arrangement referred to in it.

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This document does not constitute an offer to sell or an invitation to subscribe for, or solicitation of an offer to subscribe for or buy, shares to any person in any jurisdiction to whom it is unlawful to make such offer, invitation or solicitation. In particular, this document must not be taken, transmitted, distributed or sent, directly or indirectly, in, or into, the United States, Canada, Australia, Japan, Hong Kong, New Zealand, Singapore or the Republic of South Africa or transmitted, distributed or sent to, or by, any national, resident or citizen of such countries. Accordingly, the Placing Shares may not, subject to certain exceptions, be offered or sold, directly or indirectly, in, or into, or from, the United States, Canada, Australia, Japan, Hong Kong, New Zealand, Singapore or the Republic of South Africa or in any other country, territory or possession where to do so may contravene local securities laws or regulations. The Placing Shares have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) (the "**Securities Act**") or under the securities legislation of any state of the United States, any province or territory of Canada, Australia, Japan, Hong Kong, New Zealand, Singapore or the Republic of South Africa and may not be offered or sold, directly or indirectly, within the United States or Canada, Australia, Japan, Hong Kong, New Zealand, Singapore or the Republic of South Africa or to or for the account or benefit of any national, citizen or resident of the United States, Canada, Australia, Japan, Hong Kong, New Zealand, Singapore or the Republic of South Africa or to any US person (within the definition of Regulation S) made under the Securities Act.

The distribution of this document outside the UK may be restricted by law. No action has been taken by the Company that would permit a public offer of shares in any jurisdiction outside the UK where action for that purpose is required. Persons outside the UK who come into possession of this document should inform themselves about the distribution of this document in their particular jurisdiction. Failure to comply with those restrictions may constitute a violation of the securities laws of such jurisdiction.

IMPORTANT INFORMATION

1. OVERVIEW

The Company does not accept any responsibility for the appropriateness, accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media or any other person regarding the Placing or the Company. The Company makes no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication.

As required by the AIM Rules for Companies, the Company will update the information provided in this document by means of a supplement to it if a significant new factor that may affect the evaluation by prospective investors of the Placing occurs prior to Admission or if it is noted that this document contains any substantial mistake or inaccuracy. This document and any supplement thereto will be made public in accordance with the AIM Rules for Companies.

The contents of this document or any subsequent communications from the Company are not to be construed as legal, business, financial or tax advice. Neither the Company, the Directors, Liberum nor any of its representatives, is making any representation to any offeree or purchaser of the Ordinary Shares regarding the legality of an investment in the Ordinary Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each prospective investor should consult his, her or its own legal adviser, business adviser, financial adviser or tax adviser for legal, financial, business or tax advice in connection with the purchase of the Ordinary Shares. In making an investment decision, each prospective investor must rely on their own examination, analysis and enquiry of the Company and the terms of the Placing, including the merits and risks involved and whether an investment in Ordinary Shares is suitable for them in light of their circumstances and financial resources and ability to withstand the loss of their entire investments.

Neither the delivery of this document nor any acquisition or sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in this document is correct as at any time after its date.

2. NOTICE TO PROSPECTIVE INVESTORS

Notice to Prospective Investors in the United Kingdom and European Economic Area

The distribution of this document in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Members of the public are not eligible to take part in the Placing. This document and the Terms and Conditions set out in Part IV (Terms and Conditions of the Placing) are for information purposes only and are directed only at: (A) persons in member states of the EEA who are qualified investors within the meaning of Article 2(1)(e) of EU Directive 2003/71/EC and amendments thereto, including the 2010 PD amending Directive, to the extent implemented in the relevant member state (the “**Prospectus Directive**”) (“**Qualified Investors**”), (B) if in the United Kingdom, persons who (i) have professional experience in matters relating to investments who fall within the definition of ‘Investment Professionals’ in Article 19(5) of the Order, or are high net worth companies, unincorporated associations or partnership or trustees of high value trusts as described in Article 49(2) of the Order and (ii) are “**Qualified Investors**” as defined in section 86 of FSMA, and (C) otherwise, to persons to whom it may otherwise be lawful to communicate it to (each a “**Relevant Person**”). No other person should act or rely on this document and persons distributing this document must satisfy themselves that it is lawful to do so. By accepting the Terms and Conditions you represent and agree that you are a Relevant Person. This document and the Terms and Conditions set out herein must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this document and the Terms and

Conditions set out herein relate is available only to Relevant Persons and will be engaged in only with Relevant Persons. This document does not itself constitute an offer for sale or subscription of any securities in the Company.

Notice to Overseas Shareholders

The information contained in this document is not for release, publication or distribution, in whole or in part, directly or indirectly, in or into the United States, Australia, Canada, Japan, Hong Kong, New Zealand, Singapore, the Republic of South Africa or any other state or jurisdiction in which such release, publication or distribution would be unlawful. This document (and the information contained herein) is not intended to and does not contain or constitute an offer of, or the solicitation of an offer to buy or subscribe for, securities in the United States, Australia, Canada, Japan, Hong Kong, New Zealand, Singapore, the Republic of South Africa or any other state or jurisdiction in which such offer would be unlawful.

Notice to Prospective Investors in Switzerland

This publication is intended to be distributed in Switzerland to professional investors in circumstances such that there is no public offer. This publication does neither constitute a prospectus within the meaning of Articles 652a and 1156 of the Swiss Code of Obligations nor a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other stock exchange or regulated trading venue in Switzerland. Neither this document nor any other offering or marketing material relating to the shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Restriction on Sale in the United States

The Ordinary Shares have not been, and will not be, registered under the Securities Act, or the securities laws of any other jurisdiction of the United States. The Ordinary Shares may not be offered or sold, directly or indirectly, in or into the United States (except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act). No public offering of the Ordinary Shares is being made in the United States. The Ordinary Shares are being offered and sold only outside the United States in 'offshore transactions' within the meaning of, and in reliance on, Regulation S. The Ordinary Shares have not been approved or disapproved by the United States Securities and Exchange Commission, any state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed on or endorsed the merits of the Placing or the accuracy or adequacy of the information contained in this document. Any representation to the contrary is a criminal offence in the United States.

3. PRESENTATION OF FINANCIAL AND OTHER INFORMATION

The financial information contained in this document, including that financial information presented in a number of tables in this document, has been rounded to the nearest whole number or the nearest decimal place. Therefore, the actual arithmetic total of the numbers in a column or row in a certain table may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in the tables in this document reflect calculations based upon the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

4. DATA PROTECTION

The Company may delegate certain administrative functions to third parties and will require such third parties to comply with data protection and regulatory requirements of any jurisdiction in which data processing occurs. Such information will be held and processed by the Company (or any third party, functionary or agent appointed by the Company) for the following purposes:

- (A) verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- (B) carrying out the business of the Company and the administering of interests in the Company;

- (C) meeting the legal, regulatory, reporting and/or financial obligations of the Company in the United Kingdom or elsewhere; and
- (D) disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company.

Where appropriate it may be necessary for the Company (or any third party, functionary or agent appointed by the Company) to:

- (A) disclose personal data to third party service providers, agents or functionaries appointed by the Company to provide services to investors; and
- (B) transfer personal data outside of the EEA to countries or territories which do not offer the same level of protection for the rights and freedoms of prospective investors as the United Kingdom.

If the Company (or any third party, functionary or agent appointed by the Company) discloses personal data to such a third party, service provider, agent or functionary and/or makes such a transfer of personal data it will use reasonable endeavours to ensure that any third party, service provider, agent or functionary to whom the relevant personal data is disclosed or transferred is contractually bound to provide an adequate level of protection in respect of such personal data.

Prospective investors are responsible for informing any third-party individual to whom the personal data relates of the disclosure and use of such data in accordance with these provisions.

5. INVESTMENT CONSIDERATIONS

In making an investment decision, prospective investors must rely on their own examination, analysis and enquiry of the Company, this document, any documents incorporated herein by reference and the terms of the Placing, including the merits and risks involved. The contents of this document and any documents incorporated herein by reference are not to be construed as advice relating to legal, financial, taxation, investment decisions or any other matter. Investors should inform themselves as to:

- the legal requirements within their own countries for the purchase, holding, transfer or other disposal of the Ordinary Shares;
- any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the Ordinary Shares which they might encounter;
- the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of the Ordinary Shares or distributions by the Company, either on a liquidation and distribution or otherwise. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein; and
- an investment in the Company should be regarded as a long-term investment. There can be no assurance that the Company's objective will be achieved.

It should be remembered that the price of the Ordinary Shares, and any income from such Ordinary Shares, can go down as well as up.

This document, any documents incorporated herein by reference and any accompanying documents should be read in their entirety before making any investment in the Ordinary Shares. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Memorandum of Association and Articles of Association of the Company, which prospective investors should review.

6. INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This document and any document incorporated herein by reference include statements that are, or may be deemed to be, "forward-looking statements". In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms "targets", "believes", "estimates", "anticipates", "expects", "intends", "plans", "may", "will", "could", "should" or, in each case, their negative or other variations or comparable terminology. They appear in a number of places throughout the document and include

statements regarding the intentions, beliefs or current expectations of the Company and the Board concerning, among other things: (i) the Company's objective, acquisition and financing strategies, results of operations, financial condition, capital resources, prospects, capital appreciation of the Ordinary Shares and dividends; and (ii) future implementation of active management strategies.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company's actual performance, results of operations, financial condition, distributions to Shareholders and the development of its financing strategies may differ materially from the forward-looking statements contained in this document. In addition, even if the Company's actual performance, results of operations, financial condition, distributions to Shareholders and the development of its financing strategies are consistent with the forward-looking statements contained in this document and any documents incorporated by reference herein, those results or developments may not be indicative of results or developments in subsequent periods.

Prospective investors should carefully review Part II (Risk Factors) of this document for a discussion of additional factors that could cause the Company's actual results to differ materially, before making an investment decision. These factors should be read in conjunction with the other cautionary statements that are included in this document. For the avoidance of doubt, nothing in this paragraph constitutes a qualification of the working capital statement contained in paragraph 17 of Part V (Additional Information).

Forward-looking statements contained in this document apply only as at the date of this document. Subject to any obligations under the AIM Rules for Companies or any other applicable legal or regulatory requirements, the Company undertakes no obligation publicly to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

7. MARKET DATA

Where information contained in this document has been sourced from a third party, the Company and the Directors confirm that such information has been accurately reproduced and, so far as they are aware and have been able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

8. CURRENCY PRESENTATION

Unless otherwise indicated in this document, all references to:

- "Pounds Sterling" or "£" are to the lawful currency of the UK;
- "Euro" or "€" are to the lawful currency of the member states of the European Union that adopt the single currency in accordance with the EC Treaty; and
- "US Dollars", "Dollars" or "\$" are to the lawful currency of the United States.

Unless otherwise indicated, the financial information contained in this document has been expressed in Pounds Sterling. The functional currency of the Company is Pounds Sterling and the Company presents its financial statements in Pounds Sterling.

9. NO INCORPORATION OF WEBSITE INFORMATION

Without limitation, the contents of the websites of the Company or any website directly or indirectly linked to these websites do not form part of this document and prospective investors should not rely on such information.

10. DEFINITIONS

Capitalised terms have the meanings ascribed to them in Part VI (Definitions) of this document.

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PLACING STATISTICS

Placing Price per Placing Share	269 pence
Number of Existing Ordinary Shares	22,688,592
To be issued by the Company (the New Ordinary Shares)	4,460,967
To be sold by the Selling Shareholders and EMI Selling Shareholders (the Sale Shares)	7,456,014
Total Number of Placing Shares	11,916,981
Percentage of Enlarged Share Capital represented by the New Ordinary Shares	16.4%
Percentage of Enlarged Share Capital represented by the Sale Shares	27.5%
Number of Ordinary Shares in issue following the Placing and Admission	27,149,559
Market capitalisation of the Company at the Placing Price following Admission	£73.0 million
Gross total proceeds of the Placing	£32.1 million
Estimated net proceeds of the Placing receivable by the Company ¹	£10.6 million
TIDM	AQX
ISIN	GB00BD5JNK30
SEDOL	BD5JNK3
LEI	213800IXJSF5E1SIW150

¹ Stated after deducting the estimated total expenses of Admission and the Placing and other related costs payable by the Company of approximately £1.4 million (excluding VAT)

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Each of the times and dates in the table below is indicative only and may be subject to change.

	2018
Publication and posting of this document	11 June 2018
Admission effective and commencement of dealings in Ordinary Shares on AIM	8.00 a.m. on 14 June 2018
Stock Accounts credited (where applicable) by	14 June 2018
Dispatch of definitive share certificates (where applicable) by	28 June 2018

Notes:

1. Reference to time in this document are to London (BST) time unless otherwise stated.
2. The times and dates set out in the expected timetable above and mentioned throughout this document may be adjusted by the Company in which event details of the new times and dates will be notified to potential investors by an announcement on a RIS.

DIRECTORS, COMPANY SECRETARY, REGISTERED OFFICE AND ADVISERS

Directors	Nicola Jane Beattie – <i>Independent Non-Executive Chairman</i> Alasdair Frederick Seton Haynes – <i>Chief Executive Officer</i> Jonathan Charles Clelland – <i>Chief Financial Officer and Chief Operating Officer</i> Richard Ernest Tulloch Bennett – <i>Senior Independent Non-Executive Director</i> Mark Robert Goodliffe – <i>Independent Non-Executive Director</i> Mark Spanbroek – <i>Independent Non-Executive Director</i>
Company Secretary	Jonathan Charles Clelland
Registered Office	Palladium House 1-4 Argyll Street London W1F 7LD
Website	www.aquis.eu
Nominated Adviser, Sole Corporate Broker and Sole Bookrunner	Liberum Capital Limited Ropemaker Place, Level 12 25 Ropemaker Street London EC2Y 9LY
Legal adviser to the Company	Slaughter and May One Bunhill Row London EC1Y 8YY
Legal adviser to the Nominated Adviser	CMS Cameron McKenna Nabarro Olswang LLP Cannon Place 78 Cannon Street London EC4N 6AF
Reporting Accountant	BDO LLP 55 Baker Street London W1U 7EU
Auditor	Hazlems Fenton LLP Palladium House 1-4 Argyll Street London W1F 7LD
Public relations adviser to the Company	The Finsbury Group Limited The Adelphi 1-11 John Adam Street WC2N 6HT
Registrars	Equiniti Limited Aspect House Spencer Road Lancing Business Park West Sussex, BN99 6DA

PART I

INFORMATION ON THE COMPANY

1. Background

The Company is a founder-led, pan-European Multilateral Trading Facility (“MTF”) operator and exchange and regulatory technology developer and service provider. The Company is regulated by the FCA.

2. Business Overview

2.1 History and Development

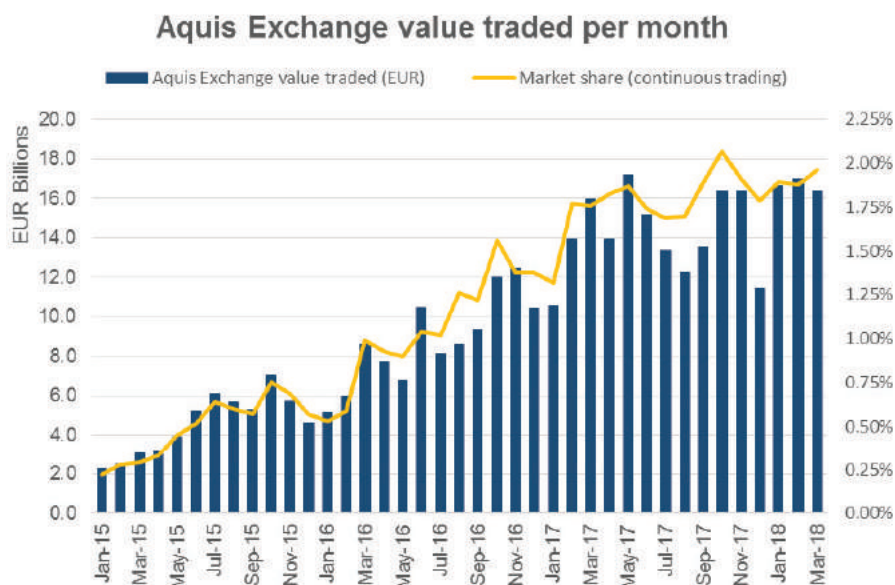
The Company was founded in 2012 by Alasdair Haynes, the former CEO of Chi-X Europe before its sale to BATS in late 2011. The Company was created as part of a vision to introduce competition and innovation to the securities trading market. The Company received approval from the FCA in November 2013 and commenced European equities trading in November 2013.

In successive rounds of equity funding, the Company brought in a range of large institutional investors and individuals. The Warsaw Stock Exchange became a major shareholder in 2013 and holds 20.31% of voting and economic rights in the Company as at the Latest Practicable Date. The Warsaw Stock Exchange is intending to realise its investment in the Company on Admission.

2.2 Aquis Exchange

Aquis Exchange is a cash equities trading venue with a unique subscription-based pricing model based on electronic messaging traffic. Its principal competitors are the national exchanges such as the London Stock Exchange and Deutsche Börse, and Cboe (BATS Chi-X Europe) which charge customers on a per transaction model. Since the Company commenced trading in 2013 to the Latest Practicable Date, its market share has grown to reach approximately 1.9% of the overall pan-European market of continuous trading.

The client base of Aquis Exchange consists principally of investment banks and brokers acting on behalf of institutions such as pension funds and asset managers. The Company’s members are able to trade European securities on a ‘lit’ market. This means that the dealing price prior to the trade is transparent to the whole market. This is in contrast to pricing on dark and grey markets, where price discovery is only available to the market post-trade.



Source: European Equities Market Share Data (excluding auctions) (Cboe Global Markets, April 2018)

Since 2015, Aquis Exchange has grown both the number of stocks offered and markets covered. Between 2015 and 2016 there was a 62% increase in the number of stocks offered for trading on Aquis Exchange and a further 40% increase took place between 2016 and 2017. As at the Latest Practicable Date, Aquis Exchange offers trading in approximately 1,200 equities in Europe across

14 countries. By comparison, as at 30 April 2018, only 987 companies were listed on the Main Market of the London Stock Exchange.

In order to be admitted to trading on Aquis Exchange, securities must have first been listed or admitted to trading, or under an application to be listed or admitted to trading, on a Regulated Market or an equivalent market. Six DLPs maintain liquidity in the securities traded on Aquis Exchange and in return are not charged for trading on Aquis Exchange. Members can agree to be a DLP by signing up to a separate agreement.

In February 2016, the Company adopted a policy to prevent aggressive trading by proprietary trading firms. The Directors believe that this rule differentiates Aquis Exchange from other trading venues and has enabled the Company to create one of the lowest toxicity trading venues in Europe.¹ The Directors also believe that this change should deepen the available liquidity that market makers are willing to offer at the best prices. The impact of the rule change, combined with Aquis Exchange's low toxicity and deeper liquidity, should mean that customers are able to transact more business in Aquis Exchange's lit environment before having to pursue alternative trading strategies in less transparent environments with less certain results.

During the period February 2016 to December 2017, the Company's pan-European market share excluding auctions increased from approximately 0.5% to 1.9% which the Directors believe is, in part, due to this rule change.

As at the Latest Practicable Date, Aquis Exchange had 28 Trading Members (including ten of the world's leading investment banks) and six major market makers acting as DLPs.

2.3 Aquis Technologies

In addition to operating a pan-European MTF, the Company develops and licenses exchange and regulatory technology to third parties through its brand Aquis Technologies. Aquis Exchange also utilises the technologies created by this specialist software arm.

The Directors believe the demand for high quality, efficient and cost effective exchange systems appears to be increasing due to European regulatory changes that are aimed at increasing transparency in markets and audit trails for all transactions, as well as a growing trend to allow competition between exchanges. The Directors hope to be able to exploit this growing demand. The Company does not own or license any patents and is not dependent on any licences, other than "off the shelf" or non-material software licences, to support its business activities.

Aquis Market Surveillance

Firms and companies incorporated in member states of the European Union are subject to extensive requirements under MAR and MiFID II to have systems in place to, amongst other things, monitor and analyse order flow and transactions, detect actual and attempted market abuse and fulfil 'Best Execution' requirements. 'Best Execution' is a requirement under MiFID II to take all sufficient steps to obtain, when executing orders, the best possible result for its clients, taking into account certain factors, including price, costs, speed and likelihood of execution and settlement. It follows from this that there is considerable demand in Europe for compliance and surveillance systems. In response to this demand, Aquis Technologies was created with the aim of developing innovative technologies that could be licensed to third parties to assist them in fulfilling their compliance and surveillance obligations.

Aquis Matching Engine

European regulation is focused on moving, where possible, OTC trading onto trading venues or a more formalised OTC environment under the systematic internaliser regime. At the same time, other global jurisdictions are following the lead of US and European regulators and allowing competition in their domestic exchange environments for the first time. As such, the demand for exchange and internal matching systems is increasing.

Aquis Exchange systems are designed to be applied across geographies and different asset classes. Aquis Technologies is able to offer continuous trading and auction models thereby catering to all stages of clients' business development. Indeed, Aquis Technologies products are available on a standalone basis or can be provided as hosted services which enables customers to purchase the product that is most appropriate for their needs.

¹ In the Directors' opinion, toxicity is effectively a measure of how quickly prices move on a trading venue once a trade has been made. A low toxicity exchange should reduce the implicit cost of trading which is beneficial to institutions.

Aquis Market Gateway

The European systematic internaliser regime means the number of participants offering liquidity outside of trading venue environments may increase. However, these participants need to be able to make numerous bi-lateral connections with other market participants who require access to their liquidity. The Company has developed a gateway that facilitates these connections whilst ensuring that customers operate their systematic internalisers according to the regulatory guidelines.

Aquis Technologies client base has some commonality with Aquis Exchange but is more diverse reflecting the international demand for exchange and surveillance systems.

2.4 Aquis Market Data

Market data is crucial for all market participants. The Company provides market data to Members and market data providers, which the Directors believe has the potential to become a substitutable data product in the future. Market data is a significant revenue contributor to the national exchanges. The Directors expect that Aquis market data should, in the next two to three years, be accepted by the market as an alternative to the national exchanges market data which should provide both considerable benefits to market participants and potential revenue generation for the Company. The initial step will be for the Company to start charging market data vendors, which is scheduled to commence on 1 July 2018.

Aquis Exchange has provided market data free of charge to Members and data vendors since the trading venue was launched in November 2013. The Company plans for market data vendors to be charged for market data from 1 July 2018. Aquis Exchange also intends to charge Members for market data in the future.

Market data is a significant revenue generator for the national exchanges. Market data stock prices for the 1,200 stocks traded on the Aquis Exchange is closely correlated with the national exchanges' market data for these stocks; however Aquis Exchange's overall market share will need to increase before the market considers that the Aquis Exchange market data is a substitutable product. In addition it is understood that ESMA is investigating the possibility of introducing a European consolidated tape (similar to that in the US) whereby an electronic program provides continuous, real time data on trading volume and price for exchange traded securities. The Directors believe that this should be popular with the European Securities markets as it should reduce the costs of market data. If it is introduced on the same basis as in the US it should also potentially provide a material boost to Aquis Exchange revenue as the distribution of revenue from the consolidated tape is based on market share percentage and Aquis Exchange has the potential to significantly increase market share during the next two to three years.

3. Operations

3.1 Business Model

The Company's revenue consists of: (i) membership fees in respect of Aquis Exchange. Members are charged a monthly subscription fee based on the numbers of trading messages submitted on average during the month (although DLP orders and passive orders submitted by Members are free); (ii) licencing and other fees in respect of Aquis Technologies; and (iii) (from 1 July 2018) market data fees from the supply of Aquis market data to market data vendors.

3.2 Products and Pricing

3.2.1 Aquis Exchange

Membership of Aquis Exchange varies depending upon the client's requirements. Prospective clients may join Aquis Exchange as Trading Members or DLPs. Each Member will enter into the agreements required for its trading profile. Provided that a "Sponsored Access Addendum" has been entered into, Trading Members may allow a third party to access and use the Aquis Exchange. Standard fees are applied for sponsored access.

Membership tiers

Trading Members are charged by the message traffic that they generate, rather than a basis point commission on the value of their trades. Specifically, the fees are invoiced monthly and are charged based on the average daily message count for the prior month and within each tier customers have unlimited trading until the message traffic reaches the tier above. The subscription pricing model is fundamentally different from competitors' pricing structures and the Company has

received a number of assurances from market participants that they are supportive of Aquis Exchange’s pricing model.

Entering into a Member Agreement enables the Trading Members to access Aquis Exchange to enter, execute, modify and cancel buy and sell orders for products.

Members can also agree to be a DLP by signing up to a separate agreement. DLPs are required to maintain liquidity in the securities traded on Aquis Exchange. Six major market makers are DLPs on Aquis Exchange. DLPs are not charged for trading on Aquis Exchange because they are providing liquidity.

Aquis Exchange’s current market volumes amount to approximately €800 million per trading day.

Aquis Exchange is connected to CCPs and GCMs for the purposes of clearing and settlement and Aquis Exchange does not charge CCPs or GCMs for access to its trade feed.

The membership tiers for Trading Members are as follows:

	Basic	Tier 1	Tier 2	Tier 3	Tier 4	Unlimited	Market at Close (MaC) £10,000 additional fee
Monthly subscription	£2,000	£5,000	£10,000	£20,000	£30,000	£50,000	
Average daily message allowance	Up to 2,000	Up to 5,000	Up to 10,000	Up to 20,000	Up to 35,000	Unlimited (subject to fair usage policy)	Unlimited MaC messages

Trading Members typically start at the basic level and then increase trading levels in subsequent months. Trading Members generally seem to increase their trading volumes through the course of their membership and in the Directors’ opinion this is due to the available liquidity, low toxicity and cost effective pricing available on Aquis Exchange.

Fair usage policy

In order to encourage a responsible attitude towards the use of Aquis Exchange system resources, and to ensure that Members are using the platform in a manner that is consistent with the Company’s fair usage principles, the Company monitors the order/trade ratios of Members to ensure that Members do not abuse message use.

Market at Close

Members can chose to add on to their Membership the Market at Close (“**MaC**”) order type. The Aquis MaC order type, which has been approved by the FCA, is designed to address a number of issues in the market. Currently, about 20% of all trading in Europe is conducted in closing auctions at the incumbent exchanges. Fees charged at such auctions are typically higher at this point in the day than at any other time, making the closing auctions a particularly lucrative segment of the market for national exchanges, but a very costly one for users.

The Aquis MaC order type introduces choice and comparison to closing auctions of European equity markets for the first time by allowing Trading Members to enter orders for matching on Aquis Exchange at the Closing Price of the market of listing end-of-day auction. Trading Members are therefore able to avoid paying the premiums that are often effectively charged by the national exchanges for trading in the closing auction.

3.2.2 Aquis Technologies

The Company offers existing and start-up exchanges, investment banks, brokers, proprietary trading firms and other financial institutions the opportunity to license a multi-asset class matching engine, surveillance systems and/or bespoke trading systems. The innovative market leading technology is developed and tested by the Company’s team and forms the foundations of Aquis Exchange. The technologies developed by Aquis Technologies are also used on Aquis Exchange.

As a regulated entity, the Company is able to provide hosted technology solutions under its own regulatory umbrella, which can be appealing to customers that do not want to bear the regulatory burden or associated costs of seeking a licence. The Directors believe that this is a significant advantage and differentiating factor. The Company also licenses exchange and surveillance technology to third parties.

**Aquis Matching Engine
("AME")**

- Designed to be a global, comprehensive solution for businesses seeking to operate either a public exchange or an internal matching system.
- Systems can be used for trading a variety of asset classes, for both open and internal platforms and for lit and dark books.
- Can be hosted and managed by the Company post-installation.
- Powerful and robust, and high levels of availability, consistency and resilience.
- Complemented by market surveillance tools, associated market operations functions and support and data services.
- Architecture designed to be highly adaptive, which enables delivery of tailored development and support cycles.

**Aquis Market Surveillance
("AMS")**

- Market surveillance requirement solutions for exchanges, investment banks and brokers.
- Designed to monitor algorithmic and automated trading and traditional trading flow.
- Real-time supervision of a fair and orderly market, detection of potential market abuse and compliance with exchange and company rules.
- Suite of alerts for real-time and historical analysis.
- Fully compliant with ESMA guidelines, and addresses the requirements of MAR and the relevant sections of MiFID II.
- Alert parameters designed to be highly customisable, adaptable and modifiable in real-time.
- Real-time alert stream identifies market volatility and disorderly trading conditions, potential breaches of exchange rules and specific market abuse scenarios.
- Detailed timeline graphics and order-book replay functionality to allow for step-by-step visualisation and analysis of the order book down to microsecond granularity.

**Aquis Market Gateway
("AMG")**

- Connects SIs and counterparties bilaterally via a normalised Application Programming Interface.
- Simple and cost-effective way for SIs and counterparties to connect.
- In line with the latest MiFID II criteria.
- Assists firms that want to connect to SIs without having to undertake complicated implementation and conformance procedures in order to connect with each unique interface of each SI by normalising access.

Client base

The Company intends to continue to expand its international client base and its brand reputation for high quality, efficient and cost effective technology systems. Most recently, the Company partnered with A2X Markets ("**A2X**"), the Republic of South Africa's newest stock exchange, providing a trading platform (an AME) as well as clearing and surveillance systems (an AMS) custom-built for A2X and ancillary support services, enabling A2X to provide the market in the Republic of South Africa with an alternative to the Johannesburg Stock Exchange. Aquis Exchange has also recently provided a single dealer platform (a variation of AME) (exchange functionality) to Tower Research, a market leading liquidity provider, to enable them to operate a SI and a surveillance system (an AMS) to UBS for their dark pool MTF. The Company is also currently onboarding the first of four clients who have agreed to connect to the AMG.

The Directors believe that these examples are indicative of the type of global demand for the Company's pioneering and market-leading technology.

Licensing fees

Licence agreements generally comprise an up-front implementation fee and a recurring licence fee for the use of technology. Contracts vary in length from two to five years depending upon the nature of the systems provided and include systems upgrades and maintenance.

The Company also charges for exchange advisory services. The team's regulatory and business expertise is valuable to international companies seeking regulatory approval across a diverse range of asset classes.

3.2.3 Aquis Market Data

Market data is crucial for all market participants. The Company's comprehensive market data suite has a high degree of correlation with other European markets. This underlines the nature of European equities markets where there is close stock price correlation and supports the Company's business model as an attractive viable alternative to the national exchanges. The Company currently provides Aquis market data free to Members and market data vendors; however, from 1 July 2018, the Company will charge market data vendors for the supply of Aquis market data.

In April 2017, the Company entered into a partnership with Strategic Insight to supply users of AMS with Strategic Insight's LiquidMetrix, the industry-leading solution for transaction cost analysis. This should enable users to access LiquidMetrix analytics to help them gain valuable insights into their trading activity and demonstrate Best Execution, as required under MIFID II.

4. Aquis' Key Strengths

The Directors attribute the Company's ongoing success to the following factors:

4.1 Unique Business Model

4.1.1 Subscription pricing model

The Company has implemented a subscription pricing model which is a fully transparent charging method. The subscription pricing model operates like a mobile phone contract. The Company charges a fixed monthly fee for a set or unlimited amount of usage which is based on message count rather than basis points on value trade. It is the only major MTF or exchange in Europe which utilises this model.

Competitors of the Company typically use a trading pricing model which charges a fixed number of basis points on the notional value of each trade executed. As the pricing model of Aquis Exchange is based on message count rather than basis point on value trading, the Directors believe that the model should materially reduce customers' explicit costs of trading relative to trading on the incumbent exchanges, as the more a Trading Member trades on Aquis Exchange, the bigger its savings. For example, a Trading Member with Unlimited Membership, assuming that there was sufficient liquidity available on Aquis Exchange, could put all of its trades through Aquis Exchange for a fixed sum of £50,000 a month (subject to the fair usage policy), irrespective of the value of the number of shares traded. The Directors believe that the growth in membership since inception shows that market participants support the subscription pricing model.

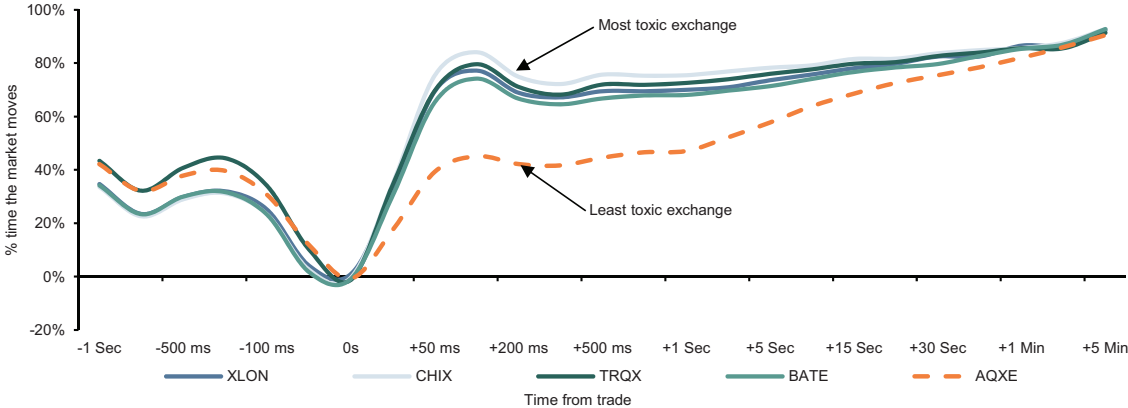
4.1.2 No aggressive proprietary trading and low toxicity

The Company's lit order book does not allow aggressive, non-client, proprietary trading and Aquis Exchange monitors all trading on a real-time basis to ensure compliance with this rule.

As a result of the prohibition on aggressive proprietary trading, market impact and signalling risk appears to be, based on the Directors' experience in the industry, much lower on Aquis Exchange than on other trading venues in Europe. The graph produced by LiquidMetrix (on page 17), which displays price movement relative to time of change for the week commencing 15 January 2018, helps to demonstrate this. This graph shows that a trade on Aquis Exchange was less likely to lead to an adverse price movement than on other lit markets. This suggests that Aquis Exchange is less toxic than these other trading venues, as on average its prices appear to move at a slower rate following a trade. In theory, this lower level of toxicity should ultimately save investors money, as the implicit cost of trading should be lower on Aquis Exchange than on other more toxic trading venues (i.e. trading venues where stock prices move at a faster rate). Indeed, the quality of the

Aquis Exchange market seems to have resulted in investment banks and brokers steadily increasing their confidence and levels of trading.

Percentage time for the market moves relative to time from trade for the week commencing 15-19 January 2018



- Key**
XLON: London Stock Exchange
CHIX: Cboe CXE
TRQX: Turquoise
BATE: Cboe BXE
AQXE: Aquis Exchange

Source: LiquidMetrix (2018)

The Directors believe that the Aquis Exchange ‘protected’ market should also result in liquidity providers being prepared to increase the liquidity they provide to Aquis Exchange, as liquidity providers should be more willing to provide greater liquidity to less toxic markets, as they should generally expect to receive a better price from these markets. The Directors expect that this, combined with the Company’s unique pricing model, should ultimately enable the Company to offer more tradeable liquidity than other trading platforms.

4.2 Market Leading Technology

Aquis Technologies, the exchange and regulatory technology development and licensing arm of the Company, has developed a variety of software packages to assist investors with achieving their business and regulatory objectives.

The Company’s technology is custom-built, proprietary and has been designed to be highly scalable. Aquis Exchange has been operating for over four years and, as at the Latest Practicable Date, has not incurred a single outage. The Company’s recent experience also suggests that demand for exchange technology is growing. The Company is increasing its international client base and it is ideally positioned to license its technology as, in the Directors’ opinion, the Company’s technology is robust and easily exportable.

4.3 Growing Market Share

Volumes and market share doubled in 2017 to reach approximately 1.9% of the overall pan-European market of continuous trading. The Company already has ten of the world’s leading investment banks connected to and using the Company’s platform, together with six major market makers acting as DLPs. This increase, in the Company’s opinion, reflects the growing appreciation by the investment banks and brokers of the available liquidity and low toxicity.

The Company is currently targeting to reach a 3% overall pan-European market share by the end of 2018. The Directors’ previous experience suggests that obtaining a market share of this level should allow Aquis Exchange to achieve consistent individual stock volumes of 5% or more as not all stocks will be trading at the 3% level. The Directors believe that Best Execution is difficult to attain for a customer if a broker does not have access to a market where 5% of a stock is trading. This in turn should increase Aquis Exchange’s membership, as at this point investment banks and brokers theoretically would need to become Members of Aquis Exchange in order to fully cover the market and comply with their Best Execution obligations to their respective clients.

4.4 Major Market Opportunities – Regulatory Developments

The Company's recent experience suggests that MiFID II is already starting to have an impact on market behaviours. Article 23(1) of MiFIR states that EU-authorized investment firms can only trade in EU-listed shares where they do so on a Regulated Market, MTF or SI. This should increase the volume of shares traded on trading venues and the Directors believe that there already appears to be a gradual move for greater transparency and a shift of "Over the Counter" trading and bank internalised business on to trading venues, including MTFs. This should be beneficial for lit trading venues like Aquis Exchange. In addition, the strengthening of the Best Execution requirements and extension of this requirement to the institutions contained in MiFID II should, in the Directors' opinion, result in more business being routed to the Company. For further information please see paragraph 5.3 below.

4.5 Strong Management Team

The Company's Board, individually and collectively, have significant experience in financial markets and the creation of alternative trading platforms. The Directors believe that this breadth of experience from which it will continue to draw should enable the Company to meet its strategic goals. For further information on the Company's Board, please see paragraph 9 of this Part I.

5. Market overview

5.1 Introduction

The Company operates a pan-European equities market. This is made up of 14 of some of the largest equity markets in Europe: Austria, Belgium, Denmark, Finland, France, Germany, Holland, Italy, Norway, Portugal, Spain, Sweden, Switzerland and UK. In the medium term, Aquis Exchange may decide to extend the number of markets subject to Member demand.

Overall trading levels tend to fluctuate during the year dependent on market, economic and political events. For example, significant events, such as the result of the UK's referendum on exiting the EU, have resulted in material increases in market volumes during which Aquis Exchange volumes increase by a commensurable amount reflecting the quality of the Aquis Exchange market and trading platform. However, over the last three years overall total consolidated trading levels across all European markets have remained relatively consistent in the region of €50 billion each trading day.

5.2 Competitive landscape

Overall the pan-European equity market is relatively fragmented. There are approximately 20 trading venues and SIs competing across Europe with the largest groups (the LSE and Cboe), each representing approximately 18% to 19% respectively of the overall market. However, at an individual country level the market is close to a duopoly with the LSE and Cboe representing close to 80% of the overall market.

5.3 Recent developments

The introduction of MiFID II on 3 January 2018 in the medium term is expected to impact trading patterns and decisions. MiFID II requires investment banks and brokers to comply with 'Best Execution' requirements. This essentially places the onus on the investment banks and brokers to ensure that their choice of trading venue guarantees their institutional clients the optimum order execution from a price, cost, speed and quality of execution perspective. The Directors believe that the market conformance to MiFID II requirements should naturally increase the volume of orders routed to Aquis Exchange due to the available liquidity and lower toxicity compared to other trading venues.

MiFID II was also designed by the regulators to improve the transparency of equity trading. The regulators hoped to achieve this by: i) limiting dark pool trading volumes to 8% of the market and 4% on any single platform (measured at a specific stock level); and ii) making broker crossing networks ("BCNs") subject to regulation. BCNs appear to have effectively disappeared as under MiFID II they have had to become either Regulated Markets, MTFs or SIs. There is also a push from the regulators to move OTC business onto trading venues. Some of the trading has consequently transferred to SIs, but in the medium term the Directors expect that this reform is likely to increase trading transparency and assist the Company's development.

To ensure that investment banks, brokers and the principal underlying institutional client base adhere to the new regulations, the regulatory authorities have instigated a comprehensive reporting requirement for the investment banks and brokers. The first results should become available mid-2018. In the short term, this requirement does not appear to have had an impact on venue routing and trading decisions. However, in the medium term, the Directors believe that this requirement may direct volumes towards Aquis Exchange.

6. Current trading, recent developments and growth strategy

6.1 Historical revenue results and key business aspects

During the two year period 2015 to 2017, the Company's overall revenues increased by 281%. Exchange revenue is the major contributor during this period representing 85% and licensing revenue the remainder 15%. However in the medium term it is anticipated that the licensing revenue as a percentage of overall revenues should increase.

6.2 Growth strategy

The key strategic areas of focus for the Company are:

- to capitalise on regulatory and technical shifts in market infrastructure by providing a trading venue which offers deeper liquidity and transparent, higher quality execution for intermediaries and investors;
- to continue to increase the trading levels of the existing Members;
- to increase the number of Members and associated trading volumes by providing a robust and innovative platform that responds to investors' needs, whilst maintaining a competitive pricing model; and
- to license its technology platform to third parties that require trading systems, market surveillance or gateway technology.

During 2018 and 2019 the Company intends to focus on building its client base and trading activities in European equities. Given that a number of large investment banks are already Members and directing flow to Aquis Exchange, the Directors believe that the Company is well positioned to capitalise further on this.

In addition, the Directors believe that the available liquidity and continued investment in innovative products available to use on Aquis Exchange (for example, the MaC order) should drive material trading volume and market share increases.

The continued investment in the Company's technology supports the software licensing growth. The Company has created a suite of exchange products which have gained recognition for their quality and effectiveness. The Company intends to continue to focus on diversifying asset class capabilities and investing in brand and marketing to effectively promote and grow this activity. The number of suppliers of exchange industry technology is relatively limited and attendance at exhibitions and promotions, plus existing customer support and endorsements, suggests that the Aquis brand is gaining increased market reputation.

In the medium term, the Directors believe that the combination of a successful equities trading venue and thriving licensing business should offer the Company the opportunity to expand its activities internationally and develop trading venue activities in additional asset classes.

6.3 Current trading

As at the Latest Practicable Date, in 2018, the Company has traded in line with the Directors' expectations.

6.3.1 Aquis Exchange

Despite the fact that the pan-European equity market is competitive, the Company has continued to grow market volumes, market share and clients during the last four years.

The Directors believe that the Company's unique market structure and subscription pricing model have supported this growth. The large investment banks and brokers are supportive and their smart order routers continue to direct an increasing percentage of their trading activities to Aquis Exchange to take advantage of the growing liquidity and lowest mean reversion results achieved from trading there. These clients are key to driving volume growth and appears to be the principal

reason behind the 281% revenue growth in the 2 year period between 2015 and 2017. However, in the Directors' opinion, Aquis Exchange is also an attractive venue for the medium and smaller investment banks and brokers, and their continued growth should enhance the diversified trading venue model and trading activity.

The continued impact of the introduction of MiFID II on 3 January 2018 is anticipated to have further beneficial effects to the Company as market participants increase their trading activities on lit markets. The effect of MiFID II on market trading activities is in the very early stages but the Directors believe that this is likely to evolve positively for the Company.

6.3.2 Aquis Technologies

Aquis Technologies has continued to grow during 2018. For example, the Company secured contracts to provide a surveillance system to a large investment bank and an exchange and surveillance system to a new bond exchange.

Revenue growth in the medium term is expected to continue as brand reputation and market recognition of the quality of the technology increases.

7. Reasons for Admission, use of proceeds and the Placing

The net proceeds of the Placing will be used by the Company as follows:

- to increase the number of Members on Aquis Exchange and their activity levels through increased investment in sales and marketing;
- for investment in new technology developments;
- to accelerate the software licensing capabilities with enhanced delivery and support;
- to pay the costs of its admission to AIM and maintain the applicable governance standards; and
- for general working capital purposes.

The implementation of MiFID II on 3 January 2018 continues to offer the Company the opportunity to accelerate the growth of its technology development and services activities. One of the key tenets of MiFID II is the drive towards greater transparency in the European equities market and the Directors believe that the Company is ideally placed to benefit from this regulatory initiative and intend to focus on promoting to investment banks, brokers and institutional investors the benefits of trading on Aquis Exchange instead of on other European equity trading venues.

The Directors believe that the Placing and Admission should further enhance the Company's market profile with existing and potential Members and overall brand recognition. The Directors also believe that the Placing and Admission should enable the Company to pursue its software licensing growth strategy (as Aquis Technologies' brand recognition should increase once the Company is publicly traded), aid its ability to build a more scalable delivery and support mechanism as well as assisting the Company with recruitment, retention and incentivisation of employees. Admission will also enable some of the existing Shareholders to realise, in part or full, their investment in the Company.

8. Selected historical financial information

The following financial information has been derived from the historical financial information contained in Section B of Part III (Historical Financial Information on the Company) and should be read in conjunction with the full text of this document. Prospective investors should not rely solely on the summarised information set out below.

	Year ended 31 December		
	2015	2016	2017
	£	£	£
Revenue	529,127	1,221,444	2,014,590
Cost of sales	(3,496,266)	(3,809,454)	(4,113,540)
Gross Loss	(2,967,139)	(2,588,010)	(2,098,950)
Administrative expenses	(1,103,513)	(1,358,265)	(1,215,873)
Operating loss	(4,070,652)	(3,946,275)	(3,314,823)
Investment income	15,650	10,628	9,961
Loss before tax	(4,055,002)	(3,935,647)	(3,304,862)
Income tax recovered	356,081	264,746	222,215
Loss and total comprehensive income for the year	(3,698,921)	(3,670,901)	(3,082,647)

9. Directors

Board

Nicola Beattie (52) Independent Non-Executive Chairman

Niki is the non-executive Chairman of the Company and a member of the Nominations and Remuneration Committee. She joined the Board in January 2013.

Niki is also Chairman of XTX Markets Limited, as well as a director of XTX Holdings Limited, and she is a non-executive director on the boards of Borsa Istanbul (Turkey), IRESS, a listed Australian financial technology company, and Kepler Cheuvreux UK Limited. She was previously on the board of MOEX, Russia's exchange, from 2012-2016. Alongside these roles, she also sits on the Consultative Working Group to ESMA's Secondary Markets Standing Committee and is a member of the UK FCA's Regulatory Decisions Committee.

Niki is also founder of Market Structure Partners, a strategic consulting company advising market participants around the globe about structural changes in capital markets infrastructure. Prior to that she spent 17 years working in investment banking where she ultimately became managing director and head of EMEA Market Structure at Merrill Lynch International.

Niki's term on the Board of the Company is due to expire in June 2019, after which she will be eligible to extend for a further 3 years.

Alasdair Haynes (58) Chief Executive Officer

Alasdair Haynes is the Chief Executive Officer ("CEO") of the Company. He founded the Company in 2012 after identifying the opportunity for providing a high quality equities exchange differentiated from all other exchanges through the introduction of a subscription pricing model and subsequently the introduction of a ban on aggressive trading by proprietary trading firms. Prior to founding the Company, Alasdair was CEO of Chi-X Europe. Alasdair, as CEO of the Company, is responsible for the overall strategic development of the Company and has been instrumental in the expansion and strong organic growth of the Company.

Jonathan Clelland (59) Chief Financial Officer, Chief Operating Officer and Company Secretary

Jonathan Clelland is the Chief Financial Officer, Chief Operating Officer ("COO") and company secretary of the Company. Jonathan joined the Company in 2012 when the Company was started and is responsible for all financial and administrative aspects of the Company. Prior to joining the Company, Jonathan was the COO of Shearman & Sterling (London) LLP and COO of HSBC Bank plc Corporate Finance and Advisory Division.

Richard Bennett (66) Senior Independent Non-Executive Director

Richard is a Non-Executive Director of the Company, Chairman of the Nominations and Remuneration Committee and member of the Audit, Risk and Compliance Committee (ARCC). He joined the Board in March 2014.

Richard is the ex-Group Managing Director & Group General Counsel of HSBC Holdings plc. He was also a specialist adviser to the Parliamentary Commission on Banking Standards and the Treasury Committee.

Richard's term on the Board of the Company is due to expire in June 2020, after which he will be eligible to extend for a further 3 years.

Mark Goodliffe (52) Independent Non-Executive Director

Mark is a Non-Executive Director of the Company and Chairman of the ARCC. He joined the Board in March 2018.

Mark is the UK Chief Financial Officer of Rea Holdings plc and an independent Non-Executive Director and Chairman of the Audit Committee of CME Trade Repository Limited.

Mark's term on the Board of the Company is due to expire in June 2020, after which he will be eligible to extend for a further 3 years.

Mark Spanbroek (53) Independent Non-Executive Director

Mark is a Non-Executive Director of the Company and member of the ARCC. He joined the Board in March 2013.

Mark is chairman of the supervisory Board of Transtrend BV and was previously a non-executive Chairman of CME Europe Limited. Mark is also Vice Chairman of FIA-EPTA the Futures Industry Association.

Mark's term on the Board of the Company is due to expire in June 2019, after which he will be eligible to extend for a further 3 years.

Employees

As at 31 December 2017, the Company employed 31 people. The following table sets out the Company's average number of employees (including directors) by function for the years ended 2015, 2016 and 2017.

	Year ended 31 December		
	2015	2016	2017
	No.	No.	No.
Management	2	2	4
Operations	4	4	4
Sales	4	3	3
Marketing	1	1	1
IT and finance	11	12	16
Compliance	3	3	3
Total	25	25	31

10. Corporate Governance and Internal Controls

On Admission, the Directors will have implemented appropriate measures (having regard to the current stage of development of the Company) to comply, so far as practicable, with the UK Corporate Governance Code (the "Code"). With effect from Admission, the Company will have four Non-Executive Directors and two Executive Directors, reflecting a blend of different experiences and backgrounds. The Board considers all Non-Executive Directors to be independent.

The Board retains full and effective control over the Company. The Company intends to hold regular Board meetings at which financial and other reports are considered and, where appropriate, voted on. Apart from regular meetings, additional meetings will be arranged when necessary to review strategy, planning, operational and financial performance, risk, capital expenditure and human resource and environmental management and allow for director training to take into

consideration the changing regulatory environment. The Board is also responsible for monitoring the activities of the executive management.

The Directors have established an Audit, Risk and Compliance Committee (“**ARCC**”) and a Nominations and Remuneration Committee with formally delegated duties and responsibilities to operate with effect from Admission.

The ARCC will initially be comprised of Mark Goodliffe (Chairman), Richard Bennett and Mark Spanbroek. It will determine and examine any matters relating to the financial affairs of the Company including the terms of engagement of the Company’s external and internal auditors and, in consultation with the auditors, the scope of the external and internal audits. In addition, it will consider the regulatory, technical and operational risks of the Company and ensure these risks are properly assessed, monitored and reported on and the appropriate policies and procedures are in place. The ARCC will meet not less than four times in each financial year, or as otherwise required, and will have unrestricted access to the Company’s auditors.

The Nominations and Remuneration Committee will be comprised of Richard Bennett (Chairman) and Niki Beattie. The Nominations and Remuneration Committee will review and recommend nominees as new Directors to the Board and the performance of the Executive Directors and set their remuneration, determine the payment of bonuses to the Executive Directors and consider the Company’s bonus and incentive arrangements for employees. In exercising this role, members of this committee will have regard to the recommendations put forward in the Code and any other requirements for financially regulated companies that are applicable to the Company. The Nominations and Remuneration Committee shall meet not less than twice a year and at such other times as required.

11. The Placing and Placing Shares

The Placing comprises the issue of 4,460,967 New Ordinary Shares by the Company at the Placing Price representing approximately 16.4% of the Enlarged Share Capital and will raise £12.0 million gross (approximately £10.6 million net of expenses) for the Company. The Placing also comprises the sale of 7,456,014 Sale Shares for the Selling Shareholders representing approximately 27.5% of the Enlarged Share Capital raising approximately £20.1 million (before expenses) in aggregate for the Selling Shareholders. On Admission, it is expected that the Company will have a market capitalisation of approximately £73.0 million at the Placing Price.

Pursuant to the Placing Agreement entered into between the Company, the Directors and Liberum, Liberum has agreed, subject to certain conditions, to act as agent for the Company and to use its reasonable endeavours to procure Placees to subscribe and/or purchase (as the case may be) the New Ordinary Shares and the Sale Shares (as the case may be) at the Placing Price. The Placing will include the sale of the Selling Shareholder Shares by the Selling Shareholders who have each entered into a Deed of Election appointing the Company as his, her or its agent for the sale of the Selling Shareholder Shares in the Placing. The Placing will also include the sale of EMI Shares by the EMI Selling Shareholders who have each entered into a notice of exercise appointing the Company as his, her or its agent to sell the EMI Shares on their behalf.

Details of the Placing Agreement are set out in paragraph 12 of Part V (Additional Information) of this document.

12. Share dealing code

The Company has adopted and will operate a share dealing code which is compliant with Article 19 of MAR and Rule 21 of the AIM Rules for Companies.

13. Employee incentive arrangements

The Company has adopted, conditional on Admission, tax-advantaged Employee Share Plans under which shares may be acquired by eligible employees of the Company. The Employee Share Plans are administered and managed by the Nominations and Remuneration Committee.

The Employee Share Plans have been adopted to incentivise employees by enabling them to share in the success of the Company following Admission. The Employee Share Plans are: (i) the Employee Share Incentive Plan (“**SIP**”) and (ii) an Enterprise Management Incentive Plan. The Directors believe that the plans will contribute to employees’ continued collaborative approach. The

awards for Alasdair Haynes and Jonathan Clelland will be over Ordinary Shares valued at grant at £325,000 each.

There is an existing Enterprise Management Incentive scheme under which EMI Options have been granted over certain shares held by Alasdair Haynes. All EMI Options under this existing scheme will lapse if not exercised within 40 days from the date of Admission. Further information on that existing scheme and on the new Employee Share Plans is set out in Part V (Additional Information) of this document.

14. Dividend policy

The Directors intend to commence the payment of dividends when it becomes commercially prudent to do so. The payment of dividends will be subject to maintaining an appropriate level of dividend cover and the need to retain sufficient funds for reinvestment in the business, to finance the capital expenditure program and for other working capital purposes. Within these parameters, the Company's dividend policy will remain continually under review.

There can be no assurances as to the levels of future dividends, if any. The declaration, payment and amount of any future dividends of the Company is subject to the discretion of Directors and the relevant requirements of UK company law and accounting standards.

15. Lock-in and orderly market arrangements

On Admission, the Directors' aggregate holdings amount to 2,446,679 Ordinary Shares representing 9.0% of the Enlarged Share Capital. The Directors and Mr R. Ricci have undertaken (in respect of themselves and persons connected with them) to the Company and Liberum not to dispose of any interest in their Ordinary Shares for a period of one year following the date of Admission without the prior written consent of Liberum, except in very limited circumstances. Furthermore, the Executive Directors have each agreed, in addition to and immediately following the period referred to above, not to dispose of any interest in their Ordinary Shares for a period of one year beginning on the first anniversary of Admission except through and with the prior written consent of Liberum, with a view to the maintenance of an orderly market in such Ordinary Shares of the Company.

Details of the lock-in arrangements for the Directors is set out at paragraph 12.2 in Part V (Additional Information) of this document. Details of the lock-in arrangements with Mr R. Ricci is set out at paragraph 15(B) in Part V (Additional Information) of this document.

16. Taxation

Your attention is drawn to the taxation section contained in paragraph 21 of Part V (Additional Information). If you are in any doubt as to your tax position, you should consult your own independent financial and/or tax adviser immediately.

17. Mandatory Bids and Compulsory Acquisition Rules Relating to the Ordinary Shares

17.1 The Takeover Code

The Takeover Code applies to the Company. Under Rule 9 of the Takeover Code, if an acquisition of interests in shares were to increase the aggregate holding of the acquirer and its Concert Parties to interests in shares carrying 30% 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) to make a cash offer for the outstanding shares in the Company at a price not less than the highest price paid for interests in shares by the acquirer or its Concert Parties during the previous 12 months. This requirement would also be triggered by any acquisition of interests in shares by a person holding (together with its Concert Parties) shares carrying between 30% and 50% 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 in the Company.

"Interest in shares" is defined broadly in the Takeover Code. A person who has long economic exposure, whether absolute or conditional, to changes in the price of shares will be treated as interested in those shares. A person who only has a short position in shares will not be treated as interested in those shares.

In particular, people will be treated as having an interest in shares if:

- (A) they own them;

- (B) they have the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to them or have general control of them;
- (C) by virtue of any agreement to purchase an option or derivative they:
 - (i) have the right or option to acquire them or call for their delivery; or
 - (ii) are under an obligation to take delivery of them;
- (D) whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or
- (E) they are party to any derivative:
 - (i) whose value is determined by reference to its price; and
 - (ii) which results, or may result, in their having a long position in it.

The Company's advisers have liaised with the Panel and, based on the information available, the Panel has confirmed that: (i) there is no controlling shareholder who will hold more than 30% of the Ordinary Shares immediately following Admission; and (ii) there are no Concert Parties who together will hold more than 30% of the Ordinary Shares immediately following Admission.

17.2 Squeeze-out

Under the Companies Act, if a "takeover offer" (as defined in section 974 of the Companies Act) is made for the Ordinary Shares and the offeror were to acquire, or unconditionally contract to acquire, not less than 90% in value of the Ordinary Shares to which the offer relates and not less than 90% of the voting rights carried by the Ordinary Shares to which the offer relates, it could, within three months of the last day on which its takeover offer can be accepted, compulsorily acquire the remaining 10%. The offeror would do so by sending a notice to outstanding members telling them that it will compulsorily acquire their Ordinary Shares and then, six weeks later, it would execute a transfer of the outstanding Ordinary Shares in its favour and pay the consideration for the outstanding Ordinary Shares to the Company, which would hold the consideration on trust for outstanding members. The consideration offered to the members whose shares are compulsorily acquired under this procedure must, in general, be the same as the consideration that was available under the original offer unless a member can show that the offer value is unfair.

17.3 Sell-out

The Companies Act also gives minority members a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all of 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% in value of the Ordinary Shares and not less than 90% of the voting rights carried by the Ordinary Shares, any holder of Ordinary Shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those Ordinary Shares. The offeror is required to give any member notice of his/her right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority members to be bought out, but that period cannot end less than three months after the end of the acceptance period or, if later, three months from the date on which notice is served on members notifying them of their sell-out rights. If a member exercises his/her rights, the offeror is entitled and bound to acquire those Ordinary Shares on the terms of the offer or on such other terms as may be agreed.

18. Admission, Settlement and Dealings

An application has been made to the LSE for all of the Ordinary Shares, issued and to be issued pursuant to the Placing, to be admitted to trading on AIM. It is expected that Admission will become effective and dealings will commence in the Ordinary Shares on 14 June 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 Directors confirm that 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 will take place within the CREST system.

Following Admission, the Company also intends for the Ordinary Shares to be admitted to trading on Aquis Exchange.

19. Further information

You should read the whole of this document and not just rely on the information contained in this Part I. In particular, your attention is drawn to the Risk Factors in Part II of this document and the Additional Information contained in Part V of this document.

PART II

RISK FACTORS

Any investment in the Ordinary Shares is subject to a number of risks and uncertainties. Prior to investing in the Ordinary Shares, prospective investors should carefully consider the factors, risks and uncertainties associated with any such investment, the Company's business, strategy and the industry in which it operates, together with all other information contained in this document including, in particular, the risk factors described below. Prospective investors should note that the risks and uncertainties identified in this Part II are the risks and uncertainties that the Company believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Ordinary Shares.

The following is not an exhaustive list or explanation of all risks that prospective investors may face when making an investment in the Ordinary Shares and should be used as guidance only. The order in which risks are presented is not necessarily an indication of the likelihood of the risks actually materialising, of the potential significance of the risks or of the scope of any potential harm to the Company's business, operating results, financial condition or prospects. Additional risks and uncertainties relating to the Company that are not currently known to the Company, or that the Company currently deems immaterial, may individually or cumulatively also have a material adverse effect on the Company's business, operating results, financial condition or prospects and, if any such risk should materialise, the price of the Ordinary Shares may decline and investors could lose all or part of their investment. Investors should carefully consider whether an investment in the Ordinary Shares is suitable for them in the light of the information in this document and their personal circumstances.

1. RISKS RELATING TO THE COMPANY AND ITS INDUSTRY

1.1 The Company is at an early stage of its life cycle and has a relatively short operating history. If the Company fails to attract new customers or sufficient volumes of trading from its current or future customers, or is unable to increase its market share, this could have a material impact on its prospects for success

The Company began commercial operations in 2013 and currently has an overall pan-European equities market share of just under 2%. The Company has a relatively short operating history, which makes evaluating the Company's business and prospects difficult. The Company cannot be certain that it will be able to attract sufficient new Members or sufficient volumes of trading from its current or future customers. For example, a number of the Company's customers allocate their business between exchanges and other trading venues by using complex computer algorithms. These algorithms are often based on historical data and consequently can appear to favour more established exchanges that have historically conducted more business with the customer in question even though the Company may have a more favourable price or more liquidity at the particular point in time.

The Company cannot be certain that it will be able to increase its market share or expand its technologies division. While the Company's market share has increased, there can be no assurance that the Company will be able to achieve the same level and rate of growth. Continuing to grow the Company's businesses will require increased investment in the Company's personnel, marketing and sales, and financial and management systems and controls. Unless the Company's growth results in an increase in its revenues that is proportionate to the increase in its costs associated with this growth, its future profitability will be adversely affected.

1.2 Economic and market conditions which are beyond the Company's control may adversely affect its business and financial condition

The Company is exposed to economic, political and geopolitical market conditions, macro-economic and legislative and regulatory changes across a number of jurisdictions, geographies and markets (in particular in the UK and Europe more generally), which are beyond the Company's control. The Company's trading venue business is dependent on levels of market activity, in particular upon the number of messages sent by subscribers, the

number of traders in the market and other similar factors. To the extent that global, European or UK economic conditions weaken, the Company's trading venue and other businesses are likely to be negatively affected. The future economic environment may be subject to periodic downturns, including possible recessions, austerity programmes and ongoing volatility in financial markets. This could result in decreased levels of customer subscriptions, customer demand for Company technology and a more difficult operating environment for the Company.

1.3 The Company faces competition from a variety of sources across its business divisions. If the Company is unable to compete effectively certain aspects of the business could be significantly damaged which could result in loss of revenue and reputation

The areas of financial industry in which the Company operates are competitive, and the Company faces competition from a number of sources, many of whom have larger customer bases, more established name recognition and greater financial, marketing and technological resources. Competition has been intensified by trends toward the liberalisation, technological innovation and globalisation of world capital markets, which have resulted in greater mobility of capital, greater international participation in local markets and more competition among markets in different geographical areas, as well as consolidation of the industry by mergers and business combinations.

The Company competes with other trading venues in a variety of ways, including the cost of using Aquis Exchange, quality and speed of trade execution, liquidity, levels of market toxicity, functionality, ease of use, security and performance of trading systems, the ranges of products and services offered to trading participants, technological innovation and reputation. In particular, competitors may be able to exploit differences in the regulatory requirements that apply to the Company and other operators of trading venues or consolidate and/or form alliances, which may create greater liquidity, lower costs, and more attractive pricing models to customers than the Company can offer.

If the Company is unable to adapt to changing market pressures or customer demands, maintain and increase its market share given the intense competition, a decline in the Company's market share and trading activity would mean that its revenues could decline. In addition, a decrease in the market share of the Company's MTF business could adversely impact other business segments, which may be seen by current and prospective customers as less valuable, any of which could have a material adverse effect on the Company's business, cash flows, financial condition and results of operations.

1.4 The Company operates in highly regulated markets and is subject to extensive regulatory oversight

Significant new regulatory requirements have been and continue to be imposed on financial institutions and exchanges and other trading venue operators, central counterparties, central securities depositories and index administrators which may impact the Company, as well as its customers, including the members of Aquis Exchange and the customers of its technology licensing and market data business.

Among the requirements relevant to the Company and its customers under the European regulatory framework are new rules under the revised Markets in Financial Instruments Directive (the "**MiFID II Directive**") and the Markets in Financial Instruments Regulation ("**MiFIR**") (collectively, "**MiFID II**"), the European Market Infrastructure Regulation ("**EMIR**"), the regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "**Benchmarks Regulation**"), the Capital Requirements Directive and the Capital Requirements Regulation (collectively, "**CRD IV**"), the revised Market Abuse Regulation ("**MAR**"), the Central Securities Depository Regulation ("**CSDR**") and the Bank Recovery and Resolution Directive ("**BRRD**"). In addition, the securities trading industry is subject to significant regulatory oversight and could be subject to increased governmental and public scrutiny in the future in response to global conditions and events.

MiFID II introduced a number of new rules that directly affect the Company's business. Those rules have been in force only since 3 January 2018 and, as a result, their full impact on the market and the approach of regulators in interpreting and enforcing them remain unclear. If

the Company is unable to respond effectively to the changes in the market or regulatory environment that result from the implementation of these two pieces of legislation, then MiFID II could have a negative impact on its business.

In particular, the Company relies on a number of pre-trade transparency waivers under MiFID II to offer certain order types to its Members. Those waivers have been granted by the FCA, but remain subject to opinions to be issued by the European Securities and Markets Authority (“ESMA”) confirming their application. If ESMA determines that the relevant waivers do not comply with MiFID II, the Company may be required to withdraw the order types that rely on them, which could have a negative effect on trading volumes and the Company’s revenues.

Future changes in the legal and regulatory environment in which the Company’s businesses operate, including changes to implementing rules, legislation or corresponding guidance, may impose stricter requirements on the Company and its customers. Such developments may in particular affect the Company’s trading venue business. In particular, such developments:

- (A) may limit the ability of the Company to provide certain of their current or planned services, to build an efficient, competitive organisation and to expand foreign and global access to Aquis Exchange and other services;
- (B) may place financial and corporate governance restrictions on the Company;
- (C) may make it difficult for Aquis Exchange to compete with other competitors in other jurisdictions, such as Switzerland;
- (D) may impact the levels of customer demand for its services;
- (E) may impose restrictions such as capital requirements and proprietary trading restraints on market participants or otherwise cause market participants to change their behaviour in a manner that reduces their use of Aquis Exchange;
- (F) may significantly increase compliance and associated costs of the Company, for instance by requiring the businesses of the Company to devote substantial time and cost to the implementation of new rules and related changes in its operations; and
- (G) may materially increase the costs of, and restrictions associated with, trading and clearing which could decrease subscription numbers, sales of technology and profits.

1.5 Non-compliance with legal and regulatory requirements may result in the Company becoming subject to regulatory sanctions, fines, censures and other regulatory, administrative or judicial proceedings, including, in extreme circumstances, the withdrawal of authorisations, regulatory approvals, licences or exemptions required to operate the Company’s business

The failure of the Company or any of its employees to comply with legal and regulatory requirements could result in the Company and/or its employees becoming subject to investigations and regulatory, administrative or judicial proceedings. These investigations and proceedings may result in substantial criminal and/or civil sanctions, fines, censures and penalties, including the restriction or revocation of an authorisation, regulatory approval, licence, recognition, exemption or registration that the Company relies on in order to conduct its business.

Any such investigation or proceeding, whether successful or unsuccessful, could result in substantial costs and diversions of resources and could negatively impact the Company’s reputation, revenues and business.

While the Company has implemented policies and procedures that are intended to ensure its compliance with legal and regulatory requirements, any failure in the design or implementation of those policies and procedures could lead to the Company and/or its employees to breach applicable legal and/or regulatory requirements or could itself amount to a breach of those requirements, with the potential consequences referred to above.

1.6 The Company is exposed to conduct risk

Conduct risk is the risk that decisions and behaviours of a company or its employees do not support the integrity and effective functioning of financial markets, lead to its customers or clients being treated unfairly, or otherwise result in detrimental customer or client outcomes or regulatory breach. Conduct risk may arise in a number of circumstances, including where the

Company fails to design, implement or adhere to appropriate policies and procedures, fails to communicate appropriately with customers or clients or fails to deal with complaints effectively.

This risk may also arise as a result of employee (mis)conduct. The Company is exposed to risk from potential non-compliance with policies, employee misconduct or negligence and fraud, which could result in regulatory sanctions and serious reputational or financial harm. It is not always possible to deter or prevent employee misconduct, and the precautions the Company takes to detect and prevent this activity may not always be effective.

Any failure to mitigate these risks effectively could lead to legal proceedings or regulatory enforcement action against the Company. This could in turn lead to financial penalties, reputational damage and, in the case of regulatory enforcement action, the suspension or revocation of regulatory authorisations, permissions, licences or approvals. This could have a material adverse effect on the business of the Company.

1.7 The UK's exit from the EU could impact the regulatory framework applicable to the Company's business, or the market and economic conditions in which it operates

On 29 March 2017, the UK government served notice under Article 50 of Treaty of Lisbon, triggering the process of the UK's withdrawal from the EU ("Brexit"). The UK is currently expected to withdraw from the EU on 29 March 2019. It is possible that a transition or implementation period may be agreed during which the UK would continue to benefit from the rights, and be subject to the obligations, of EU membership, such that the full effect of Brexit may not be realised until January 2021. Any such transition period is, however, subject to political agreement on the form of withdrawal, the full nature of which remains uncertain. A significant proportion of the regulatory regime applicable to the Company's activities is derived from EU legislation and regulation. There continues to be a high degree of uncertainty as to the full implications of Brexit for the regulatory regime applicable to the Company or for the UK's financial sector as a whole. This is likely to continue in at least the medium term. It is possible that Brexit will materially change the regulatory framework applicable to the Company, which could restrict the Company's operations or increase its operating costs. In addition, Brexit could restrict the movement of capital and skilled personnel into the UK, which could have an adverse effect on the Company's business.

The Company currently carries on business in a number of EEA states in exercise of so-called "passporting" rights under the MiFID II regime. It is likely that UK-authorized investment firms (including the Company) will lose the benefit of those rights following Brexit. More generally, Brexit may change the approach of EU regulators towards the listing or trading of shares in EU-listed or incorporated corporates on UK trading venues or the approach and outlook of EU investment firms as regards the permissibility or desirability of trading in financial instruments through UK trading venues. Brexit could also restrict the Company's ability to access EU market and clearing infrastructure. Any general downturn in economic or trading activity arising from Brexit is also likely to have an adverse impact on the Company (see Risk Factor 1.2 above).

The Company has developed contingency plans, the purpose of which is to mitigate certain risks arising from Brexit and, in particular, the Company's anticipated loss of EU passporting rights. If the Company's contingency plan fails to address these risks, this could have a material adverse effect on the Company's business and continued development. Certain risks arising from Brexit cannot, however, be adequately addressed by contingency planning. This includes risks relating to broader political considerations or arising from the persistent uncertainty as to the nature of the relationship between the UK and EU following Brexit. It therefore remains possible that changes to the legal, operational or macroeconomic environment that arise in connection with Brexit will have an adverse effect on the business or financial position of the Company.

1.8 Dependence on key executives and personnel

The Company's future development and prospects depend to a significant degree on its capacity to attract and retain key personnel. As a small organisation, the Company relies on a core team of staff and is therefore exposed to any significant departures of key personnel. In particular, the Company's performance depends significantly on the efforts, abilities,

experience, performance and continued service of its senior management team, including Alasdair Haynes (founder and chief executive officer of the Company), Jonathan Clelland (chief financial officer and chief operating officer of the Company), Graham Dick (head of sales at the Company), David Attew (head of regulation at the Company) and other members of the Company's executive, operational and technical teams. These individuals have substantial experience and expertise in the different aspects of the Company's business and operations and have made significant contributions to the Company's continuing growth and success. As a result, these key senior personnel are one of the Company's most important assets. If members of the Company's key senior personnel depart, the Company may not be able to find effective replacements in a timely manner, or at all, and its business may be disrupted or damaged.

In addition, the Company is highly dependent on its ability to recruit, train and retain highly skilled personnel, particularly due to the Company's reliance on its ability to produce and develop complex technological products, such as the market surveillance technology it has developed for banks, brokers, investment firms and exchanges. Any inability to recruit, train or retain such personnel, particularly the loss of key personnel to a competitor, could affect the Company's business generally or its expansion plans, which could have a material adverse effect on its business, results of operations and its overall financial condition.

1.9 The success of the Company's business depends on its ability to keep up with and exploit rapid technological and other regulatory changes affecting the Company's industry; failure to do this may adversely impact the Company

The markets in which the Company operates are subject to rapid technological and regulatory changes. Therefore, technology and the Company's distinctive business model are key components of the Company's business strategy. The Company's success will partially depend on its ability to:

- (A) develop, license and commercialise new technologies;
- (B) enhance existing trading platforms and surveillance services;
- (C) obtain any regulatory approvals necessary to launch new products and services or deploy new technologies in its provision of existing products and services;
- (D) anticipate and respond to customer demands, technological advances and changing industry and regulatory standards; and
- (E) continue to attract and retain highly skilled technology staff to maintain and develop existing technology and to adapt to and manage new technology.

The Company will therefore be required to devote significant additional resources to improve and adapt its services, for example by ensuring that increases in message traffic can be accommodated without an adverse effect on system performance. This may result in substantial development, sales and marketing expenses and expend significant management effort to add new products or services. Consequently, if revenue does not increase in a timely fashion, the up-front costs associated with expansion may exceed related revenues and reduce its working capital and income. In addition, if the Company is unable to adapt to technological advancements and changing industry and regulatory standards on a timely and cost-effective basis, it may be unable to compete effectively.

Any failure or delay in exploiting technology, or failure to exploit technology as effectively as the Company's competitors could have a material adverse effect on the Company's business, results of operations, financial condition and cash flows.

1.10 Regulatory capital

In order to maintain its regulatory status, the Company is subject to minimum regulatory capital requirements. There is a subjective element to the calculation of those requirements, and the FCA may require the Company to hold additional regulatory capital to address any issues that it believes are not adequately addressed by the Company's internal capital adequacy assessment and procedures document. Changes to the business activities or risk profile of the Company could also result in it being required to hold additional regulatory capital.

Any changes to the capital requirements applicable to the Company may result in increased capital being required, which may have a materially adverse effect on the Company's ability to deliver its strategy, its business and cash flows, financial condition and operating results. In particular, the Company may be required to raise further capital by equity issuance or other appropriate financing in order to ensure compliance with applicable regulatory capital requirements. Any failure to do so may lead to the Company being subject to regulatory sanctions or other restrictive measures, including the restriction of dividends or revocation of operating licences, and may, over the long term, adversely affect the Company's reputation, its business and cash flows, financial condition and operating results.

1.11 The Company has incurred substantial net losses since its inception to date and anticipates possible future losses

The Company has incurred substantial net losses since its inception in 2013 and experienced an operating loss of £3.3 million for the year ended 31 December 2017. To date, the Company has been financed primarily by capital contributions from its investors. The Company has not achieved a profit on its ordinary activities before taxation in any financial year and may continue to make losses on its ordinary activities before taxation in the future while it pursues its growth strategy. In addition, the Company will continue to incur significant capital and operating expense in coming years in connection with such strategy. Over the next few years such expenses will include investment in its existing core matching engine and other technology developments, alongside brand development and marketing activities and potential increases in personnel. In order to become profitable, the Company will need to increase Member numbers and enhance trading volumes or reduce costs and expenses; there is no certainty that the Company will be able to achieve the appropriate efficiency targets to enable it to build sufficient profitability.

1.12 Operational and system failure

An operational failure in the Company's processes could result in losses and, in some circumstances, in a regulator taking enforcement action against the Company. If the products and services of the Company contain undetected errors or fail to perform properly, such errors or failures could have a material adverse effect on its business, financial condition or results of operation and may lead to claims from the Company's licensees, which may be costly to defend and result in the payment of damages. The Company's business depends on the effective operation of its computer and communication systems. If these systems malfunction, are unable to cope with increased demand or otherwise fail to perform, the Company's services may be disrupted. In addition, the Company is vulnerable to damage or interruption from human error, natural disasters, power loss, cyber-attacks, computer viruses, unauthorised access, security breaches or similar events, which may not be covered by or may be in excess of its insurance coverage. While the Company has in place procedures and controls to prevent failures of these processes, and to mitigate the impact of any such failures, any operational error could have a material adverse effect on its business and cash flows, financial condition, results of operations, reputation and brand name.

In addition, the Company cannot assure customers that any of its third party providers (for example Central Clearing Counterparties, such as EMCF, LCH.Clearnet Ltd and X-Clear) will be able to continue to provide services in an efficient manner to the Company. An interruption or malfunction in or the cessation of an important service by any third-party and the Company's inability to make alternative arrangements in a timely manner, or at all, could have a material adverse impact on its business, financial condition and operating results.

1.13 The Company's networks and those of its third-party service providers may be vulnerable to security risks, cyber-attack or other leakage of sensitive data

The Company accumulates, stores and uses data in its operating business that is sensitive and/or subject to data protection laws in the countries in which it operates. Additionally, as with all IT dependent companies, the Company's IT systems and networks, and those of its third-party service providers, may also be vulnerable to cyber-attacks, unauthorised access, computer viruses and other security issues (despite regular testing, security reviews and awareness campaigns). Persons who circumvent security measures could wrongfully access and use the Company's information or customers' information, or cause interruptions or

malfunctions in their operations. Although the Company takes precautions to protect data in accordance with applicable laws, the security measures taken by the Company may ultimately prove inadequate, and it is possible that there may be leakages in the future. Loss or leakage of sensitive data, fraud in relation to sensitive data or violation of data protection laws, whether due to cyber-attack or otherwise, may result in reputational damage, regulatory sanctions, litigation, loss of trading share, loss of trading volume and loss of revenues or financial losses.

1.14 Financial or other problems experienced by third parties could have an adverse effect on the Company's business

The Company is exposed to credit risk from third parties, including customers, clearing agents and counterparties. For example, the Company is exposed to credit risk for subscription fees it bills to customers on a monthly basis. The Company's customers and other third parties may default on their obligations to the Company due to lack of liquidity, operational failure, bankruptcy or other reasons.

1.15 Changes in tax law may result in an increase in the overall tax burden of the Company and its customers which could have a material adverse effect on the Company's business

Any change in tax law, interpretation or practice, or in the terms of tax treaties, in a jurisdiction where the Company or its customers are, or could become, subject to tax could increase the amount of tax payable by the Company and/or its customers. In addition, a number of bodies have indicated that they will consider reforms to their tax laws, for instance by introducing a financial transaction tax and/or a tax on high frequency trading. Any material change in tax law could cause a decrease in trading volumes and/or a shift of trading to foreign markets outside Europe or migration of volumes to less regulated markets, any of which might lead to a fall in demand for the services of the Company, which may impact the Company's market share and its prospects for success.

1.16 The Company may not have adequate protection for its intellectual property rights and may be subject to allegations that it has infringed the intellectual property rights of others

The trading and market surveillance software and other key proprietary intellectual property of the Company is not protected by patents or registered design rights, which means that the Company cannot preclude or inhibit competitors from entering the same market if they develop the same or similar technology independently. The Company is therefore reliant on copyright, trade secret protection, database rights and confidentiality and licence agreements with its employees, clients and others to protect its intellectual property rights. Although the Company has taken steps consistent with industry practice to reduce these risks, such steps may be inadequate. The protective steps taken may be inadequate to deter misappropriation of the Company's intellectual property. The Company may be unable to detect the unauthorised use of, or take appropriate steps to enforce, its intellectual property rights. Failure to protect its intellectual property rights could harm its reputation and affect its ability to compete effectively. Furthermore, defending its intellectual property rights may require significant financial and managerial resources. Any of the foregoing could have a material adverse effect on the Company's business, results of operations, financial condition and cash flows.

In addition, third parties may assert intellectual property rights claims against the Company or against licensees who have the benefit of an infringement indemnity against the Company, which may be costly to defend, could require the payment of damages and could limit the Company's ability to use certain intellectual property. Any intellectual property claims, with or without merit, could be expensive to litigate or settle and could divert management resources and attention. Successful challenges against the Company could require it to modify or discontinue its use of technology or business processes where such use is found to infringe or violate the rights of others, or require the Company to purchase licences from third parties, any of which could have a material adverse effect on the Company's business, results of operations, financial condition and cash flows.

1.17 Data protection

The Company is subject to a number of laws relating to privacy and data protection, including the UK's Data Protection Act 1988 and the Privacy and Electronic Communications (EC Directive) Regulations 2003 and the EU General Data Protection Regulation (GDPR). Such laws govern the Company's ability to collect, use and transfer personal information relating to its customers as well as its employees. The Company relies on third party contractors and its own employees to collect personal data and to maintain its databases and, therefore, is exposed to the risk that such data could be wrongfully appropriated, lost or disclosed, damaged or processed in breach of data protection regulations.

Despite controls to protect the confidentiality and integrity of customer information, the Company may breach restrictions or may be subject to attack from computer programmes that attempt to penetrate its network security and misappropriate confidential information.

If the Company or any of the third party service providers (such as EMCF, LCH.Clearnet Ltd and X-Clear) on which it relies fails to safeguard or transmit information and/or payment details online in a secure manner, or if any unauthorised or unlawful loss, disclosure or destruction of personal data were otherwise to occur, the Company may be subject to claims from third parties relating to the infringement of privacy rights and/or investigative or enforcement action (including criminal proceedings and significant pecuniary penalties) by the Information Commissioner's Office in the UK. Whilst the Company strives to comply with all applicable laws, regulations, policies and legal obligations relating to privacy and data protection, it is possible that such requirements may be interpreted and applied in a manner that may conflict with other rules or the Company's practices.

Any perceived or actual failure to protect confidential data could harm the Company's reputation and credibility, reduce its sales, reduce its ability to attract and retain customers or result in litigation or other actions being brought against it or the imposition of fines. It could also result in the loss of goodwill of its customers and deter new customers. Each of these factors could have a material adverse effect on its business, results of operations and financial condition.

1.18 The use of open source software code may subject parts of the Company's software to general release or require it to re-engineer its software, which could harm its business

The Company has used open source software code to create its proprietary software for use in its business. Whilst it is now very common to use open source software, companies that use open source software with their own software products have, from time to time, faced claims challenging such use and claiming rights to the products. As a result, depending on the way in which the Company has used and distributed its works, the Company could be subject to suits by parties claiming certain rights to the proprietary software which was used with open source software.

In addition, some open source software licences require users who distribute open source software as part of their software to publicly disclose all or part of the source code in their software and make any derivative works of the open source code available on unfavourable terms or at no cost. Open source licence terms may be ambiguous and many of the risks associated with usage of open source software cannot be eliminated.

The Company believes that its use of open source software is in compliance with the relevant open source software licences and does not require disclosure of any of the Company's source code. However, as with any business using open source software, if it were found to have inappropriately used or distributed that open source software, it may be required to release certain elements of its proprietary source code, re-engineer or discontinue use of its software or take other remedial action. Finally, in the event that the code in the Company's software was found to be in breach of an open source licence, there is also a potential risk that the Company's onward customers could be alleged to be using the code unlawfully.

Any of these events could have a material adverse effect on the Company's business, financial condition and operating results.

1.19 Damage to the reputation of the Company

One of the competitive strengths of the Company is its strong industry reputation. Various issues may give rise to reputational risk, including issues relating to the Company's ability to keep up with customer demand and regulatory initiatives, the integrity and performance of the Company's technology and the robustness of the Company's corporate governance structure. Damage to the reputation of the Company could cause a reduction in the trading volume on Aquis Exchange or a loss of customers. It could also impair the Company's ability to license its trading and market surveillance software to other market participants. Any of these events could have a material adverse effect on the Company's business, financial condition and operating results.

1.20 The Company may become subject to significant litigation risks and other liabilities

Many aspects of the Company's business involve litigation risks. Some of the litigation risks arise under the laws and regulations relating to tax, anti-money laundering and data protection. These risks also include potential liability from disputes over terms of a securities trade or relating to a product supplied by its technology division, or from claims that a system or operational failure or delay caused, monetary losses to a customer, as well as potential liability from claims relating to facilitation of unauthorised transactions. As the Company grows, it may become involved in allegations of misuse of third party intellectual property or other commercial disputes. Claims may arise against its service providers regarding improperly cleared or settled trades. Any such litigation (either individually or in the aggregate) could be lengthy and costly, and could result in the expenditure of significant financial and management resources, which could adversely affect the Company's business and cash flows, financial condition and results of operations.

1.21 Loss of key customers

The Company's Member revenue concentration is relatively high. In 2017, 86% of the Company's trading venue revenue derived from the Company's top ten fee-paying Members, with the Company's top three Members alone generating 48% of the Company's total trading venue revenue. The loss of one or more of these key Members may have a materially adverse effect on the Company's revenues, particularly in the absence of greater Member diversification by the Company.

2. RISKS RELATING TO THE ADMISSION

2.1 Risk of investing in shares traded on AIM

Investment in shares traded on AIM is perceived to involve a higher degree of risk and to be less liquid than investment in companies whose shares are admitted to the Official List. The AIM Rules for Companies are less demanding than those of the Official List. It is emphasised that no application is being made for an admission of the Company's securities to the Official List. An investment in the ordinary shares of an AIM-traded company may be more difficult to realise than an investment in a company whose ordinary shares are admitted to the Official List.

The trading price of the Ordinary Shares may go down as well as up in response to a range of events and factors. Investors may therefore realise less than, or lose all of, their investment. There can be no guarantee that the Ordinary Shares will continue to trade on AIM in the future 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 to or as an alternative to AIM, the level of liquidity of the Ordinary Shares traded on AIM could decline.

The future success of AIM and the liquidity in the market for Ordinary Shares cannot be guaranteed.

2.2 Valuation of the Ordinary Shares

The Placing Price has been determined by the Company and may not correspond to the Company's net asset value, net worth or any established criteria or value. There can be no guarantee that the Ordinary Shares will be capable of achieving higher valuations or, if they do so, that such higher valuations can be maintained.

2.3 Lack of active market

Prior to Admission, there has been no public market in the Ordinary Shares. There can be no assurance that the Placing will result in an active or liquid trading market for the Ordinary Shares and their price may be highly volatile. Even if an active trading market does develop, the market price for the Ordinary Shares may fall below the Placing Price. If an active trading market is not developed or maintained, the liquidity and trading price of the Ordinary Shares could be adversely affected and it may be more difficult to complete a buy or sell order for such shares.

2.4 Substantial sales of Ordinary Shares

There can be no assurance that certain Directors or other significant Shareholders will not elect to sell their Ordinary Shares following expiry of applicable lock-in periods and the price of the Ordinary Shares could decline as a result of any such sales or as a result of the perception that these sales may occur. In addition, if these or any other sales were to occur, the Company may in the future have difficulty in offering or issuing Ordinary Shares at a time or at a price it deems appropriate.

2.5 Additional capital and dilution

It is possible that the Company may require or choose to raise extra capital in the future to finance the development of the Company's business, to further its strategy, to take advantage of acquisition opportunities or respond to new competitive pressures. If the Company is unable to obtain this financing on terms acceptable to it then it may be forced to curtail its development. If additional funds are raised through the issue of new equity or equity-linked securities of the Company, other than on a *pro rata* basis, to existing Shareholders, the percentage ownership of such Shareholders may be substantially diluted. There is no guarantee that the then prevailing market conditions will allow for such a fundraising or that new investors will be prepared to subscribe for additional Ordinary Shares at the same price as the Placing Price or higher.

2.6 Market perception

Market perception of the Company may change, potentially affecting the value of investors' holdings and the ability of the Company to raise future funds by the issue of further Ordinary Shares or otherwise.

2.7 Dividend policy

There can be no assurances as to the levels of future dividends, if any. The declaration, payment and amount of any future dividends of the Company is subject to the discretion of the Directors and will depend upon, among other things, the Company's earnings, financial position, cash requirements and availability of profits, as well as the relevant requirements of UK company law and accounting standards.

2.8 The requirements of being a public company may strain the Company's resources, divert management's attention and affect the cost of the Company's director and officer liability insurance

As a public company, the Company will be subject to additional disclosure and reporting requirements under, *inter alia*, the Companies Act 2006, the Market Abuse Regulation and the AIM Rules for Companies and associated regulations and guidance. The requirements of these rules will increase the legal and financial compliance costs of the Company and could divert management's attention from other business concerns, which would have an adverse effect on the Company's business, financial condition and operations.

PART III

HISTORICAL FINANCIAL INFORMATION ON THE COMPANY

Section A: Accountant's report on the historical financial information relating to the Company



BDO LLP
55 Baker Street
London
W1U 7EU

The Directors
Aquis Exchange PLC
3rd Floor
77 Cornhill
London
EC3V 3QQ

11 June 2018

Liberum Capital Limited
Ropemaker Place
25 Ropemaker Street
London
EC2Y 9LY

Dear Sirs and Madam

Aquis Exchange plc (the “Company”)

Introduction

We report on the financial information set out in Section B of Part III (Historical Financial Information on the Company) of this Document. This financial information has been prepared for inclusion in the admission document dated 11 June 2018 of the Company (the “**Document**”) on the basis of the accounting policies set out in note 1 to the financial information. This report is required by paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

The directors of the Company are responsible for preparing the financial information in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies consenting to its inclusion in the Document.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance

that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the financial information gives, for the purposes of the Document, a true and fair view of the state of affairs of the Company as at 31 December 2015, 31 December 2016 and 31 December 2017 and of its results, cash flows and changes in equity for the years then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies, we are responsible for this report as part of the Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

BDO LLP
Chartered Accountants

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Section B: Historical financial information relating to the Company

Statement of total comprehensive income

	Note	Year ended 31 December		
		2015 £	2016 £	2017 £
Revenue	4	529,127	1,221,444	2,014,590
Cost of sales		(3,496,266)	(3,809,454)	(4,113,540)
Gross Loss		(2,967,139)	(2,588,010)	(2,098,950)
Administrative expenses		(1,103,513)	(1,358,265)	(1,215,873)
Operating loss	6	(4,070,652)	(3,946,275)	(3,314,823)
Investment income	9	15,650	10,628	9,961
Loss before tax		(4,055,002)	(3,935,647)	(3,304,862)
Income tax recovered		356,081	264,746	222,215
Loss after tax	19	(3,698,921)	(3,670,901)	(3,082,647)
Other comprehensive income		—	—	—
Loss and total comprehensive income for the year		(3,698,921)	(3,670,901)	(3,082,647)
Loss per A share	11			
Basic (pence)		(812)	(687)	(522)
Diluted (pence)		(812)	(687)	(522)
Loss per B Share	11			
Basic (pence)		(254)	(215)	(163)
Diluted (pence)		(254)	(215)	(163)

Statement of financial position

		As at 31 December		
	Note	2015 £	2016 £	2017 £
Non-current assets	12	229,541	65,458	282,492
Property, plant and equipment				
Other receivables		—	—	276,534
Total non-current assets		<u>229,541</u>	<u>65,458</u>	<u>559,026</u>
Current assets				
Trade and other receivables	13	341,450	507,697	574,429
Current tax recoverable		356,081	—	222,215
Cash and cash equivalents		2,957,518	7,719,858	3,985,541
Total current assets		<u>3,655,049</u>	<u>8,227,555</u>	<u>4,782,185</u>
Total assets		<u>3,884,590</u>	<u>8,293,013</u>	<u>5,341,211</u>
Current liabilities				
Trade and other payables	15	249,079	328,394	459,239
Net current assets		<u>3,635,511</u>	<u>7,964,619</u>	<u>4,881,972</u>
Net assets		<u>3,635,511</u>	<u>7,964,619</u>	<u>4,881,972</u>
Equity				
Called up share capital	17	12	17	17
Share premium account	18	15,517,317	23,517,321	23,517,321
Retained earnings	19	(11,881,818)	(15,552,719)	(18,635,366)
Total equity		<u>3,635,511</u>	<u>7,964,619</u>	<u>4,881,972</u>

Statement of changes in equity

	Share capital	Share premium	Retained earnings	Total
	£	£	£	£
At 1 January 2015	11	12,499,989	(8,182,897)	4,317,103
Loss for the year	—	—	(3,698,921)	(3,698,921)
Issue of share capital	1	3,017,328	—	3,017,329
At 31 December 2015	12	15,517,317	(11,881,818)	3,635,511
Loss for the year	—	—	(3,670,901)	(3,670,901)
Issue of share capital	5	8,000,004	—	8,000,009
At 31 December 2016	17	23,517,321	(15,552,719)	7,964,619
Loss for the year	—	—	(3,082,647)	(3,082,647)
Other	—	—	—	—
At 31 December 2017	17	23,517,321	(18,635,366)	4,881,972

Statement of cash flows

	Note	Year ended 31 December		
		2015 £	2016 £	2017 £
Cash absorbed by operations	25	(3,678,732)	(3,843,960)	(3,443,538)
Income taxes refunded		—	620,827	—
Net cash outflow from operating activities		<u>(3,678,732)</u>	<u>(3,223,133)</u>	<u>(3,443,538)</u>
Investing activities				
Purchase of property, plant and equipment		(69,894)	(25,164)	(300,740)
Interest received		15,650	10,628	9,961
Net cash used in investing activities		<u>(54,244)</u>	<u>(14,536)</u>	<u>(290,779)</u>
Financing activities				
Proceeds from issue of shares		3,017,329	8,000,009	—
Net cash generated from financing activities		<u>3,017,329</u>	<u>8,000,009</u>	<u>—</u>
Net decrease in cash and cash equivalents		(715,647)	4,762,340	(3,734,317)
Cash and cash equivalents at beginning of period		3,673,165	2,957,518	7,719,858
Cash and cash equivalents at end of period		<u><u>2,957,518</u></u>	<u><u>7,719,858</u></u>	<u><u>3,985,541</u></u>

Notes to the financial information

1. Accounting policies

Company information

The Company is licensed to operate a MTF enabling Members to trade across thirteen European markets and to provide exchange software under licence.

The Company is a private limited company which is incorporated and domiciled in England and Wales. Its registered office is located at Palladium House, 1-4 Argyll Street, London, W1F 7LD.

Accounting convention

The financial information has been prepared in accordance with IFRS and interpretations issued by the IFRS Interpretations Committee as adopted for use in the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial information has been prepared on the historical cost basis, as modified by the revaluation of financial assets and financial liabilities at fair value through profit and loss account. The principal accounting policies applied in the preparation of this financial information are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Going concern

The directors have, at the time of approving the financial information, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial information.

Revenue

Turnover represents amounts receivable for subscription fees and fees receivable for the licensing of software. Turnover is recognised on a time apportioned basis reflecting exchange and licensing contracts, taking into account ongoing commitments to deliver services.

Rendering of services

Revenue for services is recognised in the accounting year in which the services are rendered, by reference to the ongoing contractual obligation to provide subscription based services.

Property, plant and equipment and intangible assets

All property, plant and equipment is stated at historical cost less depreciation or impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent expenditure is included in the asset's carrying amount or is recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following basis:

- Fixtures, fittings & equipment 5 years straight line
- Computer equipment 3 years straight line

Intangible assets

Internally developed intangible assets are recognised in the financial information when all of the following criteria are met:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale is established
- there is an intention to complete the intangible asset and use or sell it
- the Company has the ability to use or sell the intangible asset
- the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset can be demonstrated

- adequate technical, financial and other resources are available to complete the development and to use or sell the intangible asset
- the Company has the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Where the above criteria are not met, costs incurred in research and development are recognised in the Statement of Comprehensive Income as incurred.

Intangible assets have not been recognised in the financial information as the Company has not been able to reliably measure the expenditure attributable to the intangible asset during its development.

Impairment of tangible and intangible assets

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Fair value measurement

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, trade and other payables) are assumed to approximate their fair values because of the short period to maturity.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and cash at bank. Cash at bank is deposited with less than 3 months to maturity and it is considered that there is an insignificant risk of changes in fair value.

Financial assets

Financial assets are recognised in the Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value plus transaction costs, other than those classified as fair value through profit and loss, which are measured at fair value.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets. The Company's loans and receivables comprise 'trade and other receivables', and 'cash and cash equivalents' in the statement of financial position.

Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Impairment of financial assets

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Other financial liabilities

The Company does not have any financial liabilities “at fair value through profit or loss”.

The Company has the following as non-derivative financial liabilities; ‘trade and other payables’ and ‘accrued expenses’.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are not interest bearing and are initially recognised at fair value.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Company’s obligations are discharged, cancelled, or upon expiry.

Equity instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Taxation

The tax expense / (credit) represents the sum of the tax currently payable /(repayable) and deferred tax.

Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the country where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial information. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Employee benefits

Pension obligations

The Company has defined contribution plans. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or

constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Leases

Leases are accounted for in accordance with IAS 17 and IFRIC 4. The Company currently only has operating leases which are accounted for as follows:

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income in equal amounts over the period of the lease.

Foreign exchange

Functional and presentation currency

Items included in the financial information of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial information is presented in Pounds Sterling (£), which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

All foreign exchange gains and losses recognised in the income statement are presented net within 'administrative expenses'.

2. Adoption of new and revised standards and changes in accounting policies

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2017 that would be expected to have a material impact on the Company.

Standards which are in issue but not yet effective

At the date of authorisation of this financial information, the following Standards and Interpretations, which have not yet been applied in this financial information, were in issue and adopted by the EU:

IFRS 9, 'Financial instruments', published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the 'classification and measurement' of financial instruments, including a new expected loss model for calculating 'impairment' on financial assets and a new general hedge accounting requirements. It also carries guidance on recognition and de-recognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018 with early adoption permitted. The Company has not early adopted the requirements of IFRS 9 therefore this financial information have been prepared in accordance with IAS 39, however, a quantitative impact assessment has been made. The Company has identified that the adoption of IFRS 9, from 1 January 2018, will not materially impact its financial statements. In coming to this judgement the Company has considered the impact of the application of an expected credit loss model when calculating impairment losses on its trade and other receivables (both current and non-current). In applying IFRS 9 the Company must consider the probability of a default occurring over the contractual life of its trade receivables and contract asset balances on initial recognition of those assets. The Company does not consider that this will result in increased impairment.

IFRS 15, 'Revenue from Contracts with Customers', IFRS 15 Revenue has replaced IAS 18 Revenue and IAS 11 Construction Contracts. It applies to all contracts with customers except leases, financial instruments and insurance contracts. IFRS 15 establishes the principles that an entity shall apply to report useful information to users of financial statements about their nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The new revenue standard supersedes all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. This standard will be adopted on its mandatory effective date, and the standard will be applied on a cumulative basis, recognising the cumulative effect, if any, of initially applying the standard as an adjustment to the opening balance of retained earnings. The Company will continue to assess individual customer contracts for separate performance obligations to allocate the correct transaction price where necessary and therefore has assessed the impact of the new revenue standard from 1 January 2018 to be immaterial.

IFRS 16, 'Leases', addresses the measurement, classification and recognition of leases. The complete version of IFRS16 was issued in January 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. The standard is effective for accounting periods beginning on or after 1 January 2019. Early adoption is permitted. Adoption of IFRS 16 will result in the Company recognising right of use assets and lease liabilities for all contracts that are, or contain, a lease. For leases currently classified as operating leases, under current accounting requirements the Company does not recognise related assets or liabilities, and instead spreads the lease payments on a straight-line basis over the lease term, disclosing in its annual financial statements the total commitment.

At 31 December 2017 operating lease commitments amounted to £921,780. Further work will be carried out in the course of 2018 to determine the right-of-use assets and lease liabilities to be recognised on 1 January 2019, during which the Company's lease profile is likely to change. Instead of recognising an operating expense for its operating lease payments, the Company will instead recognise interest on its lease liabilities and amortisation on its right-of-use assets.

3. Critical accounting estimates and judgements

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Critical Judgements

Useful lives of property, plant and equipment

The cost of property, plant and equipment is depreciated over its estimated useful economic life. Management estimates the useful economic lives of this fixtures and fittings to be 5 years and computer equipment 3 years. Changes in the expected level of usage could impact on the useful economic lives and the residual values of these assets; therefore, future depreciation charges could be revised.

Capitalisation of internally generated intangibles assets

Internally generated Intangible assets are not being capitalised because in management's judgement the criteria for capitalisation under IAS 38 have not been met.

4. Revenue

	Year ended 31 December		
	2015	2016	2017
	£	£	£
Revenue arises from:			
Subscription fees	429,127	1,074,000	1,706,000
Licence fees	100,000	147,444	308,590
	<u>529,127</u>	<u>1,221,444</u>	<u>2,014,590</u>
Other significant revenue:			
Interest income	15,650	10,628	9,961
	<u>544,777</u>	<u>1,232,072</u>	<u>2,024,551</u>

5. Operating segments

The Company only has one operating segment.

6. Operating loss

The operating loss is stated after charging:

	Year ended 31 December		
	2015	2016	2017
	£	£	£
Depreciation	385,234	189,247	83,706
Auditors' remuneration:			
Audit fees	12,500	12,500	15,646

7. Employees

The average monthly number of persons (including directors) employed by the Company during each year was:

	Year ended 31 December		
	2015	2016	2017
	No.	No.	No.
Management	2	2	4
Operations	4	4	4
Sales	4	3	3
Marketing	1	1	1
IT and finance	11	12	16
Compliance	3	3	3
	<u>25</u>	<u>25</u>	<u>31</u>

Their aggregate remuneration comprised:

	Year ended 31 December		
	2015	2016	2017
	£	£	£
Wages and salaries	2,141,677	2,374,237	2,755,188
Social security costs	235,008	264,795	323,021
Pension costs	78,277	68,514	95,690
	<u>2,454,962</u>	<u>2,707,546</u>	<u>3,173,899</u>

8. Directors' remuneration

	Year ended 31 December		
	£	£	£
Remuneration for qualifying services	376,916	435,126	593,150
Company pension contributions to defined contribution schemes	12,828	2,223	—
	<u>389,744</u>	<u>437,349</u>	<u>593,150</u>

Information regarding the highest paid director is as follows:

	Year ended 31 December		
	2015	2016	2017
	£	£	£
Remuneration for qualifying services	123,458	149,800	225,000
Company pension contributions to defined contribution schemes	6,414	1,668	—
	<u>129,872</u>	<u>151,468</u>	<u>225,000</u>

9. Investment income

	Year ended 31 December		
	2015	2016	2017
	£	£	£
Interest income			
Bank deposits	<u>15,650</u>	<u>10,628</u>	<u>9,961</u>

10. Income tax expense

	Year ended 31 December		
	2015	2016	2017
	£	£	£
Current tax expense			
Current tax on profits for the period			
Adjustment for under recovery in prior periods	<u>(356,081)</u>	<u>(264,746)</u>	<u>(222,215)</u>
Deferred tax expense			
Origination and reversal of temporary differences	<u>—</u>	<u>—</u>	<u>—</u>
Total tax expense	<u>(356,081)</u>	<u>(264,746)</u>	<u>(222,215)</u>

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to profit for the year as follows:

	Year ended 31 December		
	2015	2016	2017
	£	£	£
Loss for the period before taxation	(4,055,002)	(3,935,647)	(3,304,862)
Expected tax charge based on corporation tax rate of 19.25% in 2017 (20% in 2016, 20% in 2015)	(803,390)	(779,519)	(628,861)
Depreciation on assets not qualifying for tax allowances	77,047	37,849	16,114
Expenses not deductible for tax purposes	8,380	2,440	8,225
Unutilized tax losses carried forward	759,828	754,982	663,238
Permanent capital allowances in excess of depreciation	(39,822)	(15,752)	(58,716)
Research and development tax credit	(356,081)	(264,746)	(222,215)
Other differences	(2,043)	—	—
	<u>(356,081)</u>	<u>(264,746)</u>	<u>(222,215)</u>
Total tax credit	<u>(356,081)</u>	<u>(264,746)</u>	<u>(222,215)</u>

At 31 December 2017 the deferred tax asset of £3,092,097 had not been recognised in the financial information because of the uncertainty of the Company generating future profits to utilise it.

11. Loss per share

	Year ended 31 December		
	2015	2016	2017
	£	£	£
Loss			
Loss used in calculating basic and diluted profit	(3,698,921)	(3,670,901)	(3,082,647)
Number of A Shares			
Average number of shares for the purpose of basic earnings per share	100,001	100,001	100,001
Average number of shares for the purpose of diluted earnings per share	100,001	100,001	100,001
Number of B Shares			
Average number of shares for the purpose of basic earnings per share	1,138,268	1,390,520	1,570,000
Average number of shares for the purpose of diluted earnings per share	1,138,268	1,390,520	1,570,000
Loss after tax for the year	<u>(3,698,921)</u>	<u>(3,670,901)</u>	<u>(3,082,647)</u>
<u>Note: 1 A Share is equal to 3.2 B Shares</u>			
Weighted loss per A Share			
Basic (pence)	(812)	(687)	(522)
Diluted (pence)	<u>(812)</u>	<u>(687)</u>	<u>(522)</u>
Weighted loss per B Share			
Basic (pence)	(254)	(215)	(163)
Diluted (pence)	<u>(254)</u>	<u>(215)</u>	<u>(163)</u>

12. Property, plant and equipment

	Computer equipment £	Fixtures and fittings £	Total £
COST			
At 1 January 2015	1,020,694	—	1,020,694
Additions	69,894	—	69,894
At 31 December 2015	1,090,588	—	1,090,588
Additions	25,164	—	25,164
At 31 December 2016	1,115,752	—	1,115,752
Additions	67,071	233,669	300,740
At 31 December 2017	1,182,823	233,669	1,416,492
DEPRECIATION			
At 1 January 2015	475,813	—	475,813
Charge for year	385,234	—	385,234
At 31 December 2015	861,047	—	861,047
Charge for year	189,247	—	189,247
At 31 December 2016	1,050,294	—	1,050,294
Charge for period	54,905	28,801	83,706
At 31 December 2017	1,105,199	28,801	1,134,000
NET BOOK VALUE			
At 31 December 2015	229,451	—	229,451
At 31 December 2016	65,458	—	65,458
At 31 December 2017	77,624	204,868	282,492

13. Trade and other receivables

	As at 31 December		
	2015 £	2016 £	2017 £
Trade receivables	99,327	307,089	325,264
Other receivables	32,890	32,889	1,205
VAT recoverable	24,726	0	0
Prepayments and accrued income	184,507	167,719	247,957
	341,450	507,697	574,429

Trade and other receivables have not been discounted as none was required and they are materially correct as there is none that is past the due date at the year end. The quality of the credit is identified as high due to the significant amount of the debt owed by blue chip companies. The accrued income has been discounted.

14. Trade receivables – credit risk

Fair value of trade receivables

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

No significant receivable balances are impaired at the reporting end date.

15. Trade and other payables

	As at 31 December		
	2015	2016	2017
	£	£	£
Current			
Trade payables	45,375	36,658	26,926
Accruals	96,482	125,269	248,463
Social security and other taxes	—	1,470	522
Other payables	107,222	164,997	183,328
	<u>249,079</u>	<u>328,394</u>	<u>459,239</u>

Book values approximate to fair values at 31 December 2015, 2016, and 2017.

16. Retirement benefit schemes

Defined contribution schemes

The Company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company in an independently administered fund.

The total costs charged to income in respect of defined contribution plans in 2015 are £78,277 (2014 – £80,763).

The total costs charged to income in respect of defined contribution plans in 2016 are £68,514 (2015 – £78,277).

The total costs charged to income in respect of defined contribution plans in 2017 are £95,690 (2016 – £68,514).

17. Share capital

	As at 31 December		
	2015	2016	2017
	£	£	£
A Shares	1	1	1
B Shares	11	16	16
Total	<u>12</u>	<u>17</u>	<u>17</u>

1 A Share is equal to 3.2 B Shares in terms of economic, dividend and voting rights. There are no restrictions on the A or B Shares and no rights for capital repayment.

18. Share premium account

	As at 31 December		
	2015	2016	2017
	£	£	£
Opening balance	12,499,989	15,517,317	23,517,321
Issue of new shares	3,017,328	8,000,004	—
Closing balance	<u>15,517,317</u>	<u>23,517,321</u>	<u>23,517,321</u>

19. Retained earnings

	As at 31 December		
	2015	2016	2017
	£	£	£
Opening balance	(8,182,897)	(11,881,818)	(15,552,719)
Loss for the year	(3,698,921)	(3,670,901)	(3,082,647)
Closing balance	<u>(11,881,818)</u>	<u>(15,552,719)</u>	<u>(18,635,366)</u>

20. Operating lease commitments

Lessee

The Company leases various office suites under non-cancellable operating lease agreements. The lease agreements are renewable at the end of the lease period at market rate.

Amounts recognised in profit or loss as an expense during the period in respect of operating lease arrangements are as follows:

	As at 31 December		
	2015	2016	2017
Minimum lease payments under operating leases	<u>186,420</u>	<u>189,466</u>	<u>206,864</u>

	As at 31 December		
	2015	2016	2017
Within one year	<u>62,120</u>	<u>63,362</u>	<u>230,445</u>
More than one year	<u>—</u>	<u>—</u>	<u>691,335</u>

21. Capital commitments

There was no capital expenditure contracted for at the end of the reporting year that had not been provided for.

22. Capital risk management

The Company's objectives when managing capital are:

- to safeguard the Company's ability to continue as a going concern so that it can provide returns for shareholders and benefits for other stakeholders; and
- to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain a strong capital structure, the Company may issue new shares, adjust the amount of dividends paid to shareholders, return capital to shareholders or sell assets to ensure capital adequacy requirements are met.

The Company adopts the following policies and procedures in order to manage its capital requirements:

- regular monitoring of its current and expected levels of liquidity to ensure that it has sufficient funds for working capital requirements; and
- regular monitoring of the Return on Assets (ROA), maintaining a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

23. Related party transactions

Remuneration of key management personnel

The remuneration of the directors, who are key management personnel, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

	As at 31 December		
	2015	2016	2017
Short term employee benefits	389,744	437,349	593,150

24. Controlling party

In the opinion of the Directors, there is no single overall controlling party.

25. Cash generated from operations

	Year ended 31 December		
	2015	2016	2017
	£	£	£
Operating activities			
Loss after tax	(3,698,921)	(3,670,901)	(3,082,647)
Add: Corporation tax	(356,081)	(264,746)	(222,215)
Investment income	(15,650)	(10,628)	(9,961)
Depreciation and impairment of property, plant and equipment	385,234	189,247	83,706
(Increase)/Decrease in trade and other receivables	(84,475)	(166,247)	(343,266)
Increase/(Decrease) in trade and other payables	91,161	79,315	130,845
	<u>(3,678,732)</u>	<u>(3,843,960)</u>	<u>(3,443,538)</u>

PART IV

TERMS AND CONDITIONS OF THE PLACING

The terms and conditions and the information set out in this Part IV (the “**Terms and Conditions**”) are restricted and are not for publication, release or distribution, in whole or in part, directly or indirectly, in or into the United States, Australia, Canada, Japan, Hong Kong, New Zealand, Singapore, the Republic of South Africa or any other state or jurisdiction in which such release, publication or distribution would be unlawful. The Terms and Conditions and the information contained herein is not intended to and does not contain or constitute an offer of, or the solicitation of an offer to buy or subscribe for, securities to any person in the United States, Australia, Canada, Japan, Hong Kong, New Zealand, Singapore, the Republic of South Africa or any other state or jurisdiction in which such an offer would be unlawful.

The securities may not be offered, sold, delivered or otherwise transferred in or into the United States absent registration or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, as amended. The Company does not intend to register any portion of the Placing Shares in the United States or to conduct a public offering of securities in the United States. No money, securities or other consideration is being solicited and, if sent in response to the information contained herein, will not be accepted.

Important information for invited Placees only regarding the Placing

Members of the public are not eligible to take part in the Placing. This document and the Terms and Conditions set out in this Part IV are for information purposes only and are directed only at: (A) persons in member states of the EEA who are qualified investors within the meaning of Article 2(1)(e) of EU Directive 2003/71/EC and amendments thereto, including the 2010 PD amending Directive, to the extent implemented in the relevant member state (the “**Prospectus Directive**”) (“**Qualified Investors**”), (B) if in the United Kingdom, persons who (i) have professional experience in matters relating to investments who fall within the definition of ‘Investment Professionals’ in Article 19(5) of the Order, or are high net worth companies, unincorporated associations or partnership or trustees of high value trusts as described in Article 49(2) of the Order and (ii) are “Qualified Investors” as defined in section 86 of FSMA, and (C) otherwise, to persons to whom it may otherwise be lawful to communicate it to (each a “**Relevant Person**”). No other person should act or rely on this document and persons distributing this document must satisfy themselves that it is lawful to do so. By accepting the Terms and Conditions each Placee represents and agrees that it is a Relevant Person. This document and the Terms and Conditions set out herein must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this document and the Terms and Conditions set out herein relate is available only to Relevant Persons and will be engaged in only with Relevant Persons. This document does not itself constitute an offer for sale or subscription of any securities in the Company.

The information contained in this document is not for release, publication or distribution, in whole or in part, directly or indirectly, in or into the United States, Australia, Canada, Japan, Hong Kong, New Zealand, Singapore, the Republic of South Africa or any other state or jurisdiction in which such release, publication or distribution would be unlawful. This document (and the information contained herein) is not intended to and does not contain or constitute an offer of, or the solicitation of an offer to buy or subscribe for, securities in the United States, Australia, Canada, Japan, Hong Kong, New Zealand, Singapore, the Republic of South Africa or any other state or jurisdiction in which such an offer would be unlawful.

The Placing Shares (as defined below) have not been and will not be registered under the Securities Act, or under the applicable securities laws of any state or other jurisdiction of the United States, and may not be offered, sold, taken up, resold, transferred or delivered, directly or indirectly within, into or in the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with the securities laws of any relevant state or other jurisdiction of the United States. There will be no public offer of the Placing Shares in the United States.

The Placing Shares are being offered and sold outside the United States in accordance with Regulation S under the Securities Act.

Each Placee should consult with its own advisers as to legal, tax, business, financial and related aspects of a subscription for the Placing Shares.

The Placees will be deemed to have read and understood this document in its entirety and to be making such offer on the Terms and Conditions, and to be providing the representations, warranties, acknowledgements and undertakings, contained in these Terms and Conditions. In particular each such Placee represents, warrants and acknowledges that:

- (A) it is a Relevant Person (as defined above) and undertakes that it will subscribe for, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business; and
- (B) if it is in a member state of the EEA and/or if it is a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, that any Placing Shares subscribed for by it in the Placing will not be subscribed for on a non-discretionary basis on behalf of, nor will they be subscribed for with a view to their offer or resale to, persons in any member state of the EEA in circumstances which may give rise to an offer of securities to the public other than an offer or resale in a member state of the EEA which has implemented the Prospectus Directive to Qualified Investors (as defined above), or in circumstances in which the prior consent of Liberum has been given to each such proposed offer or resale.

Persons (including without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of this document of which these Terms and Conditions form part should seek appropriate advice before taking any action.

Neither Liberum, nor any of its affiliates, agents, directors, officers or employees, make any representation to any Placees regarding an investment in the Placing Shares.

Details of the Placing Agreement and of the Placing Shares

Liberum, the Company and the Directors have entered into a placing agreement on 11 June 2018 (the “**Placing Agreement**”) pursuant to which Liberum has agreed that it will, as agent for and on behalf of the Company, use its reasonable endeavours to procure Placees for up to: (i) 4,460,967 New Ordinary Shares and: (ii) 7,456,014 Existing Ordinary Shares in the capital of the Company of nominal value of 10p each, proposed to be sold by existing Shareholders.

The New Ordinary Shares will, when issued, be credited as fully paid and will rank *pari passu* in all respects with the Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid in respect of the Ordinary Shares after Admission (as defined below).

Application for admission to trading

Application has been made to the London Stock Exchange for admission to trading of the Placing Shares on AIM. It is expected that Admission of the Placing Shares will become effective at or around 8.00 a.m. on 14 June 2018 and that dealings in the Placing Shares will commence immediately after that time.

Participation in, and principal terms of, the Placing

1. Liberum is acting as agent of the Company in connection with the Placing and is acting as agent for no one else in connection with the Placing and will not regard any other person (whether or not a recipient of these Terms and Conditions) as a client in relation to the Placing.
2. Participation in the Placing will be available only to persons who may lawfully be, and are, invited to participate by Liberum.
3. These Terms and Conditions apply to Placees. Each Placee hereby agrees with Liberum to be legally and irrevocably bound by these Terms and Conditions which will be the Terms and Conditions on which the Placing Shares will be acquired in the Placing.
4. The Terms and Conditions must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which the Terms and Conditions set out herein relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

5. Acceptance of any offer incorporating the Terms and Conditions (whether orally or in writing or evidenced by way of a contract note) will constitute a binding irrevocable commitment by a Placee, subject to the Terms and Conditions set out below, to subscribe and pay for the relevant number of Placing Shares (the “**Placing Participation**”). Such commitment is not capable of termination or rescission by the Placee in any circumstances except fraud. All such obligations are entered into by the Placee with Liberum in its capacity as agent for the Company and are therefore directly enforceable by the Company.
6. In the event that Liberum has procured acceptances from Placees in connection with the Placing prior to the date of the despatch of this document to a Placee, Liberum will, prior to Admission, request confirmation from any such Placee that its Placing Participation as agreed in any earlier commitment remains firm and binding upon the Terms and Conditions of this document and referable to the contents of this document of which these Terms and Conditions form part. Upon such confirmation being given (whether orally, in writing or by conduct (including, without limitation, by receipt of the relevant placing proceeds by Liberum)) any agreement made in respect of the Placing Shares shall be varied, amended and/or ratified in accordance with the Terms and Conditions and based upon this document and no reliance may be placed by a Placee on any earlier version of this document.
7. Each Placee will be deemed to have read and understood these Terms and Conditions in their entirety and to be making such offer on the Terms and Conditions and to be providing the representations, warranties and acknowledgements and undertakings contained in these Terms and Conditions.
8. All obligations under the Placing will be subject to fulfilment of the conditions referred to below under “**Conditions of the Placing**” and to the Placing not being terminated on the basis referred to below under “**Right to terminate under the Placing Agreement**”.
9. Irrespective of the time at which a Placee’s allocation pursuant to the Placing is confirmed, settlement for all Placing Shares to be subscribed for pursuant to the Placing will be required to be made at the same time, on the basis explained below under “**Registration and settlement**”.
10. Except as required by law or regulation, no press release or other announcement will be made by Liberum or the Company using the name of any Placee (or its agent), in its capacity as Placee (or agent), other than with such Placee’s prior written consent.
11. To the fullest extent permissible by law and applicable FCA rules, neither Liberum, the Company nor any of their respective affiliates, agents, directors, officers or employees shall have any responsibility or liability (whether in contract, tort or otherwise) to Placees (or to any other person whether acting on behalf of a Placee or otherwise).

Conditions of the Placing

The Placing is conditional upon the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms.

Pursuant to the Placing Agreement, Liberum has agreed, on behalf of and as agent for the Company, to use its reasonable endeavours to procure subscribers or purchasers for the Placing Shares at the Placing Price, subject to these Terms and Conditions. For the avoidance of doubt, the Placing will not be underwritten.

The Placing Agreement contains certain warranties from the Directors and certain warranties and indemnities from the Company, in each case for the benefit of Liberum. Liberum may, in its absolute discretion, terminate the Placing Agreement if prior to Admission, *inter alia*, there is a market disruption event, there is a breach of any of the undertakings or any fact or circumstances arise which cause a warranty to become untrue inaccurate or misleading in any respect in a way that is material in the context of the Placing and/or Admission.

None of the Company, the Directors or Liberum owes any fiduciary duty to any Placee in respect of the representations, warranties, undertakings or indemnities in the Placing Agreement.

If (i) any of the conditions contained in the Placing Agreement, including those described above, are not fulfilled (or, where permitted, waived or extended in writing by Liberum) or have become incapable of fulfilment on or before the date or time specified for the fulfilment thereof (or such later date and/or time as Liberum may agree), or (ii) the Placing Agreement is terminated in the circumstances specified below, the Placing will not proceed and the Placees’ rights and obligations

hereunder in relation to the Placing Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by the Placee in respect thereof. Liberum may waive certain conditions contained in the Placing Agreement. Any such extension or waiver will not affect Placees' commitments as set out in this document.

If (i) any of the conditions in the Placing Agreement are not satisfied (or, where relevant, waived) or (ii) the Placing Agreement is terminated or (iii) the Placing Agreement does not otherwise become unconditional in all respects, the Placing will not proceed and all funds delivered by the Placee to Liberum will be returned to the Placee at its own risk without interest, and each Placee's rights and obligations hereunder shall cease and determine at such time and no claim shall be made by the Placee in respect thereof.

Neither Liberum nor any of its affiliates, agents, directors, officers or employees shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision they may make as to whether or not to waive or to extend the time and/or the date for the satisfaction of any condition to the Placing nor for any decision they may make as to the satisfaction of any condition or in respect of the Placing generally, and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of Liberum.

Lock-up

The Company has agreed with Liberum that it will not at any time during the period of six months from the date of Admission, without the prior written consent of Liberum (such consent not to be unreasonably withheld or delayed), offer, issue, sell, contract to sell, issue options in respect of or otherwise dispose of any securities of the Company (or any interest therein or in respect thereof) or any other securities exchangeable for, or convertible into, or substantially similar to, Ordinary Shares or enter into any transaction having substantially the same effect or agree to do any of the foregoing, other than pursuant to such share option schemes and other employee incentive arrangements as are described in this document or as contemplated by the Placing Agreement.

Right to terminate under the Placing Agreement

At any time before Admission, Liberum (acting in its absolute discretion and in good faith after consultation with the Company) is entitled to terminate the Placing Agreement by giving notice in writing to the Company if, amongst other things: (i) the Company fails to comply with any of its obligations under the Placing Agreement and that failure is material in the context of the Placing and/or Admission; or (ii) the Company's representations and warranties are not true and accurate or have become misleading in any respect by reference to the facts subsisting at the date at which such warranties were given, in each case in a way that is material in the context of the Placing and/or Admission; or (iii) there has been a development or event or change which has or is likely to have a material adverse effect on the operations, condition (financial, operational, legal or otherwise), prospects, management, results of operations, financial position, business or general affairs of the Company; or (iv) the occurrence of a market disruption event as specified in the Placing Agreement.

Upon such notice being given, the parties to the Placing Agreement shall be released and discharged (except for any liability arising before or in relation to such termination) from their respective obligations under or pursuant to the Placing Agreement, subject to certain exceptions.

By participating in the Placing, Placees agree that the exercise by Liberum of any right of termination or other discretion under the Placing Agreement shall be within its absolute discretion and that they do not need to make any reference to Placees and that Liberum shall not have any liability to Placees whatsoever in connection with any such exercise and neither the Company nor Liberum nor any of their respective directors, officers, employees, agents or affiliates shall have any liability to Placees whatsoever in connection with any such exercise or failure so to exercise.

No Prospectus

No offering document or prospectus has been or will be submitted to be approved by the UKLA or submitted to the London Stock Exchange in relation to the Placing and no such prospectus is required (in accordance with the Prospectus Directive) to be published and Placees' commitments will be made solely on the basis of the information contained in this document released by the Company today and any information publicly announced to a RIS by or on behalf of the Company

on or prior to the date of this document and subject to the further terms set forth in the contract note to be provided to individual prospective Placees.

Each Placee, by accepting a participation in the Placing, agrees that the content of this document and all other publicly available information previously or simultaneously published by the Company by notification to a RIS or otherwise filed by the Company is exclusively the responsibility of the Company and confirms that it has neither received nor relied on any other information, representation, warranty, or statement made by or on behalf of the Company or Liberum or any other person and none of the Company, Liberum or any of their respective affiliates will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placees may have obtained or received. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. Nothing in this paragraph should exclude or limit the liability of any person for fraudulent misrepresentation by that person.

Registration and settlement

Settlement of transactions in the Placing Shares following Admission will take place within the CREST system administered by Euroclear UK & Ireland Limited, subject to certain exceptions. Liberum and the Company reserve the right to require settlement for and delivery of the Placing Shares (or a portion thereof) to Placees in certificated form if delivery or settlement is not possible or practicable within the CREST system within the timetable set out in this document or would not be consistent with the regulatory requirements in the Placee's jurisdiction.

It is expected that settlement will be on 14 June 2018 on a delivery versus payment basis in accordance with the instructions set out in the trade confirmation.

If Placees do not provide any CREST details or if the Placees provide insufficient CREST details to match within the CREST system to its details, Liberum may at their discretion deliver the Placees' Placing Participation in certificated form provided payment has been made in terms satisfactory to Liberum and all conditions in relation to the Placing have been satisfied or waived.

Subject to the conditions set out above, payment in respect of the Placees' Placing Participation is due as set out below. Each Placee should provide its settlement details in order to enable instructions to be successfully matched in CREST. The relevant settlement details are as follows:

CREST participant ID of Liberum:	ENQAN
Expected Trade date:	11 June 2018
Settlement date:	14 June 2018
ISIN code for the Placing Shares:	GB00BD5JNK30
Deadline for Placee to input instructions into CREST:	12.00 p.m.(UK time) on 13 June 2018

If Placing Shares are to be delivered to a custodian or settlement agent, Placees should ensure that the trade confirmation is copied and delivered immediately to the Relevant Person within that organisation. So long as any transfer on sale, or unconditional agreement to transfer, the Placing Shares occurs at a time when the Placing Shares are admitted to trading on AIM and are not listed on a recognised stock exchange and included in the official list thereof, such transfer or agreement to transfer the Placing Shares should, subject to the representations and warranties provided below, be registered free from any liability to UK stamp duty or stamp duty reserve tax. Placees will not be entitled to receive any fee or commission in connection with the Placing.

Representations and warranties and further terms

By submitting a bid and/or participating in the Placing, each prospective Placee (and any person acting on such Placee's behalf) irrevocably acknowledges, confirms, undertakes, represents, warrants and agrees (as the case may be) to the Company and to Liberum (in its capacity as agent of the Company) and their respective directors, agents and advisors, in each case as a fundamental term of its application for Placing Shares, that:

- (A) it has read and understood this document and these Terms and Conditions in their entirety and that its participation in the Placing and its acquisition of Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, indemnities, acknowledgements, agreements and undertakings and other information contained herein and undertakes not to redistribute or duplicate this document;
- (B) no offering document or prospectus or offering document has been or will be prepared in connection with the Placing and it has not received and will not receive a prospectus or other offering document in connection with the Placing;
- (C) the Placing does not constitute a recommendation or financial product advice and Liberum has not had regard to its particular objectives, financial situation and needs;
- (D) it has the power and authority to carry on the activities in which it is engaged, to subscribe and/or acquire Placing Shares and to execute and deliver all documents necessary for such acquisition;
- (E) that none of the Company, Liberum, any of their respective affiliates, agents, directors, officers or employees or any person acting on behalf of any of them has provided, and none of them will provide, it with any material regarding the Placing Shares or the Company or any other person other than information included in this document, nor has it requested either of Liberum, the Company, any of their respective affiliates or any person acting on behalf of any of them to provide it with any such information;
- (F) has not relied on, received or requested, nor does it have any need to receive, any prospectus, offering memorandum, listing particulars or any other document other than this document describing the business and affairs of the Company which has been prepared for delivery to prospective investors in order to assist them in making an investment decision in respect of the Placing Shares. It further confirms, represents and warrants that it is not relying on any information given or any representations, warranties, agreements or undertakings (express or implied), written or oral, or statements made at any time by the Company or Liberum or by any of their respective officers, directors, agents, employees or advisers, or any other person in connection with the Placing other than information contained in this document and none of Liberum, the Company or any of their respective directors and/or employees and/or person(s) acting on behalf of any of them shall, to the maximum extent permitted under law, have any liability (except in the case of fraud) in respect of any such other information, representation, warranty, agreement, undertaking or statement. It irrevocably and unconditionally waives any right it may have in respect of such other information, representation, warranty, agreement, undertaking or statement. It further confirms, represents and warrants that in making its application under the Placing it will be relying solely on the information contained in this document and these Terms and Conditions and that it has reviewed this document, including the discussion of the conditions of the Placing Agreement, commission payable to Liberum, and the Risk Factors relating to the Company, its operations and the Ordinary Shares.
- (G) (i) none of the Company, Liberum or any of their respective affiliates has made any representations to it, express or implied, with respect to the Company, the Placing and the Placing Shares or the accuracy, completeness or adequacy of any publicly available information, and each of them expressly disclaims any liability in respect thereof; and (ii) it will not hold Liberum or any of their respective affiliates responsible for any misstatements in or omissions from any publicly available information. Nothing in this paragraph or otherwise in this document excludes the liability of any person for fraudulent misrepresentation made by that person;
- (H) it and each account it represents is not and at the time the Placing Shares are subscribed for, neither it nor the beneficial owner of the Placing Shares will be a resident of Australia, Canada, Japan, Hong Kong, New Zealand, Singapore or the Republic of South Africa or any other jurisdiction in which it is unlawful to make or accept an offer to acquire the Placing Shares and further acknowledges that the Placing Shares have not been and will not be registered under the securities legislation of Australia, Canada, Japan, Hong Kong, New Zealand, Singapore or the Republic of South Africa and, subject to certain exceptions, may not be offered, sold, transferred, taken up, renounced, distributed or delivered, directly or indirectly, within or into those jurisdictions;

- (I) (i) it and each account it represents is outside the United States and will be outside the United States at the time that any buy order for Placing Shares is originated by it; (ii) acquiring the Placing Shares in an “offshore transaction” as defined in Regulation S under the Securities Act; and (iii) not acquiring any of the Placing Shares as a result of any form of “directed selling efforts” (within the meaning of Regulation S under the Securities Act);
- (J) it understands, and each account it represents has been advised that, (i) the Placing Shares have not been and will not be registered under the Securities Act or under the applicable securities laws of any state or other jurisdiction of the United States; (ii) the Placing Shares are being offered and sold only in an “offshore transaction” within the meaning of and pursuant to Regulation S under the Securities Act; and (iii) no representation has been made as to the availability of any exemption under the Securities Act or any relevant state or other jurisdiction’s securities laws for the reoffer, resale, pledge or transfer of the Placing Shares;
- (K) it will not distribute, forward, transfer or otherwise transmit this document or any other materials concerning the Placing (including any electronic copies thereof), in or into the United States;
- (L) the content of this document is exclusively the responsibility of the Company and the Board and that neither Liberum, nor any of its respective affiliates, agents, directors, officers or employees or any person acting on behalf of Liberum has or shall have any liability for any information, representation or statement contained in this document or any information previously or subsequently published by or on behalf of the Company, and will not be liable for any Placee’s decision to participate in the Placing based on any information, representation or statement contained in this document or otherwise. Each Placee further represents, warrants and agrees that the only information on which it is entitled to rely and on which such Placee has relied in committing itself to subscribe for the Placing Shares is contained in this document and any information previously published by the Company by notification to a RIS, such information being all that it deems necessary to make an investment decision in respect of the Placing Shares and that it has neither received nor relied on any other information given or representations, warranties or statements made by Liberum or the Company and neither of Liberum or the Company will be liable for any Placee’s decision to accept an invitation to participate in the Placing based on any other information, representation, warranty or statement;
- (M) its agreement with Liberum to acquire Placing Shares, whether by telephone or otherwise is a legally binding contract and the Terms and Conditions of its Placing Participation and any non-contractual obligation therefrom will be governed by and construed in accordance with, the laws of England and Wales to the exclusive jurisdiction of whose courts it irrevocably agrees to submit;
- (N) time shall be of the essence as regards obligations pursuant to these Terms and Conditions;
- (O) it is the responsibility of any person outside of the United Kingdom wishing to subscribe for or purchase Placing Shares to satisfy himself that, in doing so, he complies with the laws of any relevant territory in connection with such subscription or purchase and that he obtains any requisite governmental or other consents and observes any other applicable formalities;
- (P) it is acting as principal and for no other person and that its acceptance of the Placing Participation will not give any other person a contractual right to require the issue by the Company of any Placing Shares;
- (Q) from the point at which a request for admission to trading on AIM is made by the Company, the Company and its financial instruments will be subject to the provisions of MAR and that it will observe the provisions of MAR in relation to the Company’s financial instruments, including in relation to the control of any inside information;
- (R) if in the United Kingdom, it has complied with its obligations under the Criminal Justice Act 1993, FSMA, MAR and, in connection with money laundering and terrorist financing, under the Proceeds of Crime Act 2002 (as amended), the Terrorism Act 2000, the Terrorism Act 2006, and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (the “**Regulations**”) and the Money Laundering Sourcebook of the FCA and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations;

- (S) if a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, that the Placing Shares subscribed for by it in the Placing will not be subscribed for on a non-discretionary basis on behalf of, nor will they be subscribed for with a view to their offer or resale to, persons in a member state of the EEA other than Qualified Investors, or in circumstances in which the prior consent of Liberum has been given to the proposed offer or resale;
- (T) it and any person acting on its behalf falls within Article 19(5) and/or 49(2)(a) to (d) of the Order and undertakes that it will acquire, hold, manage and (if applicable) dispose of any Placing Shares that are allocated to it for the purposes of its business only;
- (U) it has not offered or sold and will not offer or sell any Placing Shares to the public in any member state of the EEA except in circumstances falling within Article 3(2) of the Prospectus Directive which do not result in any requirement for the publication of a prospectus pursuant to Article 3 of that Directive;
- (V) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Placing Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person;
- (W) it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Placing Shares in, from or otherwise involving, the United Kingdom;
- (X) if in a member state of the EEA, it is a “Qualified Investor” within the meaning of the Prospectus Directive;
- (Y) if in the United Kingdom, that it is a person (i) having professional experience in matters relating to investments and who falls within the definition of ‘investment professionals’ in Article 19(5) of the Order; or (ii) who is a high net worth entity falling within Article 49(2)(a) to (d) of the Order; or (iii) to whom this document may otherwise lawfully be communicated;
- (Z) no action has been or will be taken by either the Company or Liberum or any person acting on behalf of the Company or Liberum that would, or is intended to, permit a public offer of the Placing Shares in any country or jurisdiction where any such action for that purpose is required;
- (AA) (i) it and any person acting on its behalf is entitled to subscribe for the Placing Shares under the laws of all relevant jurisdictions which apply to it; (ii) it has paid any issue, transfer or other taxes due in connection with its participation in any territory; (iii) that it has fully observed such laws and obtained all such governmental and other guarantees, permits, authorisations, approvals and consents which may be required thereunder and complied with all necessary formalities and that it has not taken any action or omitted to take any action which will or may result in Liberum, the Company or any of their respective affiliates, directors, officers, agents, employees or advisers acting in breach of the legal or regulatory requirements of any jurisdiction in connection with the Placing; and (iv) that the acquisition of the Placing Shares by it or any person acting on its behalf will be in compliance with applicable laws and regulations in the jurisdiction of its residence, the residence of the Company, or otherwise;
- (BB) it has all necessary capacity and has obtained all necessary consents and authorities to enable it to commit to its participation in the Placing and to perform its obligations in relation thereto (including, without limitation, in the case of any person on whose behalf it is acting, all necessary consents and authorities to agree to the terms set out or referred to in this document) and will honour such obligations;
- (CC) it (and any person acting on its behalf) will make payment for the Placing Shares allocated to it in accordance with the Terms and Conditions and this document, on the due time and date set out herein, failing which the relevant Placing Shares may be placed with other persons or sold as Liberum may in its absolute discretion determine and without liability to such Placee;
- (DD) its allocation (if any) of Placing Shares will represent a maximum number of Placing Shares which it will be entitled, and required, to subscribe for or purchase, and that Liberum or the Company may call upon it to subscribe for or purchase a lower number of Placing Shares (if any), but in no event in aggregate more than the aforementioned maximum;

- (EE) neither it, nor the person specified by it for registration as holder of Placing Shares is, or is acting as nominee or agent for, and the Placing Shares will not be allotted or transferred to, a person who is or may be liable to stamp duty or stamp duty reserve tax under any of sections 67, 70, 93 and 96 of the Finance Act of 1986 (depository receipts and clearance services) and the Placing Shares are not being acquired in connection with arrangements to issue depository receipts or to issue or transfer Placing Shares into a clearance system;
- (FF) neither the Company nor Liberum will be responsible for any liability to stamp duty or stamp duty reserve tax or other similar taxes resulting from a failure to observe the requirement in (EE) above. Each Placee and any person acting on behalf of such Placee agrees to indemnify on an after-tax basis and hold harmless the Company and Liberum and their respective affiliates, agents, directors, officers and employees in respect of any such liability and each Placee and any person acting on behalf of such Placee agrees that, on Admission becoming effective, the Placing Shares will be allotted to the Stock Account of Liberum who will hold them as nominee on behalf of such Placee until settlement in accordance with its standing settlement instructions;
- (GG) neither Liberum nor any of their respective affiliates, agents, directors, officers or employees nor any person acting on behalf of any of them, is making any recommendations to it or, advising it regarding the suitability of any transactions it may enter into in connection with the Placing and that participation in the Placing is on the basis that it is not and will not be a client of Liberum and that Liberum does not have any duties or responsibilities to it for providing the protections afforded to Liberum's respective clients or customers or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor for the exercise or performance of any of its rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;
- (HH) in making any decision to subscribe for the Placing Shares, it has knowledge and experience in financial, business and international investment matters as is required to evaluate the merits and risks of subscribing for and/or acquiring the Placing Shares. It further confirms that it is experienced in investing in securities of this nature in this sector and is aware that it may be required to bear, and is able to bear, the economic risk of participating in, and is able to sustain a complete loss in connection with, the Placing. It further confirms that it relied on its own examination and due diligence of the Company and its associates taken as a whole, and the terms of the Placing, including the merits and risks involved, and not upon any view expressed or information provided by or on behalf of Liberum;
- (II) in connection with the Placing, Liberum and any of its affiliates acting as an investor for its own account may take up Placing Shares in the Company and in that capacity may subscribe for, retain, purchase or sell for its own account such Ordinary Shares in the Company and any securities of the Company or related investments and may offer or sell such securities or other investments otherwise than in connection with the Placing. Liberum does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so;
- (JJ) these Terms and Conditions and any agreements entered into by it pursuant to these Terms and Conditions and any non-contractual obligations arising out of or in connection with such agreements shall be governed by and construed in accordance with the laws of England and Wales and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of any such contract, except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by the Company or Liberum in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange;
- (KK) the Company, Liberum and their respective affiliates and others will rely upon the truth and accuracy of acknowledgements, representations, warranties and agreements set forth herein and which are given to Liberum on its own behalf and on behalf of the Company and are irrevocable and it irrevocably authorises the Company and Liberum to produce any announcement, pursuant to, in connection with, or as may be required by any applicable law or regulation, administrative or legal proceeding or official inquiry with respect to the matters

set forth herein. It agrees that if any of the acknowledgements, representations, warranties and agreements made in connection with its subscribing and/or acquiring of Placing Shares is no longer accurate, it shall promptly notify the Company and Liberum;

- (LL) it will indemnify on an after-tax basis and hold the Company, Liberum and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings in these Terms and Conditions and further agrees that the provisions of these Terms and Conditions shall survive after completion of the Placing;
- (MM) none of the Company or Liberum owes any fiduciary or other duties to any Placee in respect of any acknowledgements, confirmations, undertakings, representations, warranties or indemnities in the Placing Agreement;
- (NN) its acquisition of Placing Shares is in full compliance with applicable laws and regulations; and
- (OO) its commitment to take up Placing Shares on the Terms and Conditions will continue notwithstanding any amendment that may or in the future be made to these Terms and Conditions of the Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company or Liberum's conduct of the Placing.

The foregoing acknowledgements, confirmations, undertakings, representations and warranties are given for the benefit of each of the Company and Liberum (for their own benefit and, where relevant, the benefit of their respective affiliates and any person acting on their behalf) and are irrevocable.

Please also note that the agreement to allot and issue or transfer Placing Shares to Placees (or the persons for whom Placees are contracting as nominee or agent) free of UK stamp duty and stamp duty reserve tax relates only to their allotment and issue or transfer to Placees, or such persons as they nominate as their agents, direct from the Company for the Placing Shares in question and is subject to the representations, warranties and further terms above and assumes and is based on the warranty from each Placee that the Placing Shares are not being subscribed for, or acquired, in connection with arrangements to issue depositary receipts or to issue or transfer the Placing Shares into a clearance service. If there are any such arrangements, or the settlement relates to any other dealing in the Placing Shares, stamp duty or stamp duty reserve tax or other similar taxes may be payable, for which none of the Company or Liberum will be responsible and the Placees shall indemnify on an after-tax basis and hold harmless the Company and Liberum and their respective affiliates, agents, directors, officers and employees for any stamp duty, stamp duty reserve tax or other similar taxes paid by them in respect of any such arrangements or dealings. If this is the case, each Placee should seek its own advice and notify Liberum accordingly.

Neither the Company nor Liberum is liable to bear any capital duty, stamp duty or any other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable in or outside the United Kingdom by any Placee or any other person on a Placee's acquisition of any Placing Shares or the agreement by a Placee to acquire any Placing Shares. Each Placee agrees to indemnify on an after-tax basis and hold harmless the Company, Liberum and their respective affiliates, agents, directors, officers and employees from any and all such capital duty, stamp duty and other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including interest, fines or penalties relating thereto).

Each Placee should seek its own advice as to whether any of the above tax liabilities arise and notify Liberum accordingly.

Each Placee and any person acting on behalf of each Placee acknowledges and agrees that Liberum or any of its respective affiliates may, at their absolute discretion, agree to become a Placee in respect of some or all of the Placing Shares.

When a Placee or person acting on behalf of the Placee is dealing with Liberum, any money held in an account with Liberum on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the rules and regulations of the FCA made under FSMA. The Placee acknowledges that the money will not be subject to the protections conferred by the client money rules; as a consequence, this money will not be segregated from Liberum's money in accordance with the client money rules and will be used by

Liberum in the course of its own business; and the Placee will rank only as a general creditor of Liberum.

Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser.

The rights and remedies of Liberum and the Company under these Terms and Conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others. If a Placee is a discretionary fund manager, he may be asked to disclose, in writing or orally, to Liberum the jurisdiction in which the funds are managed or owned.

All times and dates in this document may be subject to amendment by Liberum (in their absolute discretion). Liberum shall notify the Placees and any person acting on behalf of the Placees of any changes.

In this Part IV, “**after-tax basis**” means in relation to any payment made to the Company, Liberum or their respective affiliates, agents, directors, officers and employees pursuant to this Part IV that such payment shall be calculated in such a manner as will ensure that, after taking into account (i) any tax required to be deducted or withheld from the payment; (ii) the amount and timing of any additional tax which becomes payable by the recipient as a result of the payment’s being subject to tax in the hands of the recipient of the payment, and (iii) the amount and timing of any tax benefit which is obtained by the recipient of the payment to the extent that such tax benefit is attributable to the matter giving rise to the payment or to the entitlement to, or receipt of, the payment, or to any tax required to be deducted or withheld from the payment, the recipient of the payment is in the same after-tax position as that in which it would have been if the matter giving rise to the payment had not occurred.

PART V

ADDITIONAL INFORMATION

1. Persons responsible

The Directors, whose names appear in the Directors, Company Secretary, Registered Office and Advisers table on page 10 of this document, and the Company accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors and the Company (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Incorporation and activity of the Company

- 2.1 The Company was incorporated in England and Wales on 13 January 2012 as a company limited by shares with the name Aquis Equities Exchange Ltd and company number 07909192. The Company changed its name to Aquis Exchange Ltd on 23 March 2012 and to Aquis Exchange PLC on 6 June 2018. As at Admission, the Company does not have any subsidiaries or subsidiary undertakings (both terms as defined in the Companies Act).
- 2.2 The Company is domiciled in the United Kingdom with its registered office at Palladium House, 1-4 Argyll Street, London, United Kingdom, W1F 7LD. The telephone number of the Company's registered office is 020 7437 7666.
- 2.3 The principal activity of the Company is operating an independent, pan-European cash equities trading venue with a unique, subscription based, pricing model. Aquis Exchange is authorised and regulated by the Financial Conduct Authority to operate a multilateral trading facility.
- 2.4 The jurisdiction in which the Company operates is the United Kingdom. The liability of the Shareholders is limited. The principal legislation under which the Company operates is the Companies Act and the regulations made thereunder.
- 2.5 The Directors and their respective functions are set out in section 9 (Directors and Senior Management) of Part I (Information on the Company) of this document.

3. Share capital of the Company

Issued share capital of the Company

- 3.1 The issued and fully paid share capital of the Company as at the Latest Practicable Date is, and immediately following Admission is expected to be, as follows:

	Nominal value	Number of shares issued	Aggregate Nominal Amount
Ordinary Shares (as at the Latest Practicable Date)	£0.10	22,688,592	£2,268,859
Ordinary Shares (as at Admission)	£0.10	27,149,559	£2,714,956

- 3.2 As at the Latest Practicable Date, the Company held no treasury shares. No Ordinary Shares have been issued other than fully paid and free from all liens, equities, charges, encumbrances and other interests and the Company has no outstanding convertible securities, exchangeable securities or securities with warrants. The Ordinary Shares have been created under the Companies Act.

4. History of share capital

- 4.1 The Company was incorporated with an issued share capital of £1 comprising of 1 ordinary share of £1.
- 4.2 No Ordinary Shares are held by or on behalf of the Company.
- 4.3 Prior to Admission, Enterprise Management Incentive (EMI) options (the “**EMI Options**”) are outstanding over 1,324,800 Ordinary Shares owned by Alasdair Haynes (the “**Pre-Admission EMI Option Scheme**”). Of these, the EMI Options over 1,013,760 Ordinary Shares have

vested and are exercisable; EMI Options over the remaining 311,040 Shares will vest on Admission and will be exercisable for 40 days beginning with the date of Admission, after which period the EMI Options over all 1,324,800 A Shares will lapse. All EMI Option holders have decided to exercise their EMI Options immediately after Admission. If any of the EMI Option holders change their decision to exercise their EMI Options, to the extent unexercised, the EMI Options will remain in place (until they lapse as described above) following Admission but will have been adjusted to take into account the share capital re-organisation described in paragraph 4.5 of this Part V. If none of the EMI Options are exercised before or at Admission, 1,324,800 Ordinary Shares would be subject to EMI Options at Admission. To the extent that the EMI Options are exercised, this will be implemented by way of transfer directly from Alasdair Haynes to the exercising EMI Option holder and will be notified to the market in accordance with the Company's obligations under MAR.

4.4 The following changes to the authorised and issued share capital of the Company have occurred since incorporation:

- (A) on incorporation, one ordinary share of £1.00 was allotted and issued, credited as fully paid, as a subscriber share to Peter Valaitis;
- (B) by special resolution passed on 18 July 2012, the one issued ordinary share of £1 was subdivided into 100,000 fully paid ordinary shares of £0.00001 each;
- (C) on 29 October 2012, a further 17,648 ordinary shares of £0.00001 were allotted and issued, credited as fully paid;
- (D) by ordinary resolutions passed on 2 November 2012:
 - (i) 100,001 ordinary shares of £0.00001 were re-designated as A ordinary shares of £0.00001; and
 - (ii) 17,647 ordinary shares of £0.00001 were re-designated as B ordinary shares of £0.00001;
- (E) on 12 November 2012, a further 51,468 B ordinary shares of £0.00001 were allotted and issued, credited as fully paid;
- (F) on 4 December 2012, a further 1,536 B ordinary shares of £0.00001 were allotted and issued, credited as fully paid;
- (G) on 24 May 2013, a further 37,632 B ordinary shares of £0.00001 were allotted and issued, credited as fully paid;
- (H) on 28 June 2013, a further 15,361 B ordinary shares of £0.00001 were allotted and issued, credited as fully paid;
- (I) on 2 August 2013, a further 169,004 B ordinary shares of £0.00001 were allotted and issued, credited as fully paid;
- (J) on 6 September 2013, a further 234,253 B ordinary shares of £0.00001 were allotted and issued, credited as fully paid;
- (K) on 30 October 2013, a further 109,141 B ordinary shares of £0.00001 were allotted and issued, credited as fully paid;
- (L) on 12 December 2013, a further 1,422 B ordinary shares of £0.00001 were allotted and issued, credited as fully paid;
- (M) on 18 February 2014, a further 245,777 B ordinary shares of £0.00001 were allotted and issued, credited as fully paid;
- (N) on 25 June 2014, a further 27,522 B ordinary shares of £0.00001 were allotted and issued, credited as fully paid;
- (O) on 12 September 2014, a further 49,283 B ordinary shares of £0.00001 were allotted and issued, credited as fully paid;
- (P) on 30 June 2015, a further 178,222 B ordinary shares of £0.00001 were allotted and issued, credited as fully paid; and
- (Q) on 18 October 2016, a further 432,432 B ordinary shares of £0.00001 were allotted and issued, credited as fully paid.

Pre-IPO Reorganisation

- 4.5 Pursuant to the Reorganisation Deed (as defined and described at paragraph 15(E) below), the Company made the following changes to its capital structure pursuant to authorities granted by way of written resolutions passed on 28 May 2018 and 31 May 2018 by the members of the Company:
- (A) the Company reduced its share capital by cancelling its share premium account in order to create distributable reserves (“**Step 1**”);
 - (B) the Company converted all A Shares into B Shares by: (i) first, carrying out a bonus issue of A Shares *pro rata* to existing holders of A Shares, using a set bonus issue multiple that reflects the relative economic entitlement of the holders of the A Shares prior to this reorganisation, and (ii) second, re-designating all A Shares as B Shares (“**Step 2**”);
 - (C) the Company then carried out a *pro rata* bonus issue of B Shares to all shareholders, using a bonus issue multiple under which a certain number of new B Shares were issued for each existing B Share held by shareholders upon completion of Step 2 (“**Step 3**”); and
 - (D) the B Shares, which had a nominal value of £0.00001 each, were re-designated and consolidated into ordinary shares with a nominal value of £0.10 each to create a single class of Ordinary Shares in the Company (“**Step 4**”),
- (the “**Pre-IPO Reorganisation**”).
- 4.6 For the purposes of Step 2 above, by a written resolution passed on 31 May 2018 by the members of the Company it was resolved that the Directors be generally and unconditionally authorised in accordance with section 551 of the Companies Act to exercise all the powers of the Company to allot A Shares in the Company up to an aggregate nominal amount of £2.20, provided that such authority expires on the earlier of Admission or 30 September 2018.
- 4.7 For the purposes of Step 3 above, by a written resolution passed on 31 May 2018 by the members of the Company it was resolved that the Directors be generally and unconditionally authorised in accordance with section 551 of the Companies Act to exercise all the powers of the Company to allot B Shares in the Company up to an aggregate nominal amount of £2,268,840.30, provided that such authority expires on the earlier of Admission or 30 September 2018.
- 4.8 By a written resolution passed on 5 June 2018 by the members of the Company it was resolved that:
- (A) pursuant to the provisions of section 90 of the Companies Act, the Company be reregistered as a public limited company; and
 - (B) conditional on the passing of the resolution set out in paragraph 4.8(A) above, a further set of articles of association (as disclosed in further detail in paragraph 6 below) be adopted.
- 4.9 The Placing Shares will be issued in accordance with the following resolutions of the Company passed on 8 June 2018, which:
- (A) generally and unconditionally and, in the case of the authorities described in paragraphs 4.9(A)(ii) and 4.9(A)(iii), subject to and conditional on Admission, authorises the Directors in accordance with section 551 of the Companies Act to allot shares or grant options or other rights to subscribe for shares in the Company up to an aggregate nominal amount of up to:
 - (i) £450,000.00 in respect of the New Ordinary Shares;
 - (ii) following Admission, up to an aggregate nominal amount of £904,985.30, equal to one third of the Company’s issued share capital on Admission; and
 - (iii) following Admission, up to an aggregate nominal amount of £1,809,970.60 (such amount to be reduced by the extent the authority granted by paragraph 4.9(A)(ii) is utilised) in connection with an offer by way of a rights issue to ordinary

shareholders in proportion to their existing shareholdings (and holders of any equity securities entitled to participate or as the Directors otherwise consider necessary),

such authorities to expire (unless previously revoked, varied or renewed) in the case of the authority in paragraph 4.9(A)(i), on the earlier of Admission and midnight on 30 September 2018, and in the case of the authorities described in paragraphs 4.9(A)(ii) and 4.9(A)(iii), on the earlier of the conclusion of the first annual general meeting of the Company and the close of business on 8 November 2019 (save that the Company may before the expiry of such periods make offers or agreements which would or might require shares to be allotted or rights to be granted after expiry of these authorities, and the Directors may allot shares or grant rights in pursuance of any such offer or agreement to subscribe for or convert any security into shares notwithstanding the authority conferred has expired);

- (B) empower the Directors pursuant to section 570 of the Companies Act to allot equity securities (within the meaning of section 560 of the Companies Act), or grant options or other rights to subscribe for shares, for cash:
- (i) pursuant to the authority granted as described in paragraph 4.9(A)(i);
 - (ii) pursuant to the authorities granted as described in paragraphs 4.9(A)(ii) and 4.9(A)(iii) above in connection with a pre-emptive offer; and
 - (iii) up to an aggregate nominal amount of £135,747.79, equal to 5% of the Company's share capital on Admission,

provided always that such powers expire (unless previously revoked, varied or renewed) in the case of the authorities in this paragraph 4.9(B)(i) on the earlier of Admission and midnight on 30 September 2018 and, in the case of the authorities in paragraphs 4.9(B)(ii) and 4.9(B)(iii) on the earlier of the conclusion of the first annual general meeting of the Company and the close of business on 8 November 2019 (save that the Company may before the expiry of such periods make offers or agreements which would or might require equity securities to be granted after expiry of these authorities and the Directors may allot equity securities or grant rights in pursuance of any such offer or agreement to subscribe for or convert any security into an Ordinary Share notwithstanding the authorities conferred have expired).

- 4.10 By a resolution of the Board passed on 8 June 2018, it was resolved conditionally upon (but effective immediately prior to) Admission taking place prior to 30 September 2018, to allot the New Ordinary Shares for cash at the Placing Price.

5. Summary of Share-Based Incentive Plans

Following Admission, the Company intends to operate an Enterprise Management Incentive Share Option Plan (“**New EMI Plan**”) and a tax-advantaged Share Incentive Plan (“**SIP**”) (a share acquisition and free share plan) (together, the “**Employee Share Plans**”). The main features of the Employee Share Plans are set out below.

5.1 The Pre-Admission EMI Option Scheme

The Pre-Admission EMI Option Scheme is described at paragraph 4.3 of Part V above.

5.2 New EMI Plan

Status

The New EMI Plan was adopted by the Board on 7 June 2018, conditional on Admission. The New EMI Plan is a discretionary share plan, under which the Board may grant options over Ordinary Shares, to incentivise and retain eligible employees.

Administration

The New EMI Plan will be administered in accordance with its rules. The Board, which can act through a duly authorised committee, approves option grants and determines applicable performance conditions.

Eligibility

The Board may grant EMI options to eligible employees and non-EMI options to any employee of the group and to such other persons as may be nominated for option grants. In the case of tax approved EMI options, full-time working requirements must be met which means that the employee must be required to work 25 hours a week or, if less, 75% of the employee's working time. Employees who have a material interest in the Company cannot be granted EMI options. A material interest is either beneficial ownership of, or the ability to control directly or indirectly, more than 30% of the ordinary share capital of the Company.

Options may be granted within 42 days of the adoption of the New EMI Plan, within 42 days immediately following the end of a Closed Period (which has the same meaning as in the Market Abuse Regulation (596/2014)) and within any other period that the Board has decided options should be granted as exceptional circumstances exist.

No consideration will be payable for the grant of options.

Exercise price

The exercise price of options will be the closing price of an Ordinary Share on the Business Day before the date of grant (and, if the option is to be settled by the issue of new Ordinary Shares, cannot be less than the nominal value of an Ordinary Share).

Exercise and lapse of options

(i) Vesting

Options that are granted subject to performance conditions can normally be exercised on satisfaction of the performance conditions. Otherwise, options will vest in tranches of one third on the first, second and third anniversary of the date of grant. The Board may waive or vary conditions after the option has been granted, provided any varied condition is considered to be a fairer measure of performance, no more difficult to satisfy than the original condition and unless the variation was approved in advance by the Company in general meeting, not materially easier to satisfy.

The last date for exercise of an option will be the tenth anniversary of its grant.

Each option is personal to the option holder and any transfer of, or the creation of any charge, pledge or other encumbrance over, the option will cause it to lapse.

(ii) Cessation of employment

In the case of death, an option holder's personal representative may exercise his/her options within twelve months of the date of death.

If an option holder ceases to be an employee before the normal vesting date by reason of injury, ill health, disability, redundancy, the employing company no longer forming part of the same group as the Company or the sale/transfer of the option holder's employing company or business outside of the group, options are exercisable, during the 60 days from the earlier of the normal vesting date and the date of cessation.

If an option holder ceases to be an employee before the normal vesting date for any other reason, any outstanding options will lapse unless the Board permits the exercise of the options according to a *pro rata* time formula during the 60 days from the cessation of employment.

If an option holder ceases to be an employee on or after the normal vesting date for any reason other than summary dismissal, the options may be exercised in the 60 day period following cessation of employment, and the Board must decide whether the options of an employee who has been summarily dismissed can be exercised in the same 60 day period.

(iii) Corporate events

In the event of a takeover, scheme of arrangement or other change of control of the Company, options may be exercised in full, regardless of whether the performance conditions have been satisfied.

In the event of the voluntary winding up of the Company, the options are exercisable according to a *pro rata* time formula and to the extent the performance conditions have been satisfied at any time before the resolution for the voluntary winding up is passed.

If the options are not exercised within an appropriate period, generally 60 days after the relevant event, they will lapse. There is a provision allowing for a roll-over of options provided that, in the case of EMI options, such new options continue to meet EMI qualifying conditions.

Rights attaching to Ordinary Shares

Ordinary Shares issued on the exercise of an option will rank *pari passu* with the Ordinary Shares then in issue (except in respect of entitlements arising prior to the date of the allotment). The Company will apply to the London Stock Exchange for the newly issued Ordinary Shares to be admitted to trading on AIM.

Limits

The employee share plans may operate over Ordinary Shares that are: newly issued, re-issued from treasury or purchased in the market. The rules of the New EMI Plan provide that, in any 10 year rolling period, not more than 10 per cent. of the Company's issued ordinary share capital may be issued under the New EMI Plan and under any other employee share plan adopted by the Company.

The Company has not adopted a binding limit for issues under discretionary employee share plans, but the Remuneration Committee will take relevant investor guidance (amongst other factors) into account when making awards under such plans.

Ordinary Shares transferred out of treasury under the employee share plans will count towards this limit for so long as this is required under institutional shareholder guidelines. Awards which are relinquished or lapse will be disregarded for the purposes of these limits.

Variation of capital

In the event of any variation of share capital by way of capitalisation (other than a scrip dividend), rights issue, consolidation, sub-division or reduction of share capital or other variation, the number and description of shares comprised in subsisting options and the exercise price may be adjusted by the Board in such manner that the Board deems to be fair and reasonable in their opinion and with effect from such date as the Board may determine to be appropriate.

Benefits not pensionable

The benefits received under the New EMI Plan are not pensionable.

Amendments

The Board may make amendments to the rules of the EMI Plan provided the amendment does not:

- (a) apply to options granted before the amendment was made; or
 - (b) materially adversely affect the interests of option holders,
- except where the option holder consents to the amendment.

Further, while the Company's shares are traded on AIM, no deletion, amendment or addition to the advantage of option holders may be made except with the prior approval of the Company in a general meeting if the deletion, amendment or addition is in relation to:

- (i) the definition of Employee;
- (ii) the New EMI Plan's grant limits; or
- (iii) the adjustment of options following a variation of share capital.

Termination

No options may be granted under the New EMI Plan after the tenth anniversary of its adoption.

5.3 The SIP

Status

The SIP was adopted by the Board on 7 June 2018, conditional on Admission. The SIP is an all-employee share ownership plan which has been designed to meet HMRC requirements so that Ordinary Shares can be provided to UK employees under the SIP in a tax-efficient manner. Under the SIP, eligible employees may be:

- (i) awarded up to £3,600 worth of free Ordinary Shares (“**Free Shares**”) each year;
- (ii) offered the opportunity to buy Ordinary Shares with a value up to a maximum of the lesser of £1,800 and 10 per cent. of the employee’s pre-tax salary each year (“**Partnership Shares**”);
- (iii) given up to two free Ordinary Shares (“**Matching Shares**”) for each Partnership Share bought; and/or
- (iv) allowed or required to purchase Ordinary Shares using any dividends received on Ordinary Shares held in the SIP (“**Dividend Shares**”).

The Board may determine that different limits will apply in the future should the relevant legislation change the maximum levels of participation referred to above.

Administration

The SIP will be administered in accordance with its rules. The Board, which may act through a duly authorised committee, approves grants and specifies any performance conditions by reference to which Free Shares are awarded.

SIP Trust

The SIP operates through a UK resident trust (the “**SIP Trust**”). The trustee of the SIP Trust purchases or subscribes for Ordinary Shares that are awarded to or purchased on behalf of participants in the SIP. A participant will be the beneficial owner of any Ordinary Shares held on their behalf by the trustee of the SIP Trust. If an employee ceases to be employed by a group company (within the meaning of paragraph 99 Schedule 2 to ITEPA), he will be required to withdraw his Free, Partnership, Matching or Dividend Shares from the SIP Trust.

Participation

Each time that the Board decides to operate the SIP, all UK-resident tax-paying eligible employees of the Company (or an appropriate group company) participating in the SIP must be offered the opportunity to participate. Other employees may be permitted to participate at the Board’s discretion. Employees who are invited to participate must have completed a minimum qualifying period (not exceeding eighteen months in the case of Free Shares, and Matching Shares and Partnership Shares with no accumulation period, and not exceeding six months for Partnership Shares and Matching Shares with no accumulation period) of employment (as determined by the Board) before they can participate.

Free Shares

Free Shares must be awarded on the same terms to each employee, but the number of Free Shares awarded can be determined by reference to the employee’s remuneration, length of service, number of hours worked and/or objective performance criteria.

There will be a holding period of between three and five years (or such other period as may be permitted by legislation from time to time) (the precise duration to be determined by the Board, and is currently set at three years) during which the participant cannot withdraw the Free Shares (as defined in paragraph 96 of Schedule 2 to ITEPA) from the SIP Trust unless the participant leaves.

Partnership Shares

The Board may allow an employee to use pre-tax salary to buy Partnership Shares. If a minimum amount of deductions is set, it shall not be greater than £10. The salary allocated to Partnership Shares can be accumulated for a period of up to twelve months (the “**Accumulation Period**”) or Partnership Shares can be purchased out of deductions from the employee’s pre-tax salary when those deductions are made. In either case, Partnership Shares must be bought within thirty days of, as appropriate, the end of the Accumulation

Period or the deduction from pay. If there is an Accumulation Period, the number of Ordinary Shares purchased shall be determined by reference to the market value (as defined in paragraph 92 of Schedule 2 to ITEPA) of the Ordinary Shares at the start of the Accumulation Period, the date that the trustee of the SIP Trust acquires the Partnership Shares on behalf of the Participant or the lower of the two.

An employee may stop and start (or, with the agreement of the Company, vary) deductions at any time although an employee may only restart deductions once per Accumulation Period. Once acquired, Partnership Shares may be withdrawn from the SIP by the employee at any time (subject to the deduction of income tax and National Insurance contributions) and will not be capable of forfeiture.

Matching Shares

The Board may, in its discretion, offer Matching Shares free to an employee who has purchased Partnership Shares. If awarded, Matching Shares must be awarded on the same basis to all employees up to a maximum of two Matching Shares for every Partnership Share purchased. There is a holding period of between three and five years (or such other period as may be permitted by legislation from time to time) (the precise duration to be determined by the Board, and is currently set at three years) during which the participant cannot withdraw the Matching Shares from the SIP Trust unless the participant leaves.

Reinvestment of dividends

The Board may allow or require a participant to reinvest the whole or part of any dividends paid on Ordinary Shares held in the SIP. Dividend Shares must be held in the SIP Trust for no less than three years, unless the participant leaves.

Corporate events

In the event of a general offer being made to Shareholders (or a similar takeover event taking place), participants will be able to direct the trustee of the SIP Trust as to how to act in relation to their Ordinary Shares held in the SIP. In the event of an internal reorganisation, any Ordinary Shares in the Company held by participants may be replaced by equivalent shares in a new holding company.

Variation of capital

Ordinary Shares acquired on a variation of share capital of the Company will usually be treated in the same way as the Ordinary Shares acquired or awarded under the SIP in respect of which the rights were conferred and as if they were acquired or awarded at the same time.

Rights attaching to Ordinary Shares

Any Ordinary Shares allotted under the SIP and held in the SIP Trust will rank equally with Ordinary Shares then in issue (except for rights arising by reference to a record date prior to their allotment). In the event of a rights issue, participants will be able to direct the trustee of the SIP Trust as to how to act in respect of their Ordinary Shares held in the SIP. The Company will apply to the London Stock Exchange for the newly issued Ordinary Shares to be admitted to trading on AIM.

Limits

The employee share plans may operate over Ordinary Shares that are: newly issued, re-issued from treasury or purchased in the market. The rules of the SIP provide that, in any 10 year rolling period, not more than 10 per cent. of the Company's issued ordinary share capital may be issued under the SIP and under any other employee share plan adopted by the Company.

The Company has not adopted a binding limit for issues under discretionary employee share plans, but the Remuneration Committee will take relevant investor guidance (amongst other factors) into account when making awards under such plans.

Ordinary Shares transferred out of treasury under the employee share plans will count towards this limit for so long as this is required under institutional shareholder guidelines. Awards which are relinquished or lapse will be disregarded for the purposes of these limits.

Amendments

The Board may, at any time, amend the provisions of the SIP in any respect although the consent of the trustee of the SIP Trust must be obtained in respect of amendments to the SIP. The prior approval of Shareholders at a general meeting of the Company must be obtained in the case of any amendment to the advantage of eligible employees or participants which is made to the provisions relating to eligibility, individual or overall limits, the basis for determining the entitlement to, and the terms of, Ordinary Shares provided under the SIP. There are, however, exceptions from this requirement to obtain Shareholder approval for any minor amendment to benefit the administration of the SIP, to take account of the provisions of any legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for any participant or member of the group.

Benefits not pensionable

The benefits received under the SIP are not pensionable.

Termination

No awards may be granted under the SIP more than ten years after the date on which the SIP was adopted by the Company.

6. Summary of Articles of Association of the Company

The Articles of Association which were adopted on 6 June 2018 contain (amongst others) provisions to the following effect.

6.1 Unrestricted objects

The objects of the Company are unrestricted.

6.2 Limited Liability

The liability of the Company's members is limited to any unpaid amount on the shares in the Company held by them.

6.3 Change of Name

The articles allow the Company to change its name by resolution of the directors. This is in addition to the Company's statutory ability to change its name by special resolution under the Companies Act.

6.4 Share Rights

Subject to applicable statutes (in this section "**legislation**") and existing shareholders' rights, the Company may issue shares with any rights or restrictions attached to them. These rights or restrictions can either be decided by an ordinary resolution passed by the shareholders or be decided by the directors as long as there is no conflict with any resolution passed by the shareholders. These rights and restrictions will apply as if they were set out in the articles. Redeemable shares may be issued, subject to existing shareholders' rights. The directors can decide on the terms and conditions and the manner of redemption of any redeemable share. These terms and conditions will apply as if they were set out in the articles. Subject to the legislation and existing shareholders' rights, the directors can decide how to deal with any shares in the Company.

6.5 Voting Rights

Shareholders will be entitled to vote at a general meeting or class meeting whether on a show of hands or a poll, as provided in the legislation. The Companies Act provides that:

- (i) on a show of hands every member present in person has one vote and every proxy present who has been duly appointed by one or more members will have one vote, except that a proxy has one vote for and one vote against if the proxy has been duly appointed by more than one member and the proxy has been instructed by one or more members to vote for and by one or more other members to vote against. For this

- purpose the articles provide that, where a proxy is given discretion as to how to vote on a show of hands, this will be treated as an instruction by the relevant shareholder to vote in the way that the proxy decides to exercise that discretion; and
- (ii) on a poll every member has one vote per share held by him and he may vote in person or by one or more proxies. Where he appoints more than one proxy, the proxies appointed by him taken together shall not have more extensive voting rights than he could exercise in person.

This is subject to any rights or restrictions which are given to any shares or on which shares are held.

If more than one joint shareholder votes (including voting by proxy), the only vote which will count is the vote of the person whose name is listed before the other voters on the register for the share.

6.6 Restrictions

No shareholder is entitled to vote shares at any general meeting or class meeting if he has not paid all amounts relating to those shares which are due at the time of the meeting or if he has been served with a restriction notice (as defined in the articles) after failure to provide the Company with information concerning interests in those shares required to be provided under the legislation.

6.7 Dividends and Other Distributions

The shareholders may by ordinary resolution from time to time declare dividends not exceeding the amount recommended by the directors. Subject to the legislation, the directors may pay interim dividends, and also any fixed rate dividend, whenever the financial position of the Company, in the opinion of the directors, justifies any such payments. If the directors act in good faith, they are not liable for any loss that shareholders may suffer because a lawful dividend has been paid on other shares that rank equally with or behind their shares.

The directors may withhold all or any part of any dividend or other money payable in respect of the Company's shares from a person with a 0.25% or greater holding of the existing shares of a class (calculated excluding any shares held as treasury shares) if such a person has been served with a restriction notice (as defined in the articles) after failure to provide the Company with information concerning interests in those shares required to be provided under the legislation.

Unless the rights attached to any shares or the terms of any shares say otherwise, all dividends will be divided and paid in proportions based on the amounts paid up on the shares during any period for which the dividend is paid, and dividends may be declared or paid in any currency.

The directors may if authorised by an ordinary resolution of the shareholders offer ordinary shareholders (excluding any member holding shares as treasury shares) the right to choose to receive extra ordinary shares which are credited as fully paid instead of some or all of their cash dividend.

Any dividend unclaimed after a period of 12 years from the date when it was declared or became due for payment will be forfeited and go back to the Company unless the directors decide otherwise.

The directors may decide on the way dividends are paid, including deciding on different ways of payment for different shareholders. If the directors have decided on different ways of payment, they may also give shareholders the option of choosing in which of these ways they would like to receive payment or they can specify that a particular way of payment will be used unless shareholders choose otherwise. If shareholders fail to provide the necessary details to enable payment of the dividend to them or if payment cannot be made using the details provided by the shareholder, the dividend will be treated as unclaimed.

The Company may stop sending dividend payments through the post or cease using any other method of payment (including payment through CREST) if (i) for two consecutive dividends the payments sent through the post have been returned undelivered or remain uncashed during the period for which they are valid or the payments by any other method have failed, or (ii) for any one dividend, the payment sent through the post has been

returned undelivered or remains uncashed during the period for which it is valid or the payment by any other method has failed and reasonable enquiries have failed to establish any new postal address or account of the registered shareholder. The Company will recommence sending dividend payments if requested in writing by the shareholder or the person entitled by law to the shares.

6.8 Variation of Rights

If the legislation allows this, rights attached to any class of shares may be changed if this is approved either in writing by shareholders holding at least three-quarters in nominal value of the issued shares of that class (calculated excluding any shares held as treasury shares), or by a special resolution passed at a separate meeting of the holders of those shares (this is called a “**class meeting**”). At every such class meeting (except an adjourned meeting) the quorum is two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of the class (calculated excluding any shares held as treasury shares).

If new shares are created or issued which rank equally with any other existing shares, or if the Company purchases or redeems any of its own shares, the rights of the existing shares will not be regarded as changed or abrogated unless the terms of the existing shares expressly say otherwise.

6.9 Transfer of Shares

The shares are in registered form. Any shares in the Company may be held in uncertificated form and, unless the articles say otherwise, a shareholder may transfer some or all of his Uncertificated shares through CREST. Provisions of the articles do not apply to any Uncertificated shares to the extent that those provisions are inconsistent with the holding of shares in uncertificated form, with the transfer of shares through CREST, with any provision of the CREST legislation or with the Company doing anything through CREST.

Unless the articles say otherwise, a shareholder may transfer some or all of his Certificated shares. The transfer must be either in the usual standard form or in any other form which the directors may approve. The share transfer form must be signed or made effective in some other way by or on behalf of the person making the transfer. In the case of a partly-paid share, it must also be signed or made effective in some other way by, or on behalf of, the person to whom the share is being transferred.

The person transferring the shares will continue to be treated as a shareholder until the name of the person to whom it is transferred is put on the register for that share.

The directors can refuse to register the transfer of any shares which are not fully paid. The directors may also refuse to register the transfer of any shares in the following circumstances.

Certificated shares

- (i) A share transfer form cannot be used to transfer more than one class of shares. Each class needs a separate form.
- (ii) Transfers may not be in favour of more than four joint holders.
- (iii) The share transfer form must be properly stamped or certified or otherwise shown to the directors to be exempt from stamp duty and must be accompanied by such evidence of the right to transfer as the directors may reasonably require.

Uncertificated shares

- (i) Registration of a transfer of Uncertificated shares can be refused in the circumstances set out in the uncertificated securities rules (as defined in the articles).
- (ii) Transfers may not be in favour of more than four joint holders.

The directors may refuse to register a transfer of any Certificated shares by a person with a 0.25% or greater holding of the existing capital (calculated excluding any shares held as treasury shares) if such a person has received a restriction notice (as defined in the articles)

after failure to provide the Company with information concerning interests in those shares required to be provided under the legislation unless the directors are satisfied that they have been sold outright to an independent third party.

6.10 Sub-division of Share Capital

Any resolution authorising the Company to sub-divide any of its shares can provide that, as between the holders of the divided shares, different rights (including deferred rights) and restrictions of a kind which the Company can apply to new shares can apply to different divided shares.

6.11 General Meetings

The articles rely on the Companies Act provisions dealing with the calling of general meetings. Under the Companies Act an annual general meeting must be called by notice of at least 21 days and general meetings must be called by notice of not less than 14 days, unless a shorter notice period has been agreed by the members in accordance with the Companies Act. Notice of a general meeting must be given in hard copy form, in electronic form, or by means of a website and must be sent to every member and every director. It must state the time and date and the place of the meeting and the general nature of the business to be dealt with at the meeting. The notice must also state the website address where information about the meeting can be found in advance of the meeting, the voting record time, the procedures for attending and voting at the meeting, details of any forms for appointing a proxy, procedures for voting in advance (if any are offered), and the right of members to ask questions at the meeting. In addition, a notice calling an annual general meeting must state that the meeting is an annual general meeting.

Each director can attend and speak at any general meeting of the Company. The chairman of a meeting can also allow anyone to attend and speak where he considers that this will help the business of the meeting.

6.12 Directors

(A) Number of directors

The Company must have a minimum of two directors and a maximum of ten directors (disregarding alternate directors) but the shareholders can change these restrictions by passing an ordinary resolution.

(B) Directors' shareholding qualification

The directors are not required to hold any shares in the Company.

(C) Appointment of directors

Directors may be appointed by the Company's shareholders by ordinary resolution or by the directors.

The directors or any committee authorised by the directors can appoint one or more directors to any executive position, on such terms and for such period as they think fit and they can also terminate or vary such an appointment at any time.

(D) Retirement of directors by rotation

At every annual general meeting of the Company, any director:

- (i) who has been appointed by the Board since the last annual general meeting, or
- (ii) who held office at the time of the two preceding annual general meetings and who did not retire at either of them, or
- (iii) who has held office with the Company, other than as a director holding an executive position, for a continuous period of nine years or more at the date of the meeting,

shall retire from office and may offer himself for re-appointment by the members.

(E) Removal of directors by Special Resolution

The Company's shareholders can by special resolution remove any director before the expiration of his period of office.

(F) Vacation of office

Any director automatically stops being a director if:

- (i) he resigns or offers to resign by giving the Company a notice in writing and the Board resolves to accept such offer;
- (ii) all of the other directors (who must comprise at least three people) pass a resolution or sign a written notice removing him as a director;
- (iii) he is or has been suffering from mental or physical ill health and the Board passes a resolution removing the director from office;
- (iv) he has missed directors' meetings (whether or not an alternate director appointed by him attends) for a continuous period of six months without permission from the directors and the Board passes a resolution removing the director from office;
- (v) a bankruptcy order is made against him or he makes any arrangement or composition with his creditors generally;
- (vi) he is prohibited from being a director under the legislation; or
- (vii) he ceases to be a director under the legislation or he is removed from office under the articles.

If a director stops being a director for any reason, he will also automatically cease to be a member of any committee or sub-committee of the Board.

(G) Alternate director

Any director can appoint any person (including another director) to act as an alternate director. The appointment requires the approval of the directors, unless previously approved by the directors or unless the appointee is another director.

(H) Directors' meetings

The directors can decide when and where to have meetings and how they will be conducted. They can also adjourn their meetings. If no other quorum is fixed by the directors, two directors are a quorum. A directors' meeting at which a quorum is present can exercise all the powers and discretions of the directors.

The directors can appoint any director as chairman or as deputy chairman and can remove him from that office at any time. Matters to be decided at a directors' meeting will be decided by a majority vote. If votes are equal, the chairman of the meeting has a second, casting vote.

All or any of the directors can take part in a meeting of the directors by way of a conference telephone or any communication equipment which allows everybody to take part in the meeting by being able to hear each of the other people at the meeting and by being able to speak to all of them at the same time. A person taking part in this way will be treated as being present at the meeting and will be entitled to vote and be counted in the quorum.

The directors can delegate any of their powers or discretions (with the power to sub-delegate) to committees of one or more persons as they think fit provided that there must be more directors on a committee than persons who are not directors. If a committee consists of more than one person, the articles which regulate directors' meetings and their procedure will also apply to committee meetings unless these are inconsistent with any regulations for the committee which have been laid down under the articles.

(I) Remuneration of directors

The total fees paid to all of the directors (excluding any payments made under any other provision of the articles) must not exceed £750,000 a year or any higher sum decided on by an ordinary resolution of the shareholders.

The directors or any committee authorised by the directors will decide how much remuneration a director appointed to an executive office will receive (whether as salary, commission, profit share or any other form of remuneration) and whether this is in addition to or in place of his fees as a director.

The directors or any committee authorised by the directors can give special pay to any director who, in their view, performs any special or extra services for the Company.

The Company may pay the reasonable travel, hotel and incidental expenses of each director incurred in attending and returning from general meetings, meetings of the directors or committees of the directors or any other meetings which as a director he is entitled to attend. The Company will pay all other expenses properly and reasonably incurred by each director in connection with the Company's business or in the performance of his duties as a director. The Company can also fund a director's or former director's expenditure and that of a director or former director of any holding company of the Company for the purposes permitted by the legislation and can do anything to enable a director or former director or a director or former director of any holding company of the Company to avoid incurring such expenditure all as provided in the legislation.

(J) Pensions and gratuities for directors

The directors or any committee authorised by the directors may decide whether to provide pensions or other benefits to any director or former director of the Company, or any relation or dependent of, or person connected to, such a person. However, if the directors want to provide a benefit to a director or former director who has not been employed by or held an office or executive position in the Company or any of its subsidiary undertakings or former subsidiary undertakings or any predecessor in business of the Company or any such other company, or to relations or dependants of, or persons connected to, these directors or former directors, the Company's shareholders must also pass an ordinary resolution to approve the payment.

(K) Directors' interests

The directors may, subject to the articles, authorise any matter which would otherwise involve a director breaching his duty under the legislation to avoid conflicts of interest. Where the directors give authority in relation to a conflict of interest or where any of the situations described in (i) to (v) below applies in relation to a director, the directors may (a) require that the relevant director is excluded from the receipt of information, the participation in discussion and/or the making of decisions related to the conflict of interest or situation; (b) impose upon the relevant director such other terms for the purpose of dealing with the conflict of interest or situation as they think fit; and (c) provide that where the relevant director obtains (otherwise than through his position as a director of the Company) information that is confidential to a third party, the director will not be obliged to disclose that information to the Company, or to use or apply the information in relation to the Company's affairs, where to do so would amount to a breach of that confidence. The directors may revoke or vary such authority at any time.

If a director has disclosed the nature and extent of his interest in accordance with the legislation, a director can do any one or more of the following:

- (i) have any kind of interest in a contract with or involving the Company or another company in which the Company has an interest;
- (ii) hold any other office or place of profit with the Company (except that of auditor) in conjunction with his office of director for such period and upon such terms, including as to remuneration, as the directors may decide;
- (iii) alone, or through a firm with which he is associated, do paid professional work for the Company or another company in which the Company has an interest (other than as auditor);
- (iv) be or become a director or other officer of, or employed by or a party to a transaction or arrangement with, or otherwise be interested in any holding company or subsidiary company of the Company or any other company in which the Company has an interest; and
- (v) be or become a director of any other company in which the Company does not have an interest and which cannot reasonably be regarded as giving rise to a conflict of interest at the time of his appointment as a director of that other company.

A director does not have to hand over to the Company or the shareholders any benefit he receives or profit he makes as a result of a conflict of interest authorised by the directors or anything allowed under the above provisions nor is any contract which is allowed or authorised under these provisions liable to be avoided.

(L) Restrictions on voting

A director cannot vote or be counted in the quorum on a resolution relating to appointing that director to a position with the Company or a company in which the Company has an interest or the terms or termination of the appointment save to the extent permitted specifically in the articles.

Subject to certain exceptions set out in the articles, a director cannot vote on, or be counted in a quorum in relation to, any resolution of the directors on any contract in which he has an interest and, if he does vote, his vote will not be counted.

Subject to the legislation, the shareholders may by ordinary resolution suspend or relax to any extent the provisions relating to directors' interests or restrictions on voting or ratify any contract which has not been properly authorised in accordance with such provisions.

(M) Borrowing powers

The directors shall manage the Company's business and can use all the Company's powers except where the articles say that powers can only be used by the shareholders voting to do so at a general meeting. The directors are also subject to any regulations laid down by the shareholders by passing a special resolution at a general meeting. In particular, the directors may exercise all the Company's powers to borrow money, to guarantee, to indemnify, to mortgage or charge all or any of the Company's undertaking, property and assets (present and future) and uncalled capital, to issue debentures and other securities and to give security for any debt, liability or obligation of the Company or of any third party. The directors will limit the total borrowings of the Company and, so far as they are able, its subsidiary undertakings to ensure that no money is borrowed if the total amount of the Company's borrowings (as defined in the articles) then exceeds, or would as a result of such borrowing exceed, £30,000,000. However, the shareholders may pass an ordinary resolution allowing borrowings to exceed such limit.

(N) Indemnity of directors

As far as the legislation allows this, the Company can indemnify any director or former director of the Company or of any associated company against any liability and can purchase and maintain insurance against any liability for any director or former director of the Company or of any associated company.

7. Additional Information on the Directors

7.1 As at the date of this document and immediately following the Placing and Admission, the interests (all of which are beneficial unless otherwise stated), whether direct or indirect, of the Directors and their families (within the meaning set out in the AIM Rules for Companies) in the issued share capital of the Company and the existence of which is known to or could, with reasonable diligence, be ascertained by that Director, are as follows:

Director	Number of Ordinary Shares held after the Pre-IPO Reorganisation but prior to the Placing and Admission	Per cent. of voting rights in the Company held after the Pre-IPO Reorganisation but prior to the Placing and Admission	Anticipated number of Ordinary Shares held following exercise of EMI Options on Admission but prior to Placing ¹	Anticipated per cent. following exercise of EMI Options on Admission but prior to Placing ¹	Number of Ordinary Shares following the Placing and Admission	Per cent. following the Placing and Admission	Number of Ordinary Shares over which options are granted following the Placing and Admission
N. Beattie	—	—	—	—	—	—	—
A. Haynes ²	3,134,591	13.8	1,809,791	8.0	1,551,551	5.7%	120,817
J. Clelland	184,320	0.8	675,840	3.0	576,000	2.1%	120,817
R. Bennett	—	—	—	—	—	—	—
M. Goodliffe	—	—	—	—	—	—	—
M. Spanbroek	319,128	1.4	319,128	1.4	319,128	1.2%	—
Total	3,638,039	16.0	2,804,759	12.4	2,446,679	9.0%	241,634

1 These figures represent the Directors' shareholdings in the Company following the Pre-IPO Reorganisation and the anticipated exercise of the EMI Options held over Alasdair Haynes's shares (for more information see paragraph 4.3 above).

2 On Admission 2.1% of the issued share capital of the Company (2.5% prior to Admission) will be legally held by Mr Haynes on behalf of Mrs Haynes as beneficial owner as part of the settlement for their divorce.

7.2 Save as disclosed in paragraph 7.1 above, none of the Directors has any interest in the share capital of the Company.

7.3 There are no outstanding loans granted by any member of the Company to any Director nor are there any guarantees provided by any member of the Company for the benefit of any Director.

7.4 No Director nor any member of his or her family (within the meaning set out in the AIM Rules for Companies) has a Related Financial Product (as defined in the AIM Rules for Companies) referenced to Ordinary Shares.

7.5 The Directors hold the following additional directorships and are partners in the following partnerships and have held the following directorships and been partners in the following partnerships within the five years prior to the date of this document:

Director	Company	Position still held
Alasdair Haynes	Neonet Securities AB	No
	Haynes Properties	Yes
	Seton Properties Inc	Yes
	Children in Crisis	No
	Children in Crisis Trading Limited	No
Jonathan Clelland	123Gaming Limited	No
	CMX Capital Markets Exchange Limited	No
	123Gaming Inc	No
	Overseas European Holdings Limited	No
	Eurocity Capital (E.L.) Limited	No
Mark Goodliffe	Eurocity Credit Corporation (E.L.) Limited	No
	CME Trade Repository Limited	Yes
	CME Europe Limited	No
	CSBCC Limited	Yes
	Worldwide Nominees Limited	No

Director	Company	Position still held
Mark Spanbroek	NCD Management BV	Yes
	CME Europe Limited	No
	Transtrend BV	Yes
Niki Beattie	NBXC Limited	Yes
	Kepler Cheuvreux UK Limited	Yes
	MOEX	No
	IRESS	Yes
	Borsa Istanbul	Yes
	XTX Markets Limited	Yes
	XTX Holdings Limited	Yes
Best Practice In Asset Management BPAM	No	
Richard Bennett	Henry Lester Trust Limited	Yes
	Corfu Consultancy Limited	Yes
	Penguin International Rugby Club	Yes
	HSBC IM Pension Trust Limited	No

7.6 Other than as disclosed above, as at the date of this document no Director:

- (A) has any unspent convictions in relation to any indictable offences;
- (B) has been bankrupt or entered into an individual voluntary arrangement;
- (C) was a director of any company at the time of or within 12 months preceding any receivership, compulsory liquidation, creditor's voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with that company's creditors generally or with any class of its creditors;
- (D) has been a partner in a partnership at the time of or within 12 months preceding any compulsory liquidation, administration or partnership voluntary arrangement of such partnership;
- (E) has had his assets the subject of any receivership or has been a partner of a partnership at the time of or within 12 months preceding any assets thereof being the subject of a receivership; or
- (F) has been subject to any public criticism by any statutory or regulatory authority (including any recognised professional body) nor has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of a company.

8. Directors' service contracts

8.1 General terms

Particulars of the service contracts entered into with the Executive Directors are set out below:

Name	Position	Date of contract	Date of appointment to the Board	Notice period by Company (months)	Notice period by Director (months)
Alasdair Frederick	Chief Executive	8 June 2018	7 March 2012	six	six
Seton Haynes	Officer				
Jonathan Charles Clelland	Chief Financial Officer and Chief Operating Officer	8 June 2018	29 October 2012	six	six

Alasdair Haynes' annual base salary is £225,000 and Jonathan Clelland's is £225,000, subject in each case to annual review. Each of them is eligible to participate in the Employee Share Plans and, at the discretion of the Board or a duly appointed committee, a discretionary bonus.

Their benefit packages include private health cover (individual and family), permanent health cover and life assurance cover (of six times the employee's salary). The Executive Directors are entitled to join the pension scheme but have decided to opt-out of auto-enrolment.

In addition to public holidays the Executive Directors are entitled to 25 working days of paid holiday in each complete holiday year.

8.2 Termination provisions

Each Executive Director's service contract can be terminated by either party giving not less than six months' written notice.

The Company may place an Executive Director on garden leave during his notice period. While on garden leave, he remains an employee of the Company and is subject to certain restrictions.

The Company may elect to terminate an Executive Director's employment immediately by making a payment in lieu of notice equivalent to his basic salary for the notice period in monthly instalments, which will continue until the expiry of the notice period. If the Executive Director finds alternative income during this period, the payment in lieu of notice will be reduced by the amount of such income.

In addition, each Executive Director's employment is terminable with immediate effect in certain circumstances; including where he (i) commits a material or persistent breach of his obligations under his service agreement or neglects or refuses to comply with the reasonable and lawful directions of the Board; (ii) is guilty of gross misconduct or gross negligence affecting the business of the Company; (iii) is guilty of any conduct which in the opinion of the Board has brought him, the Company or a group company into disrepute or is materially adverse to the interests of the Company or a group company; (iv) is convicted of a criminal offence, other than an offence under any road traffic legislation for which a fine or non-custodial penalty is imposed; (v) is declared bankrupt; or (vi) is prohibited by any regulator from being a director or carrying out his duties under his service agreement.

Each service contract also contains post-termination restrictions. For a period of nine months after termination (less any period spent on garden leave) he may not solicit, have business dealings with, or interfere with the dealings of a current or prospective software licensing client of the group, in competition with the group's technology solutions for trading, clearing and regulatory compliance (the "**Software Business**"). For a period of 9 months after termination (less any period spent on garden leave), in the course of any business concern which is (or intends to be) a competitor multilateral trading facility (the "**Exchange Business**") and/or a competitor of the Software Business, he may not (i) solicit or employ any employee of the group where the defection of that employee to a competitor could materially damage the interests of the group; or (ii) interfere with the continuance of supply of or the terms relating to the dealings of a supplier who during the 12 months before termination, supplied goods or services to the Company and/or group company. At any time after termination, the Executive Director must not hold himself out as connected with the Company/group company (other than as a former employee) or to use the registered business names or trading names associated with the Company/group company. The relevant post-termination restrictions described above apply only if the Executive Director has had contact with, or become aware of the software licensing client (whether current or prospective) in the course of employment by reason of his seniority and management responsibility.

9. Non-Executive Directors' letters of appointment

There are four independent Non-Executive Directors including the chairman. The principal terms of each letter of appointment are set out below:

9.1 General terms

Name	Title	Date of first appointment to the Board
Nicola Jane Beattie	Independent Non-Executive Chairman	10 January 2013
Richard Ernest Tulloch Bennett	Senior Independent Non-Executive Director	17 March 2014
Mark Spanbroek	Independent Non-Executive Director	7 March 2013
Mark Robert Goodliffe	Independent Non-Executive Director	20 March 2018

Each of the Non-Executive Directors is entitled to be reimbursed for reasonable expenses properly incurred arising from the performance of their duties as a director of the Company. They may not participate in any pension or share scheme, or be entitled to any bonus, operated by the Company.

9.2 Termination provisions

An appointment can be terminated at any time by either the Company or the Non-Executive Director giving written notice of 3 months, and written notice of 1 month if terminating service on a committee. On termination of the appointment, the Non-Executive Director shall only be entitled to such fees as may have accrued to the date of termination, together with reimbursement in the normal way of any expenses properly incurred prior to that date.

An appointment may also be terminated with immediate effect by the Company if the Non-Executive Director: (i) is disqualified from acting as a director or is removed from office; (ii) has been convicted of an arrestable criminal offence; (iii) ceases to satisfy the Company's stated independence criteria; (iv) has been declared bankrupt, has entered into a voluntary arrangement with creditors or has a county court administration order made against him; (v) ceases to be an "Approved Person" under chapter 10A of the FCA Handbook; (vi) commits a serious, repeated or material breach of, or fails to observe, his obligations under the letter of appointment or duties to the Company; or (vii) is guilty of conduct, which in the opinion of the Company, brings or is likely to bring any member of the group or himself into disrepute or that is materially adverse to the interests of the Company.

With the exception of the appointment of Mr Goodliffe, an appointment may also be terminated with immediate effect by the Company if the Non-Executive Director has not complied with the Company's anti-corruption and bribery policy and procedures and/or the Bribery Act 2010 and/or MAR.

9.3 Letter of appointment of Nicola Beattie

In the letter of appointment dated 18 April 2018, Ms Beattie has agreed to act as the independent Non-Executive Chairman of the Company, commencing on 1 April 2018. Her appointment is for an initial term of 1 year and 3 months. She will be paid an annual fee of £50,000. She may serve on more than one committee but total fees are capped at £50,000 gross per year. Currently, Ms Beattie is also a member of the Nominations and Remuneration Committee.

9.4 Letter of appointment of Mark Goodliffe

In the letter of appointment dated 8 March 2018, Mr Goodliffe has agreed to act as an independent Non-Executive Director of the Company, commencing on 20 March 2018. His appointment is for an initial term of 1 year and 3 months. He will be paid an annual fee of £30,000 with an additional annual £5,000 for each: (i) committee he sits on; and (ii)

committee he chairs. He may serve on more than one committee but total fees are capped at £40,000 gross per year. Since entering into the letter of appointment. Mr Goodliffe has agreed to join the ARCC as Chairman.

9.5 Letters of appointment of Mark Spanbroek and Richard Bennett

In the letters of appointment dated 1 April 2018 in respect of Mr Spanbroek, and 18 April 2018 in respect of Mr Bennett, each has agreed to act as an independent Non-Executive Director of the Company, commencing on 1 April 2018. Each is appointed for an initial term of 2 years and 3 months. The terms of appointment are the same, although Mr Bennett is the Senior Independent Non-Executive Director and will continue serving on the Remuneration and Nomination Committee and ARCC (rather than the ARCC only). Each will receive an annual fee of £30,000 with an additional annual £5,000 for each: (i) membership of a committee; and (ii) committee chairmanship. Each of them may serve on more than one committee but total fees are capped at £40,000 gross per year. Currently, Mr Bennett is also Chairman of both the Nominations and Remuneration Committee and a member of the ARCC; and Mr Spanbroek is a member of ARCC.

10. Significant Shareholders

- 10.1 As at the Latest Practicable Date and on Admission, and so far as is known to the Company, the name of each person (other than any Director) who, directly or indirectly, is interested in 3% or more of the Company's share capital, and the amount of such person's interest, is/would be as follows:

	Number of Ordinary Shares prior to Admission and Placing	Per cent. prior to Admission and Placing	Number of Ordinary Shares following Admission and Placing	Per cent. following Admission and Placing
R. Ricci	1,952,308	8.6	2,138,182	7.9
XTX Markets Limited	—	—	1,859,745	6.9
Miton Asset Management Limited	—	—	1,683,273	6.2
Kendall Capital Markets LLC	1,362,156	6.0	1,362,156	5.0
Hargreave Hale Limited	518,916	2.3	1,076,537	4.0
AXA Investment Managers GS Limited	—	—	1,054,000	3.9
Rathbone Investment Management Limited	—	—	933,825	3.4
A. Mendelowitz	907,044	4.0	907,044	3.3
S. Melnick	907,044	4.0	907,044	3.3
Invesco Asset Management Limited	—	—	882,361	3.3
Old Mutual Global Investors (UK) Limited	—	—	818,191	3.0
Schroder Investment Management Limited	—	—	816,357	3.0
P. Clarke	711,228	3.1	711,228	2.6
Giełda Papierów Wartościowych w Warszawie S.A (Warsaw Stock Exchange)	4,608,300	20.3	—	—

- 10.2 Following completion of the Pre-IPO Reorganisation prior to Admission, none of the major Shareholders in the Company will have different voting rights.

- 10.3 As at the Latest Practicable Date, the Company is not aware of any person who, following Admission, directly or indirectly, jointly or severally, will exercise or could exercise control over the Company.

11. Employees

As at 31 December 2017, the Company employed 31 people. The following tables set out the Company's average number of employees (including directors) by function for the years 2015, 2016 and 2017.

	Year ended 31 December		
	2015	2016	2017
	No.	No.	No.
Management	2	2	4
Operations	4	4	4
Sales	4	3	3
Marketing	1	1	1
IT and finance	11	12	16
Compliance	3	3	3
Total	25	25	31

12. Placing Agreement

- 12.1 Pursuant to the Placing Agreement dated 11 June 2018 and made between (1) the Company, (2) the Directors and (3) Liberum, pursuant to which Liberum has agreed, subject to certain conditions, to act as agent for the Company and to use its reasonable endeavours to procure placees to subscribe for the New Ordinary Shares and to purchase the Sale Shares at the Placing Price. Under the Placing Agreement, the Company has agreed to pay Liberum a commission on the aggregate value of the New Ordinary Shares issued pursuant to the Placing at the Placing Price and a corporate broking fee at its sole discretion, together with all costs and expenses of Liberum properly incurred, arising out of, or incidental to, the Placing and Admission (together in each case with any applicable VAT). The Company also undertakes to procure that each Selling Shareholder and each EMI Selling Shareholder shall pay Liberum a commission on the aggregate value of the Sale Shares sold by such Selling Shareholder and/or EMI Selling Shareholder (as the case may be) at the Placing Price.
- 12.2 Under the Placing Agreement, each of the Directors has agreed to be subject to a 12 month lock-up period, during which time (subject to certain exceptions) they may not issue, offer, sell or contract to sell or otherwise dispose of any Ordinary Shares (each a "Disposal") they hold at Admission without the prior written consent of Liberum. In addition, each of the Executive Directors (subject to certain exceptions) has also agreed that any Disposal in the subsequent 12 month period will be undertaken by Liberum.
- 12.3 The Placing Agreement is conditional upon, amongst other things, Admission occurring on or before 8.00 a.m. on 14 June 2018 (or such later date as the Company and Liberum may agree, being not later than 8.00 a.m. on 14 July 2018). The Placing Agreement contains warranties from the Company and the Directors in relation to, amongst other things, the accuracy of the information in this document and other matters relating to the Company and its business. In addition, the Company has agreed to indemnify Liberum in respect of certain liabilities resulting from the carrying out by Liberum of its obligations or services under or in connection with the Placing Agreement. Liberum has the right to terminate the Placing Agreement in certain circumstances prior to Admission, in particular, in the event of a material breach of the warranties, in a way that is material in the context of the Placing and/or Admission or a market disruption event.

13. Selling Shareholders

The following table contains details of the Selling Shareholders, EMI Selling Shareholders and the Sale Shares to be sold by them pursuant to the Placing:

Name	Business Address	Number of Sale Shares	Position, office or other material relationship with the Company or its affiliates during the past three years
A. Golding	c/o Aquis Exchange PLC 77 Cornhill, London, United Kingdom EC3V 3QQ	6,000	—
A. Haynes	c/o Aquis Exchange PLC 77 Cornhill, London, United Kingdom EC3V 3QQ	258,240	Director
B. Gill	c/o Aquis Exchange PLC 77 Cornhill, London, United Kingdom EC3V 3QQ	231,000	—
B. Keheyhan	c/o Aquis Exchange PLC 77 Cornhill, London, United Kingdom EC3V 3QQ	76,800	Employee
C. McCann	c/o Aquis Exchange PLC 77 Cornhill, London, United Kingdom EC3V 3QQ	69,108	—
D. Attew	c/o Aquis Exchange PLC 77 Cornhill, London, United Kingdom EC3V 3QQ	38,400	Employee
D. Millar	c/o Aquis Exchange PLC 77 Cornhill, London, United Kingdom EC3V 3QQ	120,000	—
D. Wolf	c/o Aquis Exchange PLC 77 Cornhill, London, United Kingdom EC3V 3QQ	115,200	Former Employee
E. Donaghy	c/o Aquis Exchange PLC 77 Cornhill, London, United Kingdom EC3V 3QQ	31,428	—
G. Dick	c/o Aquis Exchange PLC 77 Cornhill, London, United Kingdom EC3V 3QQ	10,944	Employee
H. Ibrahim	c/o Aquis Exchange PLC 77 Cornhill, London, United Kingdom EC3V 3QQ	1,920	Employee
I. Dunbar	c/o Aquis Exchange PLC 77 Cornhill, London, United Kingdom EC3V 3QQ	250,440	—
I. Jacob	c/o Aquis Exchange PLC 77 Cornhill, London, United Kingdom EC3V 3QQ	81,516	—
J. Clelland	c/o Aquis Exchange PLC 77 Cornhill, London, United Kingdom EC3V 3QQ	99,840	Director
J. Green	c/o Aquis Exchange PLC 77 Cornhill, London, United Kingdom EC3V 3QQ	2,496	Employee
J. Knight	c/o Aquis Exchange PLC 77 Cornhill, London, United Kingdom EC3V 3QQ	19,200	Employee

Name	Business Address	Number of Sale Shares	Position, office or other material relationship with the Company or its affiliates during the past three years
J. Lester	c/o Aquis Exchange PLC 77 Cornhill, London, United Kingdom EC3V 3QQ	92,160	—
J. McKenna	c/o Aquis Exchange PLC 77 Cornhill, London, United Kingdom EC3V 3QQ	50,220	—
J. White	c/o Aquis Exchange PLC 77 Cornhill, London, United Kingdom EC3V 3QQ	46,080	—
Kilmona Holdings Limited	c/o GT Fiduciary Services, PO Box 64, Queensway, Gibraltar	208,668	
L. Currie	c/o Aquis Exchange PLC 77 Cornhill, London, United Kingdom EC3V 3QQ	5,760	Employee
L. Groves	c/o Aquis Exchange PLC 77 Cornhill, London, United Kingdom EC3V 3QQ	15,360	Former Employee
L. Pacifici	c/o Aquis Exchange PLC 77 Cornhill, London, United Kingdom EC3V 3QQ	15,360	Former Employee
M. Almqvist	c/o Aquis Exchange PLC 77 Cornhill, London, United Kingdom EC3V 3QQ	38,400	Employee
M. Jaffray	c/o Aquis Exchange PLC 77 Cornhill, London, United Kingdom EC3V 3QQ	231,000	—
M. Luzich	c/o Aquis Exchange PLC 77 Cornhill, London, United Kingdom EC3V 3QQ	300,660	—
M. Phillips	c/o Aquis Exchange PLC 77 Cornhill, London, United Kingdom EC3V 3QQ	844	Employee
M. Skidmore	c/o Aquis Exchange PLC 77 Cornhill, London, United Kingdom EC3V 3QQ	15,360	Former Employee
P. Crispi	c/o Aquis Exchange PLC 77 Cornhill, London, United Kingdom EC3V 3QQ	11,520	Employee
P. Roberts	c/o Aquis Exchange PLC 77 Cornhill, London, United Kingdom EC3V 3QQ	36,480	Employee
S. Lalljee	c/o Aquis Exchange PLC 77 Cornhill, London, United Kingdom EC3V 3QQ	15,360	Employee
S. Millar	c/o Aquis Exchange PLC 77 Cornhill, London, United Kingdom EC3V 3QQ	120,000	—
S. Newby	c/o Aquis Exchange PLC 77 Cornhill, London, United Kingdom EC3V 3QQ	76,800	Former Employee

Name	Business Address	Number of Sale Shares	Position, office or other material relationship with the Company or its affiliates during the past three years
Trop-X (Seychelles) Limited	Suite 305, Capital City Building, Victoria, Mahe, Seychelles	147,468	
W. Bak	c/o Aquis Exchange PLC 77 Cornhill, London, United Kingdom EC3V 3QQ	7,680	Employee
Warsaw Stock Exchange	4 Ksiazeca Street, Warsaw 00-498, Poland	4,608,300	

14. Pension Liabilities

The Company does not operate a defined benefit pension scheme. The Company operates the Aquis Exchange Ltd pension plan (the “**Pension Plan**”) and it operates auto-enrolment for eligible employees. Under the Pension Plan, the Company matches contributions up to 5% of salary. The Pension Plan uses salary sacrifice arrangements and is held with Scottish Widows.

15. Material contracts

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

- (A) the Placing Agreement;
- (B) On 11 June 2018, R. Ricci entered into a lock-in deed, in respect of his holding of 1,952,308 Ordinary Shares representing 7.2% of the Enlarged Share Capital, pursuant to which he has undertaken (in respect of himself and persons connected with him) to the Company and Liberum not to dispose of any interest in his Ordinary Shares for a period of one year following the date of Admission without the prior written consent of Liberum, except in very limited circumstances with a view to the maintenance of an orderly market in such Ordinary Shares of the Company;
- (C) On 8 February 2018, the Company entered into an engagement letter with Liberum, in respect of Liberum acting as its nominated adviser and corporate broker for the purposes of AIM following Admission unless and until terminated on three months’ notice by either party. The Company has agreed to pay Liberum an annual retainer for acting as nominated adviser and corporate broker from Admission;
- (D) Each of the Selling Shareholders has agreed to sell a portion of his/her Existing Ordinary Shares in the Placing and has entered into a Deed of Election appointing the Company as its agent to sell such shares in the Placing. Each Selling Shareholder has agreed to pay Liberum a commission on the Placing Price for each Sale Share sold by them through the Placing. The aggregate number of Ordinary Shares to be sold by the Selling Shareholders (excluding the sale of Ordinary Shares arising in respect of EMI Options) is 6,131,214; and
- (E) On 31 May 2018, each of the Company and the Shareholders entered into a Reorganisation Deed relating to the Pre-IPO Reorganisation (as outlined in section 4.5 of Part V (*Additional Information*)). The Reorganisation Deed contains provisions governing the agreement amongst the Shareholders regarding the sell-down rights of each Shareholder on Admission.

16. Investments

Save as disclosed in this document, the Company has not made any investments since its incorporation up to the date of this document, nor are there any investments by the Company in progress or anticipated which are significant.

17. Working capital statement

The Directors are of the opinion that, having made due and careful enquiry, the working capital available to the Company will be sufficient for its present requirements, that is, for at least the twelve months from the date of Admission.

18. No significant change

Save as disclosed in this document, there has been no significant change in the financial or trading position of the Company since 31 December 2017, being the date to which the historical financial information set out in Section B of Part III (Historical Financial Information on the Company) of this document has been drawn up.

19. Related party transactions

Save as disclosed in the related party transactions note to the consolidated historical financial information set out in Section B of in Part III (Historical Financial Information on the Company) of this document, there were no related party transactions entered into by the Company or any member of the Company during the period between the start of the period covered by the historical financial information to the Latest Practicable Date.

20. Litigation

The Company is not involved nor has been involved in any governmental, legal or arbitration proceedings in the previous 12 months which have or may have had in the recent past, a significant effect on the Company's financial position or profitability nor, so far as the Directors are aware, are any such proceedings pending or threatened against.

21. Taxation

The following summary is intended only as a general guide and relates solely to UK tax. It is based on current UK law and published practice of H.M. Revenue & Customs ("HMRC") as at the date of this document, each of which may be subject to change, possibly with retrospective effect.

The following paragraphs are not intended to be exhaustive and relate only to certain limited aspects of the UK taxation consequences of acquiring, holding and disposing of the Ordinary Shares and is not intended to constitute tax advice. They are intended to apply only to Shareholders who are resident, and in the case of individuals, domiciled, in the UK for UK tax purposes (and not in any other territory) and who are the absolute beneficial owner of their Ordinary Shares. The information may not apply to certain classes of persons such as dealers, tax exempt entities, insurance companies, collective investment schemes, persons connected with the Company, professional investors and persons who hold Ordinary Shares in connection with a trade, profession or vocation carried on in the UK (whether through a branch, agency, permanent establishment or otherwise), persons who have acquired (or been deemed to have acquired) their Ordinary Shares by reason of their (or another person's) office or employment, to whom special rules may apply.

Prospective Shareholders who are in any doubt as to their tax position, or who may be subject to tax in a jurisdiction other than the UK, should consult their professional advisers.

UK Withholding Tax

21.1 There is no UK withholding tax on dividends.

21.2 Individual Shareholders within the charge to UK Income Tax:

General

- The general tax treatment of dividends paid by the Company to Shareholders who are individuals is as follows: Dividends paid by the Company do not carry a tax credit.

- All dividends received by an individual Shareholder from the Company (or from other sources) will, except to the extent that they are earned through an ISA, self-invested pension plan or other regime which exempts the dividends from tax, form part of the Shareholder's total income for income tax purposes and will represent the highest part of that income.
- For the tax year 2018-2019 and subsequent tax years, a nil rate of income tax applies to the first £2,000 of taxable dividend income received by an individual Shareholder in a tax year (the "**Nil Rate Amount**"), regardless of what tax rate would otherwise apply to that dividend income.
- Any taxable dividend income received by an individual Shareholder in a tax year in excess of the Nil Rate Amount is taxed at a special rate, as set out below.
- That tax will be applied to the amount of the dividend income actually received by the individual Shareholder (rather than to any grossed-up amount).

Dividend Income in excess of the Nil Rate Amount

21.3 Where a Shareholder's taxable dividend income for a tax year exceeds the Nil Rate Amount, the excess amount (the "**Relevant Dividend Income**") will be subject to income tax:

- at the rate of 7.5%, to the extent that the Relevant Dividend Income falls below the threshold for the higher rate of income tax;
- at the rate of 32.5%, to the extent that the Relevant Dividend Income falls above the threshold for the higher rate of income tax but below the threshold for the additional rate of income tax; and
- at the rate of 38.1%, to the extent that the Relevant Dividend Income falls above the threshold for the additional rate of income tax.

21.4 In determining whether and, if so, to what extent the Relevant Dividend Income falls above or below the threshold for the higher rate of income tax or, as the case may be, the additional rate of income tax, the Shareholder's total taxable dividend income for the tax year in question (including the part within the Nil Rate Amount) will, as noted above, be treated as the highest part of the Shareholder's total income for income tax purposes.

Corporate Shareholders within the charge to UK Corporation Tax

21.5 Shareholders within the charge to corporation tax which are "small companies" (for the purposes of UK taxation of dividends) will not generally be subject to tax on dividends from the Company.

21.6 Other Shareholders within the charge to corporation tax will not be subject to tax on dividends (currently a rate of 19% with effect from 1 April 2017, and reducing to 17% from 1 April 2020) from the Company so long as the dividends fall within an exempt class and certain conditions are met. Dividends paid on non-redeemable shares that do not carry any present or future preferential rights to dividends or to the company's assets on its winding up, and dividends paid to a company holding less than 10% of the issued share capital of the payer (or any class of that share capital), are examples of dividends that may fall within an exempt class. The exemptions are not comprehensive and are subject to anti-avoidance rules.

Taxation of Chargeable Gains

21.7 If a Shareholder disposes (or is treated as disposing) of all or some of his Ordinary Shares, a liability to tax on chargeable gains may arise depending on the relevant Shareholder's circumstances and any exemptions or reliefs to which the relevant Shareholder is entitled.

UK resident individual Shareholders

21.8 For an individual Shareholder within the charge to UK capital gains tax, a disposal of Ordinary Shares may give rise to a chargeable gain or allowable loss for the purposes of capital gains tax. The rate of capital gains tax is 10% (2018-2019) for individuals who are subject to income tax at the basic rate and 20% (2018-2019) for individuals who are subject to income tax at the higher or additional rates. An individual Shareholder is entitled to realise an annual exempt amount of gains (currently £11,700 for the year to 5 April 2019) without being liable to UK capital gains tax.

UK resident corporate Shareholders

- 21.9 For a corporate Shareholder within the charge to UK corporation tax, a disposal of Ordinary Shares may give rise to a chargeable gain at the rate of corporation tax applicable to that Shareholder (currently 19% for companies with effect from 1 April 2017, and reducing to 17% from 1 April 2020) or an allowable loss for the purposes of UK corporation tax.
- 21.10 The indexation allowance available to reduce the amount of chargeable gain that is subject to corporation tax is frozen at the amount that would be based on the retail price index for December 2017.

Stamp Duty / SDRT

- 21.11 The following paragraphs do not apply in relation to any issue or transfer of Ordinary Shares to, or to a nominee or agent for, a depositary receipt issuer or clearance service provider, or persons such as market makers, brokers, dealers or intermediaries.
- 21.12 No stamp duty or SDRT should ordinarily be payable on an issue of the Ordinary Shares by the Company.
- 21.13 A transfer on sale of, or an unconditional agreement to transfer, the Ordinary Shares should be exempt from stamp duty and SDRT provided that, at the time the transfer, or agreement to transfer, occurs, the Ordinary Shares are admitted to trading on a recognised growth market within the meaning of section 99A of the Finance Act 2014 but not listed on a recognised stock exchange (referred to as the “**recognised growth market exemption**”). AIM is a recognised growth market for these purposes. Broadly, the Ordinary Shares would be treated as listed on a recognised stock exchange if they are admitted to trading on a market designated by HMRC as a recognised stock exchange and included in the Official List.
- 21.14 The following paragraphs summarise the stamp duty and SDRT treatment if the recognised growth market exemption does not apply:
- Transfers on sale of the Ordinary Shares in certificated form will generally be subject to stamp duty at the rate of 0.5% of the amount or value of the consideration given for the transfer (rounded up (if necessary) to the nearest multiple of £5.00). An exemption from stamp duty will be available on an instrument transferring the Ordinary Shares where the amount or value of the consideration is £1,000 or less, and it is certified on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds £1,000. The purchaser generally pays the stamp duty.
 - An unconditional agreement to transfer the Ordinary Shares will normally give rise to a charge to SDRT at the rate of 0.5% of the amount or value of the consideration payable for the transfer. However, if a duly stamped or exempt transfer in respect of the agreement is produced within six years of the date on which the agreement is made (or, if the agreement is conditional, the date on which the agreement becomes unconditional), any SDRT paid is repayable, generally with interest, and otherwise the SDRT charge is cancelled. SDRT is the liability of the purchaser.
 - Agreements to transfer the Ordinary Shares in Uncertificated form within the CREST system will generally be liable to SDRT (rather than stamp duty) at the rate of 0.5% of the amount or value of the consideration payable. CREST is obliged to collect SDRT on the relevant transactions settled within the CREST system. Deposits of the Ordinary Shares into CREST will not generally be subject to SDRT, unless the transfer into CREST is itself for consideration in money or money's worth.

22. Consents

- 22.1 BDO LLP has given and not withdrawn its written consent to the inclusion in this document of its report (as reproduced in section A of Part III of this document) and the references thereto in the form and context in which they are included and have authorised the contents of that part of the document which comprises their report (as reproduced in section A Part III of this document) for the purposes of Schedule Two of the AIM Rules for Companies.
- 22.2 Liberum has given and not withdrawn its written consent to the issue of this document with the inclusion of its name and reference to it in the form and context in which they appear.

23. General

- 23.1 Save as disclosed in this document, no person (other than the Company's professional advisers named in this document and trade suppliers) has at any time within the 12 months preceding the date of this document received, directly or indirectly, from the Company or entered into any contractual arrangements to receive, directly or indirectly, from the Company on or after Admission any fees, securities in the Company or any other benefit to the value of £10,000 or more.
- 23.2 Save as disclosed in this document and in this paragraph, the Company is not aware of any patents, licences, industrial or commercial or financial contracts or new manufacturing processes on which the Company is dependent, aside from:
- (A) the agreements that the Company has in place with its primary data centre provider, Equinix (UK) Limited, and its back-up data centre provider, InterXion Carrier Hotel Limited. The Directors believe that these contracts are sufficient to provide for the Company's needs and that the existence of two datacentre providers means that the Company is not overly dependent on a single datacentre operator;
 - (B) the registered EU trade marks for the names 'Aquis Exchange' and 'Aquis Technologies' that the Company owns; and
 - (C) the registered domain names that the Company owns, which as of the Latest Practicable Date were: aquis.eu; aquis.exchange; aquis.solutions; aquis.systems; aquis.tech; aquis.technology; aquisexchange.com; aquistechnologies.co.uk; aquistechnologies.com; and aquistechnologies.eu.
- 23.3 Save as disclosed in this document, there are no environmental issues that the Directors have determined may affect the Company's utilisation of tangible fixed assets.
- 23.4 The auditors of the Company are Hazlems Fenton LLP who have audited the accounts of the Company for the years ended 31 December 2017, 31 December 2016 and 31 December 2015.
- 23.5 The percentage dilution as a result of the Placing is 16.4%.
- 23.6 The total costs, charges and expenses of the Placing and Admission are estimated to amount to approximately £1.4 million (excluding any amounts in respect of Value Added Tax thereon).
- 23.7 The Company confirms that where information in this document has been sourced from a third party, the source of this information has been provided and information has been accurately reproduced. So far as the Company and the Directors are aware and are able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

24. Availability of this document

Copies of this document will be available free of charge to the public during normal business hours on any day (Saturdays, Sundays and public holidays excepted) at the registered office of the Company from the date of this document until one month from the date of Admission in accordance with the AIM Rules for Companies. A copy of this document will also be available on the Company's website at www.aquis.eu.

11 June 2018

PART VI

DEFINITIONS

The definitions set out below apply throughout this document, unless the context requires otherwise.

“A Shares”	the A ordinary shares in the capital of the Company, having the rights and restrictions set out in the Articles of Association of the Company dated 21 March 2015 which were in force prior to the Pre-IPO Reorganisation;
“A2X”	has the meaning given to it in paragraph 3.2.2 of Part I (Information on the Company) of this document;
“Admission”	the admission of the Ordinary Shares, issued and to be issued pursuant to the Placing, to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules for Companies;
“after-tax basis”	has the meaning given to it in Part IV (Terms and Conditions of the Placing) of this document;
“AIM”	AIM, a market of that name operated by the London Stock Exchange;
“AIM Rules for Companies”	the AIM Rules for Companies published by the London Stock Exchange from time to time (including, without limitation, any guidance notes or statements of practice) and those other rules of the London Stock Exchange which govern the admission of securities to trading on, and the regulation of AIM;
“AIM Rules for Nominated Advisers”	the AIM Rules for Nominated Advisers published by the London Stock Exchange from time to time;
“Aquis Exchange”	the pan-European equities MTF operated by the Company;
“Aquis Market Gateway”	has the meaning given to it in paragraph 3.2.2 of Part I (Information on the Company) of this document;
“Aquis Market Surveillance”	has the meaning given to it in paragraph 3.2.2 of Part I (Information on the Company) of this document;
“Aquis Matching Engine”, “AME”	has the meaning given to it in paragraph 3.2.2 of Part I (Information on the Company) of this document;
“Aquis Rulebook”	the Aquis Rulebook published by the Company on its website from time to time;
“Aquis Technologies”	the software and technologies division of the Company;
“ARCC”	Audit, Risk and Compliance Committee;
“Articles of Association”	the articles of association of the Company in force and effect from time to time;
“B Shares”	the B ordinary share in the capital of the Company, having the rights and restrictions set out in the Articles of Association of the Company dated 21 March 2015 which were in force prior to the Pre-IPO Reorganisation;
“BCNs”	Broker Crossing Networks;
“Benchmarks Regulation”	the ‘Regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds’ (Regulation (EU) 2016/1011);
“Best Execution”	has the meaning given to it in paragraph 2.3 of Part I (Information on the Company) of this document;
“Board”	the board of directors of the Company from time to time;
“Brexit”	has the meaning given to it in paragraph 1.7 of Part II (Risk Factors) of this document;

“BRRD”	the Bank Recovery and Resolution Directive (Directive 2014/59/EU);
“Business Day”	any day on which banks are generally open in London for the transaction of business other than a Saturday or Sunday or public holiday;
“Cboe”	the Chicago Board Options Exchange;
“CCPs”	a central counterparty (as defined under EMIR);
“CEO”	a chief executive officer;
“Certificated” or “in certificated form”	a share or other security which is not in uncertificated form (that is, not in CREST);
“City Code”	the UK City Code on Takeovers and Mergers;
“Closing Price”	the closing, middle market quotation of an Existing Ordinary Share, as published in the Daily Official List;
“Code”	the UK Corporate Governance Code;
“Companies Act”	the Companies Act 2006 (as amended);
“Company” or “Aquis”	Aquis Exchange PLC, a public company incorporated in England and Wales with registered number 07909192;
“Concert Party”	has the meaning given to it in the Code;
“COO”	a chief operating officer;
“CRD IV”	the Capital Requirements Directive (2013/36/EU) and the Capital Requirements Regulation (575/2013) collectively;
“CREST”	the electronic transfer and settlement system for the paperless settlement of trades in securities and the holding of Uncertificated securities in accordance with the CREST Regulations operated by Euroclear UK & Ireland Limited;
“CREST Manual”	the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Service Manual, CREST Rules, CREST CCSS Operations Manual and CREST Glossary of Terms (all defined in the CREST Glossary of Terms promulgated by Euroclear on 15 July 1996, as amended);
“CREST Member”	a person who has been admitted by Euroclear as a system-member (as defined in the CREST Regulations);
“CREST participant”	a person who is, in relation to CREST, a system participant (as defined in the CREST Regulations);
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended;
“CREST Shareholders”	Shareholders holding Ordinary Shares in CREST in uncertificated form;
“CREST Sponsor”	a CREST participant admitted to CREST as a CREST Sponsor;
“CREST Sponsored Member”	a CREST Member admitted to CREST as a sponsored member;
“CSDR”	the Central Securities Depository Regulation (Regulation (EU) 909/2014);
“Daily Official List”	the daily official list of the London Stock Exchange;
“Deed of Election”	a deed of election and power of attorney entered into by each of the Selling Shareholders appointing the Company as his, her or its agent to sell Selling Shareholder Shares in the Placing, summary details of which are set out in paragraph 15(D) of Part V (Additional Information) of this document;
“Directors”	the directors of the Company at the date of this document and “Director” means one of them;

“Dividend Shares”	has the meaning given to it in paragraph 5.3 of Part V (Additional Information) of this document;
“DLP”	a designated liquidity provider;
“Document” or “this document”	this admission document dated 11 June 2018;
“EEA”	the member states of the EU, Iceland, Norway and Liechtenstein;
“EMEA”	Europe, the Middle East and Africa;
“EMI”	Enterprise Management Incentive;
“EMI Option”	an option over shares in the Company granted by Alasdair Haynes to an employee (or former employee) of the Company under the Pre-Admission EMI Option Scheme, summarised in Part V (Additional Information) of this document;
“EMI Selling Shareholders”	certain holders of the EMI Options who have signed a notice of exercise with respect to the proposed sale by them of their respective relevant proportion of the EMI Shares pursuant to the Placing and who may sell up to 1,324,800 Existing Ordinary Shares as part of the Placing;
“EMI Shares”	the 1,324,800 Existing Ordinary Shares to be sold by the EMI Selling Shareholders as part of the Placing;
“EMIR”	the European Market Infrastructure Regulation (Regulation (EU) 648/2012);
“Employee Share Plans”	the following employee share plans, as described in Part V (Additional Information) of this document and which are adopted by the Company conditional on Admission: (i) the Enterprise Management Incentive Plan, under which options will be granted by the Company to participants; and (ii) the Employee Share Incentive Plan (SIP);
“Enlarged Share Capital”	the issued share capital of the Company immediately following Admission, comprising the Existing Ordinary Shares and the New Ordinary Shares;
“EU”	the European Union;
“Euro” or “€”	the single currency of the member states of the European Communities that adopt or have adopted the euro as their lawful currency under the legislation of the EU or European Monetary Union;
“Exchange Business”	has the meaning given to it in paragraph 8.2 of Part V (Additional Information) of this document;
“Executive Directors”	the executive directors of the Company at the date of this document;
“Existing Ordinary Shares”	the ordinary shares of £0.10 each in the capital of the Company in issue immediately prior to the issuance of the New Ordinary Shares;
“FCA” or “Financial Conduct Authority”	the Financial Conduct Authority as defined by FSMA and, where applicable, includes any successor body or bodies carrying out the functions currently carried out by the Financial Conduct Authority;
“Free Shares”	has the meaning given to it in paragraph 5.3 of Part V (Additional Information) of this document;
“FSMA”	the Financial Services and Markets Act 2000 (as amended);
“GCM”	a general clearing member, as defined in the Aquis Rulebook;
“GDPR”	the EU General Data Protection Regulation;
“HMRC”	Her Majesty’s Revenue and Customs;
“IFRS”	International Financial Reporting Standards;
“ISA”	Individual Savings Account;

“ISIN”	International Securities Identification Number;
“JSE”	Johannesburg Stock Exchange;
“Latest Practicable Date”	8 June 2018, being the latest practicable date prior to the publication of this document;
“Liberum”	Liberum Capital Limited, a limited company incorporated in England and Wales with registered number 05912554, the Company’s nominated adviser, sole corporate broker and sole bookrunner;
“London Stock Exchange”	London Stock Exchange plc or its successor(s);
“MAR”	the revised Market Abuse Regulation (regulation 596/2014);
“Matching Shares”	has the meaning given to it in paragraph 5.3 of Part V (Additional Information) of this document;
“Members”	Trading Members and DLPs;
“Memorandum of Association”	the memorandum of association of the Company in force and effect from time to time;
“MiFID II”	MiFID (2014/65/EU) and the Markets in Financial Instruments Regulation (MiFIR – 600/2014/EU) collectively;
“MiFID II Directive”	the revised Markets in Financial Instruments Directive (2014/65/EU);
“MiFIR”	Regulation (EU) No 600/2014 on Markets in Financial Instruments;
“MSP”	Market Structure Partners;
“MTF”	Multilateral Trading Facility;
“New Ordinary Shares”	the 4,460,967 new Ordinary Shares in the capital of the Company of nominal value of 10p each;
“Nil Rate Amount”	has the meaning given to it in paragraph 21.2 of Part V (Additional Information) of this document;
“Nominated Adviser”	Liberum, nominated adviser, sole corporate broker and sole bookrunner to the Company;
“Nominations and Remuneration Committee”	the nominations and remuneration committee of the Company from time to time;
“Non-Executive Directors”	the non-executive directors of the Company at the date of this document;
“Official List”	the official list of the UK Listing Authority;
“Order”	the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended;
“Ordinary Shares”	ordinary shares of £0.10 each in the capital of the Company;
“OTC”	over-the-counter;
“Panel”	The UK Panel on Takeovers and Mergers;
“Partnership Shares”	has the meaning given to it in paragraph 5.3 of Part V (Additional Information) of this document;
“PD Regulation”	the Prospectus Directive Regulation (2004/809/EC);
“Pension Plan”	has the meaning given to it in paragraph 14 of Part V (Additional Information) of this document;
“Placees”	persons who are invited to and who choose to participate in the Placing, by making an oral or written offer to subscribe for Placing Shares, including any individuals, funds or others on whose behalf a commitment to subscribe for Placing Shares is given;

“Placing”	the conditional placing of the Placing Shares at the Placing Price pursuant to the Placing Agreement;
“Placing Agreement”	the conditional agreement entered into on 11 June 2018 between the Company, Liberum and the Directors in relation to the Placing of the Sale Shares of the Selling Shareholders and EMI Selling Shareholders and the New Ordinary Shares and Admission, details of which are set out in paragraph 12.1 of Part V (Additional Information) of this document;
“Placing Participation”	has the meaning given to it in Part IV (Terms and Conditions of the Placing) of this document;
“Placing Price”	10 pence per Placing Share;
“Placing Shares”	the New Ordinary Shares and the Sale Shares;
“Pounds” or “£” or “Pounds Sterling”	the lawful currency of the United Kingdom;
“PRA” or “Prudential Regulation Authority”	the Prudential Regulation Authority as defined by FSMA and, where applicable, includes any successor body or bodies carrying out the functions currently carried out by the Prudential Regulation Authority;
“Pre-Admission EMI Option Scheme”	has the meaning given to it in paragraph 4.3 of Part V (Additional Information) of this document;
“Pre-IPO Reorganisation”	has the meaning given to it in paragraph 4.5 of Part V (Additional Information) of this document;
“Prospectus Directive”	EU Directive 2003/71/EC and amendments thereto, including Directive 2010/73/EU (the Amending Directive);
“Prospectus Rules”	the prospectus rules made under Part VI of FSMA (as set out in the FCA Handbook), as amended;
“Qualified Investors”	has the meaning given to it in the ‘Important Information’ section of this document;
“Recognised growth market exemption”	has the meaning given to it in paragraph 21.13 of Part V (Additional Information) of this document;
“Registrar”	Equiniti Limited, a limited company incorporated in England and Wales with registered number 06226088, the Company’s registrar;
“Registrar of Companies”	the Registrar of Companies in England and Wales;
“Regulated Market”	has the meaning given to it in Article 4 of MiFID II;
“Regulations”	has the meaning given to it in paragraph 11(R) of Part IV (Terms and Conditions of Placing) of this document;
“Regulation S”	Regulation S under the Securities Act;
“Regulatory Information Service”, “RIS”	one of the regulatory information services authorised by the UK Listing Authority to receive, process and disseminate regulatory information from listed companies;
“Related Financial Product”	has the meaning given to it in the AIM Rules for Companies: ‘any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of AIM securities or securities being admitted, including a contract for difference or a fixed odds bet;
“Relevant Dividend Income”	has the meaning given to it in paragraph 21.3 in Part V (Additional Information) of this document;
“Relevant Person(s)”	has the meaning given to it in the ‘Important Information’ section of this document;
“Reorganisation Deed”	has the meaning given to it in paragraph 15(E) of Part V (Additional Information) of this document;
“Sale Shares”	the Selling Shareholder Shares and the EMI Shares;

“SDRT”	stamp duty reserve tax;
“Securities Act”	the United States Securities Act of 1933, as amended;
“SEDOL”	Stock Exchange Daily Official List;
“Selling Shareholder Shares”	the 6,131,214 Existing Ordinary Shares (excluding EMI Shares) to be sold by the Selling Shareholders as part of the Placing;
“Selling Shareholders”	certain existing Shareholders who may sell up to 6,131,214 Existing Ordinary Shares (excluding EMI Shares) as part of the Placing;
“Senior Management”	Graham Dick and David Attew;
“Shareholder(s)”	the holder(s) of Ordinary Shares;
“SI”	Systematic Internaliser;
“SIP”	has the meaning given to it in paragraph 13 of Part I (Information on the Company) of this document;
“Software Business”	has the meaning given to it in paragraph 8.2 of Part V (Additional Information) of this document;
“Step 1”	has the meaning given to it in paragraph 4.5 of Part V (Additional Information) of this document;
“Step 2”	has the meaning given to it in paragraph 4.5 of Part V (Additional Information) of this document;
“Step 3”	has the meaning given to it in paragraph 4.5 of Part V (Additional Information) of this document;
“Step 4”	has the meaning given to it in paragraph 4.5 of Part V (Additional Information) of this document;
“Stock Account”	an account within a member account in CREST to which a holding of a particular share or other security in CREST is credited;
“Takeover Code”	The City Code on Takeovers and Mergers;
“Terms and Conditions”	has the meaning given to it in Part IV (Terms and Conditions of the Placing) of this document;
“TIDM”	Tradable Instrument Display Mnemonic;
“Trading Members”	has the meaning given to it in the Aquis Rulebook (as amended from time to time) available at http://www.aquis.eu/trading/document-library/ ;
“UK Corporate Governance Code”	the UK Corporate Governance Code of the Financial Reporting Council;
“UK Listing Authority” or “UKLA”	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of FSMA;
“Uncertificated” or “in uncertificated form”	a share or other security recorded on the UK register as being held in uncertificated form in CREST and title to which by virtue of the CREST Regulations, may be transferred by means of CREST;
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland;
“United States” or “US”	the United States, its territories and possessions, any state of the United States and the District of Columbia; and
“VAT”	(i) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and (ii) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (i) above, or imposed elsewhere.

