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Epsilon is acting exclusively for Abal Group plc and no one else in connection with the Transaction and will not be responsible to anyone other than Abal Group plc for providing the protections afforded to its clients, nor for providing advice in relation to the Transaction or any other matter referred to in this document.

THIS DOCUMENT COMPRISES A PROSPECTUS RELATING TO ABAL GROUP PLC (THE “COMPANY”) PREPARED IN ACCORDANCE WITH THE PROSPECTUS REGULATION RULES OF THE FINANCIAL CONDUCT AUTHORITY (THE “FCA”) MADE UNDER SECTION 73A OF FSMA AND APPROVED BY THE FCA UNDER SECTION 87A OF FSMA. THIS DOCUMENT HAS BEEN APPROVED BY THE FCA, IN ITS CAPACITY AS COMPETENT AUTHORITY UNDER REGULATION (EU) 2017/1129 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 14 JUNE 2017 AS SUPPLEMENTED BY COMMISSION DELEGATED REGULATION (EU) 2019/980, (THE “PROSPECTUS REGULATION”). THE FCA ONLY APPROVES THIS DOCUMENT AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY IMPOSED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHOULD NOT BE CONSIDERED AS AN ENDORSEMENT OF THE COMPANY THAT IS THE SUBJECT OF THIS PROSPECTUS OR OF THE QUALITY OF THE SECURITIES THAT ARE THE SUBJECT OF THIS PROSPECTUS AND INVESTORS SHOULD MAKE THEIR OWN ASSESSMENT AS TO THE SUITABILITY OF INVESTING IN THE ORDINARY SHARES OF THE COMPANY.

THIS DOCUMENT HAS BEEN MADE AVAILABLE TO THE PUBLIC IN ACCORDANCE WITH RULE 3.2 OF THE PROSPECTUS REGULATION RULES AND ARTICLE 21 OF THE PROSPECTUS REGULATION.

ABAL GROUP PLC

(Incorporated and registered in England and Wales under the Companies Act 1985 with company number 03936915)

Acquisition of Supply@ME S.r.l.

Admission of the Enlarged Share Capital to the Official List (by way of a Standard Listing under Chapter 14 of the Listing Rules) and to trading on the London Stock Exchange’s Main Market

ORDINARY SHARE CAPITAL IMMEDIATELY FOLLOWING THE ACQUISITION AND PLACING AND ADMISSION

Issued and fully paid Ordinary Shares

<i>Nominal Value</i>	<i>Number</i>
0.002p	32,754,944,590

Application has been made to the FCA and the London Stock Exchange Plc (the “**London Stock Exchange**”) for all of the Enlarged Share Capital to be admitted to the Official List of the of the UK Listing Authority (by way of a Standard Listing) under Chapter 14 of the Listing Rules published by the UK Listing Authority under section 73A of FSMA and to trading on the London Stock Exchange’s main market for listed securities (the “**Admission**”). Admission to trading on the London Stock Exchange’s main market for listed

securities (“**Main Market**”) constitutes admission to trading on a regulated market. No application has been made, or at this time is intended to be made, for the Ordinary Shares to be admitted for listing or dealt with on any other stock exchange. It is expected that Admission will become effective and that dealings for normal settlement in the Ordinary Shares will commence on 23 March 2020. The existing listing of and trading of the Existing Ordinary Shares was cancelled on 7 February 2020.

The Company and each of the Directors and the Proposed Directors, whose names appear on page 34 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors and the Proposed Directors, 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.

THE WHOLE OF THE TEXT OF THIS DOCUMENT SHOULD BE READ BY PROSPECTIVE INVESTORS. YOUR ATTENTION IS SPECIFICALLY DRAWN TO THE DISCUSSION OF CERTAIN RISKS AND OTHER FACTORS THAT SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE COMPANY, AS SET OUT IN THE SECTION ENTITLED “RISK FACTORS” ON PAGES 13 TO 23 OF THIS DOCUMENT.

PROSPECTIVE INVESTORS SHOULD BE AWARE THAT AN INVESTMENT IN THE COMPANY INVOLVES A SIGNIFICANT DEGREE OF RISK AND THAT, IF CERTAIN OF THE RISKS DESCRIBED IN THIS DOCUMENT OCCUR, INVESTORS MAY FIND THEIR INVESTMENT IS MATERIALLY ADVERSELY AFFECTED. ACCORDINGLY, AN INVESTMENT IN THE ORDINARY SHARES IS ONLY SUITABLE FOR INVESTORS WHO ARE PARTICULARLY KNOWLEDGEABLE IN INVESTMENT MATTERS AND WHO ARE ABLE TO BEAR THE LOSS OF THE WHOLE OR PART OF THEIR INVESTMENT.

Overseas Investors

The Ordinary Shares have not been, nor will they be, registered under the US Securities Act of 1933, as amended (the “**US Securities Act**”) or under the securities laws or with any securities regulatory authority of any state or other jurisdiction of the United States or of any province or territory of Canada, Australia, the Republic of South Africa or Japan. Subject to certain exceptions, the Ordinary Shares may not, directly or indirectly, be offered, sold, taken up or delivered in, into or from the United States, Canada, Australia, the Republic of South Africa or Japan or to or for the account or benefit of any national, resident or citizen of the United States, or any person resident in Canada, Australia, the Republic of South Africa or Japan. This document does not constitute an offer to sell or a solicitation of an offer to purchase or subscribe for Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company. The distribution of this document in other jurisdictions may be restricted by law and, therefore, persons into whose possession this document comes should inform themselves of and observe any restrictions. The Ordinary Shares may not be taken up, offered, sold, resold, transferred or distributed, directly or indirectly, within, into or in the United States except pursuant to an exemption from, or in a transaction that is not subject to, the registration requirements of the US Securities Act. There will be no public offer in the United States. The Company has not been and will not be registered under the US Investment Company Act of 1940, as amended (the “**US Investment Company Act**”) pursuant to the exemption provided by Section 3(c)(7) thereof and Shareholders will not be entitled to the benefits of that Act. The Ordinary Shares are being offered outside the United States in offshore transactions within the meaning of and in accordance with the safe harbour from the registration requirements provided by Regulation S under the US Securities Act. The Ordinary Shares have not been approved or disapproved by the United States Securities Exchange Commission (“**SEC**”), any state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing commissions or authorities passed comment upon or endorsed the merit of the offer of the Ordinary Shares or the accuracy or the adequacy of this document. Any representation to the contrary is a criminal offence in the United States. The distribution of this document in or into other 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.

APPLICATION HAS BEEN MADE FOR THE ENLARGED SHARE CAPITAL TO BE ADMITTED TO A STANDARD LISTING ON THE OFFICIAL LIST. A STANDARD LISTING WILL AFFORD SHAREHOLDERS A LOWER LEVEL OF REGULATORY PROTECTION THAN THAT AFFORDED TO INVESTORS IN COMPANIES WITH PREMIUM LISTINGS ON THE OFFICIAL LIST, WHICH ARE

SUBJECT TO ADDITIONAL OBLIGATIONS UNDER THE LISTING RULES. IT SHOULD BE NOTED THAT THE UK LISTING AUTHORITY WILL NOT HAVE THE AUTHORITY TO (AND WILL NOT) MONITOR THE COMPANY'S COMPLIANCE WITH ANY OF THE LISTING RULES WHICH THE COMPANY MAY INDICATE THAT IT INTENDS TO COMPLY WITH ON A VOLUNTARY BASIS, NOR TO IMPOSE SANCTIONS IN RESPECT OF ANY FAILURE BY THE COMPANY SO TO COMPLY.

Notice to all Investors

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

Prospective Investors acknowledge that they have not relied on Epsilon or any person affiliated with any of them in connection with any investigation of the accuracy of any information contained in this document or their investment decision. 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 Acquisition and the Placing, including the merits and risks involved.

None of the Company or Epsilon, or any of their respective directors or representatives, makes any representation to any offeree of the New Ordinary Shares under the laws applicable to such offeree. Each Prospective Investor should consult with his or her own advisers as to the legal, tax, business, financial and related aspects of a purchase of or subscription for Ordinary Shares or Placing Shares.

The contents of the websites of the Company and Supply@ME (at www.abalplc.com and www.supplyme.tech respectively) do not form part of this document.

Capitalised terms used in this document have the meanings ascribed to them, and certain technical terms are explained, in Part IX ("*Definitions*") of this document.

MiFID II Product Governance and Information to Distributors

Solely for the purposes of the product governance requirements contained within: (i) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (ii) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (iii) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the New Ordinary Shares have been subject to a product approval process, which has determined that they each are: (a) compatible with an end target market of retail Investors and Investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (b) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**").

Notwithstanding the Target Market Assessment, distributors (as defined in MiFID II) should note that: (i) the price of the Ordinary Shares may decline and Investors could lose all or part of their investment; (ii) the Ordinary Shares offer no guaranteed income and no capital protection; and (iii) an investment in the Ordinary Shares is compatible only with Investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.

The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Acquisition and/or the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Epsilon will only procure Investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (i) an assessment of suitability or appropriateness for the purposes of MiFID II; or (ii) a recommendation to any Investor or group of Investors to invest in, or purchase, or take any other action whatsoever with respect to the Ordinary Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and determining appropriate distribution channels.

This document is dated 4 March 2020.

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SUMMARY

SECTION A – INTRODUCTION AND WARNINGS																																																							
Name and ISIN of the securities	Ordinary shares of the Company of 0.002 p each (the “ Ordinary Shares ”). ISIN: GB00BFMDJC60.																																																						
Identity and contact details of the issuer	The issuer is Abal Group plc, a public company incorporated and registered in England and Wales with company number 03936915 under the Companies Act 2006 (the “ Company ”). The Company’s registered office is 27/28 Eastcastle Street, London, United Kingdom, W1W 8DH, telephone number (+44/0) 203 529 7229.																																																						
Identity and contact details of the competent authority approving the prospectus	This document has been approved by the Financial Conduct Authority (the “ FCA ”) as the competent authority for listing in the United Kingdom pursuant to Part VI of the Financial Services and Markets Act 2000, as amended (“ FSMA ”). The FCA has its head office at 12 Endeavour Square, London E20 1JN. The FCA may be contacted by telephone on 0800 111 6768 (freephone) or 0300 500 8082 from the United Kingdom, or +44 207 066 1000 from abroad, or on its website www.fca.org.uk/contact.																																																						
Date of approval of the prospectus	4 March 2020 (the “ Date of Approval ”).																																																						
Warnings	THIS SUMMARY SHOULD BE READ AS AN INTRODUCTION TO THIS DOCUMENT. ANY DECISION TO INVEST IN THE NEW ORDINARY SHARES SHOULD BE BASED ON CONSIDERATION OF THIS DOCUMENT AS A WHOLE. THE INVESTOR COULD LOSE ALL OR PART OF THE INVESTED CAPITAL. Where a claim relating to the information contained in this document is brought before a court, the plaintiff Investor might, under national law, have to bear the costs of translating this document before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled this summary, including any translation thereof, but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this document, or if this summary does not provide, when read together with the other parts of this document, key information in order to aid Investors when considering whether to invest in the Ordinary Shares.																																																						
SECTION B – KEY INFORMATION ON THE ISSUER																																																							
SUB-SECTION B.1 – WHO IS THE ISSUER OF THE SECURITIES?																																																							
Domicile, legal form, LEI, legislation and country of incorporation	The Company was incorporated and registered in England and Wales on 1 March 2000 with company number 03936915 as a private company limited by shares under the Companies Act 1985 with the name Imaginatik Limited. On 24 October 2006, the Company was re-registered as a public limited company under the Companies Act 2006 (the “Companies Act”) and accordingly changed its name to Imaginatik plc. On 5 February 2019, the Company changed its name to Abal Group plc. The Legal Entity Identifier (LEI) of the Company is 213800ZY2C2T12C5WQ61. The principal legislation under which the Company operates and under which the Existing Ordinary Shares have been created is the Companies Act. The Company is domiciled in the United Kingdom and is subject to the UK City Code on Takeovers and Mergers. On 15 December 2006, the Company listed its shares on the AIM market (“AIM”) of London Stock Exchange plc (“London Stock Exchange”). The Company’s AIM listing was cancelled on 7 February 2020.																																																						
Principal activities	On 5 February 2019, following approval by the shareholders of the Company at the Company’s general meeting held on 28 January 2019, the Company announced the completion of the disposal of its core operating business and assets for cash to Planbox Inc. (the “Disposal”). As a consequence, the Company was categorised by the London Stock Exchange as an AIM Rule 15 cash shell and as such was required to make an acquisition constituting a reverse takeover under AIM Rule 14 on or before the date falling six months from completion of the Disposal failing which admission of its shares to trading on AIM would be suspended. On 27 September 2019, the Company announced that it had entered into a conditional share purchase agreement with The AvantGarde Group and others relating to the acquisition by the Company of the entire issued share capital of Supply@ME S.r.l. (“Supply@ME”) for £234,478,000, to be satisfied by the issue of the Consideration Shares (the “Acquisition”). Supply@ME has developed an innovative, proprietary, digital system which underpins a fintech platform that enables customer companies to carry out inventory de-recognition transactions by transferring their unsold stock of goods to stock companies established by Supply@ME, thus achieving significant benefits in those customers’ balance sheets while maintaining the availability of the stock of such goods so as to enable them to continue to sell them to their end customers. It has its headquarters in Milan and intends to build out a presence in London. The Company’s AIM listing was cancelled on 7 February 2020.																																																						
Major shareholders	Information provided to the Company regarding its substantial Shareholders is published on the Company’s website. As at the date of this document, insofar as the Company has been notified: (i) the following persons are interested, directly or indirectly, in 3 per cent. or more (or 5 per cent. or more in the case of investment managers) of the Company’s issued share capital; (ii) immediately following Completion of the Transaction and allotment of the Placing Shares and the Consideration Shares, the following persons will be interested, directly or indirectly, in 3 per cent. or more (or 5 per cent. or more in the case of investment managers) of the Company’s issued share capital based on prior notifications (assuming the issue of 32,653,850,311 New Ordinary Shares): <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th rowspan="2"></th> <th colspan="2" style="text-align: center;"><i>As at the Latest Practicable Date</i></th> <th colspan="2" style="text-align: center;"><i>Immediately following Completion</i></th> </tr> <tr> <th style="text-align: center;"><i>Number of voting rights</i></th> <th style="text-align: center;"><i>Percentage of issued share capital</i></th> <th style="text-align: center;"><i>Number of voting rights</i></th> <th style="text-align: center;"><i>Percentage of issued share capital</i></th> </tr> </thead> <tbody> <tr> <td><i>Name</i></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Eight Capital Partners plc</td> <td style="text-align: right;">22,256,725</td> <td style="text-align: right;">22.00</td> <td style="text-align: right;">22,256,725</td> <td style="text-align: right;">0.07</td> </tr> <tr> <td>Octopus Investment Nominees</td> <td style="text-align: right;">6,336,767</td> <td style="text-align: right;">6.30</td> <td style="text-align: right;">6,336,767</td> <td style="text-align: right;">0.02</td> </tr> <tr> <td>Canaccord Genuity Group Inc.</td> <td style="text-align: right;">4,239,691</td> <td style="text-align: right;">4.19</td> <td style="text-align: right;">4,239,691</td> <td style="text-align: right;">0.01</td> </tr> <tr> <td>Angus Forrest</td> <td style="text-align: right;">3,000,000</td> <td style="text-align: right;">3.00</td> <td style="text-align: right;">3,000,000</td> <td style="text-align: right;">0.01</td> </tr> <tr> <td>The Avant Garde Group</td> <td style="text-align: center;">–</td> <td style="text-align: center;">–</td> <td style="text-align: right;">23,895,553,949</td> <td style="text-align: right;">72.95</td> </tr> <tr> <td>Parrot Capital (Global Capital p.l.c.)</td> <td style="text-align: center;">–</td> <td style="text-align: center;">–</td> <td style="text-align: right;">1,630,000,000</td> <td style="text-align: right;">4.98</td> </tr> <tr> <td>Equita Sim S.p.A.</td> <td style="text-align: center;">–</td> <td style="text-align: center;">–</td> <td style="text-align: right;">1,630,000,000</td> <td style="text-align: right;">4.98</td> </tr> <tr> <td>Ceresio Sim S.p.A.</td> <td style="text-align: center;">–</td> <td style="text-align: center;">–</td> <td style="text-align: right;">1,630,000,000</td> <td style="text-align: right;">4.98</td> </tr> </tbody> </table> Insofar as the Company is aware, the Company is not directly or indirectly owned or controlled by another corporation, any foreign government, or any other natural or legal person, severally or jointly, nor is it aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company. None of the major holders of Existing Ordinary Shares (“ Shareholders ”) referred to above has different voting rights from other Shareholders.		<i>As at the Latest Practicable Date</i>		<i>Immediately following Completion</i>		<i>Number of voting rights</i>	<i>Percentage of issued share capital</i>	<i>Number of voting rights</i>	<i>Percentage of issued share capital</i>	<i>Name</i>					Eight Capital Partners plc	22,256,725	22.00	22,256,725	0.07	Octopus Investment Nominees	6,336,767	6.30	6,336,767	0.02	Canaccord Genuity Group Inc.	4,239,691	4.19	4,239,691	0.01	Angus Forrest	3,000,000	3.00	3,000,000	0.01	The Avant Garde Group	–	–	23,895,553,949	72.95	Parrot Capital (Global Capital p.l.c.)	–	–	1,630,000,000	4.98	Equita Sim S.p.A.	–	–	1,630,000,000	4.98	Ceresio Sim S.p.A.	–	–	1,630,000,000	4.98
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Key managing directors	The Company has no executive management team in place, having a board of directors composed of two non-executive directors, being Simon Charles (Chairman) and John Treacy.																																																						
Statutory auditors	The Company’s statutory auditors are: Grant Thornton UK LLP.																																																						

SUB-SECTION B.2 – WHAT IS THE KEY FINANCIAL INFORMATION REGARDING THE ISSUER?

Selected historical key financial information

Upon Admission, the Acquisition will be completed and the Company will be the holding company of Supply@ME (the "Enlarged Group"). Accordingly, this document contains historical financial information for the Company and Supply@ME along with proforma financial information for the Enlarged Group.

Selected historical key financial information of the Company

Following the Disposal, the Company ceased to carry out active business and has not commenced it again.

The tables below set out the Company's summary selected financial information as at and for the financial years ended 31 March 2017, 2018 and 2019. The data has been extracted without material adjustment from the Company's historical financial information as at and for the financial years ended 31 March 2017, 2018 and 2019.

Consolidated Statement of Comprehensive Income

	Year ended 31 March 2017 £ 000	Year ended 31 March 2018 £ 000	Year ended 31 March 2019 £ 000
Revenues	3,920	3,681	–
Cost of sales	(194)	(201)	–
Gross profit/(loss)	3,726	3,480	–
Administrative expenses	(4,603)	(5,026)	(726)
Other operating income/(loss)	(167)	204	69
Operating (loss)/profit	(1,044)	(1,342)	(657)
Finance costs	(13)	(13)	(42)
(Loss)/profit on continuing operations before tax	(1,057)	(1,355)	(699)
Tax credit/(expense)	215	200	–
(Loss)/profit on continuing operations for the year	(842)	(1,155)	(699)
Profit/(loss) for the year from discontinued operations	–	–	325
Profit/(loss) for the year and total comprehensive income	(842)	(1,155)	(374)

With reference to the financial statements as at and for the financial year ended 31 March 2018 the Company made a prior period adjustment of £0.06 million to cover holiday pay accruals, increasing the loss for financial year ended 31 March 2017 to £0.84 million from the £0.78 million originally stated. Administrative expenses increased from £4.54 million to £4.60 and accruals increased from £2.45 million to £2.51 million.

Consolidated Statement of Financial Position

	31 March 2017 £ 000	31 March 2018 £ 000	31 March 2019 £ 000
Non-current assets			
Property, plant and equipment	25	23	–
Intangible assets	933	928	–
Trade and other receivables	97	341	–
Current assets			
Trade and other receivables	1,789	757	121
Cash and cash equivalents	117	61	771
Total assets	2,961	2,110	892
Current liabilities			
Trade and other payables	(2,879)	(1,975)	463
Derivative financial instruments	–	–	(53)
Non current liabilities			
Deferred income	(737)	(582)	–
Total liabilities	(3,616)	(2,557)	516
Net (liabilities)/assets	(655)	(447)	376
Shareholders' equity			
Share capital	4,041	4,765	4,767
Share premium	7,765	8,350	9,599
Other reserves	1,198	1,252	1,217
Retained earnings/(losses)	(13,659)	(14,814)	(15,207)
Total equity attributable to owners of Abal Group Plc	(655)	(447)	376

Consolidated Statement of Comprehensive Income

	6 Months ended 30 September 2019 Unaudited
Revenue	–
Operating (Loss)	(601)
(Loss) Before Income Tax	(601)
(Loss) and total comprehensive income for the period attributable to the equity shareholders of the parent	(601)

Consolidated Statement of Financial Position

Total Non-Current Assets	–
Total Assets	220
Total Current Liabilities	445
Total Liabilities	445
Total Equity and Liabilities	220

Save in respect of the Acquisition, there has been no significant change in the financial performance or financial position of the Company since 31 March 2019, being the date as at which the financial information contained in Part V(B) has been prepared.

Selected historical key financial information of Supply@ME S.r.l.

The tables below set out Supply@ME's summary financial information as at and for the nine month periods ended 30 September 2018 and 2019 and for the period ended 31 December 2018. The data has been extracted without material adjustment from Supply@ME's historical financial information for the 9 month interim periods ended 30 September 2018 and 30 September 2019, as at and for the period from the date of incorporation (20 October 2017) to and including the year ended 31 December 2018.

Statement of Comprehensive Income

	Nine months to 30 September 2018 € 000	Nine months to 30 September 2019 € 000	20 October 2017 to 31 December 2018 € 000
Revenues	202	682	273
Cost of sales	(44)	(141)	(107)
Gross profit/(loss)	158	541	166
Administrative expenses	(56)	(26)	(44)
Depreciation and amortisation	-	-	(104)
Operating (loss)/profit	102	515	18
Finance costs	-	-	-
(Loss)/profit on ordinary activities before tax	102	515	18
Tax credit/(expense)	(28)	(145)	-
(Loss)/profit on ordinary activities for the year and total comprehensive income	74	370	18

The results reflected above relate solely to continuing activities.

Statement of Financial Position

	Notes	30 September 2018 £ 000	30 September 2019 £ 000	31 December 2018 € 000
Non-current assets				
Intangible assets	1	330	587	415
Current assets				
Trade and other receivables	2	267	912	316
Cash and cash equivalents		-	-	2
Total assets		597	1,499	733
Current liabilities				
Trade and other payables	3	(365)	(888)	(567)
Total liabilities		(365)	(888)	(567)
Net (liabilities)/assets		232	611	166
Shareholders' equity				
Share capital		158	158	148
Retained earnings/(losses)		74	453	18
Total equity attributable to owners of Supply@ME S.r.l.		232	611	166

Statement of Changes in Equity

	Share capital € 000	Retained earnings € 000	Total € 000
As at 20 October 2017	148	-	148
Profit/(Loss) for the year	-	18	18
As at 31 December 2018	148	18	166

There has been no significant change in the financial performance or financial position of Supply@ME since 30 September 2019, being the date as at which the financial information contained in Part V(B) has been prepared.

Selected key proforma financial information

The proforma net asset and income statements have been prepared for illustrative purposes only in accordance with Annex II of the Prospectus Regulation Rules and should be read in conjunction with the notes set out below. By their nature, they address hypothetical situations and therefore do not represent the Enlarged Group's financial position as of the dates stated below. They may not therefore give a true picture of the Enlarged Group's financial position or results, nor are they indicative of the results that may, or may not, be expected to be achieved in the future.

Unaudited proforma statement of net assets

The proforma net asset statement has been prepared to illustrate how the Acquisition and the Placing (as defined in Part V (F) of this document) might have affected the financial information of the Enlarged Group had they occurred on 31 March 2019.

	Note	Abal as at 31 March 2019 £ 000	Supply@ME as at 31 December 2018 £ 000	Adjustments £ 000	Proforma of the Enlarged Group £ 000
Assets					
Non-current assets					
Intangible fixed assets	3	-	357	224,336	224,693
Tangible fixed assets		-	-	-	-
Total non-current assets		-	357	224,336	224,693
Current assets					
Trade and other receivables		121	272	-	393
Cash and cash equivalents	5	771	1	1,440	2,213
Total current assets		892	273	1,440	2,605
Total assets		892	630	225,776	227,298
Liabilities					
Current liabilities					
Trade and other payables		(463)	(488)	-	(951)
Derivative financial instruments		(53)	-	-	(53)
Total current liabilities		(516)	(488)	-	(1,004)
Net assets		376	142	225,776	226,295

Unaudited proforma income statement

The proforma income statement has been prepared to illustrate how the Acquisition and the Placing (as defined in Part IX of this document) might have affected the financial information of the Enlarged Group had they all occurred on 1 April 2018.

		Abal year ended 31 March 2019 £ 000	Supply@ME 20 October 2017 to 31 December 2018 £ 000	Adjustments £ 000	Proforma of the Enlarged Group £ 000
Revenues		–	235	–	235
Cost of sales		–	(92)	–	(92)
Gross profit/(loss)		–	143	–	143
Administrative expenses	6	(726)	(39)	(800)	(1,564)
Other operating income		69	–	–	69
Depreciation and amortisation		–	(89)	–	(89)
Operating income/(loss)		(657)	15	(800)	(1,442)
Finance income/(costs)		(42)	–	–	(42)
Income/(Loss) on continuing operations before tax		(699)	15	(800)	(1,484)
Tax on ordinary activities		–	–	–	–
Profit/(Loss) for the period from the continuing operations		(699)	15	(800)	(1,484)
Profit/(Loss) for the period from discontinued operations		325	–	–	325
Profit/(Loss) for the period and total comprehensive income		(374)	15	(800)	(1,159)

NOTES TO THE UNAUDITED PROFORMA STATEMENT OF THE NET ASSETS AND INCOME STATEMENTS OF THE ENLARGED GROUP

1. General

The unaudited proforma income statement of the Enlarged Group has been prepared as an aggregation of the following items:

- the income statement of Abal for the year ended 31 March 2019 from the audited financial statements;
- the income statement of Supply@ME for the period from the date of incorporation (20 October 2017) to and including the year ended 31 December 2018 from the audited financial statements. The exchange rate used to convert income statement data is 1€=0.86£;
- the expected cash expenses of the Transaction payable by the Company of £800,000;
- the hypothetical results included in the unaudited proforma income statement may differ from the companies' actual results.

The unaudited proforma statement of net assets of the Enlarged Group has been prepared as an aggregation of the following items:

- the net assets of Abal as at 31 March 2019 as extracted from the audited financial statements;
- the net assets of Supply@ME as at 31 December 2018 as extracted from the audited financial statements. The exchange rate used to convert balance sheet data is 1€=0.86£;
- the net proceeds of the fundraising expected to be completed by the Company in March 2020;
- no adjustments has been made to reflect trading results since these dates; and
- the hypothetical financial position included in the unaudited proforma statement of net assets may differ from the companies' actual financial position.

2. Basis of consolidation

An adjustment has been made to reflect the estimated goodwill arising on the acquisition of Supply@ME. This is an approximation only and may differ from the goodwill in the consolidated financial statements of the Enlarged Group. In calculating goodwill, no fair value adjustments have been made to the net assets of Abal.

For the purposes of the proforma financial information, goodwill is measured as the excess of the consideration attributable to Abal as a consequence of the business combination over the net fair value of Supply@ME's identifiable assets and liabilities.

3. Goodwill

The goodwill arising on the acquisition of Supply@ME is calculated as follows:

Consideration effectively paid (£ 000)	224,478
Net assets and liabilities of Supply@ME as at 31 December 2018:	£ 000
Total assets	630
Total liabilities	(488)
	142
Goodwill arising on consolidation	224,336

4. By way of the share exchange agreement, the Company is expected to acquire the entire issued share capital of Supply@ME from its shareholders in return for the allotment and issue of 32,322,246,220 New Ordinary Shares in the Company to those shareholders being the current shareholders of Supply@ME prior to Admission. As a result of the Acquisition Supply@ME became a wholly owned legal subsidiary of the Company.
5. The Company is expected to raise £2.24 million by the issue of 331,604,094 Ordinary Shares. The net proceeds receivable by the Company are expected to be £1.44 million.
6. The cash expenses of the transaction payable by the Company are expected to total approximately £800,000 and is referred only to the costs incurred during 2019 for the acquisition of Supply@ME by Abal. This adjustment is not expected to have a continuing impact on the Company.

SUB-SECTION B.3 – WHAT ARE THE KEY RISKS THAT ARE SPECIFIC TO THE ISSUER?

The due diligence by the Company in connection with the Acquisition may not reveal all relevant considerations or liabilities of Supply@ME, which could have a material adverse effect on the Company's financial condition or results of operations.

The Company has conducted such due diligence as it deems reasonably practicable and appropriate based on the facts and circumstances applicable to the Acquisition. The objective of the due diligence process is to identify material issues which might affect the decision to proceed with the Acquisition or the consideration payable for the Acquisition. The Company has used information revealed during the due diligence process to formulate its business and operational planning for, and its valuation in respect of, the Acquisition. Whilst conducting due diligence and assessing the Acquisition, the Company has relied on publicly available information, information provided by Supply@ME and, in some circumstances, third party investigations. There can be no assurance that the due diligence undertaken with respect to the Acquisition has revealed all relevant facts that may be necessary to evaluate the Acquisition including the determination of the price the Company has agreed to pay for the Acquisition, or to formulate a business strategy. Furthermore, the information provided during due diligence may be

incomplete, inadequate or inaccurate. As part of the due diligence process, the Company will also make subjective judgements regarding the results of operations, financial condition and prospects of the Acquisition. If the due diligence investigation fails to correctly identify material issues and liabilities that may be present in Supply@ME, or if the Company considers such material risks to be commercially acceptable relative to the opportunity, and the Company proceeds with the Acquisition, the Company may subsequently incur substantial impairment charges or other losses.

If the Enlarged Group is unable to maintain or increase originations through its platform or if existing customers or funders do not continue to participate on its platform, its business, results of operations, financial condition or prospects will be adversely affected.

To continue to grow its business, the Enlarged Group must increase originations through its platform by attracting and retaining new and existing trading and manufacturing companies who meet its working capital needs in the different territories where the Enlarged Group intends to operate, as well as new and existing funders interested in investing into Supply@ME's securitisation notes. The Enlarged Group's ability to attract new customers to its platform and facilitate renewals to existing companies depends on, among other things, its ability to continue to provide attractive prices, to meet or to exceed customers' expectations, an effective marketing strategy, and the Enlarged Group's reputation and ability to maintain the security of its platform and the confidentiality of information provided by funders and companies. Customer demand also depends on factors that are beyond the Enlarged Group's control, including general macroeconomic conditions, the competitive and regulatory environment and technological developments, among other factors.

The Enlarged Group's operations are also reliant on sufficient investor funding. The Enlarged Group's ability to attract funders to its platform and secure sufficient funding from existing or new investors depends on, among other things, its ability to provide attractive investor returns, compliance with the terms and conditions of funding agreements with investors, effective maintenance and scaling of financial, risk management and compliance controls and procedures, the Enlarged Group's reputation and its ability to maintain the security of its platform and the confidentiality of information provided by investors. investor participation on the Enlarged Group's platform also depends on factors that are beyond the Enlarged Group's control, including demand for inventory financing, general macroeconomic conditions and the competitive and regulatory environment, among other factors.

To ensure investor funding availability throughout economic and business cycles, the Enlarged Group will seek to establish and facilitate diverse forms of funding, including, but not limited to, securitisation, investment funds and commercial banking channels. These investor funding plans are subject to risks and uncertainties, many of which are beyond the Enlarged Group's control. Failure by the Enlarged Group to attract and help establish similar capital markets arrangements in the future could adversely affect its ability to grow investor commitments.

Further, if negative events (default of the customers adversely impacting inventory monetisation deals at the due date) for any such capital markets arrangements increase significantly and challenges arise in attracting investor demand to invest or if reductions occur in the market capacity for asset based loans or the types of asset-backed securities issued by certain of the Enlarged Group's investors, there could be an increased risk to these funding plans. Should this occur, and in the event the Enlarged Group is unable to match customer demand with alternative funding sources, the Enlarged Group may be required to reduce the amount of deals it originates through its platform.

The Enlarged Group may also face risks arising from the relationship between customers and funder demand. If the Enlarged Group cannot match demand across its customers and funders over time, the Enlarged Group would be required to reduce the amount of deals originated, which would have an adverse effect on its business and results of operations. In particular, if there are insufficient investor commitments, customers may be unable to obtain investment capital for their inventory monetisation deals at competitive rates or at all, and may stop using the Enlarged Group's platform for their working capital needs related to inventory. Similarly, funder demand may decline if the Enlarged Group is incapable of sourcing a steady supply of high-quality trading and manufacturing companies.

Any of these events could have a material adverse effect on the Enlarged Group's business, results of operations, financial condition or prospects.

The Enlarged Group's ability to meet its obligations under the notes issued as part of securitisation transactions will depend on multiple factors.

The ability of any special purpose vehicle that the Enlarged Group may establish to meet its obligations in respect of the notes to be issued as part of securitisation transactions will be dependent on the receipt by the issuer of (a) the collections (including, for the avoidance of any doubt, the relevant recoveries) made on its behalf by the servicer (and the sub-servicers) in respect of the various portfolios and (b) any other amounts required to be paid to the issuer by the various agents and counterparties of the issuer pursuant to the terms of the relevant transaction. The performance by such parties of their respective obligations under the relevant transaction documents is dependent on the solvency of each relevant party. Consequently, there is no assurance that there will be sufficient funds to enable the issuer to pay interest on the notes issued as part of the securitisation transactions or to repay such notes in full. Failure by the issuer to fulfil its obligations under the notes that will be issued as part of securitisation transactions may harm the financial condition and reputation of the Enlarged Group and affect the value of the Ordinary Shares.

Uncertainties in the interpretation or application of, or changes in, IFRS standards could adversely affect the "derecognition treatment" for customers and accordingly reduce customers' or funders' participation on the platform.

Changes to the IFRS standards (with reference of the opportunity of the derecognition of the asset according to the innovative inventory monetisation framework provided by Stock Companies) may reduce the incentive for trading and manufacturing companies to use the service provided by the Enlarged Group and cause them to seek alternative sources of funding for their working capital needs, leading to reduced participation on the platform and a consequent reduction in deals originated through the platform. If inventory monetisation deals become relatively less attractive to businesses than under current and traditionally asset based loans as a consequence of adverse changes to the IFRS standards, this may adversely affect customer and funder appetite for the platform and have a material adverse effect on the Enlarged Group's business, results of operations, financial condition or prospects.

Early-stage business

Supply@ME is still at an early stage of its development and has not generated material revenues from its operations to date. The generation of revenues is difficult to predict and there is no guarantee that the Enlarged Group will generate significant revenues in the foreseeable future.

There are a number of operational, strategic and financial risks associated with early stage companies. Supply@ME faces risks frequently encountered by smaller, growing companies seeking to bring new products and services to the market. There can be no assurance that the prospective agreements being discussed with potential funders will complete at the expected level or at all, which would materially and adversely affect Supply@ME's ability to provide its inventory monetisation service, or even if such funding were to be forthcoming, there can be no assurance that sufficient numbers of corporate customers would use the service to assure Supply@ME's growth or viability in the future.

SECTION C – KEY INFORMATION ON THE SECURITIES

SUB-SECTION C.1 – WHAT ARE THE MAIN FEATURES OF THE SECURITIES?

Type, class and ISIN of the securities issued	The securities subject to Admission are the Existing Ordinary Shares together with the Consideration Shares and the Placing Shares (the Consideration Shares and the Placing Shares and together, the " New Shares "), all being Ordinary Shares of 0.002p each which together will be registered with ISIN number GB00BFMDJC60 and SEDOL number BFMDJC6 and will with effect from Admission trade under the symbol SYME.
Currency, denomination, par value, number of securities issued and term of the securities	<p>The nominal value of the Ordinary Shares is denominated in UK sterling and the issue price of the Placing Shares will be £0.006756p, payable in UK sterling. The issue price of the Consideration Shares will be £0.006945p.</p> <p>At completion of the Acquisition, the Company will issue 32,322,246,220 Consideration Shares as consideration pursuant to the Acquisition, representing 98.68 per cent. of the Enlarged Group's issued share capital following the Admission of the Ordinary Shares to trading on the main market of the London Stock Exchange for listed securities and their admission to the Official List.</p> <p>At completion of the Acquisition, the Company will issue 331,604,091 Placing Shares to certain institutional and professional Investors in the United Kingdom and elsewhere outside the United States representing 1.01 per cent. of the Enlarged Group's issued share capital following Admission of the Ordinary Shares to trading on the main market of the London Stock Exchange for listed securities and their admission to the Official List.</p>
Rights attached to the securities	<p>Each Ordinary Share ranks <i>pari passu</i> for voting rights, dividends and return of capital on winding up.</p> <p>Every Shareholder present in person, by proxy or by a duly authorised corporate representative at a general meeting of the Company shall have one vote on a show of hands and, on a poll, every Shareholder present in person, by proxy, or by a duly authorised corporate representative, shall have one vote for every Ordinary Share of which he is the holder.</p> <p>The Company must hold an annual general meeting each year in addition to any other general meetings held in the year. The Directors can call a general meeting at any time. All members who are entitled to receive notice under the Articles must be given notice.</p>

	<p>Subject to the Companies Act, the Company may, by ordinary resolution, declare dividends to be paid to members of the Company according to their rights and interests in the profits of the Company available for distribution, but no dividend shall be declared in excess of the amount recommended by the Board.</p> <p>On a voluntary winding-up of the Company, the liquidator may, with the sanction of a special resolution of the Company and subject to the Companies Act and the Insolvency Act 1986 (as amended), divide amongst the Shareholders in specie the whole or any part of the assets of the Company, or vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as the liquidator, with the like sanction, shall determine.</p> <p>The Ordinary Shares are not redeemable.</p> <p>The Consideration Shares and the Placing Shares will, on Admission, rank <i>pari passu</i> in all respects with the other Existing Ordinary Shares in issue and will rank in full for all dividends and other distributions thereafter declared, made or paid on the share capital of the Company.</p> <p>The provisions of section 561(1) of the Companies Act (to the extent not disapplied pursuant to sections 570-571 of the Companies Act) confer on Shareholders certain rights of pre-emption in respect of the allotment of equity securities (as defined in section 560 of the Companies Act) which are, or are to be, paid up in cash. No pre-emption rights exist in respect of future share issues wholly or partly other than for cash.</p> <p>The pre-emption rights contained in the Companies Act and the Articles (whether to issue equity securities or rights to equity securities or sell them from treasury) are the subject of resolutions to be put before Shareholders in a general meeting to disapply them (i) up to the sum of £15,580.70 for the purposes of, or in connection with, the Placing, (ii) up to the sum of £659,671.11 for the purposes of, or in connection with, the Acquisition (including in respect of consideration payable for the Acquisition by issuing and allotting the Consideration Shares) and (iii) up to, in aggregate, an amount not exceeding 20 per cent. of the aggregate value of Ordinary Shares in issue as at the close of the first Business Day following Admission, for the purpose of or in connection with the restructuring or refinancing of any debt or other financial obligation relating to the Acquisition (whether assumed or entered into by the Company or owed or guaranteed by any company or entity acquired), and generally for such purposes as the Directors may think fit, including any arrangements in connection with any issue of equity securities as they deem necessary or expedient: (A) to deal with equity securities representing fractional entitlements and (B) to deal with legal or practical problems in the laws of any territory or the requirements of any regulatory body, provided that such authorities shall expiry by the first anniversary of Admission. Otherwise, Shareholders will have statutory pre-emption rights which will generally apply in respect of future share issues for cash.</p>
Relative seniority of the securities issued in the issuer's capital structure in the event of insolvency	<p>The Ordinary Shares rank <i>pari passu</i> with each other. There are Deferred Shares in issue which carry de minimis economic participation rights and do not carry the right to vote at meetings of the Company.</p> <p>On a winding-up of the Company, the balance of the assets available for distribution will, subject to any sanction required by the Companies Act, be divided amongst the members.</p> <p>On a winding-up or a return of capital, the paying of the nominal amount of capital paid up on the Deferred Shares and/or the £0.009998 Deferred Shares from assets available for distribution will only occur after paying the holders of the Ordinary Shares the nominal capital paid-up together with the sum of £100,000,000 on each Ordinary Share. The holders of Deferred Shares and/or the £0.009998 Deferred Shares are not entitled to any further right of participation in the assets of the Company.</p>
Restrictions on the free transferability of the securities	<p>The articles of association of the Company ("Articles") contain no restrictions on the free transferability of fully paid Ordinary Shares provided that the transfers are in favour of not more than four transferees, the transfers are in respect of only one class of share and the provisions in the Articles relating to registration of transfers have been complied with.</p>
Dividend policy	<p>The Directors and Proposed Directors believe that the Enlarged Group should seek principally to generate capital growth for its Shareholders but may recommend dividends at some future date, depending upon the generation of sustainable profits, if and when it becomes commercially prudent to do so, subject to having distributable reserves available for the purpose. There can be no assurance that the Company will declare and pay, or have the ability to declare and pay, any dividends in the future.</p>

SUB-SECTION C.2 – WHERE WILL THE SECURITIES BE TRADED?

Application has been made to the UK Listing Authority and the London Stock Exchange for all of the Ordinary Shares of the Company, issued and to be issued pursuant to the Acquisition and the Placing, to be admitted to the Official List (by way of a Standard Listing) under Chapter 14 of the Listing Rules and to trading on the London Stock Exchange's main market for listed securities (the "Admission"). It is expected that Admission will become effective following completion of the Acquisition and that unconditional dealings for normal settlement in the Ordinary Shares will become effective at 8.00 a.m. on the date of Completion (and, in any event, prior to 31 March 2020), whereupon an announcement will be made by the Company to a Regulatory Information Service. On Admission, the Ordinary Shares will be delisted from trading on AIM. The Ordinary Shares will not be listed on any other or on any other regulated market.

SUB-SECTION C.3 – WHAT ARE THE KEY RISKS THAT ARE SPECIFIC TO THE SECURITIES?

The listing of the Existing Ordinary Shares on AIM has been cancelled. Cancellation of the Company's shares reduces liquidity in the Ordinary Shares and may adversely affect the price at which a Shareholder can sell them.

Pursuant to AIM Rule 15, trading in the Company's Existing Ordinary Shares on AIM was suspended on 6 August 2019 and admission to trading of the Company's Existing Ordinary Shares on AIM has been automatically cancelled from 7.00 a.m. on 7 February 2020, in accordance with AIM Rule 41. Cancellation of the Company's Existing Ordinary Shares materially reduces liquidity in such Existing Ordinary Shares which may affect an Investor's ability to realise some or all of his or her investment and/or the price at which such Investor can effect such realisation.

SECTION D – KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND/OR THE ADMISSION TO TRADING ON A REGULATED MARKET

SUB-SECTION D.1 – UNDER WHICH CONDITIONS AND TIMETABLE CAN I INVEST IN THIS SECURITY?

General terms, conditions and expected timetable of the offer	<p>Under the Placing, the 331,604,091 Placing Shares have been conditionally subscribed for by the Placees, at the Placing Price of £0.006756p per Ordinary Share.</p> <p>The Placing is subject to the satisfaction of conditions which are customary for transactions of this type and which are contained in the Placing Agreement, including, <i>inter alia</i>, Admission. Conditional upon Admission becoming effective by 8.00 a.m. on or prior to 24 March 2020 (or such later date, not being later than 31 March 2020), each Placee who has applied for Ordinary Shares agrees to become a member of the Company and agrees to subscribe for those Ordinary Shares allocated to them at the Placing Price. To the fullest extent permitted by law, Placees will not be entitled to rescind their respective agreements at any time. Each Placee has undertaken to pay the Placing Price for the Placing Shares allocated to them in such manner as provided in the Placing Letter. In the event that Admission does not occur by 8.00 a.m. on or prior to 24 March 2020 (or such later date, not being later than 31 March 2020), Placees will receive a full return of monies subscribed.</p>
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Details of the admission to trading on a regulated market	<p>Application has been made to the UK Listing Authority and the London Stock Exchange for all of the Enlarged Share Capital of the Company, to be admitted to the Official List (by way of a Standard Listing) under Chapter 14 of the Listing Rules and to trading on the London Stock Exchange's main market for listed securities.</p> <p>It is expected that Admission will become effective following completion of the Acquisition and that unconditional dealings for normal settlement in the Ordinary Shares will become effective at 8.00 a.m. on the date of Completion (and, in any event, prior to 31 March 2020), whereupon an announcement will be made by the Company to a Regulatory Information Service. The Ordinary Shares will not be listed on any other regulated or on any other market.</p> <p>For further information, see sub-section C.2 above.</p>
Plan of distribution	<p>Placing Shares are only being offered to certain institutional, professional and other Investors in the United Kingdom and elsewhere outside the United States in offshore transactions, as defined in, and in reliance on, Regulation S.</p> <p>None of the Placing Shares may be offered for subscription, sale or purchase or be delivered, or be subscribed, sold or delivered, and this document and any other offering material in relation to the Placing Shares may not be circulated, in any jurisdiction where to do so would breach any securities laws or regulations of any such jurisdiction or give rise to an obligation to obtain any consent, approval or permission, or to make any application, filing or registration.</p>
Amount and percentage of immediate dilution resulting from the offer	<p>Upon completion of the Acquisition and the Placing, the issue of the Consideration Shares and the Placing Shares will result in the Existing Ordinary Shares being diluted so as to constitute approximately 0.31 per cent. of the Enlarged Share Capital.</p>
Estimate of the total expenses of the issue and/or offer, including estimated expenses charged to the investor by the issuer	<p>The total costs (including fees and commissions) (exclusive of VAT) payable by the Company in connection with the Acquisition, the Placing and Admission are estimated to amount to approximately £800,000.</p> <p>No expenses will be charged by the Company to any Investor in respect of the Placing and Admission.</p>

SUB-SECTION D.2 – WHY IS THIS PROSPECTUS BEING PRODUCED?

Reasons for the offer or for the admission to trading on a regulated market	<p>This document is being published to enable Admission to be achieved. Following completion of the Acquisition, the objective of the Company is expected to be to operate the Enlarged Group and the acquired business and implement an operating strategy with a view to generating value for its shareholders.</p> <p>The Directors and Proposed Directors believe that the Acquisition and Admission will:</p> <ul style="list-style-type: none"> ● provide the Enlarged Group with a supportive group of investors and the potential to access additional capital for growth; ● provide the Enlarged Group's existing and new shareholders with an attractive investment with the potential to create value; ● enhance the profile of the Enlarged Group in international markets; and ● assist in the incentivisation and retention of key management and employees.
Use and estimated net amount of the proceeds	<p>There are no proceeds relating to the Acquisition as no Consideration Shares will be issued for cash in connection with the Acquisition. The Company has conditionally raised gross proceeds of £2.24 million through the Placing, and estimated Net Proceeds of £1.44 million. The Placing is conditional on Admission having occurred by 31 March 2020.</p> <p>The Company's intention is to use the Net Proceeds of the Placing to fund the development and growth of the Supply@ME business.</p> <ol style="list-style-type: none"> 1. <i>aiming to be the best fintech inventory data monitoring business (£0.6m)</i>; this means investing in these technology streams: banking account integration, due diligence/onboarding digitization (trusted data environment, online simulators and external rating integration), ERP full integration (firstly SAP, IBM, Oracle and Microsoft), Internet of Things (smart cameras, RFID, other connected objects) integration for inventory off-site monitoring, remarketing digital workplace (e-marketplace where remarketer can monitor and place inventory purchase offers); 2. <i>developing a multi-channel funding strategy (£0.4m)</i>; this requires the setting up of marketing activities focused on these areas: <ul style="list-style-type: none"> o Companies – omni-customer strategy (edu-marketing initiatives, ERPs vendors partnerships, social activities, web/online simulators development); o Funders – diversifying the sources (securitisation notes continuous road shows, commercial banks partnerships, partnerships with digital platforms – e.g. CrossLend); 3. <i>creating a highly scalable global business (£0.3m)</i>: this implies the inception of internal projects focused on these areas: <ul style="list-style-type: none"> o operations: enhancement of a new level of "Group" internal governance functions directly into the Company (e.g. ICT Compliance, Risk Management); o legal framework: roll out of the current legal framework (currently in the Italian market) in order to serve new geographies. <p>for general corporate purposes, and the Company's ongoing costs and expenses (£0.14m)</p>
Most material conflicts of interest pertaining to the offer or the admission to trading	<p>On Admission, Eight Capital Partners will own 22,256,725 Ordinary Shares. Dominic White is the ultimate beneficial owner of IWEP Ltd., one of the shareholders of The AvantGarde Group, one of the Sellers of Supply@ME. At Completion, the Sellers will receive in aggregate 32,322,246,220 Consideration Shares.</p> <p>Epsilon has been engaged as the Company's placing agent in connection with the Placing, to procure placees for the Placing Shares. John Treacy, a director of the Company, is also a director of Epsilon. Epsilon is a wholly owned subsidiary of Eight Capital Partners Plc. Dominic White, a Proposed Director, is also a director of Eight Capital Partners Plc.</p> <p>It is also possible that the Directors and Proposed Directors may have time commitments to or financial interests in other businesses, which may be similar to the business of the Enlarged Group.</p>

RISK FACTORS

Any investment in the Company and the Ordinary Shares is speculative and carries a significant degree of risk, including risks in relation to the Company's business strategy, risks relating to its sector, risks relating to taxation and risks relating to the Ordinary Shares. Accordingly, Shareholders and Prospective Investors should carefully consider the factors and risks associated with any investment in the Ordinary Shares, the Company's and the Enlarged Group's business and the industry in which it operates, together with all other information contained in this document and all of the information incorporated by reference into this document, including, in particular, the risk factors described below, and their personal circumstances, prior to making any investment decision. Some of the following factors relate principally to the Company's and the Enlarged Group's business. Other factors relate principally to the Acquisition and an investment in the Ordinary Shares. The Company's business and the Enlarged Group's business, operating results, financial condition and prospects could be materially and adversely affected by any of the risks described below. In such case, the market price of the Ordinary Shares may decline and Investors may lose all or part of their investment.

Prospective Investors should note that the risks relating to the Company and the Enlarged Group, its industry and the Ordinary Shares summarised in the section of this document headed "Summary" are the risks that the Directors and the Proposed Directors of the Company as at the date of this document or, where the context so requires, the Directors and the Proposed Directors believe to be the most essential to an assessment by a Prospective Investor of whether to consider an investment in the Ordinary Shares. However, as the risks which the Company and the Enlarged Group face relate to events and depend on circumstances that may or may not occur in the future, prospective Investors should consider not only the information on the key risks summarised in the section of this document headed "Summary" but also, among other things, the risks and uncertainties described below.

The following is not an exhaustive list or explanation of all risks which Prospective Investors may face when making an investment in the Ordinary Shares and should be used as guidance only. Additional risks and uncertainties relating to the Company and the Enlarged Group that are not currently known to the Company, or that it currently deems immaterial, may individually or cumulatively also have a material adverse effect on the Company's and the Enlarged Group's business, prospects, operating results and financial position and, if any such risk or risks should occur, the price of the Ordinary Shares, the target rate of return, and/or the level of dividends or distributions (if any) received from the Ordinary Shares may decline and Investors could lose all or part of their investment. Prospective Investors should review this document carefully and in its entirety and consult with their professional advisers before acquiring any Ordinary Shares and should consider carefully whether an investment in the Ordinary Shares is suitable for them in the light of the information in this document and their personal circumstances.

RISKS ASSOCIATED WITH CANCELLATION AND ADMISSION

The listing of the Existing Ordinary Shares on AIM has been cancelled. Cancellation of the Company's shares reduces liquidity in the Ordinary Shares and may adversely affect the price at which a Shareholder can sell them.

Pursuant to AIM Rule 15, trading in the Company's Existing Ordinary Shares on AIM was suspended on 6 August 2019 and admission to trading of the Company's Existing Ordinary Shares on AIM has been automatically cancelled from 7.00 a.m. on 7 February 2020, in accordance with AIM Rule 41. Cancellation of the Company's Existing Ordinary Shares materially reduces liquidity in such Existing Ordinary Shares which may affect an Investor's ability to realise some or all of his or her investment and/or the price at which such Investor can effect such realisation.

RISKS RELATED TO THE TRANSACTION AND THE ISSUER'S FINANCIAL SITUATION

Although the Company has no current trading activities, the Consideration Shares and the Placing Shares will be issued at a premium to the net asset value of the Existing Ordinary Shares and there can be no guarantee that the Ordinary Shares will be valued on such premium following Admission.

The Consideration Shares are being issued on the basis of an independent professional valuation commissioned by the Board on behalf of the Company that ascribes to such Consideration Shares an issue price of £0.006945 per Consideration Share. The Placing Shares are being issued at the price of £0.006756 per Placing Share. The estimated net asset value post the Acquisition and the Placing will be approximately 0.69p per Ordinary Share. The premium to net asset value of the New Ordinary Shares places an intangible value on the strategy proposed by the Board and the human capital contained in the Board, as well as reflecting the costs incurred in the Acquisition, Placing and Admission. There can be no guarantee that the Ordinary Shares will be valued on the same basis used for the Acquisition and the Placing following Admission, and the price of the Ordinary Shares may fall.

There can be no guarantee that the Enlarged Group's cash resources will not diminish, resulting in a fall in the price of the Company's Ordinary Shares in the future.

The due diligence by the Company in connection with the Acquisition may not reveal all relevant considerations or liabilities of Supply@ME, which could have a material adverse effect on the Company's financial condition or results of operations.

The Company has conducted such due diligence as it deems reasonably practicable and appropriate based on the facts and circumstances applicable to the Acquisition. The objective of the due diligence process is to identify material issues which might affect the decision to proceed with the Acquisition or the consideration payable for the Acquisition. The Company has used information revealed during the due diligence process to formulate its business and operational planning for, and its valuation in respect of, the Acquisition. Whilst conducting due diligence and assessing the Acquisition, the Company has relied on publicly available information, information provided by Supply@ME and, in some circumstances, third party investigations. There can be no assurance that the due diligence undertaken with respect to the Acquisition has revealed all relevant facts that may be necessary to evaluate the Acquisition including the determination of the price the Company has agreed to pay for the Acquisition, or to formulate a business strategy. Furthermore, the information provided during due diligence may be incomplete, inadequate or inaccurate. As part of the due diligence process, the Company will also make subjective judgements regarding the results of operations, financial condition and prospects of the Acquisition. If the due diligence investigation fails to correctly identify material issues and liabilities that may be present in Supply@ME, or if the Company considers such material risks to be commercially acceptable relative to the opportunity, and the Company proceeds with the Acquisition, the Company may subsequently incur substantial impairment charges or other losses.

The Acquisition is subject to a number of conditions which may not be satisfied or waived.

Completion is subject to the satisfaction (or waiver, where applicable) of a number of conditions, including (i) the approval by Shareholders of the Acquisition, (ii) the Code Waiver to be granted by the Panel of the obligation that would otherwise arise for the Concert Party to make a general offer to Shareholders of the Company pursuant to Rule 9 as a result of the Transaction (the "**Code Waiver**"), (iii) the Acquisition Agreement becoming unconditional and not having been terminated in accordance with its terms prior to Admission, (iv) the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms prior to Admission, and (v) Admission. Although the Company and the Sellers have agreed to use reasonable efforts to satisfy each condition as promptly as practicable after signing the Acquisition Agreement, there is no assurance that these (or other) conditions will be satisfied (or waived, if applicable) either at or before 31 March 2020 (or such other date as the Company, Supply@ME. and the Sellers may agree in writing) (the "**Long Stop Date**"), in which case the Acquisition may not be completed. No assurance can be given that all necessary approvals, clearances or conditions will be obtained, satisfied or waived and that Completion will take place. In particular, the Acquisition Agreement and the Placing Agreement are inter-conditional. If the Placing does not proceed because the Placing Agreement does not become unconditional, the Acquisition will not proceed. If the Acquisition does not complete, the Company will nonetheless have incurred substantial costs (primarily due diligence, advisory and financing fees) in connection with the Acquisition. Failure to complete the Acquisition would therefore materially adversely affect the financial condition of the Company.

RISKS RELATED TO THE ISSUER'S BUSINESS ACTIVITIES AND INDUSTRY

Early-stage business

Supply@ME is still at an early stage of its development and has not generated material revenues from its operations to date. The generation of revenues is difficult to predict and there is no guarantee that the Enlarged Group will generate significant revenues in the foreseeable future.

There are a number of operational, strategic and financial risks associated with early stage companies. Supply@ME faces risks frequently encountered by smaller, growing companies seeking to bring new products and services to the market. There can be no assurance that the prospective agreements being discussed with potential funders will complete at the expected level or at all, which would materially and adversely affect Supply@ME's ability to provide its inventory monetisation service, or even if such funding were to be forthcoming, there can be no assurance that sufficient numbers of corporate customers would use the service to assure Supply@ME's growth or viability in the future.

If the Enlarged Group is unable to maintain or increase originations through its platform or if existing customers or funders do not continue to participate on its platform, its business, results of operations, financial condition or prospects will be adversely affected.

To grow its business, the Enlarged Group must increase originations through its platform by attracting and retaining new and existing trading and manufacturing companies who meet its working capital needs in the different territories where the Enlarged Group intends to operate, as well as new and existing funders interested in investing into Supply@ME's securitisation notes. The Enlarged Group's ability to attract new customers to its platform and facilitate renewals to existing companies depends on, among other things, its ability to provide attractive prices, to meet companies' satisfaction levels, having an effective marketing strategy, and the Enlarged Group's reputation and ability to maintain the security of its platform and the confidentiality of information provided by funders and companies. Customer demand also depends on factors that are beyond the Enlarged Group's control, including general macroeconomic conditions, the competitive and regulatory environment and technological developments, among other factors.

The Enlarged Group's operations are also reliant on sufficient investor funding. The Enlarged Group's ability to attract funders to its platform and secure sufficient funding from investors depends on, among other things, its ability to provide attractive investor returns, compliance with the terms and conditions of funding agreements with investors, effective maintenance and scaling of financial, risk management and compliance controls and procedures, the Enlarged Group's reputation and its ability to maintain the security of its platform and the confidentiality of information provided by investors. investor participation on the Enlarged Group's platform also depends on factors that are beyond the Enlarged Group's control, including demand for inventory financing, general macroeconomic conditions and the competitive and regulatory environment, among other factors.

To ensure investor funding availability throughout economic and business cycles, the Enlarged Group will seek to establish and facilitate diverse forms of funding, including, but not limited to, securitisation, investment funds and commercial banking channels. These investor funding plans are subject to risks and uncertainties, many of which are beyond the Enlarged Group's control. Failure by the Enlarged Group to attract and help establish similar capital markets arrangements in the future could adversely affect its ability to grow investor commitments.

Further, if negative events (default of the customers adversely impacting inventory monetisation deals at the due date) for any such capital markets arrangements increase significantly and challenges arise in attracting investor demand to invest or if reductions occur in the market capacity for asset based loans or the types of asset-backed securities issued by certain of the Enlarged Group's investors, there could be an increased risk to these funding plans. Should this occur, and in the event the Enlarged Group is unable to match customer demand with alternative funding sources, the Enlarged Group may be required to reduce the amount of deals it originates through its platform.

The Enlarged Group may also face risks arising from the relationship between customers and funder demand. If the Enlarged Group cannot match demand across its customers and funders over time, the Enlarged Group would be required to reduce the amount of deals originated, which would have an adverse effect on its business and results of operations. In particular, if there are insufficient investor commitments, customers may be unable to obtain investment capital for their inventory monetisation deals at competitive

rates or at all, and may stop using the Enlarged Group's platform for their working capital needs related to inventory. Similarly, funder demand may decline if the Enlarged Group is incapable of sourcing a steady supply of high-quality trading and manufacturing companies.

Any of these events could have a material adverse effect on the Enlarged Group's business, results of operations, financial condition or prospects.

The Enlarged Group may be unable to retain or hire appropriately skilled personnel required to support the operation of the Enlarged Group.

The Acquisition is a substantial transaction requiring the commitment of significant resources, both in the evaluation, structuring and execution phases as well as the operation of the Company post-Acquisition. Although the Company relies on external professional advisers where appropriate, there is a risk that the Company may require additional skilled personnel (including software and data engineers, data analysts, financial personnel, marketing professionals and legal and compliance professionals) both before and following the Acquisition. The Company will evaluate the skills required in connection with completing the Acquisition and operating the acquired business or businesses to identify areas where additional skills are required. The success of the Enlarged Group will be dependent on retaining, developing, motivating and communication with senior management, including the Proposed Directors, and personnel and as the business grows on recruiting appropriately skilled, competent people at all levels. The shortages in the availability of appropriately skilled personnel may have a negative effect on the Enlarged Group. The members of the Enlarged Group's management team are expected to contribute to its ability to obtain, generate and manage opportunities. If the Enlarged Group is not able successfully to attract, retain and motivate such personnel, it may not be able to maintain standards of service or continue to grow its businesses as anticipated. The loss of such personnel, or the inability to attract, retain, motivate and communicate with additional skilled employees required for their activities within an affordable cost base, could have an adverse effect on the Enlarged Group's business, financial conditions, results of operations and prospects.

The Enlarged Group's success and future growth depend significantly on its successful marketing efforts, increasing its brand awareness, and its ability to attract new funders and customers.

Supply@ME's current business model involves the substantial majority of its funders and customers being acquired via direct and indirect channels. The Enlarged Group's success and future growth therefore depend significantly on its marketing and sales efforts and its ability to attract new customers to the platform. The Enlarged Group intends to dedicate significant resources to its marketing efforts, particularly as it continues to grow and expand into new territories. The Enlarged Group's ability to attract funders and customers (trading and manufacturing companies) depends in large part on the success of these marketing efforts and the success of the marketing channels the Enlarged Group uses to promote its platform. Accordingly, the near future marketing strategy is expected to include the press, paid search, social media, display, online advertising, online simulators, search engine marketing, offline partnerships, radio and television advertising, targeted emails and traditional direct mail.

The Enlarged Group also proposes to continue using indirect or intermediary channels for funders and customers origination. If the Enlarged Group is unable to maintain these relationships or enter into new relationships with certain partners that the Enlarged Group may consider to be important for the business, the Enlarged Group's business, results of operations, financial condition and prospects could be adversely affected.

The supply chain financing market is competitive and evolving.

Although Supply@ME provides an alternative platform focused on inventory monetisation (the innovation is that, for customers the transaction is not, strictly speaking, a financing transaction), the Enlarged Group competes with lenders and lending platforms, as well as financial products, that attract borrowers, investors or both. With respect to borrowers, the Enlarged Group primarily competes with traditional financial institutions, such as banks, asset based lenders, online platforms and captive networks. With respect to investors, the Enlarged Group primarily competes with other investment vehicles and asset classes offered by a large number of financial and other institutions. These competitors may offer more attractive risk adjusted rates of return, better liquidity or otherwise have more favourable terms and conditions, which may reduce the amount of investor funding available to the Enlarged Group to satisfy customers' requests.

Unfavourable general economic conditions may have a negative impact on the results of operations, financial condition and prospects of a potential target business (geographies and industries).

The global financial markets have experienced continuing volatility. The country members of the Organisation for Economic Cooperation and Development (“OECD”) have continued to experience recession or negligible growth rates, which have had, and may continue to have, an adverse effect on consumer and business confidence. The resulting low consumer and business confidence has led to low levels of demand for many products across a wide variety of industries. Accordingly, the Company’s estimate of the results of operations, financial condition and prospects of the Acquisition will be uncertain and may be adversely impacted by unfavourable general global, regional and national macroeconomic conditions, in particular with reference to the geographical areas and industries where Supply@ME’s business may operate.

The Enlarged Group’s ability to meet its obligations under the notes issued as part of securitisation transactions will depend on multiple factors.

The ability of any special purpose vehicle that the Enlarged Group may establish to meet its obligations in respect of the notes to be issued as part of securitisation transactions will be dependent on the receipt by the issuer of (a) the collections (including, for the avoidance of any doubt, the relevant recoveries) made on its behalf by the servicer (and the sub-servicers) in respect of the various portfolios and (b) any other amounts required to be paid to the issuer by the various agents and counterparties of the issuer pursuant to the terms of the relevant transaction. The performance by such parties of their respective obligations under the relevant transaction documents is dependent on the solvency of each relevant party. Consequently, there is no assurance that there will be sufficient funds to enable the issuer to pay interest on the notes issued as part of the securitisation transactions or to repay such notes in full. Failure by the issuer to fulfil its obligations under the notes that will be issued as part of securitisation transactions may harm the financial condition and reputation of the Enlarged Group and affect the value of the Ordinary Shares.

LEGAL, REGULATORY AND TAX RISKS

The Enlarged Group will be subject to complex taxation in multiple jurisdictions, which often requires subjective interpretation and determinations. As a result, the Enlarged Group could be subject to additional tax risks attributable to previous assessment periods.

The Enlarged Group will be subject to many different forms of taxation, including but not limited to corporation tax, withholding tax, value added tax, property tax and social security and other payroll related taxes. Tax law and administration is complex and often requires subjective interpretation and determinations.

The Enlarged Group may have obligations to file tax returns and pay tax across several different jurisdictions. Although the Enlarged Group considers that it complies with all relevant obligations, there is a risk that it may inadvertently fail to comply with applicable laws and regulations in any jurisdiction in which it does business and/or the tax authorities may not agree with the determinations that are made by the Enlarged Group with respect to the application of tax law, leading to potentially lengthy and costly disputes and potentially resulting in the payment of substantial amounts for tax, interest and penalties. In addition, the innovative nature of Supply@ME’s transactions may pose the risk of uncertainty over their tax treatment, due to the lack of any precedents or any generally agreed position with the tax authorities.

Any of these risks could subject the Enlarged Group to additional or increased tax payments and in turn have a material adverse effect on its business, financial condition, results of operations and prospects.

Changes in tax law or the interpretation of tax law, or the expansion of the Enlarged Group’s business into jurisdictions with less favourable tax regimes, could increase the Enlarged Group’s effective tax rate and in turn adversely affect its business, results of operations, financial condition and prospects.

Changes in tax laws or the interpretation of those laws, including changes which restrict the utilisation or timing of utilisation of tax losses to shelter future taxable profits, could adversely affect the Enlarged Group’s effective tax rate and reduce the value of any tax assets recorded on its balance sheet, which in turn could reduce the Enlarged Group’s net cash flow and have a material adverse effect on its business, results of operations, financial condition and prospects. The Enlarged Group’s growth strategy may see acquisitions

or organic growth in new geographies and the source of profits across different jurisdictions may change over time towards jurisdictions with higher or lower tax rates, or with more or less favourable tax regimes for calculating the tax base. This in turn could increase or decrease the Enlarged Group's effective tax rate. Changes in the tax rate or tax base in any of the jurisdictions in which the Enlarged Group operates could further amplify the effect of the change in profit mix in terms of its effective tax rate.

Furthermore, tax authorities are likely to be more focused on areas such as transfer pricing and, as a result of the increasing exchange of information between tax authorities, more enquiries or challenges may arise. Most jurisdictions in which the Enlarged Group may operate have transfer pricing regulations that require tax liabilities to be computed on the basis that transactions involving associated companies are made on arm's length terms. If the tax authorities in any relevant jurisdiction do not regard such arrangements as being made on an arm's length basis or consider there to be insufficient documentation to support the Enlarged Group's transfer pricing methodology and successfully challenge those arrangements, the amount of tax payable, in respect of both current and previous years, may increase materially and penalties or interest may be payable. Any challenge to the Enlarged Group's transfer pricing arrangements or changes in transfer pricing regulations or methodology could have a material adverse effect on the Enlarged Group's business, results of operations, financial condition or prospects.

Uncertainties in the interpretation or application of, or changes in, IFRS standards could adversely affect the “derecognition treatment” for customers and accordingly reduce customers’ or funders’ participation on the platform.

Changes to the IFRS standards (with reference of the opportunity of the derecognition of the asset according to the innovative inventory monetisation framework provided by Stock Companies) may reduce the incentive for trading and manufacturing companies to use the service provided by the Enlarged Group and cause them to seek alternative sources of funding for their working capital needs, leading to reduced participation on the platform and a consequent reduction in deals originated through the platform. If inventory monetisation deals become relatively less attractive to businesses than under current and traditionally asset based loans as a consequence of adverse changes to the IFRS standards, this may adversely affect customer and funder appetite for the platform and have a material adverse effect on the Enlarged Group's business, results of operations, financial condition or prospects.

Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the notes to be issued by the Enlarged Group as part of its business strategy to carry out securitisation transactions.

In Europe, United States and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in a raft of measures for increased regulation, including, without limitation, the recast Capital Requirements Directive (Directive 2013/36/EU), Regulation 575/2013/CE, Directive 2009/138/EC, Commission Delegated Regulation (EU) Nop. 2015/35, Directive 2011/61/EC and Commission Delegated Regulation (EU) No. 231/2013, which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to certain investors in securitisation exposures and/or the incentives for certain investors to hold asset-backed securities and may thereby affect the liquidity of such securities and the willingness of investors to subscribe for relevant notes and bring finance within the Enlarged Group. Such regulatory initiatives may have an adverse impact on the regulatory capital charge to certain investors in securitisation exposures and/or the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities and the willingness of investors to subscribe relevant notes and bring finance within the Enlarged Group and this, in turn, may affect the value of the Ordinary Shares.

The ownership and use of intellectual property by the Enlarged Group may be challenged by third parties or otherwise disputed.

The Enlarged Group relies on intellectual property laws and third party non-disclosure agreements to protect its intellectual property rights. Despite precautions which may be taken by the Enlarged Group to protect its products, unauthorised parties may attempt to copy or obtain and use its products and the technology incorporated in them. Additionally, intellectual property required by the Enlarged Group to develop, market and sell its products, or the intellectual property belonging or licensed to the Enlarged Group may be challenged by third parties and may not be available to it indefinitely on an exclusive basis. In addition, third parties may independently discover the Enlarged Group's trade secrets or access proprietary information or systems and, in such cases, the Enlarged Group may not be able to rely on any intellectual property rights to prevent the use of such trade secrets, information or systems by such parties. Costly and time-

consuming litigation could be necessary to determine and enforce the scope of the Enlarged Group's proprietary rights and the outcome of such litigation could not be guaranteed. Failure to prevent the use of such secrets, information or systems by such third parties could materially adversely affect the Enlarged Group's competitive business position, financial condition and results of operations. Litigation or proceedings before governmental and administrative bodies may be necessary in the future to enforce intellectual property rights, to protect patent rights, trade secrets and domain names and to determine the validity and scope of the proprietary rights of others. Any litigation and adverse priority proceedings could result in substantial costs and diversion of resources and could substantially harm the business and operating results of the Enlarged Group.

Future regulatory measures could harm the Enlarged Group's blockchain platform by disrupting the operation of the Enlarged Group's services and damaging the Enlarged Group's reputation.

The blockchain platform and smart contracts developed by Supply@ME and used in the course of the Enlarged Group's business are being, or may be, overseen by the regulatory authorities of various jurisdictions. The Enlarged Group may receive queries, notices, warnings, requests or rulings from one or more regulatory authorities from time to time or may even be ordered to suspend or discontinue any action in connection with the provision of its services through its distributed ledger platform. The development, marketing, promotion or otherwise of the Enlarged Group may be affected, hindered or terminated as a result. Since regulatory policies could change from time to time, existing regulatory permissions on Supply@ME and/ or the Enlarged Group in any jurisdiction could be adversely amended or withdrawn. The smart contracts developed by Supply@ME and used in the Enlarged Group's business could be defined from time to time as contracts which create virtual commodities or digital assets and, in certain and unknown cases, could be prohibited from being traded or held in certain jurisdictions pursuant to local regulatory requirements.

INTERNAL CONTROL RISKS

If the scoring models and processes that the Enlarged Group uses contain errors or are otherwise ineffective, or if customer data is incorrect or becomes unavailable, the Enlarged Group's business may suffer.

The Enlarged Group's ability to attract customers and funders to, and build trust in, its platform is significantly dependent on its ability to effectively evaluate customers' "inventory risk" profiles. Supply@ME currently employs a comprehensive due diligence process to evaluate inventory monetisation deal applications, which involves automated processes as well as human input, assessment and analysis. This process is designed with multiple controls to avoid error, such as data quality checks, independent review of manual decisions and portfolio performance monitoring. Despite such controls, the approval process may be ineffective and may not accurately assess the actual inventory risk of a customer for various reasons, including as a result of:

- errors (whether human or otherwise) in constructing, interpreting or using the models and techniques used in the due diligence process;
- the use of inaccurate data (including as a result of human error in data input, inaccurate data received from external data vendors (e.g. credit bureaux and public registries) and fraudulent data input by customers);
- while the Enlarged Group seeks to cross-reference some of the information it receives from customers (and from other third-parties involved as the "remarketer") against publicly available information (e.g. from credit bureaux and public registries), it does not undertake a comprehensive verification of information, and any such verification may be inaccurate or incomplete. Additionally, it is possible that, following the date of any information received, a customer and/or remarketer may default on a pre-existing debt obligation, take on additional debt or sustain other adverse financial or life events, which, if known, might have resulted in the issue of a different inventory risk scoring or a decision not to deal, for example, with employees or third-party service providers;
- incorrect judgement and decisions by the Enlarged Group's employees or third-party service providers, which could impact performance and result in a breach of the Enlarged Group's representations, warranties under its funding agreements with investors; and
- errors in the IT systems supporting the Enlarged Group's processes.

If any of the Enlarged Group's scoring models and other analytical techniques are ineffective or contain errors, or if the data provided by customers or third parties is incorrect or out of date, or becomes more difficult to obtain or otherwise unavailable, the Enlarged Group's service pricing and approval process could be negatively affected, resulting in mispriced, incorrect approvals or denials of transactions, loss of investor confidence and damage to the Enlarged Group's reputation. Any of these events could result in increased losses and lower returns, and have a material adverse effect on the Enlarged Group's business, results of operations, financial condition or prospects.

Any failure of the Enlarged Group's current or future platforms, software and technology infrastructure could materially adversely affect its business, results of operations, financial condition or prospects.

Supply@ME has developed and continues to develop its own bespoke platform, software and technology infrastructure, and also utilises third-party products and service providers in connection with the provision, operation and maintenance of the Enlarged Group's platform, software and technology infrastructure, which are critical to the Enlarged Group's operations, customer service and reputation.

The Enlarged Group intends to develop a new single unified platform in cooperation with SIA S.p.A. that it intends to implement across all its markets. The Enlarged Group expects that the new platform will be implemented in Italy first, and be subsequently rolled out in the other geographic areas in which it will operate. The development and implementation of the existing platform involves significant risks and operational challenges, including difficulties in data migration, inability to timely or successfully complete the transition, challenges using or applying new technologies, cost overrun, dependence on key personnel, and reliance on technologies and products provided by third parties (in particular "SIChain"), among other risks.

Supply@ME currently relies on multiple third-party hosting providers for its technical infrastructure. These third parties provide varying levels of service, disaster recovery, security and scalability. The Enlarged Group's business is also dependent on a limited group of third-party suppliers and service providers for technology-related products and services that are essential to its business. If the Enlarged Group encounters a cessation, interruption or delay in the supply of products or services purchased from such third-party suppliers and service providers, or if such products or services are not of sufficient quality, the Enlarged Group may be unable to obtain such products or services through other sources on commercially acceptable terms or within a reasonable amount of time.

The Enlarged Group's current or future platforms, software and technology infrastructure may be subject to certain defects, failures or interruptions, including those caused by computer "worms", viruses, power failures, third party error, the Enlarged Group's error, natural disasters or security breaches, whether accidental or wilful. Any failure in the systems and technology developed, maintained or used by the Enlarged Group cause damage to customers, adversely impact the Enlarged Group's operational effectiveness, delay introductions of new features or enhancements, result in errors, compromise the Enlarged Group's intellectual property and/or expose the Enlarged Group to cybersecurity risks, among other things. In addition, certain operations interface with, or depend on, systems and technology operated by third parties that are outside the control of the Enlarged Group, and the Enlarged Group may not be in a position to verify the risks or reliability of such third-party systems.

The implementation of upgrades and changes to the Enlarged Group's platform, product features, software and technology requires significant investments. The Enlarged Group's results of operations may be affected by the timing, effectiveness and costs associated with the successful implementation of any upgrades or changes to such systems and infrastructure.

Furthermore, although the Enlarged Group intends to monitor the performance of such systems and technology continually and will define processes in place to respond to disruptions, there can be no assurance that issues will not arise or that the Enlarged Group's processes will timely or effectively address any such disruption.

Any of these risks could have a material adverse effect on the Enlarged Group's business, results of operations, financial condition or prospects.

Misconduct and errors by employees and third parties could harm the Enlarged Group's business and reputation.

The Enlarged Group's business depends on its employees and third-party service providers to process a large number of increasingly complex transactions, including payment processing transactions that involve significant amounts. The Enlarged Group is subject to the risk of errors and fraudulent activity associated with its platform, employees, contractors, third-party origination partners, customers, funders and third-party service providers that handle customer and funder information. While the Enlarged Group intends to maintain and regularly review internal controls over financial reporting, risk elevation and corporate compliance, such internal controls have inherent limitations. In particular, certain of the Enlarged Group's internal controls over financial reporting, risk elevation and corporate compliance involve manual input and human diligence and compliance, which increases the potential for misconduct or errors, and could in turn negatively impact the Enlarged Group's ability to assess and manage risk.

The Enlarged Group could be materially adversely affected if it were subject to fraudulent customer applications, customers were not appropriately identified, payments were redirected or misappropriated (or transactions were otherwise improperly executed), personal and business information were disclosed to unintended recipients or otherwise used for illegal activities, or an operational breakdown or failure in the processing of other transactions occurred, whether as a result of human error, sabotage or fraudulent manipulation of the Enlarged Group's operations or systems, or otherwise.

If employees, third-party service providers or other third parties take, convert or misuse funds, documents, data or intellectual property (including source code, credit models, historical credit data and employee records or other valuable intellectual property), or if the Enlarged Group's employees or third-party service providers fail to adhere to relevant applicable protocols when interacting with customers and funders, the Enlarged Group could be liable for damages and subject to regulatory actions and penalties. The Enlarged Group could also be perceived to have facilitated or participated in illegal misappropriation of funds, documents or data, or the failure to adhere to protocols, and therefore be subject to civil or criminal liability.

It is not always possible to identify and deter misconduct or errors by prospective customers or funders, employees or third-party service providers, and the precautions the Enlarged Group takes to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses. Any of these occurrences could result in the Enlarged Group diminished ability to operate its business, potential liability to existing customers and funders, inability to attracting future customers and funders, reputational damage, regulatory intervention and financial harm, any of which could materially adversely affect the Enlarged Group's business, results of operations, financial condition or prospects.

The Enlarged Group's ability to protect the confidential information of its customers and funders may be adversely affected by cyber-attacks, computer viruses, physical or electronic break-ins or similar disruptions or faults with its systems.

The Enlarged Group's platform processes certain non-public information (including personal data) from customers and funders. Due to the sensitive nature of this information, it is imperative that the Enlarged Group complies with applicable laws and regulations governing the security of non-public information and employs best practices in dealing with such information. Accordingly the Enlarged Group's platform may still be vulnerable to operational, information security and related risks resulting from failures of, or security breaches to, the Enlarged Group's cybersecurity measures. A failure of or breach to the Enlarged Group's cybersecurity measures, whether as a result of deliberate cyber-attacks or unintentional events, may cause the Enlarged Group to lose proprietary information or customers' and funders' personal data, and suffer data loss and/or corruption. Any of these events could result in financial losses, impediments to trading, violations of applicable data protection and privacy and other laws, civil claims, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs.

Cyber incidents could also cause disruption and affect business operations, which could have a material adverse effect on the Enlarged Group's business, results of operations, financial condition or prospects. In addition, substantial costs may be incurred in order to prevent any cyber incidents in the future.

Although the Enlarged Group intends to establish business continuity plans and strategies, there are inherent limitations in such plans, strategies, systems, policies and procedures including the possibility that certain risks have not been identified or that new cybersecurity threats emerge. Since techniques used to sabotage or obtain unauthorised access to systems change frequently and generally are not recognised until they are launched against a target, the Enlarged Group and its third party service providers may be unable to anticipate these techniques or implement adequate preventative measures.

If the Enlarged Group is unable or is perceived to be unable to protect confidential information of its customers and/or funders, it could suffer reputational damage and experience a loss of customers, funders and third-party origination partners, any of which could have a material adverse effect on the Enlarged Group's business, results of operations, financial condition or prospects.

Counterparty risk on the servicer and the other parties to the transaction documents in relation to the securitisation transactions may harm the Enlarged Group.

The ability of any special purpose vehicle that the Enlarged Group may establish to make payments in respect of the notes to be issued as part of securitisation transactions will depend to a significant extent upon the due performance by the servicer and the other parties to the transaction documents of their respective obligations under the transaction documents to which they are a party. In particular, the timely payment of amounts due on the notes will depend on the ability of the servicer to service the portfolio and to recover relevant amounts. The performance by such parties of their respective obligations under the relevant transaction documents may be influenced by the solvency of each relevant party. In order to mitigate the servicing risk in respect of the portfolio, Supply@ME is intended to be appointed by the issuer as sub-servicer. However, it is not certain that Supply@ME will be able to replace at once the servicer in the performance of its duties under the servicing agreement.

GOVERNANCE RISKS

Negative publicity could adversely affect the Enlarged Group's brand, business, results of operations, financial condition or prospects.

The strength of the Enlarged Group's brand and reputation, as well as the status of the inventory financing industry generally, may affect the Enlarged Group's competitive position. Bad publicity about the inventory financing industry or the Enlarged Group could adversely affect the Enlarged Group's reputation, which could reduce the attractiveness of the Enlarged Group's platform to customers, funders or both. Even if inaccurate, negative publicity could arise in relation to: the inventory financing industry generally (whether due to regulatory intervention, heightened scrutiny, or otherwise); the quality and reliability of the Enlarged Group's platform; effectiveness of the inventory risk scoring models and risk management framework used in its platform; its pricing practices; changes to its platform; the experience of customers and funders with its platform or services; the Enlarged Group's ability to effectively manage and resolve customer and funder complaints; privacy and security practices; litigation, regulatory activity and the quality and reputation of its customers, funders, referral partners, brokers and corporate partners providing ancillary services to the Enlarged Group. The Enlarged Group's reputation could also be damaged as a result of employee misconduct or error, or misconduct or error by the Enlarged Group's partners, outsourced service providers or other counterparties. Furthermore, the Enlarged Group could be subject to additional scrutiny by the media, regulators and others, due to the generally heightened attention associated with funders.

Given the nature of the inventory financing industry and the potentially differing interests of the various stakeholders, including funders, customers, third-party service providers, as well as the Enlarged Group, actual or perceived conflicts of interest may arise.

While the Enlarged Group intends to put in place a conflicts of interest policy aimed at ensuring that funders and customers are always treated fairly, there are inherent limitations in such policies, including the possibility that certain risks have not been identified or that such policies are not adhered to. Actual or perceived conflicts of interest involving the Enlarged Group, funders, customers or third-party service providers could harm the Enlarged Group's reputation.

Failure by the Enlarged Group to plan, execute and manage any geographical expansion properly could harm its business.

Supply@ME was founded in Italy in 2017 and, from 2020, the Enlarged Group expects to begin expanding its operations globally. Managing any geographical expansion requires additional resources and controls, and subjects the Enlarged Group's business to risks associated with international operations, including:

- the need to support and integrate with local third-party service providers;

- competition with service providers which have greater experience in the local markets than the Enlarged Group does, or which have pre-existing relationships with potential customers and funders in such markets;
- increased demands on management and difficulties in managing foreign operations in an environment of diverse laws, market dynamics and customer preferences;
- increased travel, infrastructure and legal and compliance costs associated with international operations;
- difficulties in attracting and retaining skilled employees;
- difficulties in obtaining the appropriate regulatory and governmental approvals and licences;
- compliance with multiple, potentially conflicting and changing governmental laws and regulations, including financial services, employment, privacy and data protection laws and regulations;
- compliance with potentially conflicting and changing tax laws, the complexity and adverse consequences of such tax laws and potentially adverse tax consequences due to changes in such tax laws;
- diversion of management's attention from the management of daily operations; and
- regional economic and political conditions.

Prior to expanding into new territories, the Enlarged Group intends to prepare detailed investment plans aimed at forecasting investment returns. Such models will rely on certain market information and assumptions, such as macroeconomic assumptions about the market, economic growth forecasts, pricing and competition in determining a given investment's timing, cost and expected profitability for the Enlarged Group. If conditions deviate from the assumptions underlying these models, whether as a result of difficulties in establishing familiarity with local markets, inaccurate assumptions, errors or otherwise, the Enlarged Group may be unable to perform the projected growth rates and it could suffer additional losses. Such risk may be particularly acute as a result of the evolving regulatory and legislative environment surrounding the inventory industry.

The Directors and/or the Proposed Directors may enter into related party transactions with the Enlarged Group, which may give rise to conflicts of interest between the Enlarged Group and the Directors and/or Proposed Directors.

The Directors and Proposed Directors and one or more of their affiliates may enter into agreements with or in relation to the Enlarged Group, in particular with reference to the information and communication technology services provided by The AvantGarde Group S.p.A. (the current main shareholder of Supply@ME). It is possible that the entering into of such agreements might raise conflicts of interest between the Enlarged Group and the Directors and/or the Proposed Directors. Although, in accordance with the Articles, a director of the Company may not vote on any proposal in which they have a material interest, a transaction with a related party might, following Admission, have an adverse effect on terms less favourable to the Enlarged Group than would otherwise be the case, which could impact on the results of operations, financial condition and prospects of the same Enlarged Group.

RISKS ASSOCIATED WITH THE ECONOMIC CONTEXT AND CONSEQUENCES OF THE UNITED KINGDOM'S EXIT FROM THE EUROPEAN UNION

Following the British government's decision to invoke Article 50 on 29 March 2017 (and consequent changes to the exit date), the UK left the European Union on 31 January 2020.

At this stage, the nature of the future relationship between the UK and the remaining European Union countries following Brexit has yet to be agreed and negotiations with the European Union on the terms of Brexit have demonstrated the difficulties that exist in reaching such an agreement. Depending on the terms of the negotiations, the UK could also lose access to the single European Union market and to the global trade deals negotiated by the European Union on behalf of its members. Such a decline in trade could affect the attractiveness of the UK as a global investment centre and, as a result, could have a detrimental impact on economic growth in the country. Furthermore, regardless of the form of any withdrawal agreement, there are likely to be changes in the legal rights and obligations of commercial parties across all industries following Brexit, and British regulatory requirements once outside the European Union could be subject to significant change.

Although the Enlarged Group will not operate exclusively in Britain and, accordingly, the Enlarged Group's success could be offset by general economic developments in other geographies, negative developments in, or the general weakness of, the British economy may negatively affect the financial conditions of the Enlarged Group.

CONSEQUENCES OF A STANDARD LISTING

An application has been made for the Enlarged Share Capital to be admitted to the standard listing segment ("**Standard Listing**") of the Official List and to trading on the Main Market of the London Stock Exchange pursuant to Chapter 14 of the Listing Rules, which sets out the requirements for Standard Listings. The Company intends to comply with the Listing Principles set out in Chapter 7 of the Listing Rules at Listing Rule 7.2.1 which apply to all companies with their securities admitted to the Official List. A Standard Listing affords Shareholders and Investors in the Company a lower level of regulatory protection than that afforded to investors in companies whose securities are admitted to the premium segment of the Official List, which are subject to additional obligations under the Listing Rules.

Listing Rule 14.3 sets out the continuing obligations applicable to companies with a Standard Listing and requires that such companies' listed equity shares must be admitted to trading on a regulated market at all times. Such companies must have at least 25 per cent. of the shares of any listed class in public hands in one or more Member States at all times and the FCA must be notified as soon as possible if these holdings fall below that level.

The continuing obligations under Chapter of the Listing Rules 14 also include requirements as to:

- the forwarding of circulars and other documentation to the National Storage Mechanism and related notification to a RIS;
- the provision of contact details of appropriate persons nominated to act as a first point of contact with the FCA in relation to compliance with the Listing Rules and the Disclosure Guidance and Transparency Rules;
- the form and content of temporary and definitive documents of title;
- the appointment of a registrar;
- notifying an RIS in relation to changes to equity and debt capital; and
- compliance with, in particular, Chapters 4, 5 and 6 of the Disclosure Guidance and Transparency Rules.

The Enlarged Group will be subject to the Market Abuse Regulation (the Company being so subject at present).

As a company with a Standard Listing, the Company will, following Admission, not be required to comply with, *inter alia*, the provisions of Chapters 6 to 13 of the Listing Rules (except for Listing Principles 1 and 2 as set out in Chapter 7 of the Listing Rules, as required by the FCA), which set out more onerous requirements for issuers with a Premium Listing of equity securities. These include provisions relating to certain listing principles, the requirement to appoint a sponsor, various continuing obligations, significant transactions, related party transactions, dealings in own securities and treasury shares and contents of circulars.

The Company will comply with Chapter 5 of the Listing Rules (Suspending, cancelling and restoring listing).

While the Company has a Standard Listing, it is not required to comply with the provisions of, among other things:

- Chapter 6 of the Listing Rules containing additional requirements for the listing of equity securities, which is only applicable to companies with a Premium Listing.
- Chapter 8 of the Listing Rules regarding the appointment of a listing sponsor to guide the Company in understanding and meeting its responsibilities under the Listing Rules in connection with certain

matters. The Company has not appointed and does not intend to appoint such a sponsor in connection with the Acquisition and the Placing and Admission.

- Chapter 9 of the Listing Rules regarding continuous obligations for a company with a Premium Listing.
- Chapter 10 of the Listing Rules relating to significant transactions. It should be noted that the Company will only seek Shareholder consent for any further acquisition if required to do so by the Companies Act or the Takeover Code.
- Chapter 11 of the Listing Rules regarding related party transactions. It should be noted therefore that related party transactions will not require Shareholder consent to be sought.
- Chapter 12 of the Listing Rules regarding purchases by the Company of its Ordinary Shares. However, Shareholder authority is required in order for a company to buy back its shares under the Companies Act.
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.

The Company is not currently eligible for a Premium Listing under Chapter 6 of the Listing Rules and does not currently intend to seek to transfer to either a Premium Listing or other listing venue.

It should be noted that the FCA will not have the authority to (and will not) monitor the Company's compliance with any of the Listing Rules which the Company may intend to comply with on a voluntary basis and/or any provision of the Company's share dealing code, nor to impose sanctions in respect of any failure by the Company to so comply. However the FCA would be able to impose sanctions for non-compliance where the statements regarding compliance in this document are themselves misleading, false or deceptive.

IMPORTANT INFORMATION

In deciding whether or not to invest in Placing Shares, Prospective Investors should rely only on the information contained in this document. No person has been authorised to give any information or make any representations other than as contained in this document and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Directors, the Proposed Director or Epsilon. Without prejudice to the Company's obligations under FSMA, the Market Abuse Regulation, the Prospectus Regulation Rules, the Listing Rules and the Disclosure Guidance and Transparency Rules, neither the delivery of this document nor any subscription made under this document 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 contained herein is correct as at any time after its date.

Prospective Investors must not treat the contents of this document or any subsequent communications from the Company or Epsilon or any of their respective affiliates, officers, directors, employees or agents as advice relating to legal, financial, taxation, accounting, regulatory, investment or any other matter.

Neither Epsilon nor any person acting on its behalf makes any representations or warranties, express or implied, with respect to the completeness, accuracy or verification of this document nor does any such person authorise the contents of this document. No such person accepts any responsibility or liability whatsoever for the contents of this document or for any other statement made or purported to be made by it or on its behalf in connection with the Company, the Ordinary Shares, the Acquisition, the Placing, or Admission. Epsilon accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this document or any such statement. Neither Epsilon nor any person acting on its behalf accepts any responsibility or obligation to update, review or revise the information in this document or to publish or distribute any information which comes to its or their attention after the date of this document, and the distribution of this document shall not constitute a representation by Epsilon or any such person that this document will be updated, reviewed or revised or that any such information will be published or distributed after the date hereof. However, nothing in this paragraph excludes or limits any responsibility which Epsilon may have under FSMA or the regulatory regime established thereunder, or which, by law or regulation, cannot otherwise be limited or excluded.

Epsilon and any affiliate thereof acting as a Prospective Investor for its or their own account(s) may subscribe for, retain, purchase or sell Ordinary Shares for its or their own account(s) and may offer or sell such securities otherwise than in connection with the Placing. Epsilon does not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any applicable legal or regulatory requirements.

This document is being furnished by the Company in connection with an offering exempt from registration under the US Securities Act solely to enable a prospective Investor to consider the subscription of Ordinary Shares. Any reproduction or distribution of this document, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the Ordinary Shares offered hereby is prohibited. Each offeree of the Ordinary Shares, by accepting delivery of this document, agrees to the foregoing.

This document does not constitute, and may not be used for the purposes of, an offer to sell or an invitation or the solicitation of an offer to subscribe for or buy, any Ordinary Shares by any person in any jurisdiction: (i) in which such offer or invitation is not authorised, (ii) in which the person making such offer or invitation is not qualified to do so, or (iii) in which, or to any person to whom, it is unlawful to make such offer, solicitation or invitation. The distribution of this document and the offering of the Ordinary Shares in certain jurisdictions may be restricted. Accordingly, persons outside the UK into whose possession this document comes are required by the Company and Epsilon to inform themselves about and to observe any restrictions as to the offer or sale of Ordinary Shares and the distribution of this document under the laws and regulations of any territory in connection with any applications for Placing Shares, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such territory. No action has been taken or will be taken in any jurisdiction by the Company or Epsilon that would permit a public offering of the Ordinary Shares in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this document other than in any jurisdiction where action for that purpose is required. Neither the Company nor Epsilon accepts any responsibility for any violation of any of these restrictions by any other person.

The Ordinary Shares have not been nor will be registered under the US Securities Act, or under any relevant securities laws of any state or other jurisdiction in the US, or under the applicable securities laws of Australia, Canada, the Republic of South Africa or Japan. Subject to certain exceptions, the Ordinary Shares may not be taken up, offered, sold, resold, reoffered, pledged, transferred, distributed or delivered directly or indirectly, within, into or in the US, Australia, Canada, the Republic of South Africa or Japan or to any national, resident or citizen of the US, Australia, Canada, the Republic of South Africa or Japan.

The Ordinary Shares have not been approved or disapproved by the SEC, any federal or state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Ordinary Shares or confirmed the accuracy or determined the adequacy of the information contained in this document. Any representation to the contrary is a criminal offence in the United States.

Selling and transfer restrictions

Prospective Investors should consider (to the extent relevant to them) the notices to residents of various countries set out in Part III of this document.

Presentation of financial information

Capitalisation and indebtedness information for the Company and Supply@ME in this document and other financial information, unless otherwise stated, has been extracted without material adjustment from (i) the Company's annual report and accounts for the years ended 31 March 2019, 31 March 2018 and 31 March 2017 and (ii) the historical financial information of Supply@ME as at 30 September 2018, 31 December 2018 and 30 September 2019 contained in Part V(D) and V(E) ("*Financial Information of Supply@ME*"), respectively. Where information has been extracted from the audited financial statements of the Company or the historical financial information of Supply@ME, as the case may be, the information is audited unless otherwise stated.

Unless otherwise indicated, financial information for the Company in this document and the information incorporated by reference into this document is presented in pounds sterling. Unless otherwise indicated, financial information for Supply@ME in this document and the information incorporated by reference into this document is presented in Euro. Both financial information for the Company and Supply@ME has been prepared in accordance with IASB IFRS.

For accounting purposes, it is expected that Supply@ME will be consolidated into the Company's IFRS financial statements in the year ending 31 March 2020. A fair value exercise in respect of Supply@ME's assets and liabilities will be conducted following Completion, resulting in Supply@ME's assets and liabilities being included at fair value on the date of the Acquisition in the Enlarged Group's statement of financial position. Intangible assets will be expected to arise from the Acquisition and may include goodwill, acquired value of in-force business, and other intangibles.

Proforma financial information

In this document, any reference to "unaudited proforma information" is to information which has been extracted without material adjustment from the unaudited proforma IFRS income statement and unaudited proforma statement of IFRS net assets of the Enlarged Group (together, the "**Unaudited ProForma IFRS Financial Information**") contained in Part V(G) ("*Unaudited proforma statement of the net assets and income statement of the Enlarged Group*") of this document.

The Unaudited ProForma IFRS Financial Information contained in Part V(G) ("*Unaudited proforma statement of the net assets and income statement of the Enlarged Group*") of this document have been prepared for illustrative purposes only in accordance with Annex 20 of Commission Delegated Regulation (EU) No. 2019/980 (namely, the Prospectus Regulation Rules) and on the basis of the notes set out therein. The unaudited proforma IFRS income statement has been prepared to illustrate the effect on the earnings of the Company as if the proposed Acquisition and the Placing had taken place on 1 April 2018. The unaudited proforma statement of IFRS net assets has been prepared to illustrate the effect on the net assets of the Company as if the proposed Acquisition and the Placing had taken place on 31 March 2019. The Unaudited ProForma IFRS Financial Information has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and does not, therefore, represent the Company's or the Enlarged Group's actual financial position or results. The Unaudited ProForma IFRS Financial Information is stated on

the basis of the accounting policies adopted by the Company in preparing its consolidated financial statements for the year ended 31 December 2018.

No profit forecast

No statement in this document is intended as a profit forecast and no statement in this document should be interpreted to mean that earnings per Ordinary Share for the current or future financial years would necessarily match or exceed the historical published earnings per Existing Ordinary Share.

Data Protection

The following information is provided to Prospective Investors in accordance with Article 13 and Article 14 of the EU Regulation 2106/679 (General Data Protection Regulation) (the “**GDPR**”). For the purposes of this section, an Investor is deemed to include the legal or natural person making the investment in the Company and any beneficial owner.

1. The Company is the controller of any personal data that may be supplied by Investors, and its contact details can be found on page 70 of this document.
2. Investors will be asked to provide information to the Company, including personal data, as part of their applications for Placing Shares. If an Investor does not provide all of the information requested, the Company will not be able to process the application and the Investor will not receive any Placing Shares.
3. The personal data provided by Investors will be processed for the following purposes:
 - 3.1 processing the Investor’s application for Placing Shares, collecting funds and communications regarding the Placing;
 - 3.2 verifying the identity of the Investor to comply with statutory and regulatory requirements including but not limited to in relation to anti-money laundering procedures;
 - 3.3 meeting the legal, regulatory, reporting and/or financial obligations of the Company in the United Kingdom or elsewhere;
 - 3.4 administering the Company’s shareholder records, including sending notices and information about the Company to its shareholders;
 - 3.5 administering the payment of dividends and any tax liabilities that may arise from the same; and
 - 3.6 disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company.
4. The legal basis on which such personal data is provided is:
 - 4.1 processing is necessary for the performance of a contract to which the Investor is party or in order to take steps at the request of the Investor prior to entering into a contract (in each case the contract concerned being the contract to subscribe for shares in the Company); and/or
 - 4.2 processing is necessary for compliance with legal obligations to which the Company is subject, particularly those set out in paragraphs 3.2 and 3.3 above; and/or
 - 4.3 the processing is necessary for the purposes of the legitimate interests pursued by the Company, namely the issue of shares and the effective administration of its shareholder records.
5. The Company may provide personal data regarding Investors to third parties in the following circumstances:
 - 5.1 it will be required to disclose information about Investors to government and regulatory and tax authorities in order to comply with applicable law;
 - 5.2 it may delegate certain administrative functions to third parties including its brokers, share registrars, solicitors and accountants and, to enable such parties to perform their functions, it may be necessary for the Company to disclose Investor information for that purpose; and
 - 5.3 it may also need to disclose information about its shareholders to potential lenders or potential purchasers of the share capital of the Company.

6. In some cases, the disclosure of information in accordance with paragraph 5 will necessitate the transfer of personal data about the Investor outside of the EEA to countries or territories which do not offer the same level of protection for the rights or freedoms of Prospective Investors as the United Kingdom. The Company will take steps to ensure that any such transfer complies with Chapter V of the GDPR.
7. If the Company (or any third party, functionary or agent appointed by the Company) discloses personal data to a third party, agent or functionary and/or makes such a transfer of personal data it will, where required by law, ensure that any third party, agent or functionary to whom the relevant personal data is disclosed or transferred is obliged to provide an adequate level of protection in respect of such personal data.
8. The processing of the Investor's personal data will not be subject to automated decision-making by the Company, including profiling, which has any legal or significant effect on him or her.
9. Personal data provided by Investors will be retained as follows:
 - 9.1 if the Investor's application is unsuccessful and it is not issued shares, any personal data regarding the Investor will be deleted by the Company and its providers in accordance with any data retention policies; or
 - 9.2 if the Investor's application is successful and shares are issued to him or her by the Company, the Company will retain the name and contact details of the Investor for as long as it is obliged to maintain records of its Shareholders under law, and any other details will be deleted in accordance with data retention policies, after the Investor ceases to be a shareholder.
10. An Investor has the right, in relation to his or her personal data held by the Company, to:
 - 10.1 request access to such personal data;
 - 10.2 require the Company to rectify any inaccurate personal data;
 - 10.3 in some cases, to require the Company to:
 - 10.3.1 restrict processing the personal data;
 - 10.3.2 erase the personal data; and/or
 - 10.3.3 transfer the personal data to another controller; and/or
 - 10.4 lodge a complaint with the supervisory authority, being the Information Commissioner's Office.
11. Investors are responsible for informing any third party individual to whom the personal data relates (including but not limited to any beneficial owner) of the disclosure and use of such data in accordance with these provisions.

Investment Considerations

In making an investment decision, Prospective Investors must rely on their own examination of the Company, this document and the terms of the Acquisition and the Placing, including the merits and risks involved. The contents of this document are not to be construed as advice relating to legal, financial, taxation, accounting, regulatory, investment or any other matter. Prospective Investors should inform themselves as to:

- the legal requirements within their own countries for the subscription, purchase, holding, transfer or other disposal of the Ordinary Shares;
- any foreign exchange restrictions applicable to the subscription, purchase, holding, transfer or other disposal of the Ordinary Shares which they might encounter; and
- the income and other tax consequences which may apply in their own countries as a result of the subscription, purchase, holding, transfer or other disposal of the Ordinary Shares.

Prospective Investors must rely upon their own representatives, including their own legal and financial advisers and accountants, as to legal, tax, financial, investment or any other related matters concerning the Company and an investment therein.

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 should be read in its 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 Articles, which Prospective Investors should review. A summary of the principal terms of the Articles is contained in paragraph 5 of Part VII.

Forward-looking Statements

This document includes 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", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs or current expectations of the Company and the Directors and Proposed Directors concerning, among other things: (i) the Enlarged Group's objectives, acquisition and financing strategies, returns of capital, results of operations, financial condition, capital resources, prospects, capital appreciation of the Ordinary Shares and dividends, (ii) future deal flow and implementation of active management strategies, and (iii) trends in the sectors in which the Enlarged Group may elect to operate. 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 Enlarged Group's actual performance, results of operations, internal rate of return, financial condition, distributions to Shareholders and the development of its financing strategies may differ materially from the impression created by the forward-looking statements contained in this document. In addition, even if the Enlarged Group's actual performance, results of operations, internal rate of return, financial condition, distributions to Shareholders and the development of its financing strategies are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to:

- the Enlarged Group's ability to source and close any further acquisitions and to propose effective growth strategies for any company, business or assets the Enlarged Group acquires;
- changes in economic conditions generally;
- changes in interest rates and currency fluctuations, as well as the success of the Enlarged Group's hedging strategies in relation to such changes and fluctuations (if such strategies are in fact used);
- legislative and/or regulatory changes, including changes in taxation regimes; and
- the availability and cost of equity or debt capital to finance or part finance the development of the Enlarged Group and any further acquisition.

Prospective Investors should carefully review the "Risk Factors" section of this document for a discussion of additional factors that could cause the Enlarged Group's actual results to differ materially, before making an investment decision.

Forward-looking statements contained in this document apply only as at the date of this document. Subject to any obligations under FSMA, the Listing Rules, the Disclosure Guidance and Transparency Rules, the Prospectus Regulation Rules and the Market Abuse Regulation, 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. None of these caveats in relation to forward-looking statements are intended in any way to qualify the statement regarding the sufficiency of the Enlarged Group's working capital contained in Part VIII.

Rounding

Percentages and certain amounts in this document, including financial, statistical and operating information, have been rounded. As a result, the figures shown as totals may not be the precise sum of the figures that precede them. Percentages in tables have been rounded and accordingly may not add up to 100 per cent.

Market data

Where information contained in this document has been sourced from a third party, the Company, the Directors and the Proposed 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.

Currency Presentation

Unless otherwise indicated, all references in this document to “sterling”, “£” or “p” are to the lawful currency of the UK; all references to “\$”, “US\$” or “US dollars” are to the lawful currency of the United States; and all references to “Euro”, “€” or “euro” are to the lawful currency of the Euro zone countries.

Unless otherwise indicated, the financial information contained in this document regarding the Enlarged Group has been expressed in pounds sterling. Transactions not already measured in pounds sterling have been translated into pounds sterling in accordance with the relevant provisions of International Accounting Standard 21. On consolidation, income statements of entities for which pounds sterling are not the functional currency are translated into pounds sterling, the presentation currency for the Company, at average rates of exchange. Balance sheet items are translated into pounds sterling at period-end exchange rates. These translations should not be construed as representations that the relevant currency could be converted into pounds sterling at the rate indicated, at any other rate or at all.

Indicative exchange rates of the pound sterling against the euro¹

<i>Period</i>	<i>Period-end</i>	<i>Average</i>	<i>High</i>	<i>Low</i>
2016	1.1680	1.2239	1.3655	1.1052
2017	1.1271	1.1413	1.1986	1.0757
2018	1.1179	1.1304	1.1590	1.1028

¹ Source: European Central Bank – Eurosystem.

As at 5:00 p.m. on 26 September 2019 (being the last Business Day prior to the announcement of the terms of the Acquisition), the exchange rate of the pound sterling against the euro was £1.00 : Euro 1.1274.

In addition to the convenience translations (the basis of which is described above), the basis of translation of foreign currency transactions and amounts contained in the audited and unaudited financial information included in this document is described therein and may be different to the convenience translations.

No Incorporation of Website

The contents of the Company’s website (or any other website) do not form part of this document.

Definitions

A list of defined terms used in this document is set out in Part IX (“*Definitions*”) of this document.

Governing Law

Unless otherwise stated, statements made in this document are based on the law and practice currently in force in England and are subject to changes therein.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The following dates assume the satisfaction of the conditions to Completion set out in the Acquisition Agreement by the Long Stop Date (other than those conditions that are intended to be satisfied at or shortly prior to Completion) but are indicative only and subject to change.

	<i>Time and/or Date</i>
Announcement of the Acquisition	27 September 2019
Publication of this document	4 March 2020
Completion of the Acquisition, the Placing, Admission and commencement of unconditional dealings in the Enlarged Group's Ordinary Shares	8.00 a.m. on 23 March 2020

All references to times and dates in this document are to London time unless otherwise stated.

The times and dates set out in the expected timetable of principal events above and mentioned throughout this document may be adjusted by the Company, in which event details of the new dates will be notified to the FCA and to the LSE and, where appropriate, to Shareholders.

ACQUISITION AND PLACING STATISTICS

Number of Existing Ordinary Shares	101,094,276
Number of Consideration Shares	32,322,246,220
Number of Placing Shares	331,604,094
Number of Ordinary Shares in issue on Admission	32,754,944,590
Percentage of Enlarged Share Capital represented by the Consideration Shares	98.68 per cent.
Percentage of Enlarged Share Capital represented by the Placing Shares	1.01 per cent.
Issue Price	£0.006945
Placing Price	£0.006756
Gross proceeds of the Placing	£2.24 million
Net Proceeds of the Placing	£1.44 million
Market capitalisation of the Company at Admission at the Issue Price per share under the Acquisition Agreement	£227,483,090

DEALING CODES

The dealing codes for the Ordinary Shares at Admission will be as follows:

ISIN	GB00BFMDJC60
Legal Entity Identifier	213800ZY202TI205JQ61
SEDOL	BFMDJC6
TIDM	SYME

DIRECTORS, PROPOSED DIRECTORS AND ADVISERS

Directors (all non-executive)	Mr. Simon Charles (<i>Chairman</i>) Mr. John Michael Treacy
Proposed Directors	Mr. Enrico Camerinelli Ms Susanne Chishti Mr. Dominic Andrew White Mr. Alessandro Zamboni all c/o the Registered Office
Registered Office	27/28 Eastcastle Street London, W1W 8DH
Company Secretary	MSP Corporate Services Limited
Company Website	www.abalplc.com
Placing Agents	Epsilon Capital Limited Elizabeth House 6th Floor 39 York Road London, SE1 7NQ
Reporting Accountant	RSM Società di Revisione Organizzazione Contabile S.p.A. Via Meravigli, 7 Milan Italy
Auditors	Grant Thornton UK LLP 30 Finsbury Square, London, EC2A 1AG
Registrars	Neville Registrars Limited Neville House Steelpark Road Halesowen West Midlands, B62 8HD
Legal Advisers	Gianni Origoni Grippio Cappelli & Partners 6-8 Tokenhouse Yard London, EC2R 7AS and Marriott Harrison LLP 11 Staple Inn London, WC1V 7QH

PART I

INFORMATION ON THE ENLARGED GROUP

1. Introduction

The Enlarged Group will be formed following completion of the Acquisition of Supply@ME by the Company.

The Company was an AIM Rule 15 cash shell whose shares were admitted to trading on AIM on 15 December 2006.

On 27 September 2019, the Company announced that it had conditionally agreed to acquire the entire issued corporate capital of Supply@ME from the Sellers, the consideration for which is £224,478,000 to be satisfied by the allotment and issue to the Sellers of the Consideration Shares at the Issue Price. The Acquisition is conditional, *inter alia*, upon Admission and should the Acquisition complete, the Enlarged Group will become an independent fintech company providing an innovative proprietary inventory monetisation service to companies in a wide range of industrial sectors.

On 5 February 2019, the Company announced the completion of the Disposal and, as a consequence, the Company was categorised by AIM as an AIM Rule 15 cash shell and as such was required to make an acquisition or acquisitions which constitute a Reverse Takeover under AIM Rule 14 (including seeking re-admission as an investing company (as defined under the AIM Rules)) on or before the date falling six months from completion of the Disposal or be re-admitted to trading on AIM as an investing company under the AIM Rules (which requires the raising of at least £6 million) failing which, the Company's Existing Ordinary Shares would then be suspended from trading on AIM pursuant to AIM Rule 40. Its shares delisted from AIM on 7 February 2020.

The Company has identified the Acquisition for which it is prepared to pay £224,478,000 to be satisfied by the issue of the 32,322,246,220 Consideration Shares, which when issued will represent approximately 98.68 per cent. of the share capital of the Company following completion of the Acquisition and Placing. The Directors believe that the Acquisition is within the Company's strategy and is in a sector in which further acquisitions may be considered.

Supply@ME has developed an alternative platform focused on inventory financing, which can enable a wide range of manufacturing and trading businesses to improve their working capital position (via a "true sale" of the inventory to special purpose vehicles incorporated by Supply@ME) and also provide a new asset class to investors.

Supply@ME is presently headquartered in Milan and is building a new presence in London to accommodate the public company operations and an investor relations function.

The Directors and Proposed Directors believe there is a strong and growing market for the provision of high quality specialist inventory financing services to a wide range of companies operating in different business sectors. The continuing shortage of reliable sources of funds for many companies often obliges such entities not to fully pursue their business and investment plan, while the current economic situation, characterised by stagnation and low inflation, reduces consumers' appetite for purchasing new products, thus increasing the cost in real terms of the unsold stock of goods of many companies.

Supply@ME provides bespoke solutions for such companies allowing them to carry out de-recognition transactions by transferring their unsold stock of goods to special purpose vehicles, thus achieving significant benefits on their balance sheets, while maintaining the availability of the stock of such goods so as to enable them to continue to sell them to their end-customers. The Enlarged Group will be a listed company specialising in the sector with opportunities for expansion and development. The listing will not only enhance the profile of the Enlarged Group and its activities, but by being a profitable listed specialist provider in the sector with a strong balance sheet the Enlarged Group is expected to:

- remain a valuable partner for existing providers;
- attract new customers;
- through the range and quality of assignments attract experts in the field;

- be able to recruit and retain appropriately skilled staff by offering attractive packages including participation in share option schemes enabling them to participate in the success of the Enlarged Group;
- have the ability to acquire existing successful companies in the sector by being able to offer quoted shares on arrangements where the consideration partly reflects the future contribution of the business; and
- have access to raising equity should further funds be required for acquisitions or any future organic development beyond the Enlarged Group's present plans.

2. Information about the Company

The Company was incorporated and registered in England and Wales on 1 March 2000 with registered number 03936915 as a private company limited by shares under the Companies Act with the name Imaginatik Limited. On 24 October 2006, the Company was re-registered as a public limited company under the Companies Act and accordingly changed its name to Imaginatik plc. On 5 February 2019, the Company changed its name to Abal Group plc.

Until the date of completion of the Disposal, the Company's business comprised the provision of innovation consulting and software services to larger corporate entities. Despite a number of capital raisings and management changes, it was considered to be in the best interests of Shareholders to dispose of the Company's operating business for cash and to become an AIM Rule 15 cash shell, and to explore other opportunities to deliver value for Shareholders.

On 5 February 2019, following approval by shareholders at the General Meeting held on 28 January 2019, the Company announced the completion of the disposal of its core operating business and assets, for cash, to Planbox Inc.. As a consequence, the Company was then categorised by the AIM Rules as an AIM Rule 15 cash shell and as such was required to make an acquisition or acquisitions which constitute a Reverse Takeover under AIM Rule 14 (including seeking re-admission as an investing Company (as defined under the AIM Rules)) on or before the date falling six months from completion of the Disposal, or be re-admitted to trading on AIM as an investing Company under the AIM Rules (which requires the raising of at least £6 million). The admission of the Company's Existing Ordinary Shares were cancelled pursuant to AIM Rule 41 on 7 February 2020. At present the Company owns no material assets other than its cash reserves.

On 27 September 2019, the Company announced that it had signed a conditional share sale and purchase agreement to effect the Acquisition as described in detail below.

The Company has identified the Acquisition as being appropriate to undertake and has entered into the Acquisition Agreement under which the Company has conditionally agreed to acquire the entire issued share capital of Supply@ME for a consideration equal to £224,478,000, to be satisfied by the issue of the Consideration Shares. Completion of the Acquisition Agreement is conditional on, amongst other matters, Admission. The material terms of the Acquisition Agreement are summarised in Part IV of this document.

Trading in the Company's shares was cancelled on AIM on 7 February 2020.

The Company has applied for the Enlarged Group's Ordinary Shares to be admitted to the Standard Listed segment of the Official List and to trading on the Main Market for listed securities of the London Stock Exchange.

The Company has raised gross proceeds of £2.24 million through the Placing, conditional on Admission.

3. Information about Supply@ME

3.1 Company history

Supply@ME is a limited liability company (so-called "*società a responsabilità limitata*") incorporated under the laws of Italy on 20 October 2017, and with registered office in Piazza Santo Stefano 6, Milan, Italy. The current corporate capital of Supply@ME is Euro 158,000, fully paid-in and fully owned by the Sellers.

The company is a subsidiary of The AvantGarde Group, a company whose business comprises the development of highly scalable digital platforms and applications to fill market needs in high growth finance sub-sectors, based on the use of high-impact technologies. The AvantGarde Group's applications support the regulated processes of the banking, financial and insurance industries.

Supply@ME is the most mature portfolio company of The AvantGarde Group, developing a proprietary, digital system which underpins a fintech platform designed to enable customer companies to monetise their inventory via "true sales" transactions, meaning that their inventory is sold to a special purpose vehicle. This enables customers to release locked-up capital in stock awaiting sale.

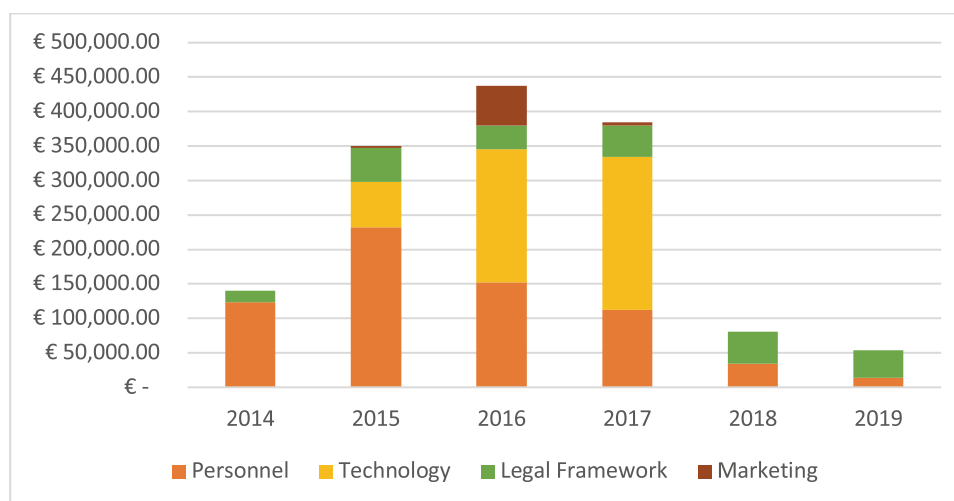
The company has gained traction in the domestic Italian market through partnerships with major local arrangers and international banks. The Directors and the Proposed Directors believe that Supply@ME's business is highly scalable internationally: indeed Supply@ME is in the process of building a corporate presence in London and extending its model into other European markets, including Spain, France and Germany. The London corporate headquarters of the Enlarged Group will not require substantive financial services or banking regulatory authorisation as its activities will be confined to those of operational and corporate support and management, such as acting as the interface with investors and public market liaison and operational functions.

Supply@ME is currently managed by a sole director, Mr. Alessandro Zamboni (a Proposed Director). A high quality board experienced in finance, fintech, supply chain finance and technology has been assembled to manage the Enlarged Group.

Supply@ME shareholders have invested approximately €1.5 million to date into the development of the company, focused on the development and verification of the new legal framework for inventory monetisation and the technology platform to implement it.

Figure 1 below shows the profile of annual investment in Supply@ME (within The Avant Garde Group until October 2017 when Supply@ME was split out to a stand alone company).

Figure 1 – CAPEX breakdown



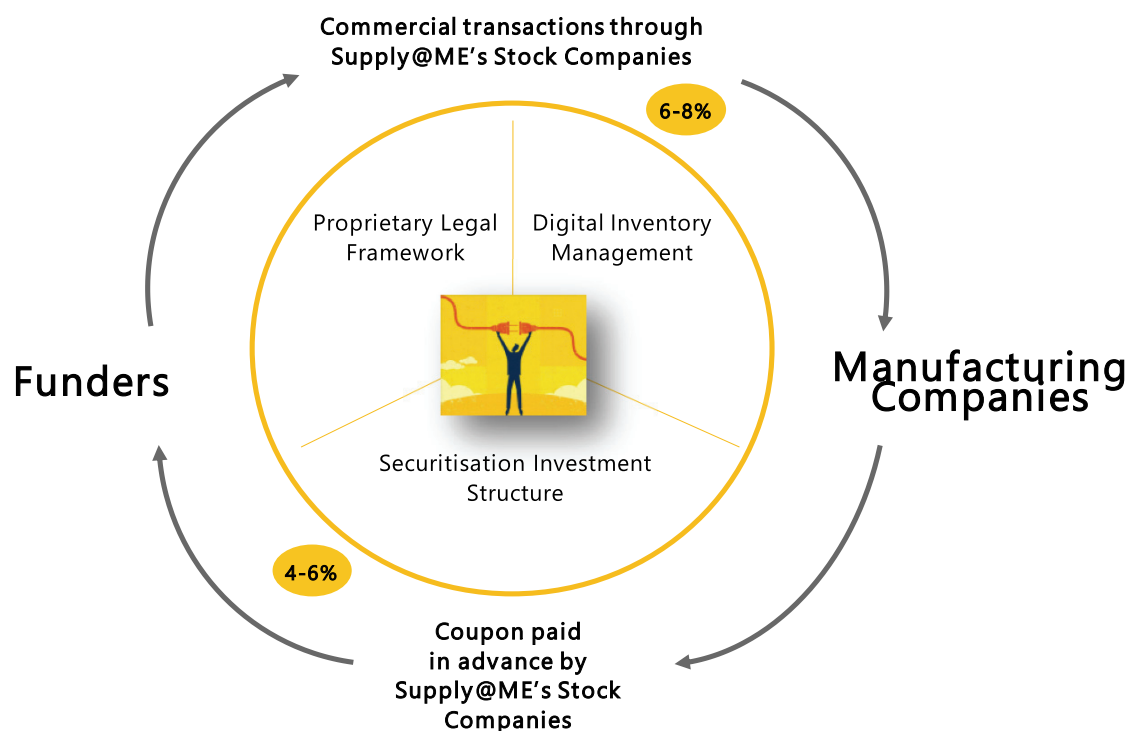
3.2 Business description

The Supply@ME operating platform has three key components (see Figure 2 below):

1. **Securitisation Investment Structure** enabling third parties to provide funding for inventory transactions through securitisation notes via Supply@ME's special purpose vehicles called "Stock Companies", thereby creating a new investment asset class that reaches a wider investment community than traditional supply chain financing.
2. **Proprietary Legal Framework** which enables inventory to be bought and tracked using digital records instead of having to be physically transferred to effect transfer of ownership.

3. **Inventory Tracking Digital System** which means that whilst the inventory itself remains in a monitored location, inventory ownership may be uploaded and drawn down digitally to the system as units are sold by the customer and ownership has to be changed.

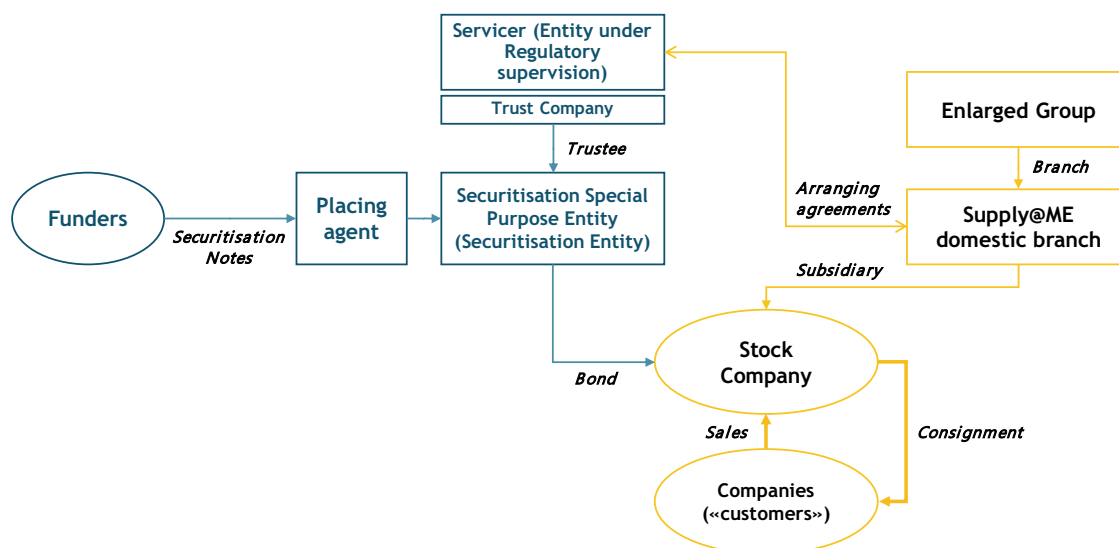
Figure 2 – Business process overview



Using these components, Supply@ME's solution works as follows:

- a manufacturing/trading company customer contracts with a subsidiary of Supply@ME ("Stock Company") for the provision of the inventory monetisation service;
- the customer's ownership interest in its inventory is digitised and sold to the Stock Company;
- funding for the Stock Company's inventory acquisition is provided by third party funders via *securitisation notes*;
- the customer receives the proceeds of the inventory sale net of an annual transaction charge (usually 6-8 per cent. depending on the risk of the customer that is determined by Supply@ME's proprietary inventory risk model);
- an annual coupon (typically 4-6 per cent.) is paid to the funders through the securitised notes;
- the difference between the annual transaction charge and the funders' coupon represents the platform licensing revenue of Supply@ME, which is paid up-front, providing a strong positive working capital cycle for Supply@ME since it receives all payment under its annual contracts at the start of each transaction;
- the inventory asset, having been sold to the Stock Company, is no longer an asset of the customer and accordingly is no longer required to be treated as an asset on the customer's balance sheet ("asset derecognition" pursuant to IFRS). Supply@ME's inventory monetisation service is therefore not debt financing and does not increase the customer's leverage levels. This is an important benefit compared to traditional asset-backed supply chain finance;
- the customer digitally "re-purchases" the inventory when it is required for onwards selling to its end-customer. The customer is entitled to "re-purchase" the inventory as the Stock Company will have entered into a Consignment Agreement with the customer under which the Stock Company will have agreed not to have disposed of the inventory.

Figure 3 – Service model (system map)



4. Industry overview

4.1 Background

As detailed in the report entitled “2018 Supply Chain Finance Market Review – ResearchAndMarkets.com” in 2018 the global economy was estimated to have a value of approximately \$80 trillion, with the value of export of merchandise and services expected to be around \$24 trillion. Trade finance including supply chain finance (which includes inventory finance) is a fundamental part of global trade. Trade finance has historically been dependent on physical document collection and letters of credit which are burdensome paper-based processes and have industry and country specific peculiarities that slow trade down. The move to more efficient open types of trade financing, including supply chain (and inventory) finance, has been accelerating since the financial crisis in 2007.

Digitalization and advanced technologies have the potential to reduce supply chain finance processing times and reduce or remove the costs associated with the movements of physical goods between warehouses, often part of delivering such finance. Transforming paper-based documentation into electronic formats and applying smart tools and technologies to reduce the need to physically move goods to fund them and reduces barriers to trade.

Significant improvements can be achieved through digitization. However, the real potential lies in the combination and interplay of various technologies, including advanced analytics for better decision-making and mitigating money-laundering and other risks.

Inventory financing is a growing part of supply chain finance and a key component of working capital management for a wide range of manufacturing and trading companies internationally. Inventory financing needs have historically been under-served by the financial services industry but; the digital revolution is opening up new high growth opportunities for existing and new players internationally.

4.1.1 Outlook¹

The economic outlook has a direct effect on how companies manage their working capital and therefore is a key driver of inventory financing demand. In economic theory, a lower interest rate environment is associated with cheaper money, and a higher interest rate environment is associated with higher borrowing costs and a higher cost of capital. From a standpoint of working capital (inventory, receivables and payables), a higher interest rate environment should call for more efficient working capital performance – companies should want to offset the higher cost of borrowing by improving internally generated cash flows.

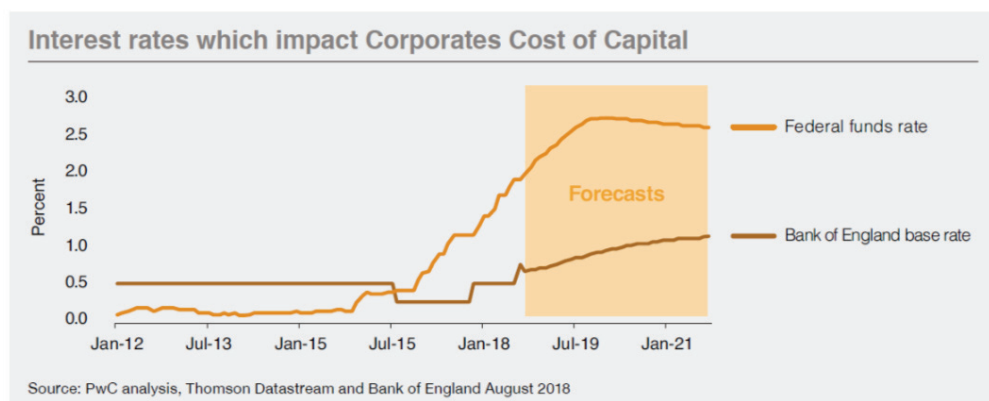
¹ Source: Navigating uncertainty: PwC’s annual global Working Capital Study (2018/2019).

However, the data shows that an increase in interest rates is often associated with an increase in working capital. This can be because in such environments inventory is slower to sell and customers take longer to pay. This fact has important implications that suggest it is even more important to focus attention and effort on inventory financing, working capital and cash flow management as interest rates rise.

The global economic outlook is that interest rates are rising.

Until about two years ago, the post-crisis recovery was mixed with strong growth in the E7² and disappointing growth in the G7³. This changed in the middle of 2016, with overall growth in advanced economies, in particular in the Eurozone, gently accelerating.

Figure 4 – Supply Chain Financing projections (source: PwC)



For the 2018-19 period, PwC forecasts that the US will grow at an average rate of about 2.5 per cent. per annum, partly fuelled by corporate and household tax cuts as well as strong growth in business and household spending. In the Eurozone, PwC expects growth to be in line with its estimated trend growth rate, expanding by an average rate of about 1.5 per cent. per annum assuming trade relations between the US and the EU do not deteriorate. In the UK, economic sentiment remains soft relative to the Eurozone. It is expected to achieve growth of about 1.5 per cent. per annum, somewhat lower than its estimated trend growth rate of about 2 per cent. per annum (based on certain macro-economic and political assumptions).

These factors play into the direction of future interest rates. The Supply Chain Financing projections above suggests that the Federal Reserve in the US is expected to continue to tighten its monetary policy, at a much faster pace compared to the UK or the Eurozone.

Higher interest rates deliver a higher cost of capital to businesses, which in turn amplifies the impact of holding excess working capital (such as inventory and receivables). Higher inventory and receivables mean less cash is being delivered to a company for operations and investment and can result in the need for higher borrowings at higher interest rates.

Cost-effective and more efficient forms of inventory finance, such as that delivered by Supply@ME, will become increasingly important to companies in such an environment.

4.1.2 Focus on Supply Chain Financing market⁴

Managing working capital is a key task for any business. If a company has a healthy working capital surplus then it will be in a position to invest and to grow its business. If on the other hand this is not the case, then it may find its growth restricted and potentially be unable to satisfy its debts as and when they fall due for payment. Accordingly, management of a company's working capital position is of key importance.

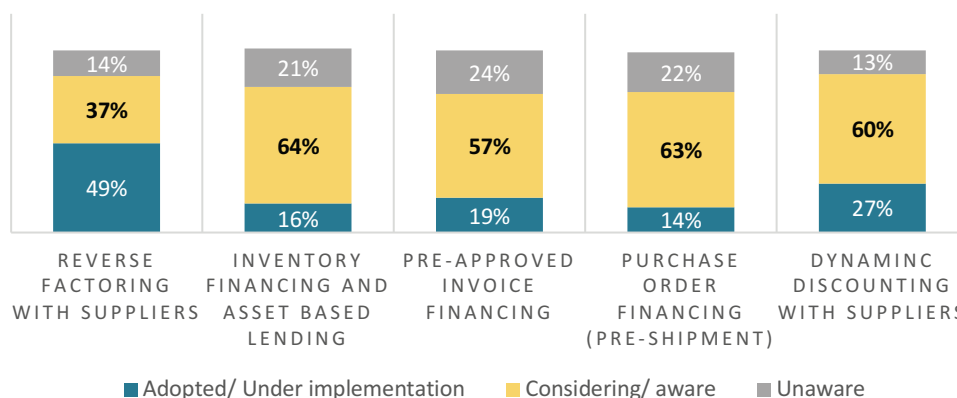
² E7: Refers to the seven large emerging economies of the world which are: Brazil, Russia, India, China, Turkey, Mexico and Indonesia.

³ G7: Refers to a club of advanced economies which are: the US, UK, Canada, Germany, Italy, France and Japan.

⁴ Source: PwC and Supply Chain Finance Community: SCF Barometer2018/2019.

As shown in Figure 5 below, analysis by PwC shows that more than half of the international companies it surveyed in its Supply Chain Financing report 2018 are using some form of Supply Chain Financing (including inventory finance) and that more than 4 out of 10 of those not currently using Supply Chain Financing are considering using it or are already implementing a strategy. It is therefore a growing sub-sector of finance.

Figure 5 – Supply Chain Financing solutions and awareness
(source: PwC & Supply Chain Finance Community – SCF Barometer 2018/2019)



In addition, according to the annual PwC Working Capital Study (2018-2019), within any given geographic region there are wide variations in working capital performance (the efficiency/speed with which companies turn their inventory and receivables into cash). This reflects differences in market maturity, legislation and cash focus.

Europe has exhibited the biggest year-on-year improvement in working capital performance, but it still has a long way to go to catch up with the US and Canada, which continue to show consistently stronger working capital performance.

Supply@ME intends to target geographic regions, in particular within Europe, and specific companies in those regions given their propensity to focus on working capital performance and the maturity of their markets relating to existing suppliers of services in this area.

4.1.3 Focus on technologies serving the Supply Chain Market⁵

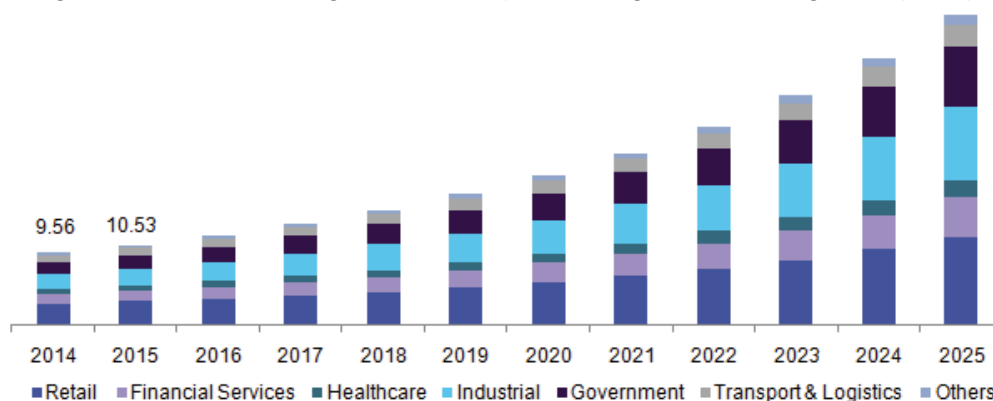
Inventory digitisation programs allow companies to improve their ability to track inventory and optimise the whole cash to cash cycle. Examples include:

- “just in time” delivery processes;
- dynamic price discount procedures; and
- new trusted databases for inventory financing providers.

The growth of technologies such as the Internet of Things (which can be used for off-site inventory tracking) are an indicator of how quickly the take-up of remote inventory monitoring may occur.

⁵ Source: IDTechEx – RFID 2018 2028: RAIN and NFC Market Status, Outlook and Innovations.

Figure 6 – Internet of Things and inventory monitoring: number of tags sold (billion)



As shown in Figure 6 above, in recent data provided by the Electronic Transactions Association, 51 per cent. of small business owners state that inventory control is their chief reason for borrowing money⁶.

Supply@ME therefore expects the take-up of digitised remote inventory monitoring to continue to increase at an accelerating rate. This is another indicator of future strong potential growth for the Company.

5. Enlarged Group’s strategy

The goal of the Enlarged Group is to be the leading fintech business focused on inventory financing through the innovative service model described above.

5.1. Regulation overview

The innovative service described above enables the Supply@ME Stock Companies to support the working capital needs of customers via inventory “true sales” transactions.

Supply@ME (and its Stock Companies) do not need a banking licence. The funding structure used is fully compliant with local securitisation law (Italian Law number 130 of 30 April 1999) and has the potential to be rolled out in other jurisdictions. Any such expansion and roll-out would be subject to all necessary regulatory approvals (if any) having been obtained.

5.2. Competitive strengths

5.2.1 Leading global platform in a large, underserved inventory financing market

Supply@ME is a growing innovative “inventory monetisation” platform, having originated more than €300 million of prospective “inventory monetisation deals” in its first six months of operating (to June 2018).

In the first half of 2019, an additional prospective €300 million was originated. As at the date of this document, €972 million of prospective contracts have been originated. The Directors and the Proposed Directors believe this makes Supply@ME one of the fastest growing inventory FinTech providers internationally.

This volume and pace of origination reflects Supply@ME’s global scale potential, its established business model and cutting-edge technology.

The target addressable inventory financing opportunity in Supply@ME’s markets is estimated to comprise £1.9 trillion of inventory under management⁷.

Despite the attractiveness of the large addressable market, inventory financing needs continue to be underserved by businesses and financial services providers due to the regulatory constraints and the

⁶ Source: <https://gomedici.com/inventory-financing-understanding-perks-in-stock>.

⁷ Source: Based upon figures from the Politecnico of Milan.

difficulties encountered by banks in effectively monitoring client inventory (due to changes in fair value, physical movements in inventory, fraud risks prevention, etc.).

5.2.2 *Attractive underlying business model, increasing customer and investor demand*

The Directors and the Proposed Directors believe that the Enlarged Group can continue to enhance Supply@ME's competitive position and market share across multiple territories, because of a virtuous circle of growth drivers:

- a) The offer is attractive to customers which creates growing demand for the service

The attractiveness of the service offering to customers is driven by the sale and repurchase model.

"inventory monetisation deals" are not financing operations. They are ordinary sale and repurchase transactions, which means that customers enjoy the advantages of financial ratio and credit rating improvements.

- b) Increased numbers of customers drive benefits for Supply@ME's data sets, underwriting systems and processes

Over the past two years, Supply@ME has accumulated proprietary data sets across its various industrial sectors, which it has used to enhance:

- inventory risk scoring models;
- customer experience; and
- remarketers network.

- c) With better data sets and systems, more customers, and a more diversified set of inventory assets to securitise, increasing numbers of funders are attracted to the platform

By attracting more funders to the platform, Supply@ME is able to increase the speed of executing inventory monetisation deals. Speed of execution is expected to be a new core driver of service take-up for customers.

The attractiveness of an investment opportunity to funders is driven by the low risk securitisation note asset class that has been created, since it offers good relative returns, low volatility, and lower underlying risks compared to direct SME loans.

Thanks to its position as a leading online inventory monetisation provider in each of the sectors and territories in which it plans to operate, the Enlarged Group intends to offer funders an opportunity to quickly invest in a highly diversified portfolio and, for larger funders, the ability to deploy significant sums of capital.

- d) An increasing number of funders supply capital to fulfill the inventory purchase programme of an increasing number of customers

The increased number of funders feeds back to provide a growing pool of capital that delivers timely execution of inventory purchase transactions to the growing group of customers.

5.2.3 *Proprietary Inventory risk and trading platform, driving efficiency and platform quality*

Supply@ME already utilises methodologies to create an attractive and efficient proposition for both customers and funders. It utilises an integrated approach to value optimisation and inventory risk assessment throughout the customer lifecycle, from due diligence while on-boarding, to initial inventory assessment, inventory trading and monitoring ongoing inventory movements.

The Enlarged Group proposes to manage risk by combining sound practices from the financial services industry with innovation in technology and data and analytics.

Even though Supply@ME's business does not assume the credit or funding risks relating to investments facilitated through its platform, it utilises similar analysis techniques.

In the customers' initial due diligence phase, key stakeholders to the transaction are and will be subject to:

- an internal credit assessment of the customer and the remarketer;
- an external credit assessment via the "modeFinance platform" (an ESMA authorised external rating agency);
- a proprietary inventory scoring model to assess the market risk, the operational risk, the inventory quality risk and insurance risk related to the customer's business processes; and
- a distributed ledger (a de-centralised database not held on a single computer) in order to store the result of the analysis and create a secure and trusted data environment for funders (pursuant to the new European Securitisation Regulations).

In the trading phase the following will be deployed:

- a digital interface (mainly API integration) with the customer's enterprise resource planning system (ERP) to gather and analyse inventory and trading data; and
- a distributed ledger (SIChain) to manage the inventory monetisation deals between Supply@ME and the customer.

Customer monitoring will include:

- a digital integration with ERP to check and monitor inventory movements and the inventory repurchase transactions. This is also integrated with the customer's trade receivables data set to deliver a customer risk management early-warning dashboard enabling potential future risks to be spotted early;
- customer banking data is planned to be integrated with Supply@ME's analytics (compliant with GDPR) delivering an additional automated tier of risk metrics forecasting; and
- in the medium term, monitoring of physical movements of inventory (customer's enterprise and related events) through methods such as connected objects, smart cameras, RFID and artificial intelligence.

5.2.4 *Experienced management team and entrepreneurial values-driven culture*

Supply@ME has built an experienced management team which has a blend of deep functional experience across financial services, financial services regulation, technology, product development, supply chain financing and, risk management, as well as entrepreneurial experience.

5.3. **Competition and threats**

Supply@ME has few competitors today. There are only a few stock lenders in the market because there has been little innovation by banks, or investment in the development of new platforms, in the inventory financing sector. The Directors and Proposed Directors consider that the offerings which currently exist do not fully address the needs of borrowers.

Banks are also constrained by regulatory requirements (such as Basel IV or IFRS), legacy IT systems and expensive branch networks, and in respect of supply chain finance are more focused on traditional solutions.

Whilst Supply@ME's alternative inventory monetisation solution is not actually a financing operation, the Enlarged Group competes with traditional lenders, lending platforms and financial products that target borrowers, investors or both.

- With respect to borrowers, the Enlarged Group primarily competes with traditional financial institutions, such as banks, asset based lenders, online platforms and captive networks.
- With respect to investors, the Enlarged Group primarily competes with other investment vehicles and asset classes offered by a large number of financial and other institutions. These competitors may offer more attractive risk adjusted rates of return, better liquidity or otherwise have more favourable terms and conditions, which may reduce the amount of investor funding available to the Enlarged Group to satisfy customers' requests.

5.4. **Strategic goals**

In order to gain traction from the competitive strengths shown above and manage the risks related to the possible threats, the Directors and the Proposed Directors have set a business strategy to achieve the following goals.

5.4.1 *Become the best alternative platform for inventory Financing*

Continued innovation (in technology, regulatory and legal) is central to the Enlarged Group’s strategy. The Enlarged Group will continue to make significant investments in innovative structures and processes, and use modern data analytics and technology to drive automation and enhance inventory risk models which include risk monitoring early warning systems.

<i>Strategic actions</i>	<i>Milestone</i>	<i>KPI used</i>
Banking account integrated	Q1 2021	Delivery completed compliant to software quality standards
Due diligence/onboarding digitization (trusted data environment, online simulators, external rating integration)	Q2 2021	External rating providers partnership signed Delivery completed compliant to software quality standards
ERP fully integrated (firstly SAP, IBM, Oracle and Microsoft)	Q2 2021 (SAP) Q2 2022 (other ERP)	ERP vendors partnership signed Numbers of ERP integrated Delivery completed compliant to software quality standards
Internet of Things (smart cameras, RFID) integration for inventory off-site monitoring	Q4 2021	IoT vendors partnership signed Delivery completed compliant to software quality standards
Remarketing digital workplace (e-marketplace where remarketer can monitor and place Inventory purchase offers)	Q1 2022	Remarketing partnership signed Delivery completed compliant to software quality standards

5.4.2 *Multi-channel funding strategy*

Since its inception, Supply@ME has focused on diversifying its funding base, attracting long-term commitments from funders and banks, thereby enhancing the predictability and stability of investments.

Currently, Supply@ME is working with multiple sources of capital across private and public markets, in numerous geographic regions. It has engaged experts in its capital markets team including:

- UK based independent markets and financial advisory firms;
- significant leading independent Italian arrangers; and
- a “significant Banking Group” as defined by the ECB and a New Challenger Bank in order to foster a new asset based lending product through Supply@ME.

The Enlarged Group believes that its diversified funder base provides it with investor funding stability and reinforces the resilience of its business. In order to retain existing funders and attract new funders, the Enlarged Group intends to focus on ensuring – through its new “inventory” asset class – attractive

risk-adjusted returns through the economic cycle. This should drive continued growth in the funder base and attract global and larger commitments from institutional funders.

The Enlarged Group will also continue the promotion of its service to the addressable market.

<i>Strategic actions</i>	<i>Milestone</i>	<i>KPI used</i>
Companies – omni-customer strategy (edu-marketing initiatives, ERP's vendors partnership, social activities, web/online simulators development)	Q2 2021	Number of new prospects originated yearly
Funders – diversifying the sources (securitisation notes continuous road shows, commercial banks partnerships, partnership with digital platforms – e.g. CrossLend)	Q3 2021	Number of new sources of funding originated Amount of funding originated per new source

Going forwards, the Enlarged Group intends to continue diversifying its platform funding sources, focusing on developing new fintech partnerships.

5.4.3 *Highly scalable global business*

The Enlarged Group intends to establish itself as a global leader in the inventory financing industry through its service, and aims to continue building a highly scalable, global business.

The Enlarged Group believes that there is a significant opportunity to roll out its innovative model into new geographic markets that will deliver an even larger customer and funder base.

The Directors and the Proposed Directors believe that there are attractive expansion opportunities, and intend to continue examining market growth opportunities, either through organic expansion or bolt-on acquisitions.

The Enlarged Group takes a disciplined, phased and strategic approach to managing geographical expansion, continuing to actively consider geographic markets that could enhance its business. It has developed a shortlist of countries that it believes would have a significant and positive impact on the business profile, revenue and profits. In its assessment, the Enlarged Group has considered three major factors:

- demand for inventory financing (or “days inventory held” problem), operational complexity including regulatory environment and market data availability;
- funder sentiment;
- operational complexity including regulatory environment and market data availability.

In all of the territories that Supply@ME has previously researched, inventory financing appears to be underserved by traditional lenders.

The Directors and the Proposed Directors believe that Supply@ME's scale and competitive position provides it with significant advantages in expanding its business and reach globally, leveraging its innovative model, brand and proprietary platform.

<i>Strategic actions</i>	<i>Milestone</i>	<i>KPI used</i>
Operations: enhancement of new level of “Group” internal governance functions directly into PLC (eg ICT Compliance, Risk Management)	Q1 2020	State of work (% of progress) re yearly recruiting plan
Legal framework: roll out of the current legal framework (ready for Italian market) in order to serve new geographies.	Q3 2020 (first new geography)	Number of new subsidiaries incorporated (and effective) compared to business projections

6. Enlarged Group's operations and internal controls

6.1. Main processes

6.1.1. Customer origination

Rather than taking the solution to market directly and disrupting existing banking relationships, Supply@ME has adopted a collaborative approach with local and cross-border Intermediaries (such as banks or arrangers) as a route to market. This effectively turns banks into Supply@ME's business partners.

Banks rarely have the capacity or in-house skillset to develop new technology solutions in-house and there is increasing recognition that collaborating with specialists to introduce innovative solutions to clients enhances the overall customer relationship.

Partner Italian commercial banks are already introducing the Supply@ME solution to their clients.

Other important partner categories are accountants and consulting firms, who can propose – as originators – the solution as a financing improvement to their customers thereby providing differentiated added value.

6.1.2. Financing purchase of Stock

The process for stock finance purchasing can be summarised as follows:

- Supply@ME will incorporate a fully-owned special purpose vehicle (SPV) in any country where Supply@ME operates. These SPVs will be incorporated in the form required to be able to carry out securitisation transactions in the relevant jurisdictions.
- The SPVs will legally and beneficially hold the entire share capital of any Stock Company that operates in that jurisdiction.
- The Stock Company will issue one or more mini-bonds, collateralised by the customer's inventory, that will be entirely subscribed by the relevant parent company SPV (in some cases, secured loan agreements entered into by the Stock Company with the banking system may be used as a partial or full alternative).
- The mini-bond proceeds will then be securitised into notes which can be placed with professional (not retail) investors. The notes will be issued in a dematerialized form and will be listed on the multilateral trading facility operated by the Wiener Börse A.G, or on other appropriate trading venues.
- The proceeds of the issuance of the notes will be used by the relevant Stock Company to fully or partially finance the purchase of customer's inventory.

6.2. Technology

Supply@ME has developed and continues to develop a modern, proprietary, transparent technology that enables it to deliver scalable, innovative and automated solutions for inventory monetisation.

- It uses cloud technologies (Microsoft Azure and SIA (a European hi-tech company, leader in payment services and infrastructures) resulting in enhanced performance and flexibility, and its horizontally-scalable architecture helps maintain stable performance levels in terms of response time, regardless of the number of users accessing the platform.
- Supply@ME is not burdened by the challenges and maintenance costs related to monolithic legacy systems, which many of its banking competitors struggle with on a daily basis.
- Supply@ME employs modern technology development methods, for example, using agile methodologies in its software development approach, ensuring collaboration between self-organising cross-functional teams, adaptive planning, early delivery and continuous improvement, which allow it to respond to change quickly and easily.
- A continuous investment in growth technologies (such as the cloud, blockchain, artificial intelligence and internet of things) enables Supply@ME to find opportunities to streamline processes. An example is the use of artificial intelligence algorithms that analyse multiple data sets to monitor customer risk. This helps Supply@ME to achieve its objective of being the leading cutting-edge inventory monetisation platform globally.

- Supply@ME has access to an exceptional team of software and data engineers possessing a deep understanding of the finance sector business and customer needs. They are dedicated to delivering innovation and advancement of Supply@ME's technology.

6.3. **Internal controls**

6.3.1. *Business processes risk mitigation*

Supply@ME implements a series of risk mitigation processes including strong customer and inventory due diligence, ongoing customer monitoring systems, and pre-agreed stock exit plans and default insurance if required.

The following factors reduce the default risk for Supply@ME and funders relating to the ownership of inventory in the Stock Companies:

- target customers are companies with strong credit ratings. The inventory monetisation service is not provided to companies in financial difficulty or with Inventory that would be difficult to sell;
- if a customer were to encounter financial difficulties, there is a degree of comfort because Stock Companies own the Inventory rather than simply having a secured charge on it. Access to and use of inventory is key to a customers' ongoing business so it is more likely, from a commercial standpoint, to pay Supply@ME before other creditors;
- in all inventory monetisation transactions, 15 per cent. of the consideration paid to the customer is held back to provide a buffer against any losses;
- inventory is acquired at a cost which is usually approximately 15 per cent. lower than market value;
- Supply@ME enters remarketer agreements at the start of a contract relating to the inventory monetised so it knows in advance default exit pricing and the exit sales channels should it need to sell stock;
- Supply@ME takes out insurance against customer and remarketer defaults; and
- Supply@ME uses innovative digital data analytics for customer credit scoring and inventory risk assessment throughout the contract lifecycle, from initial due diligence to inventory assessment, inventory trading and ongoing Inventory and customer monitoring.

6.3.2. *Security Controls*

The Directors and the Proposed Directors understand that security is critical to the continued success of Supply@ME. As such, Supply@ME is continually investing in information security with a view to maintaining the security of its platform and customers' financial data.

Supply@ME uses Microsoft Azure's service to manage best practice across all ICT compliance items, and cooperates with SIA in order to achieve, for Supply@ME's platform, the same security standards that have been developed for payment services infrastructures.

The information security strategy is set and monitored across all of Supply@ME's geographies by a team which is responsible for security policy, awareness, application security, threat monitoring and security incident response.

6.3.3. *Intellectual Property*

Supply@ME has:

- registered its internet domain in order to operate across different European territories.
- proprietary rights ("know how") over its own innovative legal frameworks, bespoke Inventory risk scoring models, technology, platform, data and reporting systems. These include systems and technology relating to Inventory trading activities with customers.

The Enlarged Group is in the process of registering trademarks that comprise the SUPPLY@ME and SUPPLY@ME brand name (with variations depending on the jurisdiction).

Supply@ME licenses software from third parties for managing aspects of its business, including CRM, external rating assignment, treasury, accounting and collaboration processes (such as content management systems and reporting tools).

On occasion, the Enlarged Group engages, directly or indirectly, third parties to develop processes, techniques, technology or other intellectual property on its behalf. Generally, contracts with such third parties provide for the assignment of relevant intellectual property to Supply@ME or the right to use such intellectual property in its business.

The Enlarged Group's employees and direct contractors will be contractually required to both transfer relevant intellectual property to Supply@ME (in addition to statutory protections for Supply@ME where available) and maintain confidentiality.

7. Current trading of the business

Supply@ME has continued its growth trajectory in line with management expectations since 30 September 2019.

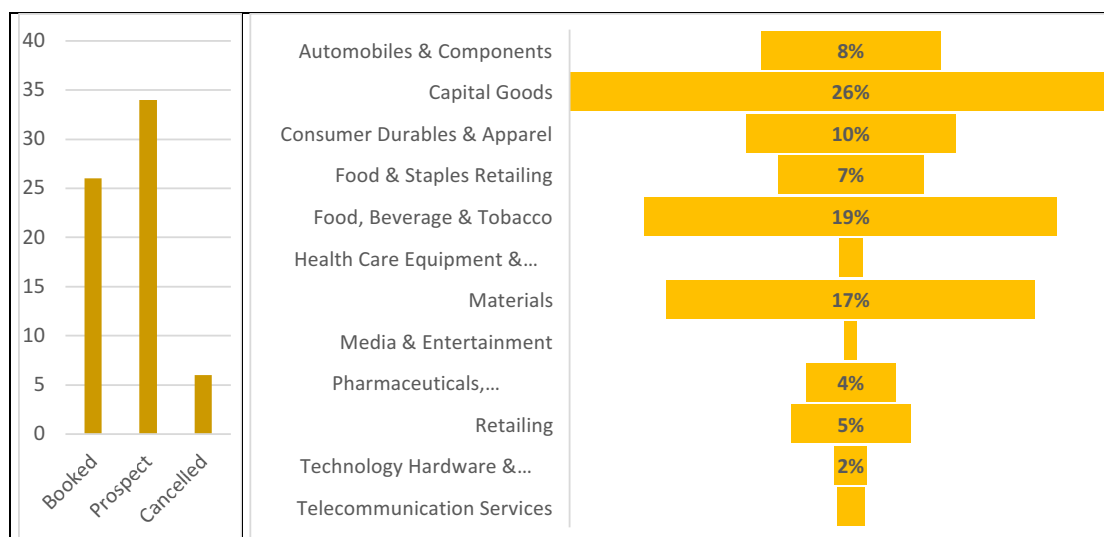
Management sees significant opportunity in the local untapped market in Italy and also the opportunity to prudently expand into new territories, initially into European subsidiaries of domestic companies already served.

More specifically, at the date of this document, €972 million of prospective contracts have been originated. This makes Supply@ME what the Directors and the Proposed Directors believe is one of the fastest growing Inventory FinTech providers internationally.

This volume and pace of origination reflects Supply@ME's global scale potential, its established innovative business model and cutting-edge technology.

The following chart shows the commercial results of Supply@ME as at the end of December 2019.

Figure 7 – Customers breakdown at end December 2019 and sectoral concentration using Global Industry Classification Standard



The portfolio achieved shown above:

- implies a potential inventory under management value of roughly €909 million;
- has a potential of generating at least €4.2 million of net servicing fee; and
- has already generated €738k of down payments provided by companies.

8. Operating and Financial Review

The director of Supply@ME manages several key operating and financial metrics regarding the operations of Supply@ME's service.

In particular, the operations are checked continually with reference to these key indicators:

- key factors affecting the comprehensive service platform;
- key factors affecting the portfolio of customers (trading and manufacturing companies); and
- key factors affecting the sources of funding.

8.1 Key factors affecting the comprehensive service platform

The workstreams in 2018 focused on developing the last core functions of the technology platform (on which development started in 2016) and to complete the Reserved Alternative Fund investment – RAIF – structure.

In the second half of the year, Supply@ME's team, supported by external solicitors, started the feasibility study of a securitisation structure under Italian law.

The KPI results from this process are:

- 3 per cent. of tasks were delayed regarding the technology workstream;
- 17 per cent. of the tasks were delayed regarding the legal workstream.

8.2 Key factors affecting the portfolio of Customers

In 2018 the strategy of Supply@ME, pending the completion of the legal investment structure, was to focus on originating the first customers and on test marketing.

The 14 companies originated in only three months of promotion (without an official marketing and public relation function) confirm, in the belief of the Directors and the Proposed Directors, the potentially addressable market.

8.3 Key factors affecting the sources of funding

Due to commercial and regulatory constraints, Supply@ME has amended its offering to comprise a securitisation scheme.

Alongside this process, Supply@ME has continued to cooperate with its local commercial banks and other key arrangers and placing agents.

Supply@ME is debt-free, save for day to day trading liabilities and has no current intention to assume any other indebtedness outside ordinary course trading obligations. Its current trading is summarised in paragraph 7 of this part of this document. Potential agreements are being negotiated with a number of significant funds which, if negotiations are successfully concluded, would provide funding to Stock Companies, which would then be available to be deployed towards inventory financing transactions.

9. Terms and conditions of the Acquisition

The Acquisition Agreement was entered into on 27 September 2019 pursuant to which the Sellers have conditionally agreed to sell and the Company has conditionally agreed to purchase the entire issued corporate capital of Supply@ME.

A summary of the principal terms and conditions of the Acquisition are set out in paragraph 1.2 of Part IV ("*The Acquisition*") of this document.

10. Summary financial information

Financial information relating to the Company and a proforma balance sheet of the Enlarged Group immediately following completion of the Acquisition is set out in Part V (A), (C) and (E) of this document.

The financial information relating to Supply@ME is set out in Part V B and D of this document.

11. Directors and senior management

Upon completion of the Acquisition, on Admission, the Board will comprise:

Dominic White – Non-Executive Chairman
Susanne Chishti – Non-Executive Director
Enrico Camerinelli – Non-Executive Director
Alessandro Zamboni – Chief Executive Officer

Simon Charles and John Treacy will leave the Board upon Admission.

Brief biographies of the Directors and the Proposed Directors on Admission together with information on Senior Managers are set out in paragraph 1 of Part II (“*Directors, Proposed Directors, Senior Managers and corporate governance*”) of this document. Paragraphs 6 and 9 of Part VII (“*Additional information*”) of this document contain further details of directorships and partnerships, and certain other important information regarding the Directors and Proposed Directors.

12. Change of name

Subject to Shareholders’ approval, the name of the Company will be changed to Supply@ME Capital plc, to better reflect the operations of the Enlarged Group.

If the special resolution to approve the change of name of the Company is passed at the General Meeting, the Company’s symbol will be changed to SYME and its website address will be changed to www.supplyme.tech following the change of name being registered at Companies House.

13. Placing

The Company is undertaking the Placing to raise approximately £2.24 million (before expenses) by the issue of the Placing Shares at the Placing Price. Under the Placing Agreement, Epsilon has conditionally agreed to use its reasonable endeavours to procure subscribers for the Placing Shares. The Placing Shares will rank *pari passu* with the Existing Ordinary Shares. The Placing is not underwritten or guaranteed. Following their issue, the Placing Shares will represent approximately 1.01 per cent. of the Enlarged Share Capital. Also pursuant to the Placing, the Sellers have agreed to assign their rights to receive Consideration Shares to certain Placees, at the Placing Price, amounting to 5,912,021,519 Consideration Shares in aggregate, representing shares to the aggregate value of £39,941,617.

The Placing is conditional on, amongst other things: (a) the Placing Agreement having become unconditional and not having been terminated in accordance with its terms; (b) the Acquisition Agreement not having been terminated or amended, and having become unconditional in all respects; (c) the passing of the Resolutions (including the Whitewash Resolution) and (d) Admission having become effective by no later than 8.00 a.m. on 24 March 2020 or such later time being no later than 6.00 p.m. on 31 March 2020, as the Company and Supply@ME may agree.

14. Admission to Standard Listed segment of the Official List and dealings in the Enlarged Share Capital

Application has been made for the Enlarged Share Capital to be admitted to the Standard listing segment of the Official List and to trading on the Main Market of the London Stock Exchange pursuant to Chapter 14 of the Listing Rules. It is expected that Admission will become effective and dealings in the Ordinary Shares will commence on 23 March 2020. No application has been or will be made for the deferred shares of the Company to be admitted to trading on any stock exchange.

If the relevant Shareholders do not vote in favour of the Transaction then the Directors will consider alternative options for the Company which, in the absence of a material and acceptable level of additional financing, will include a winding up of the Company and a distribution to Shareholders of any cash as then remains in the Company after expenses. It is the Directors’ and Proposed Directors’ assessment that it is very unlikely that any cash would be distributed in such a scenario.

15. Orderly market arrangements

The Sellers have undertaken to the Company that they will only dispose of any interest they hold in New Ordinary Shares for a period of 24 months following Admission on an orderly market basis through the Company's then broker.

Further details of the orderly market arrangements are set out in paragraph 2 of Part IV ("*The Acquisition*") and paragraph 20.2 of Part VII ("*Additional information*") of this document.

16. Dividend policy

The Directors and Proposed Directors believe that the Enlarged Group should seek principally to generate capital growth for its Shareholders but may recommend dividends at some future date, depending upon the generation of sustainable profits, if and when it becomes commercially prudent to do so, subject to having distributable reserves available for the purpose. There can be no assurance that the Company will declare and pay, or have the ability to declare and pay, any dividends in the future.

17. Corporate governance and internal controls

The Directors and Proposed Directors recognise the importance of sound corporate governance and the Enlarged Group will adopt the QCA Code, as published by the Quoted Companies Alliance.

The Enlarged Group's purpose, business model and strategy is set out in paragraph 2.2 above. Key challenges in the execution of the business model and strategy are set out in Part II below.

The Board will be responsible for the management of the business of the Enlarged Group, setting the strategic direction of the Enlarged Group and establishing the policies of the Enlarged Group. It will be the Board's responsibility to oversee the financial position of the Enlarged Group and monitor the business and affairs of the Enlarged Group on behalf of the Shareholders, to whom the Directors and Proposed Directors are accountable. The primary duty of the Board will be to act in the best interests of the Enlarged Group at all times. The Board will also address issues relating to internal control and the Enlarged Group's approach to risk management.

The Enlarged Group will hold board meetings monthly and whenever issues arise which require the urgent attention of the Board.

The Board believes that, following Admission, it will have an appropriate balance of sector, financial and public markets skills and experience, an appropriate balance of personal qualities and capabilities and an appropriate balance between executive and non-executive directors.

Ms Chishti and Mr Camerinelli are deemed to be independent non-executive directors under the QCA Code. The non-executive directors will be expected to devote at least one day per month to the affairs of the Company and such additional time as may be necessary to fulfil their roles.

The Group will establish a remuneration committee (the "**Remuneration Committee**"), a nomination committee (the "**Nomination Committee**") and an audit committee (the "**Audit Committee**") with formally delegated duties and responsibilities.

The Remuneration Committee will comprise Ms Chishti and Mr Camerinelli, and will meet not less than twice each year. The committee will be responsible for the review and recommendation of the scale and structure of remuneration for senior management, including any bonus arrangements or the award of share options with due regard to the interests of the Shareholders and the performance of the Enlarged Group.

The Nomination Committee will comprise Ms Chishti and Mr Camerinelli, and will be responsible, amongst other things, for reviewing the structure, size and composition of the Board and ensuring that it is comprised of the right balance of skills, knowledge and experience, identifying and nominating for approval candidates to fill any vacancies on the Board as and when they arise, giving full consideration to succession planning for the Enlarged Group and making recommendations as to the composition of the other committees of the Board. The Enlarged Group's Nomination Committee will meet this requirement in due course. The Nomination Committee will meet not less than twice a year.

The Audit Committee will comprise Ms Chishti and Mr White and will meet not less than twice a year. The committee will be responsible for making recommendations to the Board on the appointment of auditors and the audit fee and for ensuring that the financial performance of the Enlarged Group is properly monitored and reported. In addition, the Audit Committee will receive and review reports from management and the auditors relating to the interim report, the annual report and accounts and the internal control systems of the Enlarged Group.

The Enlarged Group will seek to engage with Shareholders to understand the needs and expectations of all elements of the Company's shareholder base.

The Enlarged Group has adopted and operates a share dealing code governing the share dealings of the directors of the Company and applicable employees with a view to ensuring compliance with the Listing Rules and the Market Abuse Regulation.

18. Taxation

General information regarding UK taxation is set out in Part VII ("*Taxation*") of this document. These details are intended only as a general guide to the current tax position under UK taxation law. If a Prospective Investor is in any doubt as to his or her tax position he or she should consult his or her own independent financial adviser immediately.

Prospective Investors subject to tax in other jurisdictions are strongly urged to contact their tax advisers about the tax consequences of holding Ordinary Shares.

19. CREST

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

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

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

20. Bribery Act 2010

The government of the United Kingdom has issued guidelines setting out appropriate procedures for companies to follow to ensure that they are compliant with the UK Bribery Act 2010 which came into force with effect from 1 July 2011. The Company has implemented an anti-bribery policy as adopted by the Board and also implemented appropriate procedures to ensure that the Directors, Proposed Directors, employees and consultants comply with the terms of the legislation.

21. Risk factors

Shareholders and other Prospective Investors in the Company should be aware that an investment in the Company involves a high degree of risk. Your attention is drawn to the risk factors set out from pages 13 to 23 of this document.

22. Further information

Shareholders should read the whole of this document, which provides additional information on the Company, Supply@ME and the Transaction, and should not rely on summaries of, or individual parts only of, this document.

PART II

DIRECTORS AND PROPOSED DIRECTORS AND CORPORATE GOVERNANCE

1. Directors and Proposed Directors

The following table lists the names, positions and ages of the Directors and Proposed Directors. The Company's Directors are:

<i>Name</i>	<i>Age</i>	<i>Position</i>
Simon Charles	49	Non executive chairman
John Treacy	38	Non executive director

The business address of each of S. Charles and J. Treacy is 27/28, Eastcastle Street, London, United Kingdom, W1W 8DH.

The Proposed Directors are:

<i>Name</i>	<i>Age</i>	<i>Position</i>
Dominic White	47	Non-Executive Chairman
Susanne Chishti	48	Independent non executive director
Enrico Camerinelli	57	Independent non executive director
Alessandro Zamboni	41	Chief Executive Officer

Each of the Proposed Directors has entered into an agreement with the Company under which their engagement and their appointment as a director of the Company will take effect upon Admission.

Further information on the Directors and the Proposed Directors is set out in paragraph 8 of Part VIII ("*Additional information*") of this document.

The management expertise and experience of each of the Directors and Proposed Director is set out below:

S. Charles (Aged 49)

Mr Charles joined the Company's board in 2011 and became its chairman in 2018 following the Company's further recapitalisation and restructuring. He is a solicitor and is joint senior partner in London solicitors Marriott Harrison LLP, advising companies and investors on company law matters. He spent a number of years working as a corporate financier at Numis Securities Limited.

J.M. Treacy (Aged 38)

Mr Treacy is an experienced company director and corporate financier, who advises public and private company boards on a variety of strategic matters. He joined the Board in 2018 following the investment made by Eight Capital Partners Plc.

D.A. White (Aged 47)

Mr White has invested in public markets and private equity for 25 years. He has acquired and managed more than £3 billion of assets across Europe, and held board positions at a number of public companies including KCR Residential, REIT Plc, Eight Capital Partners Plc and Limitless Earth Plc, as well as at international investment institutions such as Security Capital European and Henderson Global Investors. He is a member of the Institute of Chartered Financial Analysts.

S. Chishti (Aged 48)

Ms Chishti brings over 20 years of financial expertise, board-level experience focused on organisational governance, and a strong understanding of the small/medium size enterprise market. Her experience draws on 14 years in banking with senior positions at Morgan Stanley, Lloyd's Banking Group and Deutsche Bank. As CEO of FINTECH Circle she is an award winning entrepreneur and global expert in financial technology, new business models and a bestselling Editor of The FINTECH Book Series published by Wiley.

E. Camerinelli (Aged 57)

Mr. Camerinelli keeps abreast of market trends and business practices by taking active part in projects launched by the United Nations Economic Commission for Europe, the World Bank, the World Trade Board, and the Council of Supply Chain Management Professionals.

He regularly attends major industry events as invited guest speaker, and write on specialized magazines and papers.

A. Zamboni (Aged 41)

Mr Zamboni is a director specialising in the financial services industry and related strategic and digital models with several experiences across advisory and training.

Since 2008, he managed the delivery and the sales operations of a consulting company specialised in Regulatory & Internal Controls for Banks and Insurance Firms.

Mr Zamboni founded The AvantGarde Group, parent company of Supply@ME, in 2014.

2. Independence of the Board

Mr Charles is the current “independent” member of the Board (using the definition set out in the Corporate Governance Code). It is intended that of the Proposed Directors, Ms Chishti and Mr Camerinelli may be regarded as being “independent” for this purpose.

3. Strategic decisions

(a) *Members and responsibility*

The Directors are responsible for carrying out the Company’s objectives, implementing its business strategy and conducting its overall supervision. Acquisition, divestment and other strategic decisions will all be considered and determined by the Board.

The Board will provide leadership within a framework of prudent and effective controls. The Board will establish the corporate governance values of the Company and will have overall responsibility for setting the Company’s strategic aims, defining the business plan and strategy and managing the financial and operational resources of the Company. At present, the Company does not have any executive officers or full-time employees.

(b) *Financial management*

The Company does not currently have a finance director and responsibility for financial management is undertaken by the Board as a whole. The Company has engaged an experienced bookkeeper to provide accounting services. Due to the financial expertise of the Directors and the Proposed Directors, the Directors and the Proposed Directors believe these arrangements will continue to be appropriate following Admission. At the appropriate time, however, it is the Company’s intention either to appoint a finance director to the Board or to appoint a chief financial officer.

(c) *Frequency of meetings*

The Board will schedule quarterly meetings and will hold additional meetings as and when required. The expectation is that this will not result in more than 6 meetings of the Board each year.

(d) *Corporate governance*

The Company will observe the requirements of the QCA Code. This is the corporate governance regime applicable to the Company in England and Wales. The Company will, to the extent practicable for a company of its size and nature, follow the QCA Code, and will, immediately following Admission, establish a remuneration, a nomination and an audit committee, each with their own terms of reference, the members of which will be independent non-executive directors. The Directors and Proposed Directors are aware that there are currently certain provisions of the QCA Code that the Company is not in compliance with. These include, *inter alia*:

- the Company does not currently have separate remuneration, a nomination and an audit committees at this time. The Board as a whole currently reviews the appointment of new members of the Board, their remuneration and the auditing requirements of the Company taking into account the interests of Shareholders and the performance of the Company.
- Unless a further independent non-executive director is appointed, the Board will not comply with provision B.1.2. of the Corporate Governance Code that at least half of the Board, excluding the Chairman, should comprise non-executive directors determined by the Board to be independent.

The Company will report to its Shareholders on its compliance with the QCA Code in accordance with the Listing Rules on an ongoing basis.

The Company complies with its MAR compliant share dealing code and has adopted a list of matters reserved for the Board, a disclosure policy, insider lists and an anti-bribery policy.

The Articles are such so as to be appropriate for a Standard Listed company. Full details of the Company's Articles are set out in paragraph 5 of Part VIII ("*Additional information*") of this document.

Remuneration Committee

The Remuneration Committee will assist the Board in determining its responsibilities in relation to remuneration, including making recommendations to the Board on the Enlarged Group's policy on executive remuneration, including setting the over-arching principles, parameters and governance framework of the Enlarged Group's remuneration policy and determining the individual remuneration and benefits package of each of the executive Directors. The Remuneration Committee will also ensure compliance with the Corporate Governance Code in relation to remuneration wherever possible.

The Remuneration Committee will be chaired by Ms Chishti and its other member will be Mr Camerinelli. The Remuneration Committee will meet not less than twice each year.

Nomination Committee

The Nomination Committee will be responsible, amongst other things, for reviewing the structure, size and composition of the Board and ensuring that it is comprised of the right balance of skills, knowledge and experience, identifying and nominating for approval candidates to fill any vacancies on the Board as and when they arise, giving full consideration to succession planning for the Enlarged Group and making recommendations as to the composition of the other committees of the Board. The Corporate Governance Code recommends that a majority of the members of a nomination committee should be independent non-executive directors. The Enlarged Group's Nomination Committee will meet this requirement in due course. The Nomination Committee will meet not less than twice a year.

Audit Committee

The Company will establish an Audit Committee with delegated duties and responsibilities. The Audit Committee will be responsible, amongst other things, for making recommendations to the Board on the appointment of auditors and the audit fee, monitoring and reviewing the integrity of the Company's financial statements and any formal announcements on the Company's financial performance as well as reports from the Company's auditors on those financial statements.

In addition, the Audit Committee will review the Company's internal financial control and risk management systems to assist the Board in fulfilling its responsibilities relating to the effectiveness of those systems, including an evaluation of the capabilities of such systems in light of the expected requirements for any specific acquisition target. The Audit Committee will meet at least twice a year, or more frequently if required. The Audit Committee will be chaired by Mr White and its other member will be Ms Chishti.

Share dealing code

As at the date of this document the Board has adopted a MAR compliant share dealing code. The Board is responsible for taking all proper and reasonable steps to ensure compliance with the code by the Directors and Proposed Directors and others to whom the code applies.

Bribery and corruption

The Company takes a zero-tolerance approach to bribery and corruption and has adopted an anti-bribery and corruption policy under which the Company is committed to conducting its business in a fair and ethical way without using bribes or corrupt practices to obtain unfair advantages in its business dealings and to implementing and enforcing effective systems to counter bribery and corruption.

Standard Listing

A Standard Listing offers less protection to Shareholders than would otherwise be the case with a Premium Listing on the Official List. Further details on the consequences of a Standard Listing are set out in the section entitled “*Consequences of a Standard Listing*” on page 24 of this document.

(e) **Conflicts of Interest**

Potential areas for conflicts of interest for the Directors and the Proposed Directors in relation to the Enlarged Group include:

- the Directors and the Proposed Directors will be required to commit a limited amount of time to the Enlarged Group’s affairs and, accordingly, they may have conflicts of interest in allocating management time among various business activities;
- in the course of their other business activities, the Directors and the Proposed Directors may become aware of investment and business opportunities which may be appropriate for presentation to the Enlarged Group as well as the other entities with which they are affiliated and they may have conflicts of interest in determining to which entity a particular opportunity should be presented;
- the Directors and the Proposed Directors are or may in the future become affiliated with entities, including special purpose acquisition companies, engaged in or focused on activities similar to those of the Enlarged Group; and
- the Directors may have a conflict of interest with respect to evaluating a particular acquisition opportunity if the retention or resignation of any of the Directors were included by the vendors of a target company or business as a condition to any agreement with respect to the acquisition of such target.

Accordingly, as a result of these multiple business affiliations, each of the Directors and the Proposed Directors may have similar legal obligations to present business opportunities to multiple entities. In addition, conflicts of interest may arise when the Board evaluates a particular business opportunity.

The Directors and the Proposed Directors have, or may come to have, other fiduciary obligations, including to other companies on whose board of directors they presently sit or to other companies whose board of directors they may join in the future. To the extent that they identify business opportunities that may be suitable for the Enlarged Group or other companies on whose board of directors they may sit, the Directors and the Proposed Directors will honour any pre-existing fiduciary obligations ahead of their obligations to the Enlarged Group. Accordingly, they may refrain from presenting certain opportunities to the Enlarged Group that come to their attention in the performance of their duties as directors of such other entities unless the other companies have declined to accept such opportunities or clearly lack the resources to take advantage of such opportunities. Additionally, the Directors and the Proposed Directors may become aware of business opportunities that may be appropriate for presentation to the Enlarged Group as well as other entities with which they are or may be affiliated.

The Articles contain provisions whereby a director shall not vote on or be counted in the quorum of any Board meeting in respect of, any matter in which he has, directly or indirectly, any material interest.

In accordance with the terms of the letters of appointment or service agreements (as the case may be) entered into by each of the Directors and the Proposed Directors, further details of which are set out in paragraph 10 of Part VII (“*Additional information*”) of this document, the Directors and the Proposed Directors may be required to seek the agreement of the Board before accepting commitments outside their role in the Enlarged Group, in addition to those already disclosed to the Company, which might give rise to a conflict of interest with any of their duties to the Enlarged Group.

4. Material Contracts

The Company has entered into a number of other contracts since its incorporation, including but not limited to, the Placing Agreement and the agreement concerning the Disposal, which are summarised in paragraph 20 of Part VII ("*Additional information*") of this document.

5. Share Dealing Code

Compliance with the Company's share dealing code is being undertaken on a voluntary basis, and the FCA will not have the authority to (and will not) monitor the Company's compliance with it nor will it be able to impose any sanctions in respect of failure by the Company to comply.

6. Standard Listing

The Company is applying for a Standard Listing of the Ordinary Shares on the Official List and a Standard Listing offers less protection to Investors than would otherwise be the case with a Premium Listing on the Official List. Further details on the consequences of a Standard Listing are set out in the section entitled "*Consequences of a Standard Listing*" on page 24 of this document.

PART III

THE PLACING, USE OF PROCEEDS AND DIVIDEND POLICY

1. The Placing

The Company has conditionally raised £2.24 million before expenses by way of the Placing. The Placing Shares have been made available to investment professionals and high net worth, sophisticated and institutional investors in the UK and elsewhere outside the United States in accordance with Regulation S.

Epsilon has received binding irrevocable Placing Letters from Placees in relation to 331,604,091 Placing Shares at the Placing Price under which each Placee who has subscribed for the Placing Shares under the Placing has irrevocably agreed to acquire Placing Shares allocated to them at the Placing Price conditional on Admission occurring and becoming effective by 8.00 a.m. on or prior to 31 March 2020 (or such later time and/or date as the Company and Supply@ME may agree with Epsilon or the relevant Placee (as applicable)). To the fullest extent permitted by law, each Placee is not entitled to exercise any remedy of rescission at any time.

The Placing is conditional, among other matters, upon:

- (a) the passing of all of the Resolutions by Shareholders;
- (b) the Placing Agreement becoming or being declared unconditional in all respects and not having been terminated in accordance with its terms before Admission; and
- (c) Admission occurring no later than 8.00 a.m. on 24 March 2020 (or such later time and/or date (being no later than 8.00 a.m. on 31 March 2020) as the Company and Supply@ME may agree with Epsilon or the relevant Placee).

If any of the conditions are not satisfied (or waived), the Placing will not proceed and the Placing Shares will not be issued and all monies received from the Placees will be returned to them (at their own risk and without interest) as soon as possible thereafter.

Completion of the Placing will be announced via a regulatory news service on Admission, which is expected to take place at 8.00 a.m. on 23 March 2020.

2. Admission and dealings

The Placing is subject to the satisfaction of conditions contained in the Placing Agreement, including Admission occurring on or before 24 March 2020 or such later date as may be agreed by the Company and Epsilon and the relevant Placee (if applicable) (being not later than 31 March 2020). Further details of the Placing Agreement are set out in paragraph 20.3 of Part VII ("*Additional information*") of this document.

Admission is expected to take place and dealings in the Enlarged Share Capital are expected to commence on the London Stock Exchange at 8.00 a.m. on 23 March 2020.

The CREST accounts designated by Placees that have requested delivery of Placing Shares in uncertificated form are expected to be credited with the relevant new Ordinary Shares on the date of Admission. Where applicable, definitive share certificates in respect of the Placing Shares to be held in certificated form are expected to be despatched, by post at the risk of the recipients, to the relevant Placees not later than 7 April 2020. No temporary documents of title will be issued. Prior to the despatch of definitive share certificates in respect of any new Ordinary Shares which are held in certificated form, transfers of those Ordinary Shares will be certified against the register of members of the Company.

The Ordinary Shares are in registered form and may be held in certificated or uncertificated form.

3. Placing arrangements

The Company and Epsilon have entered into the Placing Agreement pursuant to which Epsilon has each agreed, subject to certain conditions, to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price. The Placing Agreement is conditional on, among other things, Admission. The Placing Agreement does not include any underwriting obligations.

The Placing Agreement contains certain warranties and an indemnity from the Company in favour of Epsilon. Epsilon is entitled, in certain circumstances, to terminate the Placing Agreement (and the arrangements associated with it) prior to Admission including in force majeure circumstances or for material breach of the warranties given by the Company in the Placing Agreement.

Further details of the terms of the Placing Agreement are set out in paragraph 20.3 of Part VII ("*Additional information*") of this document.

John Treacy, a director of the Company, is also a director of Epsilon Capital Limited. Eight Capital Partners PLC, which is interested in 22.61 per cent. of the Company's ordinary shares, is sole shareholder of Epsilon Capital Limited.

4. Allocation and pricing

All Ordinary Shares subscribed for pursuant to the Placing will be issued at the Placing Price, which has been determined by the Directors after consultation with Epsilon. Allocations have been determined by agreement between the Directors and Epsilon after indications of interest from Prospective Investors were received. A number of factors were considered in deciding the basis of allocations under the Placing, including the level and nature of the demand for the Ordinary Shares, Prospective Investors' profile and the firm through which the application was to be made, if any. Each Prospective Investor shall only be entitled to acquire their allocation. Allocations have been managed by the Directors and Epsilon so that, in accordance with Listing Rule 14.3, on Admission, at least 25 per cent. of the Ordinary Shares will be in public hands (as defined in the Listing Rules).

Conditional upon Admission becoming effective by 8.00 a.m. on or prior to 24 March 2020 (or such later date, not being later than 31 March 2020), each Placee who has applied for Ordinary Shares agrees to become a Placing of the Company and agrees to subscribe for those Ordinary Shares allocated to them at the Placing Price. To the fullest extent permitted by law, Placees will not be entitled to rescind their agreement at any time. In the event that Admission does not occur by 8.00 a.m. London time on or prior to 24 March 2020 (or such later date, not being later than 31 March 2020), Placees will receive a full refund of monies subscribed.

The Placing Shares will be issued free of all liens, charges and encumbrances and will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of their issue and all of the Ordinary Shares will form a single class for all purposes.

5. Payment

Each Placee has undertaken to pay the Placing Price for the Placing Shares allocated to them in such manner as directed by Epsilon in the Placing Letter. No expenses will be charged by the Company to Placees in connection with the Placing. Liability for stamp duty and stamp duty reserve tax is as set out in paragraph 5 of Part VII ("*Taxation*") of this document.

If Admission does not occur, subscription monies will be returned to applicants, without interest, by Epsilon in the case of Placees.

6. CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding of Ordinary Shares under the CREST system. The Existing Ordinary Shares were admitted to CREST with effect from

admission of the Existing Ordinary Shares to trading on AIM on 15 December 2006. Accordingly, settlement of transactions in the Ordinary Shares may take place within the CREST system if any Shareholder so wishes.

CREST is a voluntary system and Shareholders who wish to receive and retain certificates for their securities will be able to do so. A prospective Placee applying for Placing Shares may elect to receive such new Ordinary Shares in uncertificated form if such person is a system-member (as defined in the CREST Regulations) in relation to CREST.

7. Selling Restrictions

The distribution of this document and the offer of Placing Shares in certain jurisdictions may be restricted by law and, therefore, persons into whose possession this document comes should inform themselves about and observe any restrictions, including those set out in the paragraphs that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. No action has been or will be taken in any jurisdiction that would permit a public offering of the Placing Shares, or possession or distribution of this document or any other offering material in any country or jurisdiction where action for that purpose is required. Accordingly, the Placing Shares may not be offered or sold, directly or indirectly, and neither this documents nor any other offering material or advertisement in connection with the Placing Shares may be distributed or published in or from any country or jurisdiction, except in circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Persons into whose possession this document comes should inform themselves about and observe any restrictions on the distribution of this document and the offer of Placing Shares contained in this document. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This document does not constitute an offer to subscribe for any of the Placing Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

European Economic Area

In relation to each Member State of the EU to which the Prospectus Regulation applies (each a “**Relevant Member State**”), an offer to the public of any Placing Shares may not be made in that Relevant Member State, except that the Placing Shares may be offered to the public in that Relevant Member State at any time under the following exemptions under the Prospectus Regulation:

- (a) to any legal entity which is a Qualified Investor as defined under the Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons per Relevant Member State (other than Qualified Investors); or
- (c) in any other circumstances to which an exemption under the Prospectus Regulation applies, falling within Article 1(3) and (4) of the Prospectus Regulation and, if the Relevant Member State has implemented the relevant provision, Article 3(2) of the Prospectus Regulation,

provided that no such offer of Placing Shares shall result in a requirement for the publication by the Company or any other person of a prospectus pursuant to Article 3 of the Prospectus Regulation and each person who initially acquires Placing Shares or to whom any offer is made will be deemed to have represented, warranted and agreed to and with Epsilon and the Company that it is a Qualified Investor within the meaning of Article 2(1)(e) of the Prospectus Regulation.

For the purposes of this provision, the expression “an offer to the public of any Placing Shares”, in relation to any Placing Shares in any Relevant Member State, means the communication in any form and by any means of sufficient information on the terms of the Placing so as to enable an Investor to decide to subscribe for the Placing Shares.

In the case of any Placing Shares being offered to a financial intermediary, each financial intermediary will also be deemed to have represented, warranted and agreed that the Placing Shares acquired by it pursuant to the Placing have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Placing Shares to the public, other than their offer or resale in a Relevant Member State to qualified investors or in circumstances in which the prior consent of Epsilon has been obtained to each such proposed offer or resale.

The Company, Epsilon and their affiliates and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement. Notwithstanding the above, a person who is not a qualified investor, and who has notified Epsilon of such fact in writing, may, with the consent of Epsilon, be permitted to subscribe for Placing Shares.

United States

The Placing Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and, subject to certain exceptions, may not be offered or sold within the United States. Accordingly, the Placing Shares may only be offered and sold outside the United States in offshore transactions in reliance on Regulation S.

Regulation S Transfer Restrictions

Each subscriber of Placing Shares outside the United States in accordance with Regulation S will be deemed to have represented, agreed and acknowledged that it has received a copy of this document and such other information as it deems necessary to make an investment decision and that:

- (a) it is authorised to subscribe for Placing Shares in compliance with all applicable laws and regulations;
- (b) it acknowledges (or, if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that the Placing Shares have not been, and will not be, registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States;
- (c) it and the person, if any, for whose account or benefit the subscriber is acquiring the Placing Shares is acquiring the Placing Shares in an offshore transaction meeting the requirements of Regulation S; and
- (d) the Company and Epsilon and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements, and it agrees that if any of such acknowledgements, representations or agreements deemed to have been made by virtue of its acquisition of Placing Shares is no longer accurate, it will promptly notify the Company, and if it is acquiring any Placing Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

United Kingdom

This document and any other material in relation to the Placing Shares described herein is only being distributed to, and is only directed at, persons in the UK that are Qualified Investors within the meaning of Article 2(1)(e) of the Prospectus Regulation that are also: (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”); or (ii) high net worth entities or other persons falling within Articles 49(2)(a) to (d) of the Order (all such persons together being referred to as “**relevant persons**”). The Placing Shares are only available to, and any invitation, offer or agreement to subscribe or otherwise acquire such Placing Shares will be engaged in only with, relevant persons. This document and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other person in the UK. Any person in the UK that is not a relevant person should not act or rely on this document or its contents.

Italy

The offering of the Ordinary Shares has not been registered pursuant to Italian securities legislation and, accordingly, no Ordinary Shares may be offered, sold or delivered, nor may copies of this document or any other document relating to the Transaction, be distributed in the Republic of Italy, except:

- (a) to qualified investors as defined in Article 2(1)(e), of the Prospectus Regulation; or
- (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1(4) of the Prospectus Regulation, Article 100 of the Italian Legislative Decree No. 58 of 24 February 1998, as amended (the “**Italian Financial Act**”), and the implementing CONSOB regulations including Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended (the “**Issuers’ Regulation**”).

Any offer, sale or delivery of the Ordinary Shares or distribution of copies of this document or any other document relating to the Transaction in the Republic of Italy must be made in compliance with the selling restrictions under points (i) and (ii) above and must be:

- (a) made by an investment firm, bank or financial intermediary licensed to carry out such activities in the Republic of Italy in accordance with the Italian Financial Act, the CONSOB Regulation No. 20307 of 15 February 2018, the Italian Legislative Decree No. 385 of 1 September 1993, as amended (the “**Italian Banking Act**”) and any other applicable laws and regulations;
- (b) in compliance with Article 129 of Italian Banking Act and the implementing guidelines of the Bank of Italy, issued on 25 August 2015, as amended on 10 August 2016, and as amended from time to time; and
- (c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy or any other competent authority.

Any investor subscribing for the Ordinary Shares is solely responsible for ensuring that any offer or resale of the Ordinary Shares by such investor occurs in compliance with applicable laws and regulations.

Switzerland

The Ordinary Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (“**SIX**”) or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under article 652a or article 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses pursuant to the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Ordinary Shares or the Transaction may be publicly distributed or otherwise made publicly available in Switzerland. Neither this document nor any other offering or marketing material relating to the Transaction, the Company, Supply@ME or the Ordinary Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of Ordinary Shares will not be supervised by, the Swiss Financial Market Supervisory Authority.

9. Reasons for the Placing and use of Net Proceeds

The Directors believe that the Acquisition and Admission will:

- provide the Enlarged Group with a supportive group of investors and the potential to access additional capital for growth;
- provide the Enlarged Group’s new shareholders with an attractive investment with the potential to create value;
- enhance the profile of the Enlarged Group in international markets; and
- assist in the incentivisation and retention of key management and employees.

The Company expects to receive Net Proceeds of approximately £1.44 million (after deducting estimated commissions and expenses of the Placing (including VAT) payable by the Company, which are currently expected to be approximately £800,000 from the issue of the Placing Shares.

The Company’s intention is to use the Net Proceeds of the Placing to fund the development and growth of the Supply@ME business.

1. *aiming to be the best fintech inventory data monitoring business (£0.6m)*; this means investing in these technology streams: banking account integration, due diligence/onboarding digitization (trusted data environment, online simulators and external rating integration), ERP full integration (firstly SAP, IBM, Oracle and Microsoft), Internet of Things (smart cameras, RFID, other connected objects) integration for inventory off-site monitoring, remarketing digital workplace (e-marketplace where remarketer can monitor and place inventory purchase offers);

2. *developing a multi-channel funding strategy (£0.4m)*; this requires the setting up of marketing activities focused on these areas:
 - o Companies – omni-customer strategy (edu-marketing initiatives, ERPs vendors partnerships, social activities, web/online simulators development);
 - o Funders – diversifying the sources (securitisation notes continuous road shows, commercial banks partnerships, partnerships with digital platforms – e.g. CrossLend);
3. *creating a highly scalable global business (£0.3m)*: this implies the inception of internal projects focused on these areas:
 - o operations: enhancement of a new level of “Group” internal governance functions directly into the Company (e.g. ICT Compliance, Risk Management);
 - o legal framework: roll out of the current legal framework (currently in the Italian market) in order to serve new geographies.

for general corporate purposes, and the Company's ongoing costs and expenses (£0.14m)

PART IV

THE ACQUISITION

1. Details of the Acquisition and the Acquisition Agreement

1.1 **Parties**

On 27 September 2019, the Company (as buyer) and the Sellers entered into a share purchase agreement (the “**Acquisition Agreement**”). Under its terms, and subject to certain conditions, the entire corporate capital of Supply@ME shall be transferred to the Company.

The AvantGarde Group is interested in 92.2 per cent. of Supply@ME’s issued share capital. Dominic White is a director of Eight Capital Partners PLC which is interested in 22.00 per cent. of the Company’s ordinary shares. Dominic White is indirectly interested in 42 per cent. of the issued share capital of The AvantGarde Group.

1.2 **Timing and conditions**

While the Acquisition Agreement was signed on 27 September 2019, the entire corporate capital of Supply@ME shall transfer to the Company upon Completion. Completion cannot occur until each of the following conditions, *inter alia*, is satisfied (or waived by the Company or the Sellers under the terms of the Acquisition Agreement):

- (a) approval of the Acquisition by a majority of votes cast by Shareholders at the General Meeting;
- (b) the Company and the Sellers each completing to their satisfaction financial, technical, legal and commercial due diligence investigations into Supply@ME and the Buyer respectively;
- (c) the Code Waiver is obtained and is continuing to apply; and
- (d) Admission.

The Company has agreed to use reasonable endeavours to procure that the conditions described above are satisfied not later than the Long Stop Date and, save as described below, no party is entitled to withdraw from the Acquisition Agreement before that date unless any of the conditions described above become incapable of fulfilment.

1.3 **Termination**

If each of the conditions set out above has not been satisfied (or waived) by 5.00 p.m. on the Long Stop Date then the Acquisition Agreement will terminate and the Acquisition will not proceed.

Moreover, the Acquisition Agreement may be terminated at any time by the Company prior to completion of the Acquisition without liability if the Sellers shall have breached any of the warranties or other terms of the Acquisition Agreement or if any event occurs which has or is likely to have a material adverse effect on the financial position or business prospects of Supply@ME.

1.4 **Consideration**

The consideration for the Acquisition will be £224,478,000, to be satisfied by the issue of 32,322,246,220 Consideration Shares, representing approximately 98.68 per cent. of the Enlarged Share Capital immediately following Admission.

1.5 **Representations, warranties and specific indemnities**

The Company and the Sellers have given each other certain customary representations and warranties in relation to the Acquisition and the issue of the Consideration Shares, as at the date of signing of the Acquisition Agreement, with each such representation and warranty being repeated on the date of Completion.

The Sellers have also entered into a customary tax covenant in favour of the Company.

Moreover, the Sellers have agreed to indemnify the Company and/or Supply@ME against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred by the Company and/or Supply@ME arising out of or in connection with any potential breach by Supply@ME of the provisions set out in the Italian legislative decree no. 81/08 due to facts, events and/or circumstances occurred prior to Completion.

1.6 Limitations of liabilities

Claims under the Acquisition Agreement are subject to certain financial, time and other limitations. The threshold to be exceeded in respect of the aggregate amount of all warranty claims is £15,000 and an amount equivalent to 3.5 per cent. of the purchase price, in which case the Sellers and/or the Company (as the case may be) shall be liable for the whole amount claimed and not only the excess.

The limitation period in respect of warranty and indemnity claims under the Acquisition Agreement expires two years following completion of the Acquisition in the case of the general warranties and ten years following completion of the Acquisition in the case of a claim under the tax warranties and/or tax covenant given by the Sellers. The overall cap and aggregate liability of the Sellers in respect of claims under the Acquisition Agreement will not exceed 35 per cent. of the purchase price and the overall cap and aggregate liability of the Company in respect of claims under the Acquisition Agreement will also not exceed 35 per cent. of the purchase price.

At the election of the Company, any claims under the Acquisition Agreement may be satisfied either in cash or (subject to the provisions of the Companies Act) by the sale back to the Company of the appropriate number of the relevant Sellers' Consideration Shares at the price per share at which they are deemed to be issued for the purpose of the Acquisition (i.e. the Closing Price) (such price being set off in full against the claim liability) or by redesigning such number of Consideration Shares into new deferred shares in the share capital of the same Company as is equal to the liability owed to the Company. The maximum aggregate liability of the Sellers under the Acquisition Agreement can therefore be fully satisfied by the sale back or by the redesignation of all such Sellers' Ordinary Shares.

1.7 Covenants until Completion

The Sellers have undertaken that Supply@ME will be run in the ordinary course of business until Completion and will not make any material change to the nature of the business. The Acquisition Agreement contains customary restrictions on the conduct of certain activities by Supply@ME prior to Completion, including a restriction on the creation or issue of any share or loan capital or the grant of any option in respect of the same, the declaration or making of any dividend or the entry into any contract or commitment outside of the ordinary course of business.

1.8 Governing law and arbitration

The Acquisition Agreement is governed by the laws of England.

Any dispute which may arise out of, or in connection with, or in relation to, as the case may be, the Acquisition Agreement, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration under the LCIA Rules. The number of arbitrators shall be three. The seat, or legal place, of arbitration shall be London. The language to be used in the arbitral proceedings shall be English.

2. Admission and dealings

Application has been made to the UK Listing Authority and the London Stock Exchange for all of the Ordinary Shares in the capital of the Company, issued and to be issued pursuant to the Acquisition and the Placing to be admitted to the Official List (by way of a Standard Listing) under Chapter 14 of the Listing Rules and to trading on the London Stock Exchange's Main Market for listed securities. Admission to trading on the London Stock Exchange's main market for listed securities constitutes admission to trading on a regulated market. No application has been made, or at this time is intended to be made, for the Ordinary Shares to be admitted for listing or dealt with on any other stock exchange. It is expected that Admission will become

effective and that dealings for normal settlement in the Ordinary Shares will commence on the London Stock Exchange at 8.00 a.m. on 23 March 2020.

Where applicable, definitive share certificates in respect of the Consideration Shares to be issued pursuant to the Acquisition are expected to be despatched, by post, at the risk of the recipient, to the Sellers, not later than 7 April 2020. The Consideration Shares are in registered form and can also be held in uncertificated form. Prior to the despatch of definitive share certificates in respect of any Consideration Shares which are held in certificated form, transfers of those Consideration Shares will be certified against the register of members of the Company. No temporary documents of title will be issued. The rights attaching to the Consideration Shares will be uniform in all respects and all of the Ordinary Shares will form a single class for all purposes.

All Consideration Shares to be issued pursuant to the Acquisition will be issued at the Issue Price to the Sellers pursuant to the Acquisition Agreement. The issue of the Consideration Shares is conditional, *inter alia*, on the approval of the Acquisition at the General Meeting and on Admission.

In accordance with Listing Rule 14.3, the Company and the Directors have ensured that on Admission the Company shall have sufficient shares in public hands (25 per cent.) as defined in the Listing Rules. However, the members of the Concert Party will control more than 30 per cent. of the Enlarged Shares Capital and the Panel has confirmed that, subject to the consent of Independent Shareholders being obtained at the General Meeting, no general offer will be required to be made to all Shareholders of the Company under Rule 9 of the City Code.

PART V

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

1. General

No person has been authorised to give any information or to make any representations in connection with Admission other than the information and representations contained in this document and, if any other information is given or representations are made, such information or representations must not be relied upon as having been authorised by or on behalf of the Company or the Directors or the Proposed Directors.

The Company does not accept any responsibility for the 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 regarding Admission, the Ordinary Shares or the Enlarged Group. The Company makes no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. Without prejudice to any obligation of the Company under the FSMA, the Prospectus Regulation Rules, the Listing Rules, the Market Abuse Regulation or the Disclosure Guidance and Transparency Rules, the delivery of this document shall not, under any circumstances, create any implication that there has been no change in the business or affairs of the Company or of the Enlarged Group taken as a whole since the date hereof or that the information contained herein is correct as of any time subsequent to its date.

The contents of this document or any subsequent communications from any member of the Enlarged Group or any of their respective affiliates, officers, advisers, directors, employees or agents are not to be construed as advice on legal, business, taxation, accounting, regulatory, investment or any other matters. Each Investor should consult his or her own lawyer, financial adviser or tax adviser for legal, financial or tax advice, as appropriate.

This document does not constitute, and may not be used for the purposes of, an offer to sell or an invitation or the solicitation of an offer or invitation to subscribe for or buy, any Ordinary Shares by any person in any jurisdiction.

The Ordinary Shares have not been and will not be registered under the US Securities Act, or under any relevant securities laws of any state or other jurisdiction in the United States, or under the applicable securities laws of Australia, Canada, the Republic of South Africa or Japan.

Investors should read this document in its entirety.

2. Presentation of financial information

The historical financial information presented in this document includes:

- audited information in respect of the Company for the period for the 3 years ended 31 March 2019;
- unaudited information in respect of the Company for the six month period ended 30 September 2019;
- audited information in respect of Supply@ME for the period from incorporation on 20 October 2017 to 31 December 2018 and unaudited information for the period from 1 January 2019 to 30 September 2019; and
- unaudited proforma financial information on the Enlarged Group.

In each case, financial information will be prepared in accordance with IFRS unless otherwise indicated. Following Admission the Company intends to report its results half-yearly.

3. Non-financial information operating data

The non-financial operating data included in this document has been extracted without material adjustment from the management records of the Enlarged Group and is unaudited.

4. Rounding

Percentages and certain amounts in this document, including financial, statistical and operating information, have been rounded to the nearest thousand whole number or single decimal place for ease of presentation. As a result, the figures shown as totals may not be the precise sum of the figures that precede them. In addition, certain percentages and amounts contained in this document reflect calculations based on the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages or amounts that would be derived if the relevant calculations were based upon the rounded numbers.

PART V(A)

**ACCOUNTANTS' REPORT ON
THE HISTORICAL FINANCIAL INFORMATION OF THE COMPANY**

The Directors
Abal Group Plc
27/28 Eastcastle Street
London
W1W 8DH

Dear Sirs

4 March 2020

Abal Group Plc (formerly named Imaginatik plc)

We report on the financial information for the years ended 31 March 2017, 2018 and 2019 set out on pages 72 to 87 which comprises the company statement of financial position, statement of comprehensive income, statement of changes in equity, cash flow statement and related notes. This financial information has been prepared for inclusion in the Prospectus dated 4 March 2020 of Abal Group Plc on the basis of the accounting policies set out in Note 1. This report is required by Annex 1 (item 18.3.1) of the Commission Delegated Regulation (EU) 2019/980 (the "Regulation") and is given for the purpose of complying with that item and for no other purpose.

Responsibility

The Existing Directors and Proposed Directors 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 Prospectus Regulation Rule 5.3.2R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any 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 item 1.3 of Annex 1 of the Regulation, consenting to its inclusion in the Prospectus.

Basis of opinion

We conducted our work in accordance with the 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.

Opinion

In our opinion the financial information gives, for the purpose of the Prospectus dated 4 March 2020, a true and fair view of the state of affairs of Abal Group Plc as at 31 March 2017, 31 March 2018 and 31 March 2019 and of the profits/losses, cash flows and changes in equity for the periods then ended in accordance with International Financial Reporting Standards as adopted by the European Union and has been prepared in a form that is consistent with the accounting policies adopted in Abal Group Plc's latest financial statements.

Declaration

For the purposes of Prospectus Regulation Rule 5.3.2R(2)(f) we are responsible for this report as part of the Prospectus and declare 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 Prospectus in compliance with item 1.3 of Annex I of the Regulation.

Yours faithfully

rsm

Società di revisione organizzazione contabile

Via Meravigli, 7

Milano

Italy

PART V(B)
PART 1
HISTORICAL FINANCIAL INFORMATION ON ABAL GROUP PLC
(formerly named Imaginatik plc)

Consolidated Statement of Comprehensive Income

	<i>Year ended</i> <i>31 March</i> <i>2017</i> <i>£ 000</i>	<i>Year ended</i> <i>31 March</i> <i>2018</i> <i>£ 000</i>	<i>Year ended</i> <i>31 March</i> <i>2019</i> <i>£ 000</i>
Revenues	3,920	3,681	–
Cost of sales	(194)	(201)	–
Gross profit/(loss)	3,726	3,480	–
Administrative expenses	(4,603)	(5,026)	(726)
Other operating income/(loss)	(167)	204	69
Operating (loss)/profit	(1,044)	(1,342)	(657)
Finance costs	(13)	(13)	(42)
(Loss)/profit from continuing operations before tax	(1,057)	(1,355)	(699)
Tax credit/(expense)	215	200	–
(Loss)/profit from continuing operations for the year	(842)	(1,155)	(699)
(Loss)/profit for the year from discontinuing operations	–	–	325
(Loss)/profit for the year and total comprehensive income	(842)	(1,155)	(374)

The results reflected above relate solely to continuing activities.

With reference to the financial statements as at and for the year ended 31 March 2018 the Company made a prior period adjustment of £0.06 million to cover holiday pay accruals, increasing the loss for financial year 2017 to £0.84 million from £0.78 million originally stated. Administrative expenses increased from £4.54 million to £4.60 and accruals increased from £2.45 million to £2.51 million.

Consolidated Statement of Financial Position

		31 March 2017 £ 000	31 March 2018 £ 000	31 March 2019 £ 000
	Notes			
Non-current assets				
Property, plant and equipment	4	25	23	–
Intangible assets	5	933	928	–
Trade and other receivables		97	341	–
Current assets				
Trade and other receivables	6	1,789	757	121
Cash and cash equivalents		117	61	771
Total assets		<u>2,961</u>	<u>2,110</u>	<u>892</u>
Current liabilities				
Trade and other payables	7	(2,879)	(1,975)	463
Derivative financial instruments		–	–	53
Non current liabilities				
Deferred income	8	(737)	(582)	–
Total liabilities		<u>(3,616)</u>	<u>(2,557)</u>	<u>516</u>
Net (liabilities)/assets		(655)	(447)	376
Shareholders' equity				
Share capital	9	4,041	4,765	4,767
Share premium	9	7,765	8,350	9,599
Other reserves		1,198	1,252	1,217
Retained earnings/(losses)		(13,659)	(14,814)	(15,207)
Total equity attributable to owners of Abal Group Plc		<u>(655)</u>	<u>(447)</u>	<u>376</u>

Consolidated Statement of Changes in Equity

	<i>Share capital</i> £ 000	<i>Share premium</i> £ 000	<i>Other reserves</i> £ 000	<i>Retained earnings</i> £ 000	<i>Total</i> £ 000
As at 1 April 2016	3,374	6,883	1,143	(12,817)	(1,417)
Shares issued	667	882	–	–	1,549
Employee share-based payment opt.	–	–	55	–	55
Profit/(Loss) for the year	–	–	–	(842)	(842)
As at 1 April 2017	4,041	7,765	1,198	(13,659)	(655)
Shares issued	724	585	–	–	1,309
Employee share-based payment opt.	–	–	54	–	54
Profit/(Loss) for the year	–	–	–	(1,155)	(1,155)
As at 31 March 2018	4,765	8,350	1,252	(14,814)	(447)
As at 1 April 2018	4,765	8,350	1,252	(14,814)	(447)
Conversion of debt to equity	–	–	–	(19)	(19)
Employee share-based payment options	–	–	(35)	–	(35)
Issue of share capital	2	1,249	–	–	1,251
Transactions with owners	2	1,249	(35)	(19)	1,197
Loss for the year and total comprehensive income	–	–	–	(374)	(374)
At 31 March 2019	<u>4,767</u>	<u>9,599</u>	<u>1,217</u>	<u>(15,207)</u>	<u>376</u>

Consolidated Cash Flow Statement

	<i>Year ended</i> <i>31 March</i> <i>2017</i> <i>£ 000</i>	<i>Year ended</i> <i>31 March</i> <i>2018</i> <i>£ 000</i>	<i>Year ended</i> <i>31 March</i> <i>2019</i> <i>£ 000</i>
Cash flows from operating activities			
(Loss)/profit for the year			
<i>Adjustments for:</i>			
Depreciation, Amortisation and Impairments	(842)	(1,155)	(374)
Profit on sale of business	151	568	203
Share based payment transactions	–	–	(935)
Derivative financial instruments	55	54	35
Income tax credit	–	–	34
Finance costs	(215)	(200)	(141)
	13	13	8
Cash inflow/(outflow) from operations before changes in working capital	(838)	(720)	(1,240)
Decrease/(Increase) in trade and other receivables	(209)	788	156
(Increase)/decrease in trade and other payables	(13)	(1,059)	(512)
Net cash flow from operations	(1,060)	(991)	(1,596)
Finance costs	(13)	(13)	(8)
Income taxes received/(paid)	215	200	141
Cash inflow/(outflow) from operational activities	(858)	(804)	(1,463)
Investing activities			
Investment in tangible assets	(22)	(11)	–
Proceeds from sale of business	–	–	1,207
Investment in intangible assets	(575)	(550)	(205)
Disposal in intangible assets			
Disposal in tangible assets			
Net cash used in investing activities	(597)	(561)	1,002
Financing activities			
Proceeds from issue of share capital	1,549	1,309	1,171
Net cash generated from financing activities	1,549	1,309	1,171
Net increase/(decrease) in cash and cash equivalents	94	(56)	710
Cash and cash equivalents at beginning of year	23	117	61
Cash and cash equivalents at end of year	117	61	771

NOTES TO THE FINANCIAL INFORMATION

General information

Abal Group Plc (formerly Imaginatik plc) is a public limited company incorporated in the United Kingdom. Abal Group Plc provided collaborative innovation software and related professional services to large and medium-sized enterprises.

1. Principal accounting policies

The principal accounting policies applied in the preparation of the financial information are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

The financial information has been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union. The financial information has been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense.

The financial information is presented in pounds sterling (£) which is the functional currency of the company.

An overview of standards, amendments and interpretations to IFRSs issued but not yet effective, and which have not been adopted early by the Company are presented below under ‘Statement of Compliance’.

Going concern

The directors have reviewed the group’s budgets and forecasts for the coming 12 months, which have been prepared with appropriate regard to the macroeconomic environment and the conditions in the principal markets served by the group. The directors have taken into considerations the group’s net funds, the level of anticipated renewals by reviewing on a customer by customer basis, forecast new and up sell revenues based on sales in the pipeline and anticipated costs. There is inherent uncertainty in the level of anticipated renewals and up sell revenues and assumptions are based on reasonable expectations taking into account historic experience and current knowledge. On this basis, the Directors have a reasonable expectation that the company has adequate resources to continue operating for the foreseeable future. For this reason, they have adopted the going concern basis in preparing the company’s financial information.

Critical accounting estimates and judgements

The preparation of financial information in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial information and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are based upon management’s knowledge and experience of the amounts, events or actions. Actual results may differ from such estimates.

Statement of compliance

The financial information comply with IFRS as adopted by the European Union. At the date of authorisation of the financial information, the following Standards and Interpretations affecting the company, which have not been applied in this financial information, were in issue, but not yet effective. The company does not plan to adopt these standards early.

- Amendments to IFRS 2 Share Based Payment (effective for accounting periods beginning on or after 1 January 2018)
- Amendments to IFRS 9 Financial Instruments (effective for accounting periods beginning on or after 1 January 2019)
- IFRS 15 Clarification of Revenue from Contracts with Customers (effective for accounting periods beginning on or after 1 January 2018)
- IFRS 16 Leases (effective for accounting periods beginning on or after 1 January 2019)
- Amendments to IAS 23 Borrowing Costs (effective for accounting periods beginning on or after 1 January 2019)
- Amendments to IAS 12 Income Taxes (effective for accounting periods beginning on or after 1 January 2019)

Basis of consolidation

The Group financial statements consolidate those of the Company and all of its subsidiary undertakings drawn up to 31 March. Subsidiaries are entities over which the Group has the control. Control comprises an investor having power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power.

Taxation

Current taxation is the taxation currently payable on taxable profit for the year.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Temporary differences include those associated with shares in subsidiaries and joint ventures and are only not recognized if the company controls the reversal of the difference and it is not expected for the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the company are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognized to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted at the statement of financial position date. Changes in deferred tax assets or liabilities are recognized as a component of tax expense in the income statements, except where they relate to items that are charged or credited to equity in which case the related deferred tax is also charged or credited directly to equity.

Intangible fixed assets

Intangible fixed assets are stated at fair value less amortization. It is amortized to the statement of comprehensive income over its estimated economic life as follows:

Software – 20 per cent. to 33 per cent. per annum

Development costs – 20 per cent. per annum

Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation. The cost of the property, plant and equipment is their purchase price plus any incidental cost of acquisition. Depreciation is calculated to write down the cost, less estimated residual values, of all property, plant and equipment by equal monthly instalments over their estimated useful lives at the following rates:

Leasehold improvements – over the life of the lease

Fixtures and fittings – 33 per cent. per annum

Equipment – 33 per cent. per annum

Financial assets

The company's financial assets comprise trade and other receivables and cash and cash equivalents.

Trade and other receivables

Trade and other receivables are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value less transaction costs, and are measured subsequently at amortized cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less and where there is an insignificant risk of changes in value. In the

consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

Financial liabilities

The company's financial liabilities comprise trade and other payables. Financial liabilities are obligations to pay cash or other financial assets and are recognized when the Company becomes a party to the contractual provisions of the instruments.

Trade payables

Trade payables are initially measured at fair value less transaction costs and are subsequently measured at amortized cost, using the effective interest rate method.

Equity

Equity comprises the following:

- "Share capital" represents the nominal value of equity shares.
- "Share premium" represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- "Retained earnings/(losses)" represents retained profit/loss to date.

2. Segmental information

Management identifies the Group's two revenue streams as its operating segments. These operating segments are monitored by the Group's chief operating decision maker. For these operating segments only revenues are reported to the Group's chief operating decision maker as results, other costs and assets and liabilities cannot be reliably allocated to the operating segments.

	<i>2017</i>	<i>2018</i>
	<i>£ 000</i>	<i>£ 000</i>
Segmental revenue:		
Technology	2,911	2,841
Consultancy	1,009	840
	<u>3,920</u>	<u>3,681</u>

The Group's revenues from external customers and its non-current assets are divided into the following geographical areas:

	<i>2017</i>	<i>2018</i>
	<i>£ 000</i>	<i>£ 000</i>
Segmental revenue:		
United States of America	2,784	2,272
Rest of the World	1,136	1,409
	<u>3,920</u>	<u>3,681</u>

	<i>2017</i>	<i>2018</i>
	<i>£ 000</i>	<i>£ 000</i>
Segmental non-current assets:		
United States of America	92	357
Rest of the World	943	935
	<u>1,035</u>	<u>1,292</u>

In February 2019 the Company sold its business and business assets. Consequently, disclosure of segmental information is no longer appropriate and the Company's results are reported under headings for the Company's continuing operations as a holding company and for the discontinued operations.

3. Financial instruments

Risk management

The Group is exposed through its operations to the following financial risks:

- credit risk;
- foreign exchange risk; and
- liquidity risk.

The Board has overall responsibility for the determination of the group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the group's finance function.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the group's competitiveness and flexibility.

Credit risk

The group is mainly exposed to credit risk from credit sales. It is group policy to assess the credit risk of new customers before entering contracts. Such credit ratings take into account local business practices.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institution. To manage this, the group has made sure that they use reputable banks.

Foreign exchange risk

The group has operations located in various parts of the world whose functional currency is not the same as functional currency in which the group companies are operating. Although its global market penetration reduces the group's operational risk in that it has diversified into several markets, the group's net assets arising from such overseas operations are exposed to currency risk resulting in gains or losses on retranslation into sterling. Only in exceptional circumstances will the group consider hedging its net investments in overseas operations as generally it does not consider that the reduction in foreign currency exposure warrants the cash flow risk created from such hedging techniques.

Liquidity risk

The company seeks to manage financial risk, to ensure sufficient liquidity is available to meet foreseeable needs.

4. Property, plant and equipment

	<i>Leasehold improvements</i> £ 000	<i>Fixtures and fittings</i> £ 000	<i>Equipment</i> £ 000	<i>Total</i> £ 000
Cost or valuation				
At 1 April 2016	50	62	352	464
Additions	–	–	22	22
Disposals	–	–	–	–
At 31 March 2017	50	62	374	486
Additions	–	–	11	11
At 31 March 2018	50	62	385	497
Additions	–	–	–	–
Disposal of business	(50)	(62)	(385)	(497)
At 31 March 2019	–	–	–	–
Depreciation				
At 1 April 2016	44	62	339	445
Charge for year	2	–	14	16
Eliminated on disposals	–	–	–	–
At 31 March 2017	46	62	353	461
Charge for year	2	–	11	13
At 31 March 2018	48	62	364	474
Charge for year	1	–	9	10
Eliminated on disposals	(49)	(62)	(373)	(484)
At 31 March 2019	–	–	–	–
Net book value At 31 March 2019				
At 31 March 2018	2	–	21	23
At 31 March 2017	4	–	21	25

5. Intangible fixed assets

	<i>Software</i> £ 000	<i>Development costs</i> £ 000	<i>Total</i> £ 000
Cost or valuation			
At 1 April 2016	365	761	1,126
Additions	44	531	575
Disposals	–	–	–
At 31 March 2017	409	1,292	1,701
Additions	–	550	550
At 31 March 2018	409	1,842	2,251
Additions	7	198	205
Disposal of business	(416)	(2,040)	(2,456)
At 31 March 2019	–	–	–
Amortization			
At 1 April 2016	339	294	633
Charge for year	(6)	141	135
Eliminated on disposals	–	–	–
At 31 March 2017	333	435	768
Charge for year	45	126	171
Impairment	–	384	384
At 31 March 2018	378	945	1,323
Charge for year	26	167	193
Disposal of business	(404)	(1,112)	(1,516)
At 31 March 2019	–	–	–
Net book value at 31 March 2019			
At 31 March 2018	31	897	928
At 31 March 2017	76	857	933

6. Trade and other receivables (current)

	31 March 2017 £ 000	31 March 2018 £ 000	31 March 2019 £ 000
Trade receivables	1,432	453	–
Other receivables	8	2	76
Prepayments and accrued income	349	302	45
	<u>1,789</u>	<u>757</u>	<u>121</u>

7. Trade and other payables

	31 March 2017 £ 000	31 March 2018 £ 000	31 March 2019 £ 000
Trade payables	235	249	65
Other taxes and social security	41	16	39
Other payables	2,603	1,710	359
	<u>2,879</u>	<u>1,975</u>	<u>463</u>

8. Non current liabilities

	31 March 2017 £ 000	31 March 2018 £ 000	31 March 2019 £ 000
Deferred income	737	582	–

9. Share capital

	Number of Shares No. 000	Share Capital £ 000
At 31 March 2017		
Ordinary shares of £0.01 each	151,829	1,518
Deferred shares of £0.04 each	63,084	2,523
Total	<u>214,913</u>	<u>4,041</u>
At 31 March 2018		
Ordinary shares of £0.01 each	224,194	2,242
Deferred shares of £0.04 each	63,084	2,523
Total	<u>287,278</u>	<u>4,765</u>
At 31 March 2019		
Ordinary shares of £0.01 each	101,094	2
Deferred shares of £0.04 each	63,084	2,523
Deferred shares of £0.01 each	224,194	2,241
Total	<u>388,372</u>	<u>4,767</u>

10. Related party transactions

M.J. Cooper, S.K. Taylor, S. Charles and R. Welborn are all related parties by virtue of their directorships during the years.

S. Charles is a partner in Marriott Harrison LLP, legal advisors to the Company.

PART V(B)
PART 2
HISTORICAL FINANCIAL INFORMATION ON ABAL GROUP PLC – UNAUDITED

Consolidated Statement of Comprehensive Income

For the six months ended 30 September 2019

	<i>Notes</i>	<i>6 Months Ended 30 Sept 2019 Unaudited £'000</i>
Continuing Operations	2	
Revenue		–
Cost of Sales		–
		<hr/>
Gross Profit		–
Administrative Expenses		(190)
Exceptional item – Administrative Expenses		(451)
Other Income		40
		<hr/>
Operating (Loss)		(601)
Financial Expense		–
		<hr/>
(Loss) Before Income Tax		(601)
Income tax	3	–
		<hr/>
(Loss) from continuing operations		(601)
Profit/(Loss) from discontinued operations	2	–
		<hr/>
(Loss) and total comprehensive income for the period attributable to the equity shareholders of the parent		<hr/> (601) <hr/>
Earnings per ordinary share (pence) from continuing and discontinued operations attributable to the equity shareholders:		
Continuing operations basic – pence	4	<hr/> (0.15)p <hr/>
Total basic earnings per share attributable to the equity shareholders of the parent – pence	4	<hr/> (0.15)p <hr/>

Consolidated Statement of Financial Position

as at 30 September 2019

30 Sep
2019
Unaudited
£'000

Non-Current Assets

Property, Plant & Equipment
Intangible Assets
Trade & other receivables

–
–
–

Total Non-Current Assets

–

Current Assets

Trade & Other Receivables
Cash & Cash Equivalents

94
126

Total Current Assets

220

Total Assets

220

Equity

Ordinary Share Capital
Share premium
Other reserves
Profit and Loss

4,767
9,599
1,217
(15,808)

Equity

(225)

Liabilities

Current Liabilities

Trade & Other Payables
Derivative financial instruments

392
53

Total Current Liabilities

445

Non-Current Liabilities

Other payables

–

Total Liabilities

445

Total Equity and Liabilities

220

Consolidated Statement of Cash Flows

For the six months ended 30 September 2019

	<i>6 Months Ended 30 Sep 2019 Unaudited £'000</i>
Cash Flows from Operating Activities	
Operating profit/(loss) before tax from:	
Continuing operations	(601)
Discontinued operations	–
Adjustments to cash flows from non-cash items:	
Depreciation, amortisation and impairments	–
Profit on sale of business	–
Share based payment transactions	–
Derivative financial instrument	–
Income tax credit	–
Interest	–
Change in Trade & Other Receivables	27
Change in Trade & Other Payables	(71)
	<hr/>
Cash (Used in) Operations	(645)
Finance Costs	–
Tax Received	–
	<hr/>
Net Cash (Used in) Operating Activities	(645)
	<hr/>
Cash Flows from Investing Activities	
Proceeds from sale of business	–
Purchase of Intangible Assets	–
	<hr/>
Net Cash Generated (Used) in Investing Activities	–
	<hr/>
Cash Flows from Financing Activities	
Proceeds from the issue of ordinary shares	–
Net Cash Generated from Financing Activities	–
Net Increase/ (Decrease) in Cash and Cash Equivalents	(645)
Cash and Cash Equivalents at the Start of the Period	771
	<hr/>
Cash and Cash Equivalents at the End of the Period	126
	<hr/> <hr/>

Consolidated Statement of Changes in Equity

For the six months ended 30 September 2019 (unaudited)

	<i>Ordinary Share Capital £'000</i>	<i>Share Premium £'000</i>	<i>Share Option Reserve £'000</i>	<i>Retained Losses £'000</i>	<i>Total £'000</i>
At 1 April 2019	4,767	9,599	1,217	(15,207)	376
Comprehensive Loss for the Period	–	–	–	(601)	(601)
At 30 September 2019	<u>4,767</u>	<u>9,599</u>	<u>1,217</u>	<u>(15,808)</u>	<u>(225)</u>

For the six months ended 30 September 2018 (unaudited)

	<i>Share Capital £'000</i>	<i>Share Premium £'000</i>	<i>Share Option Reserve £'000</i>	<i>Retained Losses £'000</i>	<i>Total £'000</i>
At 1 April 2018	4,765	8,350	1,252	(14,814)	(447)
Issue of New Shares	1	561	–	–	562
Share Option Charge	–	–	26	–	26
Comprehensive Loss for the Period	–	–	–	(595)	(595)
At 30 September 2018	<u>4,766</u>	<u>8,911</u>	<u>1,278</u>	<u>(15,409)</u>	<u>(454)</u>

For the year ended 31 March 2019 (audited)

	<i>Share Capital £'000</i>	<i>Share Premium £'000</i>	<i>Share Option Reserve £'000</i>	<i>Retained Losses £'000</i>	<i>Total £'000</i>
At 1 April 2018	4,765	8,350	1,252	(14,814)	(447)
Issue of New Shares	2	1,249	–	–	1,251
Share Option Charge	–	–	(35)	–	(35)
Conversion of debt to Equity	–	–	(19)	(19)	–
Comprehensive Loss for the Period	–	–	–	(374)	(374)
At 31 March 2019	<u>4,767</u>	<u>9,599</u>	<u>1,217</u>	<u>(15,207)</u>	<u>376</u>

Notes to the financial statements

For the six months ended 30 September 2019 (unaudited)

1. Basis of preparation

These interim financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting using the recognition and measurement principles of International Accounting Standards, International Financial Reporting Standards and Interpretations adopted for use in the European Union (collectively "Adopted IFRS").

The principal accounting policies used in preparing these interim financial statements are those expected to apply to the Group's Consolidated Financial Statements for the year ending 31 March 2020 and are unchanged from those disclosed in the Group's audited Annual Report for the year ended 31 March 2019.

The financial information for the six months ended 30 September 2019 and 30 September 2018 is unaudited and does not constitute statutory financial statements for those periods.

The comparative financial information for the year ended 31 March 2019 is not statutory accounts within the meaning of s434 of the Companies Act 2006 but has been derived from the audited statutory financial statements for that year. The statutory accounts for the year ended 31 March 2019 have been reported on by the Company's auditor, delivered to the Registrar of Companies and have been posted on the Group's website.

The auditor's opinion on the Group's financial statements for the year ended 31 March 2019 was unqualified.

2. Continuing operations, discontinued operations and exceptional item

2a Summary

On 4 February 2019 the group sold all of its business and assets. Consequently, disclosure of segmental information is no longer appropriate, and instead the group's results are reported separately under headings for the group's continuing operations as a holding company and for the discontinued operations. The comparative statement of profit and loss has been restated as is the operation had been discontinued from the start of the prior year.

2b Continuing operations and exceptional item

As all the trading activities have been discontinued, there is no ongoing segmental information. The following results for continuing operations are for the administrative costs of the Group's parent company.

	<i>6 Months Ended September 2019 Unaudited £'000</i>	<i>6 Months Ended September 2018 Unaudited £'000</i>	<i>Year Ended March 2019 Audited £'000</i>
Corporate expenses	(190)	(360)	(726)
Exceptional item – Corporate expenses – see note below	(451)	–	–
Other income	40	31	69
Finance cost	–	(20)	(42)
Loss after tax	<u>(601)</u>	<u>(349)</u>	<u>(699)</u>

The exceptional item relates to the cost of professional fees incurred in preparation for the proposed acquisition that is explained in Note 5.

2c Discontinued operations

On 4 February 2019 the group sold all of its business and assets. The financial performance for this disposed business may be summarised:

	<i>6 Months Ended September 2019 Unaudited £'000</i>	<i>6 Months Ended September 2018 Unaudited £'000</i>	<i>Year Ended March 2019 Audited £'000</i>
Revenue	–	1,423	2,297
Expenses	–	(1,669)	(3,048)
Loss before income tax	–	(246)	(751)
Income tax expense	–	141	
Loss after tax for discontinued operation	–	(246)	(610)
Gain on sale of the subsidiary after tax – see below	–	–	935
Comprehensive income/(loss) from discontinued operation	–	(246)	325

3. Income Tax

There was no income tax for the six month periods ended 30 September 2018 and 2019. There was an income tax credit of £141,000 for the year ended 31 March 2019. This income tax credit represented the research and development tax credits receivable for that period.

4. Earnings per share

Basic EPS loss per share:

	<i>6 months ended September 2019</i>	<i>6 months ended September 2018</i>	<i>Year ended March 2019</i>
(Loss) from continuing operations	£(601,000)	£(349,000)	£(699,000)
Total comprehensive (loss) Weighted number of Ordinary Shares – thousands	£(601,000) 388,372	£(595,000) 27,731	£(374,000) 52,990
Basic (Loss) per share – continuing operations – pence	(0.15p)	(1.26p)	(1.32p)
Basic total comprehensive (loss) per share – pence	(0.15p)	(2.15p)	(0.71p)

The diluted EPS for the continuing operations and the diluted EPS in total (and in the prior periods) were the same as the Basic EPS as they were all losses. The diluted EPS for the discontinued operations in the year ended 31 March 2019 was a profit of 0.57p. For the calculation of this diluted EPS for the discontinued operations, the profit used was the same as for the Basic EPS, and the Basic weighted average number of shares was increased by 4,428,860 shares in respect of the outstanding share options and convertible loan note. At 31 March 2019, 7,946,158 options were excluded from the diluted EPS because their effect would have been anti-dilutive. The average market value of the shares for the purposes of calculating the dilutive effect was based on quoted market prices for the year during which the options were outstanding.

PART V(C)

ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF SUPPLY@ME

The Directors
Abal Group Plc
27/28 Eastcastle Street
London
W1W 8DH

Dear Sirs

4 March 2020

Supply@ME S.r.l.

We report on the financial information for the period from the date of incorporation (20 October 2017) to and including the year ended 31 December 2018 set out on pages 90 to 95 which comprises the company statement of financial position, statement of comprehensive income, statement of changes in equity, cash flow statement and related notes. This financial information has been prepared for inclusion in the Prospectus dated 4 March 2020 of Abal Group Plc on the basis of the accounting policies set out in Note 1. This report is required by Annex 1 (item 18.3.1) of the Commission Delegated Regulation (EU) 2019/980 (the "Regulation") and is given for the purpose of complying with that item and for no other purpose.

Responsibility

The Existing Directors and Proposed Directors 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 Prospectus Regulation Rule 5.3.2R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any 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 item 1.3 of Annex 1 of the Regulation, consenting to its inclusion in the Prospectus.

Basis of opinion

We conducted our work in accordance with the 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.

Opinion

In our opinion the financial information gives, for the purpose of the Prospectus dated 4 March 2020, a true and fair view of the state of affairs of Supply@ME S.r.l. as at 31 December 2018 and of the profits/losses, cash flows and changes in equity for the period then ended in accordance with International Financial Reporting Standards as adopted by the European Union and has been prepared in a form that is consistent with the accounting policies adopted in Supply@ME S.r.l.'s latest financial statements.

Declaration

For the purposes of Prospectus Regulation Rule 5.3.2R(2)(f) we are responsible for this report as part of the Prospectus and declare 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 Prospectus in compliance with item 1.3 of Annex I of the Regulation.

Yours faithfully

rsm

Società di revisione organizzazione contabile

Via Meravigli, 7

Milano

Italy

PART V(D)

HISTORICAL FINANCIAL INFORMATION OF SUPPLY@ME

The period covered by this section is that from Supply@ME's date of incorporation to and including the year ended 31 December 2018.

Statement of Comprehensive Income

	<i>Period 20 October 2017 to 31 December 2018 € 000</i>
Revenues	273
Cost of sales	(107)
Gross profit/(loss)	166
Administrative expenses	(44)
Depreciation and amortisation	(104)
Operating (loss)/profit	18
Finance costs	–
(Loss)/profit on ordinary activities before tax	18
Tax credit/(expense)	–
(Loss)/profit on ordinary activities for the year and total comprehensive income	18

The results reflected above relate solely to continuing activities.

Statement of Financial Position

	<i>Notes</i>	<i>31 December 2018 € 000</i>
Non-current assets		
Intangible assets	4	415
Current assets		
Trade and other receivables	5	316
Cash and cash equivalents		2
Total assets		733
Current liabilities		
Trade and other payables	6	(567)
Total liabilities		(567)
Net (liabilities)/assets		166
Shareholders' equity		
Share capital		148
Retained earnings/(losses)		18
Total equity attributable to owners of Supply@ME S.r.l.		166

Statement of Changes in Equity

	<i>Share capital € 000</i>	<i>Retained earnings € 000</i>	<i>Total € 000</i>
As at 20 October 2017	148	–	148
Profit/(Loss) for the year	—	18	18
As at 31 December 2018	<u>148</u>	<u>18</u>	<u>166</u>

Cash Flow Statement

Period
20 October
2017 to
31 December
2018
€ 000

Cash flows from operating activities

(Loss)/profit for the year 18

Adjustments for:

Depreciation, Amortisation and Impairments 104

Cash inflow/(outflow) from operations before changes in working capital 122

Decrease/(Increase) in trade and other receivables (316)

Increase/(decrease) in trade and other payables 567

Net cash flow from operations 373

Finance costs –

Income taxes received/(paid) –

Cash inflow/(outflow) from operational activities 373

Investing activities

Investment in tangible assets

Investment in intangible assets (519)

Disposal in intangible assets

Disposal in tangible assets

Net cash used in investing activities (519)

Financing activities

Proceeds from issue of share capital 148

Net cash generated from financing activities 148

Net increase/(decrease) in cash and cash equivalents 2

Cash and cash equivalents at beginning of year –

Cash and cash equivalents at end of year 2

NOTES TO THE FINANCIAL INFORMATION

General information

Supply@ME S.r.l. is a limited liability company (so-called “società a responsabilità limitata”) incorporated under the laws of Italy on 20 October 2017 in Milan.

Supply@ME has developed an innovative, proprietary, digital system which underpins a fintech platform that enables corporates to monetise their Inventory. Corporates can release locked-up capital in stock awaiting sale that its own end-customers then use as part of liquid working capital.

1. Principal accounting policies

The principal accounting policies applied in the preparation of the financial information are set out below.

The financial information as at and for the year ended 31 December 2018 is the first financial statements prepared by Supply@ME S.r.l. since the date of its incorporation and has been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union. The financial information has been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense.

The financial information is presented in Euro (€) which is the functional currency of the company.

An overview of standards, amendments and interpretations to IFRSs issued but not yet effective, and which have not been adopted early by the Company are presented below under ‘Statement of Compliance’.

Going concern

The directors have reviewed the Company’s budgets and forecasts business plan for the coming 5 years, which have been prepared with appropriate regard to the macroeconomic environment and the conditions in the principal markets served by the Company. On this basis, the Directors have a reasonable expectation that the company has adequate resources to continue operating for the foreseeable future. For this reason, they have adopted the going concern basis in preparing the company’s financial information.

Critical accounting estimates and judgements

The preparation of financial information in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial information and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are based upon management’s knowledge and experience of the amounts, events or actions. Actual results may differ from such estimates.

Statement of compliance

The financial information complies with IFRS as adopted by the European Union. At the date of authorization of the financial information, the following Standards and Interpretations affecting the company, which have not been applied in this financial information, were in issue, but not yet effective. The company does not plan to adopt these standards early.

- Amendments to IFRS 9 Financial Instruments (effective for accounting periods beginning on or after 1 January 2019)
- IFRS 16 Leases (effective for accounting periods beginning on or after 1 January 2019)
- Amendments to IAS 23 Borrowing Costs (effective for accounting periods beginning on or after 1 January 2019)
- Amendments to IAS 12 Income Taxes (effective for accounting periods beginning on or after 1 January 2019)

Taxation

Current taxation is the taxation currently payable on taxable profit for the year.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Temporary differences include those associated with shares in subsidiaries and joint ventures and are only not recognized if the company controls the reversal of the difference and it is not expected for the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the company are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognized to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted at the statement of financial position date. Changes in deferred tax assets or liabilities are recognized as a component of tax expense in the income statements, except where they relate to items that are charged or credited to equity in which case the related deferred tax is also charged or credited directly to equity.

Intangible fixed assets

Intangible fixed assets are stated at fair value less amortization. It is amortized to the statement of comprehensive income over its estimated economic life.

Financial assets

The company's financial assets comprise trade and other receivables.

Trade and other receivables

Trade and other receivables are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value less transaction costs, and are measured subsequently at amortized cost using the effective interest method, less any impairment.

Financial liabilities

The company's financial liabilities comprise trade and other payables. Financial liabilities are obligations to pay cash or other financial assets and are recognized when the Company becomes a party to the contractual provisions of the instruments.

Trade payables

Trade payables are initially measured at fair value less transaction costs and are subsequently measured at amortized cost, using the effective interest rate method.

Equity

Equity comprises the following:

- "Share capital" represents the nominal value of equity shares.
- "Retained earnings/(losses)" represents retained profit/loss to date.

2. Segmental information

There is one continuing class of business, being the investment in the financial technological sector.

Given that there is only one continuing class of business, operating within Italy no further segmental information has been provided.

3. Risk management

The business model of the Company envisages that Supply@ME is not exposed to credit risk. Hence, the Company is exposed through its operations to the following financial risks:

- operational risk; and
- liquidity risk.

Operational Risk

The operations of Supply@ME are exposed to these operational risk factors:

- ICT compliance risk;
- Business continuity risk;
- Process risk;
- Reputational risk.
- Conduct risk.

Supply@ME Director and Senior Management are aware about the importance of an effective internal controls system – inspired by the financial services sound practices – in order to manage and mitigate the different risks.

Liquidity risk

The company seeks to manage financial risk, to ensure sufficient liquidity is available to meet foreseeable needs.

4. Intangible fixed assets

	<i>Development costs € 000</i>	<i>Total € 000</i>
Cost or valuation		
At 20 October 2017	–	–
Additions	519	519
Disposals		
At 31 December 2018	<u>519</u>	<u>519</u>
Amortisation		
At 20 October 2017	–	–
Charge for year	104	104
Eliminated on disposals		
At 31 December 2018	<u>104</u>	<u>104</u>
Net book value at 31 December 2018	<u><u>415</u></u>	<u><u>415</u></u>

5. Trade and other receivables

	<i>31 December 2018 € 000</i>
Trade receivables	<u>316</u>
	<u><u>316</u></u>

6. Trade and other payables

	<i>31 December</i> <i>2018</i> <i>€ 000</i>
Trade payables	567
	<hr/>
	567
	<hr/> <hr/>

7. Related party transactions

A. Zamboni and its owned liability company (AZ Company S.r.l.) is a related party by virtue of its directorships during the year.

8. Post balance sheet events

Supply@ME is a growing innovative “Inventory Monetization” platform, having originated more than €300 million of prospective “Inventory monetization deals” in its first six months of operating (June 2018) as shown in the Operating and Financial Review contained in Part 1 of the Prospectus.

As at the date of the Prospectus, €972 million of prospective transactions have been originated.

PART V(E)

INTERIM FINANCIAL INFORMATION ON SUPPLY@ME

Statement of Comprehensive Income

	<i>30 September</i>	<i>30 September</i>
	<i>2018</i>	<i>2019</i>
	<i>€ 000</i>	<i>€ 000</i>
Revenues	202	682
Cost of sales	(44)	(141)
Gross profit/(loss)	158	541
Administrative expenses	(56)	(26)
Other operating income/(loss)	–	–
Operating (loss)/profit	102	515
Finance costs	–	–
(Loss)/profit on ordinary activities before tax	102	515
Tax credit/(expense)	(28)	(145)
(Loss)/profit on ordinary activities for the year and total comprehensive income	74	370

Statement of Financial Position

		<i>30 September</i>	<i>30 September</i>
		<i>2018</i>	<i>2019</i>
	<i>Notes</i>	<i>£ 000</i>	<i>£ 000</i>
Non-current assets			
Intangible assets	1	330	587
Current assets			
Trade and other receivables	2	267	912
Cash and cash equivalents		–	–
Total assets		<u>597</u>	<u>1,499</u>
Current liabilities			
Trade and other payables	3	(365)	(888)
Total liabilities		<u>(365)</u>	<u>(888)</u>
Net (liabilities)/assets		232	611
Shareholders' equity			
Share capital		158	158
Retained earnings/(losses)		74	453
Total equity attributable to owners of Supply@ME		<u>232</u>	<u>611</u>

NOTES TO THE INTERIM FINANCIAL INFORMATION

1. Intangible fixed assets

	<i>Development costs € 000</i>	<i>Total € 000</i>
Cost or valuation		
At 1 January 2018	370	370
Additions	0	0
At 30 September 2018	<u>370</u>	<u>370</u>
At 1 January 2019	<u>370</u>	<u>370</u>
Additions	339	339
At 30 September 2019	<u>709</u>	<u>709</u>
Amortisation		
Charge for the period 1/1-30/9/2018	40	40
Charge for the period 1/1-30/9/2019	68	68
At 30 September 2019 (cumulative 1/1/18-30/9/19)	<u>122</u>	<u>122</u>
Net book value at 30 September 2019	<u><u>587</u></u>	<u><u>587</u></u>

2. Trade and other receivables (current)

	<i>30 September 2018 € 000</i>	<i>30 September 2019 € 000</i>
Trade receivables	202	810
Other receivables	65	102
Prepayments and accrued income	0	0
	<u>267</u>	<u>912</u>

3. Trade and other payables

	<i>30 September 2018 € 000</i>	<i>30 September 2019 € 000</i>
Trade payables	270	568
Other taxes and social security	95	204
Other payables	0	116
	<u>365</u>	<u>888</u>

PART V(F)

ACCOUNTANTS' REPORT ON THE UNAUDITED PROFORMA STATEMENT OF THE NET ASSETS AND INCOME STATEMENT OF THE ENLARGED GROUP

The Directors
Abal Group Plc
27/28 Eastcastle Street
London
W1W 8DH

Dear Sirs

4 March 2020

Abal Group Plc (the "Company")

We report on the unaudited proforma information, comprising the proforma statement of net assets and income statement ("the proforma Financial Information") set out in Part V (G) which has been prepared for inclusion in the Prospectus issued by the Company and dated 4 March 2020 (the "Prospectus") relating to the proposed admission of the Enlarged Share Capital to the Standard Listed segment of the Official List and to trading on the Main Market of the London Stock Exchange.

The statements have been prepared on the basis described in note 1 for illustrative purposes only, to provide information about how the merger between Abal Group Plc and Supply@ME S.r.l. might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing its published financial statements for the period ended 31 March 2019.

This report is required by item 18.4.1 of Annex 1 of the Commission Delegated Regulation (EU) 2019/980 (the "Regulation") and is given for the purpose of complying with that requirement and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company to prepare the proforma Financial Information in accordance with Annex 20 of the Regulation.

It is our responsibility to form an opinion, as required by section 3 of Annex 20 of the Regulation, as to the proper compilation of the proforma Financial Information and to report that opinion to you.

Save for any responsibility arising under Prospectus Regulation Rule 5.3.2R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by 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 item 1.3 of Annex 1 of the Regulation, consenting to its inclusion in the Prospectus.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the proforma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the proforma Financial Information with the directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the proforma statement of net assets has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Opinion

In our opinion:

- (a) the proforma Financial Information has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Company.

Declaration

For the purposes of Prospectus Regulation Rule 5.3.2R(2)(f) we are responsible for this report as part of the Prospectus 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 Prospectus in compliance with item 1.3 of Annex I to the Regulation.

Yours faithfully

rsm

Società di revisione organizzazione contabile
Via Meravigli, 7
Milano
Italy

PART V(G)

UNAUDITED PROFORMA STATEMENT OF THE NET ASSETS AND INCOME STATEMENT OF THE ENLARGED GROUP

The following unaudited proforma income statement and proforma statement of the net assets of the Enlarged Group is prepared for illustrative purposes only. Because of its nature, the proformas address a hypothetical situation and, therefore, do not represent the Enlarged Group's actual financial position.

The statements are prepared to illustrate the effect on the trading position for the period then ended and the assets and liabilities of the Group including Abal Group Plc ("Abal") and Supply@ME S.r.l. ("Supply@ME").

The proforma income statement has been prepared as if the acquisition took place on 1 April 2018. The proforma statement of the net assets has been prepared as if the acquisition took place on 31 March 2019. The proformas also reflect the fundraising completed by the Company of £2.24 million.

The unaudited proformas have been prepared in a manner consistent with the accounting policies adopted by Abal in preparing the audited financial information, which have been extracted, without material adjustment, from the audited financial information of Abal for the year ended 31 March 2019 and Supply@ME for the period from the date of incorporation (20 October 2017) to and including the year ended 31 December 2018, as set out in the accountants' reports in Part V in this Document on the basis set out in the notes below. Due to the still extremely limited activity of Supply@ME during the first 3 months of the year 2019 (2 transactions with income statement impact for about £2 thousand) the interim data at 31 March 2019 of Supply@ME is not presented.

Income Statement

		<i>Abal</i> <i>year ended</i> <i>31 March</i> <i>2019</i> <i>£ 000</i>	<i>Supply@ME</i> <i>20 October</i> <i>2017 to</i> <i>31 December</i> <i>2018</i> <i>£ 000</i>	<i>Adjustments</i> <i>£ 000</i>	<i>Proforma</i> <i>of the</i> <i>Enlarged</i> <i>Group</i> <i>£ 000</i>
	<i>Note</i>				
Revenues		–	235	–	235
Cost of sales		–	(92)	–	(92)
Gross profit/(loss)		–	143	–	143
Administrative expenses	6	(726)	(39)	(800)	(1,564)
Other operating income		69	–	–	69
Depreciation and amortisation		–	(89)	–	(89)
Operating income/(loss)		(657)	15	(800)	(1,442)
Finance income/(costs)		(42)	–	–	(42)
Income/(Loss) on continuing operations before tax		(699)	15	(800)	(1,484)
Tax on ordinary activities		–	–	–	–
Profit/(Loss) for the period from the continuing operations		(699)	15	(800)	(1,484)
Profit/(Loss) for the period from discontinued operations		325	–	–	325
Profit/(Loss) for the period and total comprehensive income		(374)	15	(800)	(1,159)

Statement of Net Assets

	Note	Abal as at 31 March 2019 £ 000	Supply@ME as at 31 December 2018 £ 000	Adjustments £ 000	Proforma of the Enlarged Group £ 000
Assets					
Non-current assets					
Intangible fixed assets	3	–	357	224,336	224,693
Tangible fixed assets		–	–	–	–
Total non-current assets		–	357	224,336	224,693
Current assets					
Trade and other receivables		121	272	–	393
Cash and cash equivalents	5	771	1	1,440	2,213
Total current assets		892	273	1,440	2,605
Total assets		892	630	225,776	227,298
Liabilities					
Current liabilities					
Trade and other payables		(463)	(488)	–	(951)
Derivative financial instruments		(53)	–	–	(53)
Total current liabilities		(516)	(488)	–	(1,004)
Net assets		376	142	225,776	226,295

NOTES TO THE UNAUDITED PROFORMA STATEMENT OF THE NET ASSETS AND INCOME STATEMENTS OF THE ENLARGED GROUP

1. General

The unaudited proforma income statement of the Enlarged Group has been prepared as an aggregation of the following items:

- the income statement of Abal for the year ended 31 March 2019 from the audited financial statements;
- the income statement of Supply@ME for the period from the date of incorporation (20 October 2017) to and including the year ended 31 December 2018 from the audited financial statements. The exchange rate used to convert income statement data is 1€=0.86£;
- the expected cash expenses of the transaction payable by the Company of £800,000;
- the hypothetical results included in the unaudited proforma income statement may differ from the Companies' actual results.

The unaudited proforma statement of net assets of the Enlarged Group has been prepared as an aggregation of the following items:

- the net assets of Abal as at 31 March 2019 as extracted from the audited financial statements;
- the net assets of Supply@ME as at 31 December 2018 as extracted from the audited financial statements. The exchange rate used to convert balance sheet data is 1€=0.86£;
- the net proceeds of the fundraising expected to be completed by the Company on in March 2020;
- no adjustments has been made to reflect trading results since these dates; and
- the hypothetical financial position included in the unaudited proforma statement of net assets may differ from the Companies' actual financial position.

2. Basis of consolidation

An adjustment has been made to reflect the estimated goodwill arising on the acquisition of Supply@ME. This is an approximation only and may differ from the goodwill in the consolidated financial statements of the Enlarged Group. In calculating goodwill, no fair value adjustments have been made to the net assets of Abal.

For the purposes of the proforma financial information, goodwill is measured as the excess of the consideration attributable to Abal as a consequence of the business combination over the net fair value of Supply@ME's identifiable assets and liabilities.

3. Goodwill

The goodwill arising on the acquisition of Supply@ME is calculated as follows:

Consideration effectively paid (£ 000)	224,478
Net assets and liabilities of Supply@ME as at 31 December 2018:	
	£ 000
Total assets	630
Total liabilities	(488)
	<hr/>
	142
Goodwill arising on consolidation	<hr/> <u>224,336</u>

4. By way of the share exchange agreement, the Company is expected to acquire the entire issued share capital of Supply@ME from its shareholders in return for the allotment and issue of 32,322,246,220 Ordinary Shares in the Company to those shareholders being the current shareholders of Supply@ME prior to Admission. As a result of the Acquisition Supply@ME became a wholly owned legal subsidiary of the Company.
5. The Company is expected to raise £2.24 million by the issue of 331,604,094 ordinary shares. The net proceeds receivable by the Company are expected to be £1.44 million.
6. The cash expenses of the transaction payable by the Company are expected to total approximately £800,000 and is referred only to the costs incurred during 2019 for the acquisition of Supply@ME by Abal. This adjustment is not expected to have a continuing impact on the Company.

PART VI

TAXATION

The following statements do not constitute tax advice and are intended only as a general guide to current law as applied in England and Wales and HMRC published practice, which may not be binding on HMRC, as at the date of this document (which are both subject to change at any time, possibly with retrospective effect). They relate only to certain limited aspects of the UK taxation treatment of Shareholders in connection with the Placing and are intended to apply only, except to the extent stated below, to persons who are resident and, if individuals, domiciled in the UK for UK tax purposes, who are absolute beneficial owners of the New Ordinary Shares (otherwise than through an Individual Savings Account or a Self Invested Personal Pension) and who hold the New Ordinary Shares as investments (and not as securities to be realised in the course of a trade).

They may not apply to certain Shareholders, such as dealers in securities, insurance companies and collective investment schemes, Shareholders who are exempt from taxation and Shareholders who have (or are deemed to have) acquired their New Ordinary Shares by virtue of an office or employment. Such persons may be subject to special rules.

The taxation summary below is prepared on the basis that the Company is and remains resident in the UK for UK tax purposes.

THIS SUMMARY DOES NOT PURPORT TO BE A LEGAL OPINION AND ANY PERSON WHO IS IN ANY DOUBT AS TO THEIR TAX POSITION, OR WHO IS SUBJECT TO TAXATION IN ANY JURISDICTION OTHER THAN THE UK, SHOULD CONSULT THEIR OWN PROFESSIONAL ADVISER WITHOUT DELAY.

THE TAX LEGISLATION OF THE INVESTOR'S MEMBER STATE AND THE UNITED KINGDOM, THE COMPANY'S MEMBER STATE OF INCORPORATION, MAY HAVE AN IMPACT ON THE INCOME RECEIVED FROM THE ORDINARY SHARES.

1. Dividends

1.1. *Withholding at source*

The Company will not be required to withhold at source on account of UK tax when paying a dividend, including cases where dividends are paid to a Shareholder who is not resident (for tax purposes) in the UK.

1.2. *Individual Shareholders*

Any UK resident and domiciled individual Shareholder who receives a dividend paid by the Company will be liable to UK income tax on the gross amount of any such dividend. Dividend income from the Company will be treated as forming the highest part of a Shareholder's income.

From 6 April 2016 the notional tax credit is removed and is replaced by the dividend allowance. The dividend allowance allows the first £2,000 of dividend income to be tax-free. Dividends in excess of the allowance will be subject to income tax rates of 7.5 per cent., 32.5 per cent. or 38.1 per cent. depending on the individual's marginal tax rate. Individual Shareholders may be able to claim credit for withholding tax suffered on dividends paid to them.

UK resident individuals who are not domiciled in the UK and pay tax on a remittance basis, will be taxed on dividends paid by the Company, but only if they are remitted to the UK. A UK tax resident corporate Shareholder of non-redeemable Ordinary Shares in the Company that receives a dividend paid by the Company may not be subject to tax in respect of that dividend subject to certain exceptions.

For trustees of life interest trusts, the rate of income tax on dividends is 7.5 per cent. Trustees of discretionary trusts receiving dividends from Ordinary Shares are also liable to account for income tax at the dividend trust rate of 38.1 per cent. of the gross dividend where total trust income exceeds £1,000 and 7.5 per cent. where trust income is below £1,000.

Individual Shareholders who are not resident in the UK for tax purposes should consult their own advisers concerning their tax liabilities on dividends received.

1.3. **Other Shareholders**

Shareholders who are within the charge to UK corporation tax will be subject to corporation tax on dividends paid by the Company, unless the dividends fall within an exempt class and certain other conditions are met. Whether an exempt class applies and whether the other conditions are met will depend on the circumstances of the particular Shareholder, although it is expected that dividends paid by the Company would normally be exempt. There is no repayable tax credit attached to dividends.

UK pension funds and charities are generally exempt from UK tax on dividends that they receive. There is no repayable tax credit attached to dividends.

2. **Anti-avoidance**

A UK-resident Shareholder who, together with connected or associated persons, controls the Company should note the provisions of the Controlled Foreign Companies legislation in which income profits accruing to the Company may be apportioned to the UK resident Shareholder and liable to UK tax.

3. **Chargeable gains**

For the purpose of UK tax on chargeable gains, the amounts paid by a Shareholder for Ordinary Shares will generally constitute the base cost of his holding of Ordinary Shares. If a Shareholder who is resident in the UK (for UK tax purposes) disposes of all or some of his Ordinary Shares, a liability to tax on chargeable gains may arise. This will depend on the base cost which can be allocated against the proceeds, the Shareholder's circumstances and any reliefs to which they are entitled. In the case of corporate shareholders, indexation allowance may apply to any amount paid for the Ordinary Shares.

The current rate of capital gains tax for individuals liable to income tax at the higher or additional rate is 20 per cent. Individuals whose taxable income for the year in question is less than the upper limit of the basic rate income tax band are subject to capital gains tax at the rate of 10 per cent., except to the extent that the aggregate of their total taxable income and chargeable gains (less allowable deductions) in that year exceeds the upper limit of the basic rate income tax band. Any such excess over the upper limit is subject to tax at the rate of 20 per cent. In addition, an individual UK Shareholder who ceases to be resident in the UK for a period of less than five tax years and who disposes of the shares held prior to departure during that period of temporary non residence may, under anti-avoidance legislation, be liable to UK capital gains tax on his or her return to the UK. For trustees and personal representatives, the rate of capital gains tax is 20 per cent. Scottish taxpayers will be subject to capital gains tax on the same basis as other UK taxpayers, despite the upper limit for the basic rate of income tax band being lower in Scotland. Corporate Shareholders are liable to tax on capital gains at the prevailing rate of corporation tax applicable to them (currently 19 per cent. and falling to 17 per cent. after 1 April 2020). In certain circumstances, a corporate shareholder may qualify for the substantial shareholding exemption, which exempts certain gains from corporation tax on chargeable gains. In computing the chargeable gain liable to corporation tax the corporate Shareholder is entitled to deduct from the disposal proceeds the cost to it of the shares together with incidental costs of acquisition, as increased by an indexation allowance to adjust for inflation, and disposal costs.

The UK operates a substantial shareholding exemption regime which may apply to the disposal of shares in the Company subject to certain conditions being met.

UK resident individuals who are not domiciled in the UK and pay tax on a remittance basis, will be taxed on any capital gains made by them on the disposal of shares in the Company, but only if the proceeds are remitted to the UK.

Shareholders who are not resident in the UK for tax purposes may not, depending on their personal circumstances, be liable to UK taxation on chargeable gains arising from the sale or other disposal of their Ordinary Shares (unless they carry on a trade, profession or vocation in the UK through a branch or agency or, in the case of a company, a permanent establishment with which their Ordinary Shares are connected).

Individual Shareholders or holders who are temporarily non-UK resident may be liable to UK capital gains tax on chargeable gains realised during their period of non-residence on their return to the UK.

4. Inheritance tax

Individuals and trustees subject to inheritance tax in relation to a shareholding in the Company who are concerned with the potential UK inheritance tax should consult their own tax adviser.

5. Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)

The statements below are intended as a general guide to the current position. They do not apply to certain intermediaries who are not liable to stamp duty or SDRT, or to persons connected with depository arrangements or clearance services, who may be liable at a higher rate.

In relation to stamp duty and SDRT:

- 5.1. the allocation and issue of the Placing Shares will not give rise to a liability to stamp duty or SDRT;
- 5.2. any subsequent conveyance or transfer on sale of Ordinary Shares will usually be subject to stamp duty on the instrument of transfer at a rate of 0.5 per cent. of the amount or value of the consideration (rounded up, if necessary, to the nearest £5). An exemption from stamp duty is available on an instrument transferring 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 in respect of which the aggregate amount or value of the transaction(s) exceeds £1,000. A charge to SDRT at the rate of 0.5 per cent. will arise in relation to an unconditional agreement to transfer such shares. However, where, within six years of the date of the agreement (or, if the agreement was conditional, the date the agreement became unconditional), an instrument of transfer is executed pursuant to the agreement and stamp duty is paid on that instrument, any liability to SDRT will be cancelled or repaid; and
- 5.3. a transfer of shares effected on a paperless basis through CREST (where there is a change in the beneficial ownership of the shares) will generally be subject to SDRT at the rate of 0.5 per cent. of the value of the consideration given.

The above statements are intended as a general guide to the current position. Certain categories of person are not liable to stamp duty or SDRT, and others may be liable at a higher rate or may, although not primarily liable for the tax, be required to notify and account for it under the Stamp Duty Reserve Tax Regulations 1986, as amended.

PART VII

ADDITIONAL INFORMATION

1. Responsibility

The Directors, the Proposed Directors, whose names and principal functions are set out in Part II (“*Directors and Proposed Directors and corporate governance*”), and the Company accept responsibility for the information contained in this document. To the best of the knowledge of the Directors, the Proposed Directors and the Company, the information contained in this document is in accordance with the facts and contains no omission likely to affect its import.

2. The Company

- 2.1. The Company was incorporated and registered in England and Wales on 1 March 2000 with registered number 03936915 as a private company limited by shares under the Companies Act with the name Imaginatik Limited.
- 2.2. Pursuant to special resolutions passed on 24 October 2006, the Company was re-registered as a public limited company under the Companies Act and accordingly changed its name to Imaginatik plc.
- 2.3. Pursuant to special resolutions passed on 5 February 2019, the Company changed its name to Abal Group plc.
- 2.4. The Company is not regulated by the FCA or any financial services or other regulator. With effect from Admission the Company will be subject to the Listing Rules and the Disclosure Guidance and Transparency Rules (and the resulting jurisdiction of the UK Listing Authority), to the extent such rules apply to companies with a Standard Listing pursuant to Chapter 14 of the Listing Rules.
- 2.5. The principal legislation under which the Company operates, and pursuant to which the Existing Ordinary Shares have been created, is the Companies Act.
- 2.6. The Company is domiciled in the United Kingdom and is subject to the City Code.
- 2.7. The registered office of the Company is 27/28 Eastcastle Street, London, United Kingdom, W1W 8DH, telephone number (+44/0) 207 637 5216.
- 2.8. The Registrar of the Company is Neville Registrars Limited of Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA. They are responsible for maintaining the register of members of the Company.
- 2.9. The address of the Company’s website is www.abalplc.co.uk.
- 2.10. The ISIN of the Existing Ordinary Shares is GB00BFMDJC60.
- 2.11. The Legal Entity Identifier (LEI) of the Company is 213800ZY2C2TI2C5WQ61.
- 2.12. The Company has, since the date of its incorporation, operated in conformity with its constitution.
- 2.13. On 29 June 2018, the Company adopted the Articles in substitution for and to the exclusion of the Company’s then existing articles of association.
- 2.14. As at 3 March 2020, being the latest practicable date prior to publication of this document, the Company did not have any subsidiaries save for Abal (Goswell) Limited, which is non-trading.

3. Share capital

- 3.1. The issued shares of the Company at the date of this document and, assuming that the Placing is fully subscribed, following Admission, is and will be as follows:

<i>Class of shares</i>	<i>Number of shares issued and fully paid as of the date of this document</i>	<i>Number of shares issued and fully paid on Admission</i>
Ordinary Shares	101,094,276	32,754,944,588
Deferred Shares*	63,084,290	63,084,290
£0.009998 Deferred Shares*	224,193,710	224,193,710

* The Deferred Shares and the £0.009998 Deferred Shares of the Company will not be admitted to the Official List or trading on any other stock exchange.

3.2. On incorporation, the authorised share capital of the Company (both issued and unissued shares) was £1,000.00 divided into No. 1,000 ordinary shares having a par value equal to £1.00 each. One ordinary share of £1.00 of the capital was issued, credited as fully paid, to the subscriber to the memorandum of association of the Company.

3.3. The following is a summary of the changes in the issued Shares of the Company since its incorporation:

- (a) on 10 October 2006, the Company allotted No. 49,000 new ordinary shares having a nominal value of £1.00 each;
- (b) on 20 October 2006, the Company subdivided No. 50,000 ordinary shares having a nominal value of £1.00 each into No. 500,000 ordinary shares of £0.000625 each;
- (c) on 15 December 2006, the Company allotted No. 36,601,226 new ordinary shares having a nominal value of £0.000625;
- (d) on 7 March 2008, the Company allotted No. 453,846 new ordinary shares having a nominal value of £0.000625;
- (e) on 3 June 2008, the Company allotted No. 736,842 new ordinary shares having a nominal value of £0.000625;
- (f) on 12 December 2008, the Company allotted No. 1,294,117 new ordinary shares having a nominal value of £0.000625;
- (g) on 9 July 2009, the Company allotted No. 247,793 new ordinary shares having a nominal value of £0.000625 each;
- (h) on 13 August 2009, the Company allotted No. 2,626,666 new ordinary shares having a nominal value of £0.000625 each;
- (i) on 18 August 2009, the Company allotted No. 37,500 new ordinary shares having a nominal value of £0.000625 each;
- (j) on 8 September 2009, the Company allotted No. 53,333,332 new ordinary shares having a nominal value of £0.000625 each;
- (k) on 12 January 2011, the Company allotted No. 3,000,000 new ordinary shares having a nominal value of £0.000625 each;
- (l) on 26 April 2011, the Company allotted No. 3,400,000 new ordinary shares having a nominal value of £0.000625 each;
- (m) on 26 August 2011, the Company allotted No. 208,709,550 new ordinary shares having a nominal value of £0.000625 each;
- (n) on 8 February 2012, the Company allotted No. 85,505,352 new ordinary shares having a nominal value of £0.000625 each;
- (o) on 28 June 2012, the Company allotted No. 333,333,333 new ordinary shares having a nominal value of £0.000625 each;
- (p) on 13 May 2013, the Company allotted No. 2,072,550,000 new ordinary shares having a nominal value of £0.000625 each;
- (q) on 2 October 2013, the Company allotted No. 16,000,000 new ordinary shares having a nominal value of £0.000625 each;

- (r) on 17 December 2013, the Company allotted No. 169,779,298 new ordinary shares having a nominal value of £0.000625 each;
- (s) on 5 May 2014, the Company allotted No. 1,804,285,715 new ordinary shares having a nominal value of £0.000625 each;
- (t) on 12 May 2014, the Company allotted No. 30,619,950 new ordinary shares having a nominal value of £0.000625 each;
- (u) on 14 August 2014, the Company allotted No. 74 new ordinary shares having a nominal value of £0.000625 each;
- (v) on 14 August 2014, the Company consolidated No. 3,104,694,741 ordinary shares having a nominal value of £0.000625 each in No. 61,745,005 ordinary shares having a nominal value of £0.05 each;
- (w) on 29 October 2014, the Company allotted No. 1,339,285 new ordinary shares having a nominal value of £0.05 each;
- (x) on 1 June 2015, the Company subdivided No. 63,084,290 ordinary shares having a nominal value of £0.05 into No. 82,698,095 new ordinary shares having a nominal value of £0.01 each and No. 63,048,290 deferred shares having a nominal value of £0.04 each;
- (y) on 13 May 2015, the Company allotted No. 19,613,805 new ordinary shares having a nominal value of £0.01 each;
- (z) on 19 July 2015, the Company allotted No. 1,999,998 new ordinary shares having a nominal value of £0.01 each;
- (aa) on 19 November 2015, the Company allotted No. 413,491 new ordinary shares having a nominal value of £0.01 each;
- (bb) on 23 June 2016, the Company allotted No. 66,717,012 new ordinary shares having a nominal value of £0.01 each;
- (cc) on 28 June 2017, the Company allotted No. 68,731,445 new ordinary shares having a nominal value of £0.01 each;
- (dd) on 4 July 2017, the Company allotted No. 3,633,668 new ordinary shares having a nominal value of £0.01 each;
- (ee) on 29 June 2018, the Company subdivided No. 224,193,710 ordinary shares having a nominal value of £0.01 each into No. 224,193,710 new ordinary shares having a nominal value of £0.000002 each and No. 224,193,710 deferred shares having a nominal value of £0.009998;
- (ff) on 29 June 2018, the Company consolidated No. 224,193,710 ordinary shares having a nominal value of £0.000002 each into No. 22,419,371 ordinary shares having a nominal value of £0.00002 each;
- (gg) on 3 July 2018, the Company allotted No. 4,500,000 new ordinary shares having a nominal value of £0.00002 each;
- (hh) on 9 July 2018, the Company allotted No. 6,079,340 new ordinary shares having a nominal value of £0.00002 each;
- (ii) on 23 August 2018, the Company allotted No. 1,443,820 new ordinary shares having a nominal value of £0.00002 each;
- (jj) on 11 November 2018, the Company allotted No. 14,545,455 new ordinary shares having a nominal value of £0.00002 each;
- (kk) on 28 November 2018, the Company allotted No. 22,961,687 new ordinary shares having a nominal value of £0.00002 each;
- (ll) on 7 December 2018, the Company allotted No. 20,833,333 new ordinary shares having a nominal value of £0.00002 each; and
- (mm) on 18 January 2019, the Company allotted No. 8,311,270 new ordinary shares having a nominal value of £0.00002 each.

- 3.4. At the General Meeting, Shareholders' approval will be sought, amongst other matters, to the proposed allotment and issue of the following New Ordinary Shares on Admission:
- (a) pursuant to the Placing, the Company will allot and issue 331,604,091 Placing Shares conditional on Admission for cash at the Placing Price; and
 - (b) pursuant to the Acquisition Agreement entered into on 27 September 2019, the Company will allot and issue the Consideration Shares, being 32,322,246,220 New Ordinary Shares, conditional on Admission.
- 3.5. By a resolution of the Board passed on 3 March 2020, it was resolved, conditionally only upon Admission occurring on or before 31 March 2020 to allot 32,322,246,220 New Ordinary Shares pursuant to the Acquisition (being the Consideration Shares), and 331,604,094 New Ordinary Shares for cash pursuant to the Placing (being the Placing Shares), at the Issue Price and Placing Price respectively.
- 3.6. Each of the issued shares in the capital of the Company is fully paid.
- 3.7. No issued shares of the Company are under option or have been agreed conditionally or unconditionally to be put under option.
- 3.8. Except for the Consideration Shares and the Placing Shares and as described below, no share or loan capital of the Company has been issued or is now proposed to be issued, fully or partly paid, either for cash or for a consideration other than cash. New Ordinary Shares may fall to be allotted and issued under the warrants issued to Eight Capital Partners PLC, described in paragraph 20.10 of this Part VIII.
- 3.9. Except for the consideration to be paid in connection with the Acquisition, Placing and Admission, no commission, discount, brokerage or any other special term has been granted by the Company or is now proposed in connection with the issue or sale of any part of the share or loan capital of the Company.
- 3.10. No persons have preferential subscription rights in respect of any share or loan capital of the Company.
- 3.11. No amount or benefit has been paid or is to be paid or given to any promoter of the Company.
- 3.12. Save in respect of the warrants issued to Eight Capital Partners PLC described in paragraph 20.10 below, the Company does not have in issue any securities not representing share capital and there are no outstanding convertible securities, exchangeable securities or securities with warrants issued or proposed to be issued by the Company.
- 3.13. The Existing Ordinary Shares were admitted to AIM on 15 December 2006. The admission to trading on AIM of the Existing Ordinary Shares was cancelled on 7 February 2020. Application has been made for the Enlarged Share Capital to be listed on the Standard Listed segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities. No application has been or is being made for the admission of the Ordinary Shares to listing or trading on, any other stock exchange or securities market.
- 3.14. The Ordinary Shares are in registered form and are capable of being held in either certificated or uncertificated form. No temporary documents of title will be issued.
- 3.15. 32,322,246,220 New Ordinary Shares are being issued pursuant to the Acquisition at a price of £0.006945 per share, which represents a premium of £0.004945 over their nominal value of 0.002p each.
- 3.16. 331,604,094 New Ordinary Shares are being issued pursuant to the Placing Agreement at a price of £0.006756 per share, which represents a premium of £0.004756, over their nominal value of 0.002p each.
- 3.17. Each Consideration Share and Placing Share will rank in full for all dividends and distributions declared made or paid after their issue and otherwise *pari passu* in all respects with each Existing Ordinary Share and will have the same rights (including voting and dividend rights and rights on a return of capital).

3.18. The Consideration Shares and the Placing Shares will be denominated in sterling.

4. Significant Shareholders

4.1. As at the date of this document, insofar as the Company has been notified: (i) the following persons are interested, directly or indirectly, in 3 per cent. or more (or 5 per cent. or more in the case of investment managers) of the Company's issued share capital; (ii) immediately following Completion of the Transaction and allotment of the Placing Shares and the Consideration Shares, the following persons will be interested, directly or indirectly, in 3 per cent. or more (or 5 per cent. or more in the case of investment managers) of the Company's issued share capital based on prior notifications (assuming the issue of 32,653,850,314 New Ordinary Shares).

<i>Name</i>	<i>As at the Latest Practicable Date</i>		<i>Immediately following Completion</i>	
	<i>Number of voting rights</i>	<i>Percentage of issued share capital</i>	<i>Number of voting rights</i>	<i>Percentage of issued share capital</i>
Eight Capital Partners plc	22,256,725	22.00	22,256,725	0.07
Octopus Investment Nominees	6,336,767	6.30	6,336,767	0.02
Canaccord Genuity Group Inc.	4,239,691	4.19	4,239,691	0.01
Angus Forrest	3,000,000	3.00	3,000,000	0.01
The AvantGarde Group	–	–	23,895,553,949	72.95
Parrot Capital (Global Capital p.l.c.)	–	–	1,630,000,000	4.98
Equita Sim S.p.A.	–	–	1,630,000,000	4.98
Ceresio Sim S.p.A.	–	–	1,630,000,000	4.98

4.2. Except for the holdings stated above, the Directors are not aware of any persons, other than the Concert Party (as described in Part VIII of this document) who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.

4.3. Any person who is directly or indirectly interested in 3 per cent. or more (or 5 per cent. or more in the case of investment managers) of the Company's issued share capital, is required to notify such interest to the Company in accordance with the provisions of Chapter 5 of the DTR, any such interest will be notified by the Company to the public.

4.4. Those interested, directly or indirect in 3 per cent. or more (or 5 per cent. or more in the case of investment managers) of the issued share capital of the Company do not now, and, following the Admission, will not, have different voting rights from other holders of Ordinary Shares.

5. Articles of association

5.1. A summary of the principal provisions of the Articles, including the provisions relating to the rights attaching to the Ordinary Shares, is set out below. The summary below is not a complete copy of the terms of the Articles and is qualified by reference to the contents of the entire Articles. A complete copy of the Articles is available for inspection as described in paragraph 24.4 of this Part VII ("*Additional information*") below.

5.2. Objects of the Company

The capacity of the Company is not limited by anything contained in the memorandum of association or the Articles; as such there is no limit to the objects and powers of the Company.

5.3. Share capital

The Company's share capital currently consists of Ordinary Shares, Deferred Shares and £0.009998 Deferred Shares. The Company may issue shares with such rights or restrictions as may be determined by ordinary resolution, including shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder of such shares.

5.4. **Voting**

- (a) Subject to any rights or restrictions attached to the shares (including as a result of unpaid calls), the Shareholders have the right to receive notice of, and to vote at, general meetings of the Company. Each Shareholder who is present in person (or, being a corporation, by representative) at a general meeting on a show of hands has one vote and, on a poll, every such holder who is present in person (or, being a corporation, by representative) or by proxy has one vote in respect of every share held by him.
- (b) A Shareholder is not entitled in respect of any Ordinary Shares held by him to vote at any general meeting of the Company if any amounts payable by him in respect of those Ordinary Shares have not been paid (unless the Board otherwise determines), or if the member has failed to comply with a notice under section 793 of the Companies Act.
- (c) A holder of Deferred Shares and/or £0.009998 Deferred Shares is not entitled to receive notice of any general meeting of the Company or to attend, speak or vote in such a general meeting.

5.5. **Dividends**

- (a) Subject to the provisions of the Companies Act and to any special rights attaching to any shares, the Company may, subject to the provisions of the Companies Act and the Articles, by ordinary resolution from time to time declare dividends to be paid to members not exceeding the amount recommended by the Directors. Subject to the provisions of the Companies Act in so far as, in the Directors' opinions, the Company's profits justify such payments, the Directors may pay interim dividends on any class of shares except for shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears. Any dividend, unclaimed after a period of 12 years from the date such dividend was declared or became payable shall, if the Directors resolve, be forfeited and revert to the Company. The Company does not pay interest on any dividend unless otherwise provided by the terms on which the shares were issued or the provision of another agreement.
- (b) A Shareholder will not be entitled to receive any dividend (interim, final or otherwise):
 - (i) on any shares carrying deferred or non-preferred rights, including the Deferred Shares and/or the £0.009998 Deferred Shares, if any preferential dividend is in arrears; or
 - (ii) if he has a holding of at least 0.25 per cent. of any class of shares of the Company and has failed to comply with a notice under section 793 of the Companies Act.
- (c) The Deferred Shares and/or the £0.009998 Deferred Shares have no right to participate in the profits of the Company.

5.6. **Return of capital**

- (a) On a winding-up of the Company, the balance of the assets available for distribution will, subject to any sanction required by the Companies Act, be divided amongst the members.
- (b) On a winding-up or a return of capital, the paying of the nominal amount of capital paid up on the Deferred Shares and/or the £0.009998 Deferred Shares from assets available for distribution will only occur after paying the holders of the Ordinary Shares the nominal capital paid-up together with the sum of £100,000,000 on each Ordinary Share. The holders of Deferred Shares and/or the £0.009998 Deferred Shares are not entitled to any further right of participation in the assets of the Company.

5.7. **Redeemable shares**

- (a) The Company may issue shares which are to be redeemed or are liable to be redeemed at the option of the Company and/or the holders of those shares.
- (b) The Ordinary Shares, the Deferred Shares and the £0.009998 Deferred Shares are not redeemable.

5.8. **Lien and forfeiture**

The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys payable to the Company (whether presently or not) in respect of that share. Subject to the terms of allotment, the Board may from time to time make calls on the members in respect of any moneys unpaid on their shares. If a payment is not made when due, the Board may give not less than 14 clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued and any costs, charges and expenses incurred by the Company by reason of such non-payment. If that notice is not complied with, any share in respect of which it was given may, at any time before the payment required by the notice has been made, be forfeited by a resolution of the Board. The forfeiture shall include all dividends or other moneys payable in respect of the forfeited share which have not been paid before the forfeiture. The forfeited share shall be cancelled, sold, re-allotted or otherwise disposed of by the Company on such terms and in such manner as the Board determines and proceeds arising from such sale shall be deemed to be the property of the Company.

5.9. **General meetings**

- (a) Subject to the Companies Act, an annual general meeting must be called by at least 21 clear days' notice and all other general meetings must be called by at least 14 clear days' notice.
- (b) Notices must be given in the manner stated in the Articles to the members, other than those who under the provisions of the Articles or under the rights attached to the shares held by them are not entitled to receive the notice, and to the auditors.
- (c) No business may be transacted at any general meeting unless a quorum is present which will be constituted by two persons entitled to vote at the meeting each being a member or a proxy for a member or a representative of a corporation which is a member. If within fifteen minutes from the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of, or by, members, will be dissolved. In any other case, it will stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the Board may determine.
- (d) At a general meeting a resolution put to the vote will be decided on a show of hands unless, before or on the declaration of the show of hands, a poll is demanded by the Chairman or by at least five members present in person or by proxy and entitled to vote or by a member or members entitled to vote and holding or representing by proxy at least one tenth of the total voting rights of all the members having the right to vote on the resolution. Unless a poll is demanded as above, a declaration by the Chairman that a resolution has been carried, or carried unanimously or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of general meetings of the Company is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- (e) The appointment of a proxy must be in writing (this includes electronic form) and in any usual form, or such other form as may be approved by the Board, and must be signed by the appointor or by his agent duly authorised in writing or if the appointor is a corporation, must be either under its common seal or signed by an officer or agent so authorised. The Board may, but will not be bound to, require evidence of authority of such officer or agent. An instrument of proxy need not be witnessed.
- (f) The proxy will be deemed to include the right to demand or join in demanding a poll and generally to act at the meeting for the member giving the proxy.
- (g) The directors of the Company may direct that members or proxies wishing to attend any general meeting must submit to such searches or other security arrangements or restrictions as the directors of the Company consider appropriate in the circumstances and may, in their absolute discretion, refuse entry to or eject from, such general meeting any member or proxy who fails to submit to such searches or otherwise to comply with such security arrangements or restrictions.

5.10. **Authority to issue shares**

The Directors have general and unconditional authority to exercise all powers of the Company to allot shares in the Company or to grant rights to subscribe to or to convert securities into shares in the Company up to the nominal amount equal to that, and for the period, for which they have authority in the form of an ordinary or special resolution of the members.

5.11. **Pre-emption rights**

The Company shall not allot any equity securities for cash without first having offered them to members holding Shares on a *pro rata* basis to the number of Shares held by such member in such manner as the Board may determine.

5.12. **Disapplication of pre-emption rights**

The pre-emption rights referred to above do not apply to certain types of issues and may be disapplied in whole or modified provided the Directors are given power by special resolution and subject to the terms of such resolution.

5.13. **Transfer of shares**

- (a) Subject to the provisions of the Articles relating to CREST, all transfers of shares will be effected in any usual form or in such other form as the Board approves and must be signed by or on behalf of the transferor and, in the case of a partly paid share, by or on behalf of the transferee. The transferor is deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect of it.
- (b) The directors of the Company may, in their absolute discretion and without assigning any reason, refuse to register the transfer of a share in certificated form if it is not duly stamped
- (c) The Articles contain no restrictions on the free transferability of fully paid Ordinary Shares provided that the transfers are in favour of not more than four transferees, the transfers are in respect of only one class of share and the provisions in the Articles, if any, relating to registration of transfers have been complied with.
- (d) The Company shall have irrevocably authority to:
 - (i) appoint a person to execute on behalf of any holder of the Deferred Shares and/or the £0.009998 Deferred Shares an agreement to transfer to such a person (who is willing to accept such shares) as the directors of the Company may determine;
 - (ii) purchase all or any of the Deferred Shares and/or the £0.009998 Deferred Shares in accordance with the Companies Act in consideration of payment of £1.00 in respect of all the Deferred Shares and/or the £0.009998 Deferred Shares being purchased by the Company, and appoint any person to execute such a contract of sale for such Deferred Shares being purchased by the Company; and
 - (iii) to cancel all or any of the Deferred Shares and/or the £0.009998 Deferred Shares purchased by the Company in accordance with sub-paragraph 5.13(d)(ii) above.

5.14. **CREST**

The directors of the Company may implement such arrangements as they think fit in order for any class of shares to be held in uncertificated form and for title to those shares to be transferred by means of a system such as CREST in accordance with the Uncertificated Securities Regulations 2001 and the Company will not be required to issue a certificate to any person holding such shares in uncertificated form.

5.15. **Variation of rights**

- (a) Subject to applicable law (including the Companies Act), shares in the Company may be allotted with such preferred, deferred, or other rights, or restrictions, as the Company may from time to time by ordinary resolution, or the Board, determines.

- (b) If at any time the capital of the Company is divided into different classes of shares, the rights attached to any class may be varied or abrogated with the consent in writing of the holders of at least three fourths in nominal value of that class or with the sanction of a special resolution passed at a separate meeting of the holders of that class but not otherwise.

5.16. **Share capital and changes in capital**

Subject to applicable law (including the Companies Act), the Company may by ordinary resolution:

- (a) consolidate and divide all or any of its share capital into shares of a larger nominal value than its existing shares; and
- (b) subdivide its shares, or any of them, into shares of smaller nominal value and the resolution may determine that one or more of the shares arising from the subdivision may have such preferred or other special rights or may have such deferred or be subject to any such restriction as the Company has the power to attach to shares.

5.17. **Repurchase of shares**

- (a) Subject to the provisions of the Companies Law, the Company may purchase its own shares and make a payment in respect of the purchase of its shares out of its distributable profits, the proceeds of a fresh issue of shares or otherwise, and any shares to be so purchased may be selected in any manner whatsoever.
- (b) If the Company purchases any of its own shares it may cancel such shares or hold such shares (or any of them) as treasury shares and deal with any of them, at any time, in accordance with the Companies Law.

5.18. **Interests in shares not disclosed to the Company**

- (a) Whilst the Company is admitted to trading on any stock exchange in the UK or elsewhere, the provisions of Chapter 5 of the DTR ("**DTR5**") are deemed to be incorporated by reference into the Articles and, accordingly, the vote holder and issuer notification rules set out in DTR5 apply to the Company and each Shareholder. These rules require the Directors and other persons discharging managerial responsibilities, together with substantial Shareholders, to disclose to the Company without delay (and in any event within four Trading Days) certain transactions involving Ordinary Shares in which they have an interest.
- (b) In addition, the Articles expressly provide that for so long as the Company is admitted to trading on the Main Market, that a person who becomes a Significant Member must notify the Company without delay and in any event within four Trading Days from the date on which they become a Significant Member (or are otherwise deemed under the Articles to have knowledge of becoming a Significant Member):
 - (i) notify the Company on becoming a Significant Member and, thereafter, any change in shares which (on each occasion) increases or decreases that interest by one per cent. or more ("**Relevant Change**") by sending to the Company a completed TR1 form (or such successor form);
 - (ii) is informed, on the basis of information disclosed by the Company of events changing the breakdown of voting rights; or
 - (iii) to the extent that a Significant Member is lawfully permitted to do so, notify the Company if any person acquires or ceases to have an interest notifiable in accordance with paragraph 5.18(b)(i) above and where he is not lawfully able to do so use their reasonable endeavours to ensure such person makes such notification.
 - (iv) If the Company determines that a Shareholder (a "**Defaulting Holder**") has not complied with the provisions of DTR5 with respect to some or all of the shares held by that Shareholder ("**DTR Default Shares**"), the Company shall have the right by delivery of notice to the Defaulting Holder (a "**Default Notice**") to:
 - (v) suspend the right of such Defaulting Holder to vote the DTR Default Shares at any meeting of the Company, with effect from the date the Default Notice is delivered to the Defaulting

Holder until a date that is not more than seven days after the Company has determined that the Defaulting Holder has cured the non-compliance (the Company may at any time by subsequent written notice cancel or suspend the operation of a Default Notice);

- (vi) withhold, without any obligation to pay interest, any dividend or other amount payable with respect to the DTR Default Shares with such amount to be payable only after the Default Notice ceases to have effect;
 - (vii) render ineffective any election to receive shares of the Company instead of cash in respect of any dividend or part thereof; and/or
 - (viii) prohibit the transfer of any shares of the Company held by the Defaulting Holder except with the consent of the Company or if the Defaulting Holder can provide satisfactory evidence to the Company to the effect that, after due inquiry, such stockholder has determined that the shares to be transferred are not DTR Default Shares.
- (c) The Directors may serve notice on any person whom the Company knows or has reasonable cause to believe is (or was at any time in the previous 3 years) interested in the Company's shares requiring that person to disclose to the Company the identity of any person (other than that person) who has an interest in the shares held by that person and the nature of such interest. Any such notice shall require any information in response to such notice to be given within such reasonable time as the Directors may determine. Such provisions are equivalent to the powers contained in section 793 of the Companies Act which would apply to UK companies.
- (d) A member is obliged to disclose to the Company whether such shares are held legally and beneficially by that member without any other interest (e.g. encumbrances, third party interests, etc.), in what capacity the shares are held and the class of persons for whom they are held (if applicable). However, such member is under no obligation to disclose the actual identity of the persons concerned. A member is obliged to disclose the same information to the Company, but is also required to disclose the actual identity of all the persons for whom or on whose behalf the relevant shares are ultimately held.
- (e) If any Shareholder is in default in supplying to the Company the information required by the Company within the prescribed period (which is 14 days after service of the notice), the Directors in their absolute discretion may serve a direction notice on the Shareholder. The direction notice may direct that in respect of the shares of which the default has occurred ("**Default Shares**") and any other shares held by such Shareholder, such Shareholder shall not be entitled to vote in general meetings or class meetings. The direction notice may additionally direct that dividends on such Default Shares will be retained by the Company (without interest), and that no transfer of Default Shares (other than a transfer approved under the Articles) shall be registered until the default is rectified.

5.19. Appointment and removal of Directors

- (a) The Board shall have power at any time to appoint any person to be a Director, either to fill a casual vacancy or as an additional Director. A Director so appointed by the Board shall retire at the next annual general meeting, and he shall not be taken into account in determining the Directors to retire by rotation at the meeting.
- (b) The Company may by ordinary resolution appoint any person to be a Director, or remove any person from the office of Director. Unless otherwise determined by ordinary resolution, the number of Directors shall not be subject to any maximum but shall not be less than two. A Director may retire from office as a Director by giving notice in writing to that effect to the Company at its registered office.

5.20. Alternate directors

Any Director (other than an alternate director) may appoint any other Director, or any other person willing to act, to be an alternate director and may remove from office an alternate director so appointed by him. An alternate director shall be entitled to attend, be counted towards a quorum and vote at any meeting of the Board (and of any meeting of committees of the Board of which his appointer is a member) at which the Director appointing him is not personally present, and generally to perform all

the functions of his appointer as a Director in his absence. An alternate director shall be entitled to such remuneration as may be determined by the Board.

5.21. Powers and proceedings of the Board

- (a) Subject to the provisions of the Companies Act, the Articles and to any directions given by the members, the business of the Company shall be managed by the Board who may exercise all the powers of the Company.
- (b) Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes the chairman shall have a second or casting vote. A Director who is also an alternate director shall be entitled in the absence of his appointer to a separate vote on behalf of his appointer in addition to his own vote.
- (c) The quorum necessary for the transaction of the business of the Board shall be two or such greater number as may be fixed by the Board from time to time. A person who is an alternate director shall be counted in the quorum. All or any of the Directors or members of a committee may take part in a meeting of the Board or a committee by way of a conference telephone or any communication machinery.
- (d) The continuing Directors (or Director) may act notwithstanding any vacancies in their number, but, if the number of Directors is less than the number fixed as the quorum, the continuing Directors (or Director) may act only for the purpose of filling vacancies or of calling a general meeting to appoint Directors.
- (e) A resolution in writing signed by all the Directors entitled to receive notice of a meeting of the Board (or of a committee) shall be as valid and effectual as if it had been passed at a meeting of the Board (or such committee).

5.22. Directors' interests

- (a) Subject to the provisions of the Companies Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Act, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company may be (i) interested in any transaction or arrangement with the Company or in which the Company is otherwise interested; (ii) act by himself through his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director; (iii) become a director or other officer of, or be employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise interested; and (iv) hold any office or place of profit with the Company (except as auditor) in conjunction with his office as a director for such period and upon such terms, including as to remuneration, as the Board may decide.
- (b) A director shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit.

5.23. Indemnification and insurance of Directors

To the fullest extent allowed by the Companies Act, every present or former officer of the Company shall be exempted from liability, and shall be indemnified out of the assets of the Company against any loss or liability incurred by him by reason of being or having been such an officer. The Board may, without sanction of the Company in general meeting, authorise the purchase or maintenance by the Company for any officer or former officer of the Company of any such insurance as is permitted by the Companies Act in respect of any liability which would otherwise attach to such officer or former officer. The Board shall have the power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers or employees of the Company (or any group or

associated company), or who are or were at any time trustees of any pension fund or employees' share scheme in which employees of the Company (or any such other company) are interested.

5.24. **Borrowing powers**

The Board may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and assets (present and future) and amounts uncalled on shares and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

5.25. **Capitalisation of profits**

The Directors may, if they are so authorised by an ordinary resolution of the Shareholders, decide to capitalise any undivided profits of the Company (whether or not they are available for distribution), or any sum standing to the credit of the Company's share premium account or capital redemption reserve. The Directors may also, subject to the aforementioned ordinary resolution, appropriate any sum which they so decide to capitalise to the persons who would have been entitled to it if it were distributed by way of dividend and in the same proportions.

5.26. **Electronic communications**

Electronic communications may be used by the Company for sending notices or other documents or information to a member or other person where that member or other person has agreed, or is deemed to have agreed, to the use of electronic communications and has specified an electronic address for the purposes of receiving electronic communications.

6. **Takeover bids, sell-out rules and squeeze-out rules**

6.1. The City Code applies to the Company. The City Code is issued and administered by the Takeover Panel. The Takeover Panel has been designated as the supervisory authority to carry out certain regulatory functions in relation to takeovers pursuant to the Directive on Takeover Bids (2004/25/EC) (the "**Directive**"). Following the implementation of the Directive by the Takeovers Directive (Interim Implementation) Regulations 2006, the rules in the City Code which are derived from the Directive now have a statutory basis.

6.2. **Mandatory bid**

Under the City Code, if an acquisition of Ordinary Shares and/or interests therein were to increase the aggregate holding of the acquirer and its concert parties to shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer and, depending on the circumstances, its concert parties, would be required (except with the consent of the Takeover Panel) to make a cash offer for the Ordinary Shares at a price not less than the highest price paid for the Ordinary Shares by the acquirer or its concert parties during the previous 12 months. This requirement would also be triggered by any acquisition of Ordinary Shares and/or interest therein by a person holding (together with its concert parties) shares carrying between 30 and 50 per cent. of the voting rights in the Company if the effect of such acquisition were to increase that person's percentage of the total voting rights of the Company.

6.3. **Squeeze-out**

Under sections 979 to 982 of the Companies Act, if an offeror were to acquire 90 per cent. of the Ordinary Shares to which an offer relates, within four months of making its offer it could then compulsorily acquire the remaining 10 per cent. It would do so by sending a notice to outstanding Shareholders telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in favour of the offeror and pay the consideration to the Company, which would hold the consideration in trust for outstanding Shareholders. The consideration offered to the Shareholders whose shares are compulsorily acquired under the Companies Act must, in general, be the same as the consideration that was available under the takeover offer unless the Shareholders can show that the offer value is unfair.

6.4. **Sell-out**

Sections 983 to 985 of the Companies Act also give minority Shareholders a right to be bought out in certain circumstances by an offeror who had made a takeover offer. If a takeover offer related to all the Ordinary Shares and at any time before the end of the period within which the offer could be accepted, the offeror held or had agreed to acquire not less than 90 per cent. of the Ordinary Shares, any holder of shares to which the offer relates who has not accepted the offer can by a written communication to the offeror require it to acquire those shares. The offeror would be required to give any Shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a Shareholder exercises its rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

- 6.5. There have been no public takeover bids by third parties in respect of the Company's equity since incorporation.

7. **Employee share schemes**

The Company does not have any employee share option scheme in place.

8. **Directors and Proposed Directors**

- 8.1. The Directors and Proposed Directors and their functions within the Enlarged Group, their business address and brief biographies are set out in Part III "*Directors, Proposed Directors and corporate governance*".
- 8.2. None of the Directors, Proposed Directors nor any member of their immediate families has or will have on or following Admission any interests (beneficial or non-beneficial) in the shares of the Company save that Mr Charles, who will be stepping down on Admission, is the beneficial owner of 315,371 Ordinary Shares representing 0.31 per cent. of the Existing Ordinary Shares and 0.00 per cent. of the Enlarged Share Capital.
- 8.3. As of 3 March 2020 (being the latest practicable date prior to the date of this document), there were no outstanding loans granted by the Company to any Director, Proposed Director nor by any Director or Proposed Director or to the Company, nor was any guarantee which had been provided by the Company for the benefit of any Director or Proposed Director or by any Director or Proposed Director for the benefit of the Company, outstanding.
- 8.4. In addition to their directorships of the Company, the companies and partnerships of which the Directors, Proposed Directors and senior management are, or have been within the past five years, members of the administrative, management or supervisory bodies or partners (excluding the Company and its subsidiaries and also excluding the subsidiaries of the companies listed below) are as follows:

<i>Name</i>	<i>Current</i>	<i>Past</i>
S. Charles	Marriott Harrison LLP MH Nominees Limited MH Secretaries Limited Sweet Truck Haul Limited The Invicta Film Partnership No.22 LLP	Central Rand Gold Limited DKG Capital Plc Gem Bourse Limited MH Directors Limited Strategic Counsel Partners LLP Stubben Edge Group Limited Isle of Man Assurance Limited IOMA Horizons Limited Isle of Man Insurance Management Limited Drewry Limited Financial Holdings Limited

J. Treacy	AIK Energy Ltd Ananda Developments PLC Bould Opportunities plc Epsilon Capital Limited Prefcap Limited YTC Consultancy Services Ltd 72 Richmond Hill Limited	Central Rand Gold Limited Digitalbox Plc Eight Capital Partners PLC Pineapple Power Corporation Plc Sport Capital Group Plc Sport Capital Group Holdings Limited (in liquidation)* Sport Capital Group Investments Limited Palermo Football Club S.p.A. Unione Sportiva Città di Palermo S.p.A (in bankruptcy)* China Sports Development Ltd South Africa Property Opportunities Plc
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* Mr Treacy was appointed as a director of Sport Capital Group Holdings Limited on incorporation on 20 December 2018. This company was placed into a solvent members' voluntary liquidation on 31 May 2019. Mr Treacy was a director of Unione Sportiva Città di Palermo S.p.A. for approximately five weeks between the dates of 31 December 2018 until 4 February 2019. Unione Sportiva Città di Palermo S.p.A. was declared bankrupt by the Court of Palermo on 18 October 2019. It is not expected that there will be sufficient funds to make a distribution to creditors.

S. Chishti	Cab Tech Holdings Limited Crown Agents Bank Limited JLG Group Plc Kompli Holdings PLC Fintech Circle Ltd Fintech SEIS Ltd Fintech Publishing Ltd Fintech Girde Ltd Kompli Holdings PLC Lenderwize Limited	FTC Innovation Ltd Yes! Superbaby Limited
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E. Camerinelli	Kubique S.p.A.	–
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D. White	The AvantGarde Group SpA KCR Residential REIT Plc iWolf Ltd iWEP Ltd White Amba Ltd Eight Capital Partners PLC White Amba Investments LLP	OVIOWellness Ltd* Limitless Earth Plc Energiser Investments Plc eMed Pharma Group Ltd Silverhawk Investments Ltd White Panther Ltd
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* The company was dissolved in February 2019 with a £56,243 deficit to creditors.

A. Zamboni	The AvantGarde Group S.p.A. Darwinsurance S.r.l. RegTech Open Project S.r.l. AZ Company S.r.l. AvantGarde 4.0 S.r.l. Orchestra Group Future of Fintech S.r.l. Supply@ME S.r.l.	Nike Group S.p.A. Internal Governance Group S.r.l.
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9. Directors' and Proposed Directors' confirmations

9.1. At the date of this document, save as disclosed above, none of the Directors and/or Proposed Directors:

(a) has any convictions in relation to fraudulent offences for at least the previous five years;

- (b) has been associated with any bankruptcy, receivership or liquidation while acting in the capacity of a member of the administrative, management or supervisory body or of senior manager of any company for at least the previous five years; or
- (c) has been subject to any official public incrimination and/or sanction of him by any statutory or regulatory authority (including any designated professional bodies) or has ever been disqualified by a court from acting as a director of a company or from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

9.2. Save as disclosed in paragraph 9.3 below, none of the Directors and/or Proposed Directors has any potential conflicts of interest between their duties to the Company and their private interests or other duties they may also have.

9.3. Dominic White and his wife Susan are the ultimate beneficial owners of IWEPE Ltd., one of the shareholders of The AvantGarde Group, one of the Sellers of Supply@ME. At Completion, the Sellers will receive in aggregate 32,322,246,220 Consideration Shares.

Epsilon has been engaged as the Company's placing agent in connection with the Placing, to procure places for the Placing Shares. John Treacy, a director of the Company, is also a director of Epsilon.

It is also possible that the Directors and Proposed Directors may have time commitments to or financial interests in other businesses, which may be similar to the business of the Enlarged Group.

10. Directors' service agreements, letters of appointment, remuneration and other matters

10.1 Mr Charles has an agreement with the Company under which he is entitled to receive a payment of £25,000 per year for non-executive director and strategic advisory services to the Company, such agreement being terminable on not less than three months' notice by either party save in certain serious circumstances. Mr Charles will be stepping down from the Board at Admission.

10.2 Mr Treacy has an agreement with the Company under which he is entitled to receive a payment of £25,000 per year for 25 days of non-executive director services to the Company, and an equivalent *per diem* rate for services outside this, such agreements being terminable on not less than three months' notice by either party save in certain serious circumstances. Mr Treacy will be stepping down from the Board at Admission.

Set out below are summary details of the engagement terms of each of the Proposed Directors:

Alessandro Zamboni (*Chief Executive Officer*) has entered into a service agreement with the Company conditional on Admission. Mr Zamboni is entitled to receive an annual salary of £185,000 per annum. There is also an entitlement to health insurance, life insurance and income protection policies and a pension contribution. Mr Zamboni's employment is terminable by twelve months notice given by either party. His service agreement includes standard summary termination provisions and post termination restrictive covenants which apply for a period of 12 months following the termination of his employment.

Dominic White (*Non-Executive Chairman*) has entered into a letter of appointment with the Company conditional on Admission. The annual fee payable to Mr White will be £100,000. There is also an entitlement to health insurance, life insurance and income protection policies and a pension contribution. The minimum number of days Mr White will be required to spend on Company business is 24 days per annum. The notice period for either the Company or Mr White to terminate the appointment is three months.

Susanne Chishti (*Independent Non-Executive Director*) has entered into a letter of appointment with the Company conditional on Admission. The annual fee payable to Ms Chishti will be £40,000. The number of days Ms Chishti will be required to spend on Company business is 12 days per annum. The notice period for either the Company or Ms Chishti to terminate the appointment is three months.

Enrico Camerinelli (*Independent Non-Executive Director*) has entered into a letter of appointment with the Company conditional on Admission. The annual fee payable to Mr Camerinelli will be £30,000. The number of days Mr Camerinelli will be required to spend on Company business is 24 days per annum. The notice period for either the Company or Mr Camerinelli to terminate the appointment is three months.

11. Pension arrangements

Save as disclosed in paragraph 10 above there are no pensions or other similar arrangements in place with the Directors nor are any such arrangements proposed for the Directors and/or Proposed Directors.

12. Employees and premises

12.1. As at the date of this document, the Company had no employees other than the Directors.

12.2. The Company does not own and has never owned any premises.

13. Organisational structure

As at the date of this document, the Company is not a part of a group and save for Abal (Goswell) Limited, which is non-trading, does not have any subsidiary undertakings. On completion of the Acquisition, the Company will be the holding company of Supply@ME. Supply@ME is incorporated in Italy and, on completion of the Acquisition, the Company will hold the entire issued share capital of Supply@ME.

14. Working capital

The Company is of the opinion that the working capital available to the Company, taking into account the Net Proceeds, is sufficient for the Enlarged Group's present requirements, that is for at least the 18 months from the date of this document.

15. No significant change

15.1 Save in respect of the Acquisition, there has been no significant change in the financial performance or financial position of the Company since 30 September 2019, being the date as at which the financial information contained in Part V(B) ("*Historical financial information of the Company*") has been prepared.

15.2 There has been no significant change in the financial performance or financial position of Supply@ME since 30 September 2019, being the date as at which the financial information contained in Part V(A) ("*Historical financial information of Supply@ME*") has been prepared.

16. No governmental, legal or arbitration proceedings

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the twelve months preceding the date of this document which may have, or have had in the recent past, significant effects on the financial position or profitability of the Company and/or of the Enlarged Group.

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the twelve months preceding the date of this document which may have, or have had in the recent past, significant effects on the financial position or profitability of Supply@ME.

17. Statutory auditor

The auditor of the Company is Grant Thornton UK LLP, whose registered address is at 30 Finsbury Square, London EC2A 1AG. Grant Thornton UK LLP was the auditor of the Company for the whole period covered by the annual financial statements set out in Part VI(B) ("*Historical financial information of the Company*"). Grant Thornton UK LLP is registered to carry out audit work by the Institute of Chartered Accountants in England and Wales.

18. Dilution of ordinary share capital

The Acquisition and the Placing will result in the Existing Ordinary Shares being diluted so as to constitute approximately 0.31 per cent. of the Enlarged Share Capital.

19. Related party transactions

None save as described elsewhere in this document.

20. Material contracts

Supply@ME has not entered into any material contracts (not being contracts entered into in the ordinary course of business) during the period commencing on the date two years prior to the publication of this document which: (i) are, or may be, material to Supply@ME; or (ii) contain obligations or entitlements which are, or may be, material to Supply@ME as at the date of this document.

The following are all of the contracts (not being contracts entered into in the ordinary course of business) that have been entered into by the Company during the period of two years ending on the date of this document which: (i) are, or may be, material to the Company; or (ii) contain obligations or entitlements which are, or may be, material to the Company as at the date of this document.

20.1. *Disposal agreement*

On 9 January 2019, the Company entered into an asset purchase agreement with Planbox Limited, a company incorporated and registered in England and Wales with company number 11725320 whose registered office is at 22 Great James Street, London WC1N 3ES, acting as buyer, and Planbox Inc., a company incorporated and registered in Quebec, Canada with company number 1148744114 whose registered office at 750-3090 Le Carrefour Laval, Montreal, Quebec H7T2J7, acting as buyer's guarantor (the "**Disposal Agreement**") in order to sell its business and certain assets, including its name, associated domain names and trademarks and its trading assets, (being the whole business of the Company).

The Company undertook to transfer its business of developing and providing marketing innovation software which included the following assets: goodwill, movable assets, benefit of business contracts, business information, records, business intellectual property rights, third party rights, account receivables and prepayments, cash, subsidiary assets, any other assets, property or rights of the Company relating to its business.

The consideration for the sale was US dollars 1,700,000, payable on completion of the sale, and an amount of up to a further US dollars 800,000 upon satisfaction of certain conditions. The Company has received the sum of US dollars 39,120.43 pursuant to these arrangements.

The Disposal Agreement is subject to certain restrictions. In particular, for a period of three years after completion of the Disposal, the Company shall not take certain action relating to the customers or employees of the business that it sold and, at any time after the completion of the Disposal, the Company shall not use the trade name of the sold business.

The Disposal Agreement included customary warranties relating to the Company, the business and assets sold. Pursuant to such Disposal Agreement, the Company also agreed to indemnify Planbox Limited against all losses suffered or incurred out of or in connection with certain matters.

Claims under the Disposal Agreement are subject to certain financial, time and other limitations.

Any claims under the Disposal Agreement may be satisfied in cash or by reduction of the purchase price.

The Disposal Agreement is governed by the laws of England and Wales. Any dispute or claim which may arise out of, or in connection with, or in relation to, as the case may be, the Disposal Agreement, including any question regarding its existence, validity or termination, shall be referred to the exclusive jurisdiction of the Courts of England and Wales.

20.2. *Acquisition Agreement*

On 27 September 2019, the Company entered into a conditional share purchase agreement for the acquisition of 100 per cent. of the issued corporate capital of Supply@ME (the "**Acquisition Agreement**").

The Acquisition Agreement is conditional, *inter alia*, on the passing of the Resolutions and the Placing Agreement not having been terminated and Admission. If the conditions are not satisfied by 24 March 2020 or such later date not being later than 31 March 2020, then the Acquisition Agreement will terminate automatically.

The consideration for the Acquisition will be £224,478,000, to be satisfied by the issue of 32,322,246,220 Consideration Shares, representing approximately 98.68 per cent. of the Enlarged Share Capital immediately following Admission.

The Acquisition Agreement obliges the Sellers to procure that Supply@ME does not take certain actions between the date of the Acquisition Agreement and its completion without the prior written consent of the Company. These include prohibition of Supply@ME carrying on business other than in the ordinary course, incurring material expenditure or taking steps likely adversely to affect Supply@ME or the value of the shares to be acquired in it.

The Acquisition Agreement includes customary warranties relating to Supply@ME and the shares to be purchased by the Company given by the Sellers. The Sellers have also entered into a customary tax covenant in favour of the Company.

Claims under the Acquisition Agreement are subject to certain financial, time and other limitations. The threshold to be exceeded in respect of the aggregate amount of all warranty claims is £15,000 and an amount equivalent to 3.2 per cent. of the purchase price, in which case the Sellers and/or the Company (as the case may be) shall be liable for the whole amount claimed and not only the excess.

The limitation period in respect of warranty and indemnity claims under the Acquisition Agreement expires two years following completion of the Acquisition in the case of the general warranties and ten years following completion of the Acquisition in the case of a claim under the tax warranties and/or tax covenant given by the Sellers. The overall cap and aggregate liability of the Sellers in respect of claims under the Acquisition Agreement will not exceed 35 per cent. of the purchase price and the overall cap and aggregate liability of the Company in respect of claims under the Acquisition Agreement will also not exceed 35 per cent. of the purchase price.

At the election of the Company, any claims under the Acquisition Agreement may be satisfied either in cash or (subject to the provisions of the Companies Act) by the sale back to the Company of the appropriate number of the relevant Consideration Shares at the price per share at which they are deemed to be issued for the purpose of the Acquisition (i.e. the Issue Price) (such price being set off in full against the claim liability) or by redesignating such number of Consideration Shares into new deferred shares in the share capital of the same Company as is equal to the liability owed to the Company. The maximum aggregate liability of the Sellers under the Acquisition Agreement can therefore potentially be fully satisfied by the sale back or by the redesignation of all such Seller's Ordinary Shares.

The Acquisition Agreement is governed by the laws of England and Wales. Any dispute which may arise out of, or in connection with, or in relation to, as the case may be, the Acquisition Agreement, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration under the LCIA Rules. The number of arbitrators shall be three. The seat, or legal place, of arbitration shall be London. The language to be used in the arbitral proceedings shall be English.

On 3 March 2020, the Company received a notice from the Sellers informing it that they had assigned to selected third party professional investors their right, benefit, interest and title to and in being allotted and issued with 5,912,021,519 Consideration Shares by the Company.

20.3. Placing Agreement

On 3 March 2020, the Company and Epsilon entered into the Placing Agreement pursuant to which, subject to certain conditions, Epsilon has agreed to use its reasonable endeavours to procure subscribers for the Ordinary Shares to be issued pursuant to the Placing. The Placing Agreement is conditional upon certain events, including, amongst other matters, the Acquisition Agreement having

become unconditional in all respects (save for Admission) and Admission occurring on 24 March 2020 or such later date as the Company and Epsilon agree (not being later than 31 March 2020).

In consideration for its services under the Placing Agreement, Epsilon will receive from the Company corporate finance fees and a cash sales commission in funds raised under the Placing by Epsilon and/or its sub-agents and a commission on the funds raised under the Placing from parties introduced to Epsilon by the Directors or the Proposed Directors. In addition, the Company shall pay all other reasonable costs, charges and expenses of Epsilon.

In the Placing Agreement, the Company has given customary warranties and undertakings to Epsilon and the Company has agreed to provide customary indemnities to Epsilon.

The agreement is governed by English law.

20.4. **Services Agreement**

On 3 March 2020, Supply@ME entered into a services agreement with The AvantGarde Group, pursuant to which The AvantGarde Group agrees to provide Supply@ME with certain business support services including access to information technology provision, office premises and software development and access to certain employees of The AvantGarde Group from time to time in relation to the provision of those services. The agreement is terminable on 3 months' notice by either party (save for earlier termination in certain circumstances). The services are to be provided to a standard not less than those which applied when Supply@ME was part of The AvantGarde Group during the 12 months preceding the date of the agreement. The agreement is subject to the law of England and Wales.

20.5 On 13 November 2019, the Company entered into an engagement letter with Stanford Capital Partners Limited ("Stanford"), pursuant to which Stanford agreed to act as the Company's broker in connection with the Placing and to provide broking and advisory services to the Company for a 12 month period following Admission. The letter contains customary covenants and undertakings from the Company in favour of Stanford provides for the payment of a fee to Stanford following Admission in respect of its services relating to Admission and the Placing, and an ongoing fee for broking and related services.

20.6 On 17 September 2019, the Company appointed Cairn Financial Advisers LLP to act as its financial advisor for the purpose of rule 3 of the Takeover Code. This appointment is made under an engagement letter and pursuant to it the Company has agreed to pay Cairn Financial Advisers LLP a fee as to half on the date of the appointment and the balance as at Admission. The engagement letter contains customary undertakings and warranties and a customary indemnity in connection with its role as rule 3 adviser. The engagement letter has been the subject of two subsequent variations, made on 18 October 2019 and 12 February 2020.

20.7 On 4 June 2018, the Company entered into an engagement letter with Peterhouse Capital Limited ("Peterhouse") pursuant to which Peterhouse agreed to act as the Company's joint broker and to provide services ancillary to that appointment. The letter contains customary covenants and undertakings from the Company in favour of Peterhouse and provides for the payment of an annual fee to Peterhouse, payable quarterly.

20.8 As part of the agreement summarised in paragraph 20.6 above, the Company issued a warrant instrument in favour of Peterhouse on 4 June 2018 to subscribe for up to 950,000 then ordinary shares in the Company at a price per share of 5 pence. These warrants were exercised in full by Peterhouse in August 2018 and the Company has no further obligation to Peterhouse under this warrant instrument.

20.9 On 25 July 2018, the Company entered into a loan agreement with VM AV Corporate Services Limited, an investment vehicle under the control of Vin Murria, to borrow up to £500,000 from that counterparty. The loan agreement contained customary covenants and events of default for an agreement of this nature and the Company has repaid in full the amounts which were due to be paid under that agreement.

20.10 On 26 October 2018, the Company entered into a nominated adviser and broker agreement with WH Ireland Limited under which WH Ireland agreed to become and was appointed as the Company's

nominated adviser and joint broker in return for the payment of an annual fee, payable quarterly. The agreement contains covenants and undertakings from the Company which are customary for an agreement of this nature.

20.11 On 28 October 2018, the Company granted a warrant to Eight Capital Partners Plc ("Eight Capital") over 7,272,768 new Ordinary Shares, exercisable for three years at the lower of 1.1p per share, the market price at the time of completion of a placing of new Ordinary Shares then undertaken by the Company, this transaction or the average previous 5 days market mid-price of an Ordinary Share at the point of exercise of the warrant.

20.12 On 28 October 2018, the Company additionally issued £90,000 of unsecured, convertible loan notes ("CLNs") to Eight Capital. The CLNs are for a term of 3 years and attract an annual coupon of 7.5 per cent. Interest shall be payable quarterly in arrears and will be capable of conversion at any time at the election of the Eight Capital. The CLNs shall be convertible in whole or in part into new Ordinary Shares in the Company at the lower of the 1.1p per share, or 10 per cent. below the average previous 5 days market mid-price at point of conversion.

21. Capitalisation and indebtedness

21.1. At the date of this document, neither the Company nor Supply@ME:

- (a) has any secured, unsecured or unguaranteed indebtedness, including direct and contingent indebtedness; other than its liabilities under the contracts described in paragraphs 20.1 and 20.2 and the loan notes described in paragraph 20.12 in each case of this Part VII ("*Additional information*");
- (b) has granted any mortgage or charge over any of its assets; and
- (c) has not have any contingent liabilities or guarantees.

21.2. If Admission, the Acquisition and the Placing had taken place prior to the date of the balance sheet of the Company at 31 March 2019 then the balance sheet of the Company would change as follows (on the basis that the Company had not yet invested the proceeds of the Placing):

- (a) the cash held by the Company would increase by the amount subscribed for pursuant to the Placing (less any fees and expenses paid by the Company on Admission) being the Net Proceeds;
- (b) the total assets of the Company would increase by the amount of the Net Proceeds on Admission; and
- (c) the called up share capital would increase by the aggregate nominal amount of Ordinary Shares issued both prior to and following Admission.

21.3. If Admission had taken place prior to the date of the financial information relating to the Company set out in Part V(B) ("*Historical financial information of the Company*") of this document then any impact on the Company's earnings would have been to enhance earnings with the precise level being dependent on any return made on the Net Proceeds received by the Company.

22. General

22.1. The total costs (including fees and commissions) (exclusive of VAT) payable by the Company in connection with the Acquisition, the Placing and Admission are estimated to amount to approximately £800,000, of which a total of approximately £160,000 is commission. The estimated net proceeds accruing to the Company from the Placing are approximately £1.44 million.

22.2. RSM, which has no material interest in the Company, has given and has not withdrawn its written consent to the inclusion in this document of its reports as set out in Part V ("*Presentation of financial and other information*") of this document and has authorised those contents of that part of this document.

22.3. As at the date of this document, the Company has no existing or planned tangible fixed assets and there are no environmental issues that may affect its utilisation of any such tangible fixed assets.

- 22.4. The Directors and the Proposed Directors are not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects in the current financial year.
- 22.5. There are no arrangements in place under which future dividends are to be waived or agreed to be waived.
- 22.6. The Placing Price under the Placing is payable in full in cash on Admission.
- 22.7. As at the date of this document, save as disclosed in Part 2 of this document, neither the business nor the profitability of the Company or Supply@ME is dependent on any patents or other intellectual property rights, licences, industrial, commercial or financial contracts or new manufacturing processes.
- 22.8. Where information contained in this document has been sourced from a third party, the Company, the Directors and the Proposed 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.
- 22.9. The accounting reference date of the Company is currently 31 March.
- 22.10. This document has been prepared in accordance with current UK tax legislation, practice and concession and interpretation thereof. Such legislation and practice may change and the current interpretation may therefore no longer apply.
- 22.11. Save for the Acquisition, as at the date of this document the Company has no principal investments in progress and there are no future principal investments on which the Company has made a firm commitment.
- 22.12. The Directors will apply for the Enlarged Issued Share Capital to be admitted to CREST with effect from Admission. Accordingly, it is expected that the Enlarged Issued Share Capital will be enabled for settlement in CREST following Admission.
- 22.13. Save as set out in this document and so far as the Directors and Proposed Directors are aware, there are no arrangements relating to the Company, the operation of which may at a subsequent date result in a change of control of the Company.

23. Availability of this document

- 23.1. Following Admission copies of this document are available for viewing free of charge at www.morningstar.co.uk/uk/nsm.
- 23.2. Copies of this document may be collected, free of charge during normal business hours, from the registered office of the Company.
- 23.3. In addition, this document will be published in electronic form and be available on the Company's website at www.abalplc.com subject to certain access restrictions applicable to persons located or resident outside the United Kingdom.
- 23.4. Copies of the following documents will be published in electronic form and be available on the Company's website at www.abalplc.com subject to certain access restrictions applicable to persons located or resident outside the United Kingdom and made available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered offices of the Company, for the period of 14 days following the date of this document:
- (a) the Company's Articles;
 - (b) the Company's memorandum of association;
 - (c) the by-laws of Supply@ME;

- (d) the historical financial information of the Company set out in Part V(B) (*“Historical financial information of the Company”*) of this document;
- (e) the historical financial information of Supply@ME set out in Part V(D) (*“Historical financial information of Supply@ME”*) of this document;
- (f) the material contracts referred to in paragraph 7 of this Part VII (*“Additional information”*);
- (g) the letter of consent referred to in paragraph 22.2 of this Part VII (*“Additional information”*);
- (h) the nomination committee terms of reference;
- (i) the audit committee terms of reference; and
- (j) the remuneration committee terms of reference.

PART VI

THE TAKEOVER CODE AND THE ACQUISITION

1. The Takeover Code

The Takeover Code is issued and administered by the Panel. The Takeover Code applies to all takeover and merger transactions, however effected, where the offeree company is, *inter alia*, a listed public company with its registered office in the United Kingdom. Abal Group plc is such a company and its Shareholders are entitled to the protections afforded by the Takeover Code and its provisions.

Under Rule 9 of the City Code, a person who acquires, whether by a series of transactions over a period of time or not, shares which (taken together with securities in which he is already interested and which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, the person is normally required by the Panel to make a general offer to all the remaining shareholders of that company to acquire their shares. Similarly, when any person individually or a group of persons acting in concert, already holds interests in securities which in aggregate carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of such voting rights, that person may not normally acquire further securities without making a general offer to the shareholders of that company to acquire their shares. An offer under Rule 9 must be in cash and at the highest price paid by the person required to make an offer, or any person acting in concert with him, for any interest in shares of the company during the 12 months prior to the announcement of the offer.

Under the Takeover Code, a “concert party” arises, *inter alia*, when persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate, to obtain or consolidate control of that company. Under the Takeover Code, control means an interest, or interests, in shares carrying in aggregate 30 per cent. or more of the voting rights of a company, irrespective of whether such interest or interests give *de facto* control. In this context, voting rights means all the voting rights attributable to the capital of the company which are currently exercisable at a general meeting. The Takeover Code also states that, directors of a company will be presumed to be acting in concert with the company of which they are a director.

2. Information on the Concert Party and related parties

Each of the Sellers, Eight Capital Partners plc and others are treated as acting in concert for the purposes of the City Code.

The identity of the members of the Concert Party is as follows:

The AvantGarde Group	The AvantGarde Group currently holds 92.2 per cent. of the shares in Supply@ME.
iWEP, iWolf and White Amba	iWEP controls more than 20 per cent. of the share capital of The AvantGarde Group and is wholly owned by iWolf and White Amba.
Orchestra Group, AZ Company and AvantGarde 4.0	Orchestra Group controls more than 20 per cent. of the share capital of The AvantGarde Group and is controlled by AZ Company and AvantGarde 4.0.
Finance Partners, Maurizio Belli and Emanuele Facile	Whilst only holding a 17.66 per cent. shareholding in The AvantGarde Group, Finance Partners is owned by Eight Capital (28.57 per cent.) and its two directors, Emanuele Facile (30 per cent.) and Maurizio Belli (12.86 per cent.), both of whom also retain direct stakes of 2.00 per cent. and 5.00 per cent. respectively in The AvantGarde Group.
Eight Capital	Eight Capital is a current shareholder in the Company, holds a 40 per cent. interest in Finance Partners and additionally has Dominic White on its Board.

Epsilon Capital	Epsilon Capital is a wholly owned subsidiary of Eight Capital.
Sports Capital Group	Sports Capital Group is an investee company of Eight Capital.
Financial Innovations	Financial Innovations is an investee company of Eight Capital.
Dominic and Susan White	Dominic White is on the Board of The AvantGarde Group as well as holding numerous directorships across companies within the Concert Party and also controlling iWEP.
John Treacy	John Treacy is a director of Epsilon Capital.
Martin Groak	Martin Groak is a director of Eight Capital.
Alessandro Zamboni	Alessandro Zamboni is on the Board of The AvantGarde Group as well as holding numerous directorships across companies within the Concert Party and also controlling AZ Company.
Stefania Marasco	Stefania Marasco holds 70 per cent. of the shares of AvantGarde 4.0 which holds a controlling investment in Orchestra Group.
Antonio De Francis	<p>Antonio De Francis co-founded Datoom S.r.l. ("Datoom") with Simone Concetti (which they jointly own) and has spent over thirty years in IT business, focusing on enterprise software. Antonio has a business contract with Supply@ME whereby he receives a one-off commission of 0.5 per cent. of any inventory successfully funded through his introduction.</p> <p>Antonio De Francis has an interest of 0.1 per cent. in Supply@ME.</p>
Simone Concetti	<p>Simone co-founded Datoom with Antonio De Francis and is also currently Managing Director of Fondaco-CarVal, an Italian Bank. Simone also has a business contract with Supply@ME whereby he receives a one-off commission of 0.5 per cent. of any inventory successfully funded through his introduction.</p> <p>Simone Concetti has an interest of 1.4 per cent. in Supply@ME.</p>

3. Code Waiver

The issue of the Consideration Shares in connection with the Acquisition, together with the further New Ordinary Shares to be issued in connection with the Placing would normally result in the Concert Party having to make a general offer to Shareholders pursuant to Rule 9 of the City Code. Under Note 1 on the Notes on the Dispensations from Rule 9 of the City Code, the Takeover Panel will normally waive the requirement for a general offer to be made in accordance with Rule 9 of the City Code if Independent Shareholders pass an ordinary resolution on a poll at a general meeting approving such Code Waiver.

Following completion of the Acquisition and on Admission the Concert Party, will, in aggregate, be interested in 74,422,037,715 Ordinary Shares in the Company representing 74.56 per cent. of the Enlarged Share Capital.

The Company has applied to the Panel for a waiver of Rule 9 in order to permit the Acquisition without triggering an obligation on the part of the Concert Party to make a general offer to Shareholders. Subject to the approval of the Independent Shareholders of the Whitewash Resolution taken on a poll in General Meeting, the Panel has agreed to waive the obligation to make a Rule 9 Offer for the entire issued share capital of the Company that would otherwise arise as a result of the issue of the Consideration Shares in connection with the Acquisition. Accordingly, the Whitewash Resolution being proposed at the General Meeting will be taken by means of a poll of Independent Shareholders attending and voting at the General Meeting. None of the members of the Concert Party (nor any adviser connected to them) are permitted to

exercise their voting rights in respect of the Whitewash Resolution but may exercise their voting rights in respect of the remainder of the Resolutions.

The Code Waiver to which the Panel has agreed under the City Code will be invalidated if any purchases are made by any member of the Concert Party, or any person acting in concert with it, in the period between the date of this document and the General Meeting. Furthermore, no member of the Concert Party, nor any person acting in concert with it, has purchased Ordinary Shares in the 12 months preceding the date of this document.

If the Resolutions are approved, the Concert Party will not be restricted from making an offer for the Ordinary Shares in the Company.

4. Option agreements between certain Concert Party members

On 7 February 2020, members of the Concert Party, as detailed below, entered into a number of put and call option agreements. These agreements contain no vesting conditions and only relate to the relevant party's shareholdings in The AvantGarde Group. The AvantGarde Group, on completion of the Transaction will hold 23,895,553,949 Ordinary Shares (72.95 per cent. of the Enlarged Share Capital).

<i>Description of option over TAG Shares</i>	<i>Number (%) of TAG Shares</i>	<i>Grantor</i>	<i>Grantee</i>	<i>Duration of option</i>	<i>Exercise price</i>
Call option	63,010 (42.0%)	iWEP	Alessandro Zamboni**	12 months	Market value*
Call option	26,490 (17.7%)	Finance Partners	Alessandro Zamboni**	Until five business days after completion of the Transaction	€419.03 per TAG Share
Call option	3,000 (2.0%)	Maurizio Belli	Alessandro Zamboni**	Until five business days after completion of the Transaction	€287.67 per TAG Share
Call option	7,500 (5.0%)	Emanuele Facile	Alessandro Zamboni**	Earlier of six months from grant, or five business days after completion of the Transaction	€466.67 per TAG Share
Put option	63,010 (41.0%)	Alessandro Zamboni**	iWEP	12 months from 31 August 2020	12.5% discount to market value*
Put option	26,490 (17.7%)	Alessandro Zamboni**	Finance Partners	6 months from 8 August 2020	€366.65 per TAG share
Put option	3,000 (2.0%)	Alessandro Zamboni**	Maurizio Belli	6 months from 8 August 2020	€287.67 per TAG Share
Put option	7,500 (5.0%)	Alessandro Zamboni**	Emanuele Facile	6 months from 8 August 2020	€408.33 per TAG Share

*as provided by an independent valuation expert to be jointly appointed by the grantor and grantee

**the Grantee being Alessandro Zamboni or an entity appointed by Alessandro Zamboni

PART IX

DEFINITIONS

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

“Acquisition”	means the acquisition of the entire issued share capital of Supply@ME from the Sellers as described in Part I of this document.
“Acquisition Agreement”	means the conditional share purchase agreement dated 27 September 2019 between the Company and the Sellers relating to the Acquisition, further details of which are set out in paragraph 2.3 of Part VIII of this document.
“Admission”	means admission of the Enlarged Share Capital to the Standard Listing segment of the Official List and to trading on the London Stock Exchange’s Main Market for listed securities.
“AIM”	means AIM, a market of the London Stock Exchange.
“AIM Rules”	means the AIM Rules for Companies as published by the London Stock Exchange from time to time.
“Articles”	means the articles of association of the Company from time to time.
“Audit Committee”	means the audit committee of the Board.
“Board”	means the board of directors of the Company.
“Business Day”	means a day (other than a Saturday or Sunday) on which banks are open for general business in London.
“certificated” or “in certificated form”	means a share or other security which is not in uncertificated form (that is, not in CREST).
“City Code” or “Takeover Code”	means the UK City Code on Takeovers and Mergers issued by the Panel on Takeovers and Mergers, as amended from time to time.
“Chairman”	means S. Charles, or the Chairman of the Board from time to time, as the context requires, provided that such person was independent on appointment for the purposes of the Corporate Governance Code.
“Change of Control”	means, following the Acquisition, the acquisition of Control of the Company by any person or party (or any group of persons or parties who are acting in concert).
“Code Waiver”	means the waiver granted by the Panel (subject to the passing of the Whitewash Resolution) in respect of the obligation of the members of the Concert Party to make a mandatory offer for the entire issued share capital of the Company not already held by them which might otherwise be imposed on them under Rule 9 as a result of the issue of Consideration Shares, as more particularly described in Part IX of this document.
“Companies Act”	means the Companies Act 2006 of the United Kingdom, as amended.
“Company”	means Abal Group plc.

“Completion”	means the closing of the Acquisition pursuant to the Acquisition Agreement.
“Concert Party”	means Eight Capital Partners plc, The AvantGarde Group, and the other persons as set out in paragraph 3 of Part VIII of this document.
“Consideration Shares”	means the 32,322,246,220 new Ordinary Shares to be issued by the Company to the Sellers at the Issue Price per Ordinary Share in accordance with the Acquisition Agreement.
“CONSOB”	means the <i>Commissione Nazionale per le Società e la Borsa</i> , the Italian Financial Market Supervisory Authority.
“Control”	means an interest, or interests, in shares carrying in aggregate 30 per cent. or more of the Voting Rights of a company, irrespective of whether such interest or interests give <i>de facto</i> control.
“Corporate Governance Code”	means the UK Corporate Governance Code issued by the Financial Reporting Council, as amended from time to time.
“CREST”	means the relevant system (as defined in the CREST Regulations) for the paperless settlement of trades in listed securities in the United Kingdom, of which Euroclear is the operator (as defined in the CREST Regulations).
“CREST Manual”	means the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules, the CREST Courier and Sorting Service Operations Manual, Daily Timetable, CREST Application Procedure, CREST Glossary of Terms and CREST Terms and Conditions (all as defined in the CREST Glossary of Terms promulgated by Euroclear on 15 July 1996 and as amended since).
“CREST member”	means a person who has been admitted by Euroclear as a system-member (as defined in the CREST Regulations).
“CREST Regulations”	means the Uncertificated Securities Regulations 2001 (SI 2001/3755).
“CREST sponsor”	means a CREST participant admitted to CREST as a CREST sponsor.
“CREST-sponsored member”	means a CREST member admitted to CREST as a sponsored member.
“Daily Official List”	the daily record setting out the price of all trades in shares and other securities conducted on the AIM.
“Deferred Shares”	means deferred shares of 4p. each in the share capital of the Company.
“Directors”	means the board of Directors of the Company, being Simon Charles and John Treacy as at the date of this document.
“Disclosure Guidance and Transparency Rules” or “DTR”	means the Disclosure Guidance and Transparency Rules produced by the Financial Conduct Authority and forming part of the FCA Handbook.

“Disposal”	means the disposal of Company’s core operating business and assets for cash to Planbox Inc., which occurred on 5 February 2019, following approval by Shareholders at the general meeting of the Company held on 28 January 2019.
“Disposal Agreement”	means the agreement dated 9 January 2019 between the Company and Planbox Inc. governing the terms of the Disposal.
“EEA”	means the European Economic Area.
“EEA State”	means the member states of the European Union and the European Economic Area, each an “EEA State” .
“Eight Capital Partners”	means Eight Capital Partners Plc (company number 09301329), a company which Dominic White and Martin Groak are directors. The registered office of Eight Capital Partners is Kemp House, 160 City Road, London EC1V 2NX.
“Enlarged Group”	means the Company, its current subsidiary, and Supply@ME following Completion.
“Enlarged Share Capital”	means the issued ordinary share capital of the Company immediately following Admission, comprising the Existing Ordinary Shares, the Consideration Shares and the Placing Shares.
“Epsilon”	means Epsilon Capital Limited (company number 11238881), the placing agent of the Company, of which John Treacy (a director of the Company) is a director).
“European Union” or “EU”	means the European Union.
“Euro” or “euro”	means the lawful currency of the member states of the EU that adopted the Euro in Stage Three of the Treaty establishing the Economic and Monetary Union on 1 January 1999.
“Euroclear”	means Euroclear UK & Ireland Limited.
“Excluded Territories”	means Australia, Canada, Japan, South Africa, the United States of America and any other jurisdiction where the extension or availability of the Placing (or any transaction contemplated thereby and any activities carried out in connection therewith) would breach applicable law and “Excluded Territory” means one of them.
“Existing Directors”	means the existing directors of the Company being S. Charles and J. M. Treacy.
“Existing Ordinary Shares”	means the existing Ordinary Shares in issue at the date of this document.
“FCA”	means Financial Conduct Authority.
“FCA Handbook”	means the book of rules and guidance maintained by the FCA.
“Form of Proxy”	means the form of proxy to be used by Shareholders in respect of the General Meeting.
“FSMA”	means the Financial Services and Markets Act 2000, as amended.
“GDPR”	means the General Data Protection Regulation (EU) 2016/679.

“General Meeting”	means the general meeting of the Company to be held at the offices of Marriott Harrison LLP, 11 Staple Inn, London WC1V 7QH at 11.00 a.m. on 20 March 2020, notice of which is being sent to Shareholders concurrently with this document.
“HMRC”	means HM Revenue & Customs.
“IASB”	means International Accounting Standards Board.
“IASB IFRS”	means IFRS, as issued by the IASB.
“IFRS”	means the International Financial Reporting Standards.
“Independent Director”	means S. Charles.
“Independent Shareholders”	means all Shareholders who are independent of the Concert Party.
“Investor”	means a person who confirms his agreement to Epsilon to subscribe for Placing Shares under the Placing.
“ISIN”	means the International Securities Identification Number.
“Issue Price”	means 0.6945 pence per Ordinary Share.
“Latest Practicable Date”	means 3 March 2020, being the latest practicable date prior to publication of this document.
“Listing Rules”	means the listing rules issued by the FCA pursuant to section 73A of FSMA.
“Long Stop Date”	means 31 March 2020, or such other date as the Company, the Sellers and Supply@ME may agree in writing.
“London Stock Exchange” or “LSE”	means London Stock Exchange Group plc.
“Main Market”	means the regulated market of the London Stock Exchange for officially listed securities.
“Market Abuse Regulation”	means the Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014.
“Member States”	means member states of the EU.
“MiFID II”	means the EU Markets in Financial Instruments Directive (2014/65/EU), as amended.
“Model Code”	means the Model Code on directors’ dealings in securities set out in Annex I to Chapter 9 of the Listing Rules.
“Net Proceeds”	the funds received on closing of the Placing less any expenses paid or payable in connection with the Acquisition, the Placing and Admission.
“New Ordinary Shares”	the Consideration Shares and the Placing Shares.
“Nomination Committee”	means the nomination committee of the Board.
“Notice of General Meeting”	means the notice of General Meeting set out in this document.
“Official List”	means the Official List maintained by the FCA.

“Ordinary Shares”	means ordinary shares of 0.002p. each in the share capital of the Company.
“Overseas Shareholders”	means a Shareholders with registered addresses in, or who are citizens, residents or nationals of jurisdictions outside the United Kingdom.
“Panel”	means the UK Panel on Takeovers and Mergers.
“Placees”	means a person who confirms his agreement to Epsion to subscribe for Placing Shares under the Placing in accordance with the terms of a Placing Letter.
“Placing”	means the conditional placing of the Placing Shares on behalf of the Company at the Placing Price and on the terms and subject to the conditions set out in this document pursuant to the Placing Agreement.
“Placing Agreement”	means the conditional agreement dated 3 March 2020 among the Company and Epsion setting out the terms of the Placing, summary details of which are set out in paragraph 20.4 of Part VIII (“ <i>Additional information</i> ”) of this document.
“Placing Letter”	means a placing letter issued to a prospective Placee for Placing Shares by Epsion and a form of acceptance from such prospective Placee confirming the prospective Placee’s irrevocable commitment to subscribe for Placing Shares, conditional only upon Admission.
“Placing Price”	£0.006756 per Placing Share.
“Placing Shares”	means the 331,604,094 new Ordinary Shares to be allotted and issued pursuant to the Placing.
“Premium Listing”	means a Premium Listing under Chapter 6 of the Listing Rules.
“Proposed Directors”	means the person who is to be appointed as director of the Company upon completion of the Acquisition, being: A. Zamboni, D. White, S. Chishti and E. Camerinelli further details of whom are set out in paragraph 1 of Part III (“ <i>Directors, Proposed Director and corporate governance</i> ”) of this document.
“Prospective Investors”	prospective investors in Placing Shares.
“Prospectus Regulation”	means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, and includes any relevant implementing measures in each member state of the EEA that has implemented Regulation (EU) 2017/1129.
“QCA Code”	the Corporate Governance Code for Small and Mid-sized quoted companies 2018 published by the Quoted Companies Alliance (as amended from time to time).
“Qualified Investor”	means qualified investors within the meaning of Article 2(1)(e) of the Prospectus Regulation.
“Registrar”	means Neville Registrars Limited.
“Regulation S”	means the Regulation S under the US Securities Act.

“Regulatory Information Service”	means one of the regulatory information services authorised by the FCA to receive, process and disseminate regulatory information in respect of listed companies.
“Remuneration Committee”	means the remuneration committee of the Board.
“Resolutions”	means the resolutions to be proposed at the General Meeting in connection with the Acquisition and the Placing.
“Reverse Takeover”	means a transaction defined as a reverse takeover under AIM Rule 14.
“Rule 9”	means Rule 9 of the Takeover Code.
“Rule 9 Offer”	means the requirement for a general offer to be made in accordance with Rule 9.
“SDRT”	means stamp duty reserve tax.
“SEC”	means the United States Securities and Exchange Commission.
“SEDOL”	means the Stock Exchange Daily Official List.
“Sellers”	means the quota holders (namely the shareholders) of Supply@ME as at the date of this document.
“Shareholders”	means the holders of Ordinary Shares from time to time, and “Shareholder” means any one of them.
“Standard Listing”	means a Standard Listing under Chapter 14 of the Listing Rules.
“sterling” or “£” or “p.”	means the lawful currency of the United Kingdom.
“Stock Company”	a subsidiary company of Supply@ME incorporated for the provision of inventory monetisation solutions to the Enlarged Group’s end-customers.
“Supply@ME”	means Supply@ME S.r.l.
“Swiss Code of Obligations”	means the Swiss Code of Obligations of 30 March 1911, as amended from time to time.
“Takeover Code” or “City Code”	means the UK City Code on Takeovers and Mergers issued by the Panel on Takeovers and Mergers, as amended from time to time.
“The AvantGarde Group”	means The AvantGarde Group S.p.A. (company number 05033580969) of Via Festa del Perdono, 10 – 20122 – Milan, Italy.
“Trading Days”	means a day on which the main market of the London Stock Exchange (or such other applicable securities exchange or quotation system on which the Ordinary Shares are listed) is open for business (other than a day on which the main market of the London Stock Exchange (or such other applicable securities exchange or quotation system) is scheduled to or does close prior to its regular weekday closing time).
“Transaction”	means the Acquisition, the Placing and Admission.
“United Kingdom” or “UK”	means the United Kingdom of Great Britain and Northern Ireland.

“UK Listing Authority” or “UKLA”	means the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA and in the exercise of its functions in respect of the admission to listing on the Official List otherwise than in accordance with Part VI of FSMA.
“Unaudited ProForma IFRS Financial Information”	means the unaudited proforma IFRS income statement and unaudited proforma statement of IFRS net assets of the Enlarged Group set out in Part VI(F) (“ <i>Unaudited proforma statement of the net assets and income statement of the Enlarged Group</i> ”) of this document.
“uncertificated” or “in uncertificated form”	means recorded on the register of members 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 States” or “US”	means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.
“US Investment Company Act”	means the United States Investment Company Act of 1940, as amended.
“US Securities Act”	means the United States Securities Act of 1933, as amended.
“VAT”	means the value added tax chargeable under or pursuant to the Value Added Tax Act 1994 or the EU Directive 2006/112/EC on the common system of value added tax and any other sales, purchase or turnover tax of a similar nature, whether imposed in the UK or elsewhere.
“Whitewash Resolution”	means the ordinary resolutions of the Independent Shareholders to be taken on a poll concerning the Code Waiver to be proposed at the General Meeting and set out in the notice of General Meeting which is being issued by the Company on the same date of this document.
“£0.009998 Deferred Shares”	means deferred shares of 0.9998p. in the share capital of the Company.

4 March 2020

