

BIG TECHNOLOGIES PLC

AIM Admission Document
July 2021

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Document or the action you should take, you should immediately seek your own financial advice from your stockbroker, bank manager, solicitor, accountant or other independent adviser who is authorised under the FSMA if you are in the United Kingdom, or, if outside the United Kingdom, from another appropriately authorised independent adviser.

This Document, which comprises an AIM admission document drawn up in accordance with the AIM Rules for Companies, has been issued in connection with an application for admission to trading on AIM of the entire issued and to be issued share capital of Big Technologies plc. This Document does not constitute an offer or any part of any offer of transferable securities to the public within the meaning of section 102B of the FSMA or otherwise. Accordingly, this Document does not constitute a prospectus for the purposes of section 85 of the FSMA or otherwise, and has not been drawn up in accordance with the Prospectus Rules or filed with or approved by the FCA or any other competent authority.

Application has been made for the Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that trading in the Shares will commence on AIM on 28 July 2021.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the Financial Conduct Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this Document.

The Company and the Directors, whose names appear on page 10 of this Document, accept responsibility for the information contained in this Document. To the best of the knowledge of the Company and the Directors (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this Document is in accordance with the facts and contains no omission likely to affect the import of such information.

The whole of this Document should be read. Investment in the Company is speculative and involves a high degree of risk. Your attention is drawn in particular to Part III of this Document entitled "Risk Factors", which describes certain risks associated with an investment in Big Technologies plc.

BIG TECHNOLOGIES PLC

(Incorporated and registered in England and Wales under the Companies Act 2006 with registered number 10791781)

**Placing of 8,040,332 New Shares at 200 pence per Share
Vendor Placing of 92,800,030 Shares at 200 pence per Share
and
Admission to trading on AIM**

Zeus Capital

Nominated Adviser and Broker

Enlarged Share Capital immediately following Admission

<i>Number</i>	<i>Issued and fully paid</i>	<i>Amount £</i>
288,475,082	ordinary shares of £0.01 each	2,884,750.82

Zeus Capital, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for the Company as nominated adviser and broker in connection with the Placing, the Vendor Placing and Admission, and will not be responsible to any other person for providing the protections afforded to customers of Zeus Capital or advising any other person in connection with the Placing, the Vendor Placing and Admission. Zeus Capital's responsibilities as the Company's nominated adviser under the AIM Rules for Companies and the AIM Rules for Nominated Advisers will be owed solely to the London Stock Exchange and not to the Company, the Directors or to any other person in respect of such person's decision to acquire Placing Shares or Vendor Placing Shares in reliance on any part of this Document. Apart from the responsibilities and liabilities, if any, which may be imposed on Zeus Capital by the FSMA or the regulatory regime established under it, Zeus Capital does not accept any responsibility whatsoever for the contents of this Document, and no representation or warranty, express or implied, is made by Zeus Capital with respect to the accuracy or completeness of this Document or any part of it.

This Document does not constitute an offer to sell, or the solicitation of an offer to buy or subscribe for, securities in any jurisdiction in which such offer or solicitation is unlawful and, in particular, is not for publication or distribution in or into the United States of America, Canada, Australia, New Zealand, the Republic of South Africa or Japan. The Shares have not been and will not be registered under the US Securities Act nor under the applicable securities laws of any states of the United States of America or any province or territory of Canada, Australia, New Zealand, the Republic of South Africa or Japan, nor in any country or territory where to do so may contravene local securities laws or regulations. Accordingly, the Shares may not be offered or sold directly or indirectly in or into the United States of America, Canada, Australia, New Zealand, the Republic of South Africa, Japan or to any national, resident or citizen of the United States of America, Canada, Australia, New Zealand, the Republic of South Africa or Japan. 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 about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities law of any such jurisdictions. The Shares have not been approved or disapproved by the United States Securities and Exchange Commission, any state securities commission in the United States or any other United States of America regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the accuracy or adequacy of this Document. Any representation to the contrary is a criminal offence in the United States of America.

Copies of this Document will be available free of charge to the public during normal business hours on any day (except Saturdays, Sundays and public holidays) at the registered offices of the Company, the offices of Zeus Capital at 10 Old Burlington Street, London W1S 3AG and the offices of Hill Dickinson LLP, The Broadgate Tower, 20 Primrose Street, London EC2A 2EW for one month from Admission. This Document is also available on the Company's website, www.bigtechnologies.co.uk.

IMPORTANT INFORMATION

This Document should be read in its entirety before making any decision to subscribe for or purchase 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, Zeus Capital or any of their respective affiliates, officers, directors, employees or agents. Without prejudice to the Company's obligations under the AIM Rules for Companies, neither the delivery of this Document nor any acquisition of Shares made under this Document shall, under any circumstances, create any implication that there has been no change in the affairs of the Company or the Group since the date of this Document or that the information contained herein is correct as at any time subsequent to its date.

Prospective investors in the Company must not treat the contents of this Document or any subsequent communications from the Company, Zeus Capital or any of their respective affiliates, officers, directors, employees or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters.

This Document does not constitute an offer to sell or issue, or the solicitation of an offer to buy or subscribe for, securities in any jurisdiction in which such offer or solicitation is unlawful and, in particular, is not for publication or distribution in or into the United States, Canada, Australia, New Zealand, the Republic of South Africa, Japan or Hong Kong nor in any country or territory where to do so may contravene local securities laws or regulations. 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 about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities law of any such jurisdictions. The Shares have not been and will not be registered under the US Securities Act nor under the applicable securities laws of any state of the United States or any province or territory of Canada, Australia, New Zealand, the Republic of South Africa, Japan or Hong Kong. Accordingly, the Shares may not be offered or sold directly or indirectly in or into or from the United States, Canada, Australia, New Zealand, the Republic of South Africa, Japan or Hong Kong or to any resident of the United States, Canada, Australia, New Zealand, the Republic of South Africa, Hong Kong or Japan. No public offering of securities is being made in the United States. The Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or any other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the accuracy or adequacy of this Document. Any representation to the contrary is a criminal offence in the United States.

If you are in any doubt about the contents of this Document or the action you should take, you should immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent adviser who is authorised under FSMA if you are in the United Kingdom, or, if you are outside the United Kingdom, from another appropriately authorised independent adviser.

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

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

This document is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation, by the Company, the Directors, Zeus Capital or any of their respective representatives, that any recipient of this Document should subscribe for or purchase any of the Shares. Prior to making any decision as to whether to subscribe for or purchase any Shares,

prospective investors should read the entirety of this Document and, in particular, the section headed “Risk Factors”.

Investors should ensure that they read the whole of this Document and not just rely on key information or information summarised within it. In making an investment decision, prospective investors must rely upon their own examination (or an examination by the prospective investor’s FSMA-authorised or other appropriate advisers) of the Company and the terms of this Document, including the risks involved. Any decision to purchase Shares should be based solely on this Document and the prospective investor’s own (or such prospective investor’s FSMA-authorised or other appropriate advisers’) examination of the Company.

Investors who subscribe for or purchase Placing Shares in the Placing will be deemed to have acknowledged that: (i) they have not relied on Zeus Capital or any person affiliated with them in connection with any investigation of the accuracy of any information contained in this Document for their investment decision; (ii) they have relied only on the information contained in this Document; and (iii) no person has been authorised to give any information or to make any representation concerning the Company or the Shares (other than as contained in this Document) and, if given or made, any such other information or representation has not been relied upon as having been authorised by or on behalf of the Company, the Directors or Zeus Capital.

Notice to prospective investors in the United Kingdom

This Document is being distributed to, and is directed only at, persons in the United Kingdom who (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**FPO**”); and/or (ii) high net worth entities, unincorporated associations and other bodies falling within Article 49 of the FPO; and (iii) other persons to whom it may otherwise be lawfully be distributed without an obligation to issue a prospectus or other offering Document approved a regulatory (each a “relevant person”). Any investment or investment activity to which this Document relates is available only to relevant persons and will be engaged in only with such persons. Persons who are not relevant persons should not rely on or act upon this Document.

Notice to prospective investors in the European Economic Area

In relation to each member state of the European Economic Area (“**EEA**”) (each, a “**Relevant State**”), no Shares have been offered or will be offered pursuant to the Placing to the public in that Relevant State, except that the Company may make an offer of Shares to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

- (i) to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (ii) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation); or
- (iii) in any other circumstances falling within Article 1(4) of the Prospectus Regulation, provided that no such offer of Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression “an offer to the public” in relation to any offer of Shares in any Relevant State means a communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Shares, and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129.

Forward looking statements

Certain statements in this Document are or may constitute “forward looking statements”, including statements about current beliefs and expectations. In particular, the words “expect”, “anticipate”, “estimate”, “may”, “should”, “could”, “plans”, “intends”, “will”, “believe” and similar expressions (or in each case their negative and other variations or comparable terminology) can be used to identify forward looking statements. They appear in a number of places throughout this Document and include, but are not limited to, statements regarding intentions, beliefs or current expectations

concerning, among other things, the Group's results of operations, financial position, liquidity, prospects, growth, strategies and expectations of the industry in which the Group operates.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the development of the markets and the industry in which the Group operates, may differ materially from those described in, or suggested by, the forward looking statements contained in this Document. In addition, even if the development of the markets and the industry in which the Group operates are consistent with the forward-looking statements contained in this Document, those developments may not be indicative of developments in subsequent periods. A number of factors could cause developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation, general economic and business conditions, industry trends, competition, changes in regulation, currency fluctuations, changes in the Group's business strategy, political and economic uncertainty and other factors discussed in Part I and Part III of this Document.

Any forward-looking statements in this Document reflect current views with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group's operations and growth strategy. Investors should specifically consider the factors identified in this Document which could cause results to differ before making an investment decision. Subject to the requirements of applicable law or regulation, the Group undertakes no obligation publicly to release the result of any revisions to any forward-looking statements in this Document that may occur due to any change in the Directors' expectations or to reflect events or circumstances after the date of this Document.

Any forward looking statement in this Document based on past or current trends and/or activities of the Group should not be taken as a representation or assurance that such trends or activities will continue in the future. No statement in this Document is intended to be a profit forecast or to imply that the earnings of the Group for the current year or future years will match or exceed the historical or published earnings of the Group.

Presentation of financial information

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

The consolidated historical financial information of the Group for the two years ended 31 December 2020, which is set out in Part IV of this Document, has been prepared in accordance with IFRS.

Certain non-financial measures such as EBITDA (being earnings before interest, tax, depreciation and amortisation) have been included in the financial information contained in this Document as the Directors believe that these present important alternative measures with which to assess the Group's performance. These measures should not be considered as an alternative to revenue and operating profit, which are IFRS measures, or other measures of performance under IFRS. In addition, the Company's calculation of EBITDA may be different from the calculation used by other companies and therefore comparability may be limited.

Rounding

The financial information and certain other figures in this Document have been subject to rounding adjustments. Therefore, the sum of numbers in a table (or otherwise) may not conform exactly to the total figure given for that table. In addition, certain percentages presented in this Document reflect calculations based on the underlying information prior to rounding and accordingly may not conform exactly to the percentages that would be derived if the relevant calculations were based on the rounded numbers.

Market, industry and economic data

Unless the source is otherwise identified, the market, economic and industry data and statistics in this Document constitute managements' estimates, using underlying data from third parties. The Company obtained market and economic data and certain industry statistics from internal reports, as well as from third-party sources as described in the footnotes to such information. All third-party information set out in this Document has been accurately reproduced and, so far as the Company is aware and has been able to ascertain from information published by the relevant third-party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Such third-party information has not been audited or independently verified and the Company and the Directors accept no responsibility for its accuracy or completeness.

Market and industry data is inherently predictive and speculative, and is not necessarily reflective of actual market conditions. Statistics in such data are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market. The value of comparisons of statistics for different markets is limited by many factors, including that: (i) the markets are defined differently; (ii) the underlying information was gathered by different methods; and (iii) different assumptions were applied in compiling the data. Consequently, the industry publications and other reports referred to above generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed and, in some instances, these reports and publications state expressly that they do not assume liability for such information.

No incorporation of website information

The contents of the Company's website, any website mentioned in this Document or any website directly or indirectly linked to these websites have not been verified and do not form part of this Document, and prospective investors should not rely on such information.

Interpretation

Certain terms used in this Document are defined and certain technical and other terms used in this document are explained at the section of this document under the heading "Definitions".

All references to legislation in this Document are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of any legislation or regulation shall include any amendment, modification, re-enactment or extension thereof. Unless otherwise stated, statements made in this Document are based on the law and practice currently in force in England and Wales and are subject to changes therein.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

CONTENTS

	<i>Page</i>
PLACING STATISTICS	8
EXPECTED TIMETABLE	9
COMPANY OFFICERS, REGISTERED OFFICE AND ADVISERS	10
DEFINITIONS	11
GLOSSARY	15
PART I INFORMATION ON THE GROUP	18
PART II CORPORATE GOVERNANCE	44
PART III RISK FACTORS	47
PART IV HISTORICAL FINANCIAL INFORMATION	60
SECTION A – ACCOUNTANTS’ REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF THE GROUP	60
SECTION B – HISTORICAL FINANCIAL INFORMATION OF THE GROUP	62
SECTION C – ACCOUNTANTS’ REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF BIG TECHNOLOGIES LIMITED	90
SECTION D – HISTORICAL FINANCIAL INFORMATION OF BIG TECHNOLOGIES LIMITED	92
SECTION E – ACCOUNTANTS’ REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF BUDDI LIMITED	98
SECTION F – HISTORICAL FINANCIAL INFORMATION OF BUDDI LIMITED	100
PART V ADDITIONAL INFORMATION	110
PART VI TERMS AND CONDITIONS OF THE PLACING	144

PLACING STATISTICS

Placing Statistics

Placing Price (per Share)	200 pence
Number of Existing Shares in issue at the date of this Document	274,202,600
Number of Existing Shares in issue immediately prior to Admission	280,434,750
Number of Shares in the Placing to be issued by the Company (the New Shares)	8,040,332
Number of Shares sold by the Selling Shareholders pursuant to the Vendor Placing	92,800,030
New Shares as a percentage of the Existing Shares	2.9 per cent.
Sale Shares as a percentage of the Existing Shares	33.1 per cent.
Number of Shares in issue following Admission	288,475,082
Market capitalisation of the Company at the Placing Price following Admission ⁽¹⁾	£576,950,164
Gross proceeds of the Placing receivable by the Company	£16.1 million
Estimated net proceeds of the Placing receivable by the Company ⁽²⁾	£14.7 million
Gross proceeds of the Vendor Placing receivable by the Selling Shareholders	£185.6 million
AIM ticker	BIG
ISIN	GB00BN2TR932
SEDOL	BN2TR93
LEI	2138001GM2MZ6I2D1W29

Notes:

- (1) The market capitalisation of the Company at any given time will depend on the market price of the Shares at that time. There can be no assurance that the market price of a Share will equal or exceed the Placing Price.
- (2) After deduction of estimated commissions, fees and expenses payable by the Company of approximately £1.4 million.

EXPECTED TIMETABLE

Publication of this Document	26 July 2021
Admission and commencement of dealings in the Enlarged Share Capital on AIM	8.00 a.m. on 28 July 2021
CREST accounts credited (where applicable)	8.00 a.m. on 28 July 2021
Dispatch of definitive share certificates (where applicable)	11 August 2021

All times are London, UK times. Each of the times and dates in the above timetable is indicative only and is subject to change without further notice.

DEFINITIONS

Admission	the admission of the Enlarged Share Capital to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules for Companies
Admission Document or Document	this document dated 26 July 2021
AIM	the AIM market of the London Stock Exchange
AIM Rules for Companies	the AIM Rules for Companies published by the London Stock Exchange from time to time
AIM Rules for Nominated Advisers	the AIM Rules for Nominated Advisers published by the London Stock Exchange from time to time
Articles	the articles of association of the Company which will be in force as at Admission, a summary of which is set out in paragraph 5 of Part V of this Document
Audit Committee	the audit committee of the Board, as constituted from time to time
Board	the board of directors of the Company
Companies Act	the Companies Act 2006 (as amended)
Big Technologies or the Company	Big Technologies plc
CREST	the computer based system and procedures which enable title to securities to be evidenced and transferred without a written instrument, administered by Euroclear UK & Ireland in accordance with the CREST Regulations
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001/3755), including (i) any enactment or subordinate legislation which amends those regulations; and (ii) any applicable rules made under those regulations or such enactment or subordinate legislation for the time being in force
Dealing Day	a day on which the London Stock Exchange is open for the transaction of business
Directors	the directors of the Company as at the date of this Document, whose names appear on page 10 of this Document
Disclosure and Transparency Rules or DTRs	the disclosure guidance and transparency rules made by the FCA under Part VI of FSMA
EEA	the European Economic Area
EMI Plan	means the enterprise management incentive plan operated by the Company, as more particularly described at paragraph 13.6 of Part V of this Document
Enlarged Share Capital	the 288,475,082 Shares in issue immediately following Admission, comprising the Existing Shares and the New Shares
EU	European Union
Euroclear UK & Ireland	Euroclear UK & Ireland Limited, a company incorporated under the laws of England and Wales with registered number 2878738 and the operator of CREST
EUWA	means the European Union (Withdrawal) Act 2018, as amended
Executive Directors	the executive Directors of the Company as at the date of this document, being Sara Murray, Daren Morris and Charles Lewinton

Existing Shares or Existing Share Capital	the 280,434,750 Shares in issue immediately prior to completion of the Placing
FCA or Financial Conduct Authority	the Financial Conduct Authority of the United Kingdom
FSMA	the Financial Services and Markets Act 2000, as amended
Group or Big Technologies Group	the Company and its subsidiaries and subsidiary undertakings (in each case as defined in the Companies Act)
Growth Plan	means the growth share incentive plan operated by Buddi Limited, as more particularly described at paragraph 13.5 of Part V of this Document
HMRC	HM Revenue and Customs
Historical Financial Information	the audited financial statements of the Group and Buddi Limited (as relevant) for the three years ended 31 December 2020, as set out in Part IV of this Document
IFRS	International Financial Reporting Standards as endorsed by the European Union
Liontrust	Liontrust Investment Partners LLP
London Stock Exchange	London Stock Exchange plc
Lock-in Agreements	the lock-in and orderly market agreements entered into by the Company, Zeus Capital and the Locked-in Shareholders, details of which are set out in paragraphs 12.5 and 12.6 of Part V of this Document
Locked-in Shareholders	the Selling Shareholders and the Directors
LTIP Plan	means the long-term share incentive plan of the Company as more particularly described at paragraph 13.4 of Part V of this Document
MAR	means the UK version of the Market Abuse Regulation (Regulation 596/2014) which is part of English law by virtue of EUWA, as amended
Member State	a member state of the EEA
New Shares	the 8,040,332 new Shares to be issued by the Company pursuant to the Placing
Nominated Adviser and Broker Agreement	the nominated adviser and broker agreement summary details of which are set out in paragraph 12.1 of Part V of this Document
Nomination Committee	the nomination committee of the Board, as constituted from time to time
Non-Executive Directors	the non-executive directors of the Company as at the date of this Document, being Simon Collins and Camilla Macun
Official List	the official list of the UK Financial Conduct Authority
Options	the options over Shares, details of which are set out in paragraph 4.2 of Part V of this Document
Panel	the Panel on Takeovers and Mergers
Placees	the subscribers for New Shares pursuant to the Placing and purchasers of Sale Shares pursuant to the Vendor Placing
Placing	the conditional placing of the New Shares at the Placing Price pursuant to the Placing Agreement

Placing Agreement	the conditional agreement entered into on or about the date of this Document between the Company, the Directors and Zeus Capital in relation to the Placing, the Vendor Placing and Admission, summary details of which are set out in paragraph 12.2 of Part V of this Document
Placing Price	200 pence per Placing Share
Placing Shares	the New Shares and the Sale Shares
Proposals	the Placing, Vendor Placing and Admission
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Union, as it forms part of English law by virtue of the EUWA, as amended
Prospectus Rules	the prospectus rules made by the FCA under Part V of the FSMA, as amended
QCA	the Quoted Companies Alliance
QCA Code	the Corporate Governance Code 2018 published by the QCA
Recognised Investment Exchange	has the meaning given to it in section 285 of the FSMA
Relationship Agreement	the relationship agreement entered into between the Company, Sara Murray and Zeus Capital, as summarised in paragraph 12.4 of Part V of this Document
Registrars	the Company's registrars, being Link Market Services Limited (trading as Link Asset Services), 10th Floor Central Square, 29 Wellington Street, Leeds, LS1 4DL
Remuneration Committee	the remuneration committee of the Board, as constituted from time to time
RIS	Regulatory Information Service
Sale Shares	the 92,800,030 Shares (being part of the Existing Shares) to be sold by the Selling Shareholders pursuant to the Vendor Placing
Selling Shareholders	means the persons detailed at paragraph 9.1 of Part V, who will be disposing of certain shares prior to Admission
Selling Shareholder Agreements	the conditional agreements entered into on or about the date of this Document between each of the Selling Shareholders and Zeus Capital in relation to the Vendor Placing and Admission, summary details of which are set out in paragraph 12.3 of Part V of this Document
Shares	ordinary shares of £0.01 each in the capital of the Company
Shareholder	a holder of Shares
Takeover Code	the City Code on Takeovers and Mergers published by the Panel
TFM	TFM Inventions Limited
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland
uncertificated or uncertificated form	recorded on the relevant register of the share or security 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
US or United States	the United States of America
US Persons	has the meaning given in Regulation S
US Securities Act	the US Securities Act of 1933, as amended
VAT	value added tax

Vendor Placing	the conditional placing of the Sale Shares by Zeus Capital as agents for the Selling Shareholders, at the Placing Price pursuant to the Selling Shareholder Agreements
Warrants	the warrants over Shares, details of which are set out in paragraph 4.5 of Part V of this Document
Zeus Capital	Zeus Capital Limited
£ and p	United Kingdom pounds sterling and pence respectively
€ or Euro	the single European currency
\$ or c	United States dollars and cents respectively

GLOSSARY

CAGR	compound annual growth rate, being the average annual growth rate of an investment or metric over a specified period of time longer than one year
Criminal Justice sector or market	consists of law enforcement agencies, the courts service, and agencies responsible for detaining and supervising offenders, such as prison and probation services
Electronic Monitoring or EM	a form of surveillance that uses an electronic device affixed to a person
Exclusion zones	virtual boundary set up around a geographical location, which an app or other software uses to trigger a pre-programmed action when a tracking device enters it
Geo-fencing	a location-based service in which an app or other software uses location data to trigger a pre-programmed action when a tracking device enters or exits an Exclusion Zone or an Inclusion Zone
Global Systems for Mobile Communication or GSM	a standard developed by the European Telecommunications Standards Institute to describe the protocols for second-generation digital cellular networks used by mobile devices such as mobile phones and tablets
GP	general practitioner
GPS	global positioning system
Home Monitoring Unit or HMU	a device placed in an offenders residence that is used to charge the GPS Tracking Device and detect the transmitter
Home Office	also known (especially in official papers and when referred to in Parliament) as the Home Department, is a ministerial department of the Government of the United Kingdom, responsible for immigration, security, and law and order
ICE	US immigration and customs enforcement
Immigration and Customs Enforcement or ICE	a federal law enforcement agency under the US. ICE's stated mission is to protect the United States from the cross-border crime and illegal immigration that threaten national security and public safety
Incarceration	the state of being confined in prison
Inclusion zones	virtual boundary set up around a geographical location which an app or other software uses to trigger a pre-programmed action when a tracking device exits it
Institute of Labor Economics	a non-profit research institute and international network in labor economics
IP68	international protection code concerning the degree of protection provided by mechanical casings and electrical enclosures against intrusion, dust, accidental contact, and water
JV	joint venture
Mayor's Office for Policing and Crime (MOPAC)	a functional body of the Greater London Authority responsible for oversight of the Metropolitan Police
Ministry of Justice or MoJ	ministerial department of the Government of the United Kingdom, responsible for policy on criminal law, for courts and prisons, and for defending people's legal rights
NESTA	National Endowment for Science, Technology and Arts, a UK based innovation foundation

NHS Digital Diabetes Prevention Programme or NHS DDPP	an NHS programme launched in 2016 to support people who are at high risk of developing Type 2 diabetes
Prison Policy Initiative	a non-profit criminal justice oriented American public policy think tank based in Easthampton, Massachusetts
QISMET	an independent not-for-profit body that supports self-management education providers and commissioners to achieve the highest possible quality service for people living with long-term health conditions
RF	radio frequency
SaaS	software as a service
US National Institute of Justice	the research, development and evaluation agency of the United States Department of Justice
World Prison Brief	an online database providing free access to information on prison systems around the world

INVESTMENT SUMMARY

The following information is derived from, and should be read in conjunction with, the whole of this Document including, in particular, the section headed Risk Factors relating to the Company in Part III of this Document. Shareholders should read the whole of this Document and not rely on this Executive Summary section.

Big Technologies has created a leading, integrated technology platform (including both hardware and software solutions) for the remote monitoring of individuals, providing state-of-the-art Electronic Monitoring (EM) solutions on a SaaS-like, subscription basis. The Company primarily serves the Criminal Justice market, providing offender monitoring solutions to local and national government agencies.

Key strengths and advantages

The Directors believe that Big Technologies has a number of key strengths and advantages that are important to the success of the business:

- **Leader in innovation and product design generating high barriers to entry**
Continuous iterative innovation has resulted in the development of a leading solution, combining industry-leading hardware (“**Buddi Smart Tag**”) across all major comparable metrics, with a customisable and scalable proprietary software (“**Buddi Eagle**”)
- **Major disrupter in the global Criminal Justice market**
The Group’s technology has generated a distinct competitive advantage, enabling customers to realise significant cost savings by minimising false alerts and reducing associated monitoring costs
- **Significant international pipeline in a large and growing Criminal Justice market**
EM is increasingly recognised as a viable alternative to custody, which combined with favourable market tailwinds, including high costs of incarceration and prison overcrowding, are generating increased demand for remote monitoring solutions around the world
- **Multi-year contracts provide long-term revenue visibility**
Long term contracts, some spanning up to twelve years in length, provide secure revenue base from which to deliver both contract expansion and win new contracts in targeted geographies
- **Strong financial record as the Group continues to capture market share**
From FY19 to FY20 the Group achieved revenue growth of 54% and grew EBITDA by 66%, from £9.5 million to £15.7 million
- **SaaS-like model has delivered strong sustainable margins and high cash conversion**
Leased hardware and software on a subscription basis has underpinned strong financial metrics with an average 76% gross margin over the last three years, and FY20 free cashflow conversion of 83%
- **Organic growth strategy focussed on capturing market share with future M&A opportunities**
Drive to increase future volumes via focussed expansion in key global territories, supported by systematic partnerships and potential M&A opportunities in highly fragmented markets
- **Flexible platform provides multiple related and accessible market opportunities**
Core remote monitoring technologies are readily deployable into additional large markets, including addressable £13 billion health and £25 billion care (UK and US) markets using existing products
- **A focus on delivering continued societal benefits**
Brands associated with delivering social value, including ‘Buddi’ the Group’s Criminal Justice solution designed to increase public safety, reduce recidivism, and support safer societal re-integration
- **Highly experienced founder-led Board and senior management team**
Founded and led by entrepreneur Sara Murray OBE, supported by an experienced professional Board and sector management team

PART I

INFORMATION ON THE GROUP

1 Introduction

The Big Technologies Group is a proven supplier of innovative and high-quality products and services to the remote and personal monitoring industry. The Big Technologies Group provides products and services under a number of brand and trading names, with 'Buddi' being the most well-known and being used in respect of activities within the core Criminal Justice market. The Group (under the Buddi brand) has created a leading, integrated technology platform (including both hardware and software solutions) for remote monitoring of individuals, providing Electronic Monitoring (EM) solutions on a SaaS-like, subscription basis. At the current time, the Group's EM solutions are deployed principally within the Criminal Justice market. The Group's technology is flexible, and the Directors believe that the core remote monitoring technologies could also be deployed into additional large markets, such as the healthcare market and the market for provision of care services, including but not limited to, substance detection and activity monitoring devices.

Electronic Monitoring in the Criminal Justice sector involves utilising location technologies to remotely monitor and manage people within various parts of the Criminal Justice system. The Group's recent and near term future focus on the Criminal Justice market term has been demand-driven, with significant opportunities created by a combination of favourable market tailwinds as electronic location devices are increasingly recognised as alternatives to imprisonment, and superior technological capability enabling the Group to meet this demand effectively.

The Group's Criminal Justice solution has been iteratively developed over a 10-year period, utilising the knowledge of an experienced management team listening to customers. The solution consists of a proprietary software platform with modular monitoring hardware, capable of being adapted to multiple applications. The Group's Criminal Justice solution is principally focussed around the "**Buddi Smart Tag**", an electronic monitoring hardware device, and "**Buddi Eagle**", the in-house developed cloud-based monitoring software. Collectively, the hardware and the intelligent tools integrated into Big Technologies' software enable real-time tracking of monitored individuals with high levels of accuracy and reliability. Buddi evidences a substantial reduction in false alerts when compared to competitor systems, which combined with the reduction in subsequent investigations can result in cost savings for customers.

In addition to the high levels of accuracy, the Buddi Smart Tag has several key advantages over most of its competitors' devices. The tag is lighter, smaller than competitor products, with a longer battery life, and offers a simple, contact free and time efficient installation process, providing staff cost savings for customers. These product design advantages, coupled with the intelligent monitoring software, typically comes at a small price premium. The overall effectiveness and reliability of the solution, combined with the customer cost savings delivered as a result of reduced monitoring costs have helped the Group deliver strong revenue growth from both existing and new customers. The Group leases its devices and software solutions to customers typically based on daily or monthly rates.

Big Technologies' customers are principally the authorities who control the Criminal Justice and correctional facilities in their respective jurisdictions. These can be either at a national level or a more localised state or county level. The Group currently holds over 100 government contracts, ranging up to twelve years in length, accumulated over 10 years. In addition, customers occasionally increase the number of tags leased under a contract over time as their experience in the system grows, therefore ultimately utilising a greater number of devices than initially procured. The Directors believe that these long-term contracts provide the Group with high revenue visibility, with a high proportion of revenue being from government backed entities and therefore, subject to minimal credit risk.

The market for remote monitoring solutions within the Criminal Justice sector has a number of favourable tailwinds driving uptake. Prison overcrowding, high and rising incarceration costs, tighter government budget constraints and a general shift to rehabilitative community-based sentencing for minor offences all contribute towards this trend. Most recently, the additional challenge presented by Covid-19 has led to additional demand to manage individuals safely and robustly in communities as opposed to secure establishments. Electronic monitoring is increasingly recognised as a viable solution to address these issues for certain situations and criminals. In the UK for instance,

electronic tagging has been estimated to reduce costs by up to 89 per cent. per day versus incarceration, providing a cost-effective solution to authorities. Meanwhile, the technological advancements within electronic monitoring solutions, enabling authorities to track individuals' movements outside of prison, mean that electronic tags are progressively being recognised as an alternative to incarceration for low-risk offenders. The annual markets for electronic monitoring solutions in Australia and the UK are currently estimated at AUS\$35m and £350m respectively and are forecast to grow at 10 per cent. and 7 per cent. CAGR respectively between 2020 and 2025.

The Group's in-house developed hardware and software monitoring solution, supplied via a SaaS-like model, has produced a highly profitable, cash generative and defensible business model. Over the past three years, the Group has consistently delivered high gross margins, averaging 76 per cent. between 2018 and 2020. In the year to 31 December 2020, the Group achieved a revenue growth of 54 per cent. and an EBITDA growth of 66 per cent., to revenue of £29.6 million and EBITDA of £15.7 million.

The Directors believe that admission to AIM will provide access to a source of long-term capital to strengthen the balance sheet and support the Group's continued organic growth strategy, while also enabling the Group to explore potential acquisition opportunities. Admission to AIM is expected to raise the public profile of the Group and enable more effective incentivisation of management and employees via participation in long term incentive plans. The Vendor Placing will also provide a partial cash realisation for existing Shareholders.

The Placing will result in the issue of the New Shares, raising approximately £16.1 million, which will be used to capitalise the balance sheet and pay the Group's costs in connection with the Placing. In addition, the Selling Shareholders propose to sell the Sale Shares under the Vendor Placing. Further details of the Placing and Vendor Placing are set out in paragraph 11 of this Part I.

2 History and background

Big Technologies was founded in 2005 by Sara Murray OBE, the current Chief Executive Officer. Sara established the Group following an initial idea to create a GPS device small enough for a child to carry. Following a series of investments and development over an initial three-year period, the first product was launched ("Buddi v1"), a small device that could be carried on a person in order to track their location. This device was presented to authorities with a responsibility for delivering adult social care. The Group's customer base developed to include more than 100 local authorities and NHS organisations seeking a high quality and reliable product to enable people who were facing cognitive and/or physical decline, to live independently. Shortly thereafter, the Buddi v1 product was launched online to an open marketplace.

By monitoring the online demand for the product, Sara believed that a large number of customers had purchased the device as a monitoring tool to locate elderly relatives, as well as to provide reassurance against the risk of fall at home, a major cause of hospitalisation and loss of independence. Over subsequent years, the product has been used by local authorities as an alternative to placing elderly family members in residential care, particularly where monitoring movements had become the primary issue.

In 2009, Big Technologies was approached by a UK mental health NHS foundation trust to adapt the technology to help to support community leave for forensic patients of a medium-secure hospital, keeping patients and members of the public safe by using location tracking. The patients under this pilot were predominantly individuals who had been sanctioned to a mental health institution following a serious crime. Under European law, the patients were obliged to be rehabilitated into the community over a set period of time. The obvious solution at the time was to use the existing remote monitoring tags used by the Ministry of Justice. However, these did not provide location tracking, only a confirmation whether the individual was within a certain range of a defined beacon, and the tags could be removed with a simple tool, such as a pair of scissors. As a result, Big Technologies created the Buddi Smart Tag, which could be firmly attached to the ankle and provided live location tracking. The twelve-month pilot resulted in a strong positive response from clinicians, who recognised the rehabilitative benefits coupled with the added comfort and security. The Group continues to supply this solution to three mental health hospitals in the UK, but does not actively market this solution widely to the health market due to the Group's current focus on the core Criminal Justice market.

The Group's entry into the Criminal Justice market came in 2010, following a pilot with a UK police force, which had been using the Buddi products to safely support victims of domestic violence, victim protection and witness protection. The UK police force was eager to explore whether the application of the Buddi tracker (the Group's first tag) could provide evidence that previous repeat offenders, who had been participating in a rehabilitative programme, were no longer committing crimes by mapping out their location against known crimes. This generated both economic and social benefits, with reduced police time and resources being spent eliminating false enquiries and allowing any innocent and rehabilitating offender to avoid unnecessary contact from the authorities.

The initial Buddi Smart Tag pilot was independently evaluated by NESTA and was shown to reduce the re-offending of the individuals taking part, as well as have a positive impact on the local community by reducing crime. This evaluation included consultation with the offenders who volunteered to wear the Buddi Smart Tag. Respondents compared the Buddi Smart Tag favourably against their experience of a curfew tag and described elements of the design and service that were important. Based on the feedback received, the Group adapted their solution to meet the wearers' needs.

Recognising that these results could be replicated elsewhere, by effectively targeting and managing the most harmful and dangerous offenders using Buddi's Electronic Monitoring, other police forces also adopted the Group's services, and Buddi is now used within the mainstream business of 80 per cent. of UK police forces. Following the success of this programme, the Group began to bid for larger national contracts, such as a Ministry of Justice contract in 2012.

In 2014, the Group won a significant government contract for an initial five-year period to deliver tracking technologies to a Criminal Justice customer overseas. In 2019, as a result of the scheme's success, the Group won a high value contract in a competitive bid process. Since winning this business, the Group has continued to invest in both people and its technological platform, attracting a highly experienced management team with deep sector knowledge. Key hires in this period included Charles Lewinton, who served as Head of Engineering before being appointed Chief Technology Officer in 2017.

Since 2019, the Group has continued its success in the Criminal Justice sector and has won contracts to serve further local government regions in the same country, alongside some key European and Latin American contract wins.

Although not the priority market in the immediate term, the Group has continued to develop its solutions to the care market by incorporating improved monitoring techniques and hardware. The Group currently partners with a significant number of local authorities across the UK to deliver remote monitoring care solutions. Further details of the Group's care solution are set out in paragraph 6.2(b)ii of this Part I.

In 2021, Daren Morris joined the Executive Board as the Chief Financial Officer, following previous roles as the CFO and Company Secretary of AIM-quoted Volex plc, to prepare the Company for Admission and strengthen the Board.

3 Market Overview: Criminal Justice

The Criminal Justice system is the collection of agencies including, but not limited to, the police, the courts, the Ministry of Justice and the Home Office (or equivalent), which are involved in the detection and prevention of crime, the prosecution of people accused of committing crimes, the conviction and sentencing of those found guilty, and the imprisonment and rehabilitation of ex-offenders.

Criminal Justice systems around the world are incorporating Electronic Monitoring (EM) into their offender management toolkit to enable the effective and efficient management of people within the correctional system; specifically, those individuals with the following status are often more efficiently managed via EM:

- **Remand** is the process of detaining a person after they have been arrested until standing trial for an offence.
- **Probation** is a period of supervision over an offender, ordered by the court instead of serving time in prison. The offender is ordered to follow conditions set forth by the court, often under the supervision of a probation officer. During the probation period the offender may be incarcerated if they break the rules set by the court or probation officer.

- **Parole** is the early release of a prisoner who agrees to abide by certain conditions. Parolees are still considered to be serving their sentences and may be returned to prison if they violate the conditions of their parole.

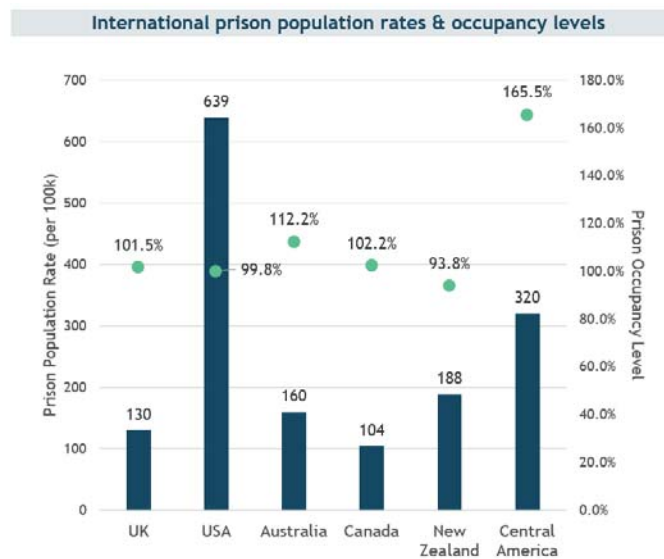
EM is used to keep offenders out of custody, either as an alternative to incarceration or a means of post-release supervision (parole and probation). The average length of time for an individual tagging order is about six months, with a broad range.

A report by World Prison Brief, estimates that over three million people were held in pre-trial detention and other forms of remand throughout the world, while in the US the number of people on parole in 2018 (878,000) and probation (3.5 million) far exceeds the number who were incarcerated at that time (2.1 million).

In addition to offender management, electronic monitoring solutions are being utilised by authorities such as ICE (Immigration and Customs Enforcement) in the US for general border and quarantine solutions for tracking immigrants. Based on data from the US Department of Homeland Security, the average daily population of immigrant detainees in the US has grown 11 per cent. CAGR from 2015 to 2019. The number of illegal immigrants tracked by ICE has grown from c.10,000 in 2014 to 38,400 in 2019, driven by increased arrests of illegal immigrants from Central/Latin America and growing asylum seeker populations.

3.1 Social and economic drivers: Prison Overcrowding

A number of social and economic drivers are creating favourable tailwinds for remote monitoring solutions in the Criminal Justice sector, arguably, one of the biggest drivers is prison overcrowding. It is estimated that over 118 countries have a prison population that currently exceeds their maximum stated occupancy rates. The below graph illustrates how prison populations across the world are close to or exceeding capacity.



Prison overcrowding is creating a number of social issues including poor living conditions, and an inability to meet basic human needs, where in extreme cases prisoners may need to sleep on shifts or tie themselves to prison bars so they can sleep while standing. Importantly, prison overcrowding can ultimately prevent prisons from fulfilling their proper function, compromising on the provision and effectiveness of rehabilitation programmes, educational and vocational training, and recreational activities.

While periodic pardons can provide short-term relief to occupancy pressures, this is not a sustainable solution and can damage public confidence in the Criminal Justice system and potentially public safety. Effective electronic monitoring provides a solution to release the occupancy pressures while retaining oversight and maintaining control over prisoner movements within a rehabilitative setting.

3.2 Social and economic drivers : Cost of incarceration

Another key challenge facing Criminal Justice authorities are rising incarceration costs, with the average prisoner in the UK costing c.£115 per day. Costs are not limited to basic needs like food, healthcare etc. but extend to the financial costs associated with training, security, health & safety and alongside this, any specific activities or support programmes. A recent study by the Prison Policy Initiative concluded that while the official public corrections agencies in the US reported a total budget of c.\$81 billion in 2017, the actual total cost of imprisonment amounted to c.\$182 billion.

Given the majority of Criminal Justice systems are managed by public authorities, Criminal Justice systems, like many other nationally managed budgets, could be impacted by potential austerity measures, for example, recent government stimulus packages to address the COVID-19 pandemic, as governments look to reduce national deficits. For selective non-violent prisoner populations who could be appropriately monitored in the community, electronic monitoring may provide a viable economical alternative to incarceration, costing the UK for instance on average up to 89 per cent. less per day, per person.

3.3 Social and economic drivers : Rehabilitative policies and government reform

As a result of overcrowding and high incarceration costs, many prisons are failing to achieve their rehabilitative function, triggering a shift towards rehabilitative community-based sentencing for minor offences. Several countries' prison populations are experiencing continued high levels of recidivism due to lack of rehabilitative or community reintegration opportunities. Research from the Institute of Labour Economics in Australia and the US National Institute of Justice demonstrated that electronic monitoring could reduce recidivism by 25 per cent. to 31 per cent.

A 2011 US National Institute of Justice study of 5,000 medium and high-risk offenders in Florida, who were placed under electronic supervision, found a 31 per cent. decrease in the recidivism rate over a six-year period compared with 266,000 offenders under other types of community supervision.

Countries such as Mexico and Belgium have reformed their judicial processes, with Mexico also legalising electronic monitoring, including pre-trial detention and early prison release, while Belgium has instituted electronic monitoring as the replacement sentence for some offences.

3.4 Electronic monitoring: The solution

Electronic monitoring predominantly involves two key technologies, radio frequency (RF) and global positioning system (GPS). RF was the original EM technology and was designed to monitor whether an offender is within a certain distance of a particular location at a point in time, while GPS technology allows continuous monitoring of an offender's location.

Radio Frequency systems have historically been used as a solution for curfew compliance to monitor low-risk offenders, e.g. juveniles and non-dangerous criminals. A home monitoring unit (HMU) would be placed in the restricted location, paired with an ankle bracelet that would continuously send signals to the HMU, which could inform any monitoring centre if the tag had gone beyond typically a 50 to 150 feet radius of the HMU. The HMU allows the service provider to contact the subject to assess any breaches and if in breach, the relevant authority would be contacted. RF devices offer very little information about an offender's activities, therefore offer limited capability in actively supporting rehabilitation and do not offer a tailored solution enabling any degree of geofencing or proactive management of an offender's activities.

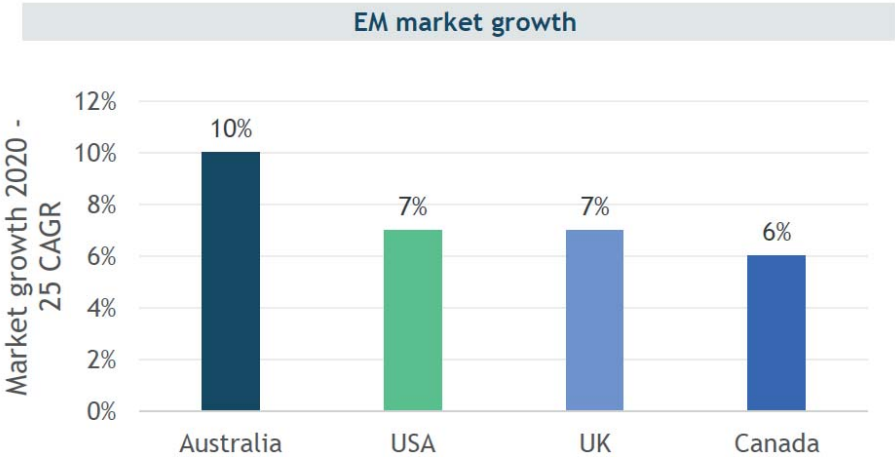
Global Positioning Systems (GPS) combined with GSM allow continuous monitoring of a subject, typically around designated inclusion or exclusion zones. For example, probation officers can set restricted zones around areas like schools or parks to limit the movements of sex offenders, or exclude known shoplifters from town high streets, and notifications can be received by a monitoring centre if these areas are entered or exited (as relevant) by an offender.

Alternatively, devices can be set to allow for bi-lateral monitoring, aimed specifically at domestic violence or stalking cases. Perpetrators wear a tag and victims are given a paired device and alerts can be received by both parties when perpetrators come within a specified distance of victims' devices.

3.5 Electronic monitoring market

Technological advancements and improvements in the reliability of electronic monitoring solutions are providing policymakers with viable alternatives to incarceration and custody. The increase in uptake of electronic monitoring solutions has been seen across a number of international countries, including Costa Rica, which saw a 500 per cent. increase in EM usage across an 18-month period to September 2019. Similarly, Australia saw a significant rise in EM usage by 150 per cent. from 2016 to 2019.

Market analysis in 2019 estimated that the North American Criminal Justice market including equipment, software and associated services was valued at about US \$850 million while the European market was valued at €190 million. The social and economic drivers set out above are expected to drive growth in the usage of electronic monitoring as the cost of incarceration rises.



The electronic monitoring market is expected to grow considerably in the near future, with markets like Australia, US, UK and Canada, that already use monitoring solutions expected to achieve between 6 per cent. and 10 per cent. growth per annum between 2020 and 2025. However, there are a number of countries that do not yet recognise electronic monitoring as a solution, which provide key opportunities for Big Technologies to explore.

3.6 Competition

The Directors believe that with the exception of certain markets, competition in the Criminal Justice EM market is considered to be well established, but small in number. The Group has managed to develop scale in certain jurisdictions where it is a market leader, but remains at the earlier stage of development or market penetration in certain high value markets such as the United States of America, United Kingdom and Canada.

Usually, contracts held within the national security and Criminal Justice space are typically long term in nature, ranging on average between 3 and 5 years in length. Therefore, opportunities to win new contracts are often restricted to when authorities invite EM suppliers, like Big Technologies, to tender. Between tender processes, the Group actively seeks to educate policymakers around the benefits of EM in general, and the benefits of the Big Technologies Group’s solution over the competition. The Big Technologies Group’s solution was created from the demand to address the market’s legacy issues and deliver financial and operational benefits to both customers and the Group.

The Directors believe that the majority of the competition have failed to sufficiently invest in their technology, with some providers supplying electronic tags up to ten years old and only relying on radio frequency location technology, allowing for curfew tracking and not the global real-time tracking that the integrated GPS technology affords the Group’s customers. Whilst being at the forefront of monitoring technology, Big Technologies continually looks to find innovative solutions and maintain a competitive advantage, typically releasing an upgraded Smart Tag every two to three years and periodic remote software upgrades through cloud-based technologies.

The Directors believe that large competitors often operate on long term contracts that deliver financial reward for monitoring tags, whereby the electronic tag suppliers are remunerated based on

the number of alerts resolved, creating no incentive to improve device accuracy. As a result, government budgets and procurement structures have been set based on outdated technology requiring large monitoring costs, and the Group therefore seeks to improve awareness of the benefits of the Buddi system and its impact on the total cost of EM, inclusive of monitoring costs.

3.7 Big Technologies – Disrupter in Criminal Justice

The Directors consider Big Technologies to be the major disrupter in the Criminal Justice market, providing a premium offering compared to the competition. Big Technologies Group’s platform and products have been designed to address some of the legacy issues in the market that include inaccuracies and inefficiencies largely due to the lack of innovation and out-of-date technologies being used.

The Group’s Criminal Justice offering was born out of designing tailored solutions for its customers, a philosophy that has continued to be at the core of the business. Big Technologies continues to drive innovation by developing its core platform and modular technologies to allow for profile customisation for each customer. The result of the Group’s innovations and comparison to competitors’ products are shown in more detail within paragraph 4.2(a).

Big Technologies’ success, under the Buddi brand, in the Criminal Justice space is demonstrated through the 100+ government contracts it now holds. The Group’s focus is on quality technology and services, listening to their customers, then providing solutions that meet the customer’s needs. Through offender surveys and customer evaluations, the Group can evidence proven impacts on offending behaviour by customers’ use of their technology. Big Technologies, in addition, has significant experience in providing offender services, such as monitoring, building and running monitoring centres, redundant data centres, software integration and field services, where customers have required these services.



The Group is proud to be a recipient of the Queen’s Award for Export – International Trade. The Director’s believe that as the Group grows and continues to drive iterative product R&D as a listed vehicle, it will be able to leverage both the Group’s increased public profile and growing number of positive secondary references to further disrupt the sector. The Group aims to continuously improve its solutions to minimise customers’ overall programme costs. This involves developing technology with no false alerts, extending charging intervals, evidencing and mitigating new forms of tampering with tags, implementing new location and communication technologies and automating repetitive tasks using AI within software monitoring platforms and mobile applications.

A recent example of the benefits of the Buddi system over its competitors was documented following the adoption of the solution by a public service company in Costa Rica in 2020. The Costa Rican authorities announced that Big Technologies had delivered a number of advantages over its previous incumbent provider, including greater connectivity, much-improved software functionality and, importantly, provided savings of an estimated \$2.7 million per annum.

Big Technologies Group’s development of solutions has been the result of direct feedback from service users. Customers report that if offenders find a device comfortable and can see the benefit of it, then they are much more likely to comply with the requirements of their supervision.

The Group has provided a service to the London Mayor’s Office for Policing and Crime (MOPAC) since 2016. In 2020/21 220 wearers have been tagged so far, with 100 wearers currently ‘live’. This service is continually evaluated by the Evidence and Insight team at MOPAC, including surveying each wearer when their tag is fitted, and at the point of removal. All evaluation reports include direct feedback from wearers, which have included comments that the tag is comfortable to wear.

In the evaluation report, the Group has received a number of pieces of positive feedback from wearers, who were each asked to complete a questionnaire when their tag was removed. Responses from 24 individuals were analysed. Respondents were asked to rate (on a scale of 1-7, with 1 being ‘very negative’ and 7 ‘very positive’) their overall experience of being on the tag. The results indicate respondents’ positive perceptions, with 20 respondents rating their experience 5 or higher on this scale. Evidence of increased compliance was reported recently in the result of a tender exercise conducted by a police force:

“When conducting research during the procurement process, this SMART tag was identified as 50 per cent. lighter and less bulky than competitors – 68g. From my research, it appeared to be the lightest tag on the market. This was a big selling point for my Police force and the feedback from Offender Managers is that this has encouraged compliance with offenders with its smaller design. It is more humane and increases the longevity of tag being on an offender”.

This feedback also included a reference to the additional location data that Buddi provides:

“a benefit identified with Buddi is that there is greater network coverage in even the most rural places. This is a rural force, and the tag operates in locations where there is minimal network coverage.”

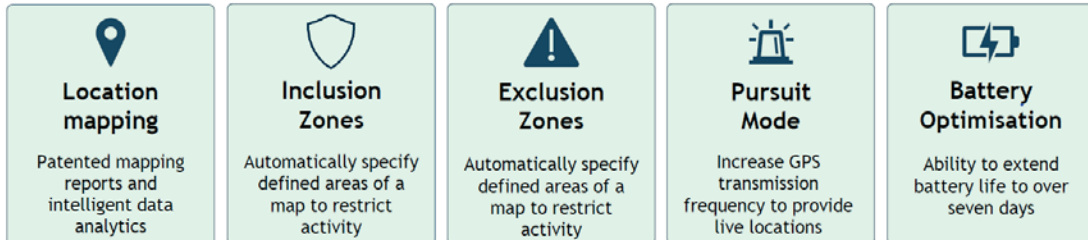
4 Business and product overview

4.1 Platform: Software and hardware

The Directors believe that the Big Technologies platform integrates industry-leading hardware and software to create a best in class, unified solution. The secure hardware device (“Buddi Smart Tag”) contains the technology to track any individual offender around the world, while the software enables the authority to remotely manage the conditions attached to each individual and their risk profile.

The Group’s monitoring software (“Buddi Eagle”) has been developed to deliver seamless integration with the hardware, offering fast, simple access through a secure web-based login for real-time data and analytics on any of the individuals being monitored. Buddi Eagle has been designed to be heavily customisable and is available in multiple languages to accommodate the Group’s international client base. The software has been designed to be cross-compatible with its client’s criminal database systems to be able to overlay location data from EM devices with crime patterns to implicate or eliminate those being tracked.

The platform has been designed with high scalability allowing for iterative development and the addition of modular technologies. Some key features of the platform are shown below:



Due to Big Technologies Group designing and developing its own monitoring software, it is able to configure and customise the platform to meet users’ specific requirements. Routine processes and response requirements are configured to enable standard responses and response times or procedures to be easily followed by staff. Customers have the flexibility to create their own customised reports and receive these automatically. All data within the software is encrypted to ensure it has not been tampered with and the system keeps an audit trail of data to ensure reliability.

4.2 Hardware

(a) Buddi Smart Tag

The Buddi Smart Tag is an intelligent, one-piece secure ankle tag that integrates multiple technologies to deliver accurate minute-by-minute location information with extended battery life. The device is smaller and lighter than the competitors’ products while also providing a number of functional benefits. One crucial functional benefit over most of the Group’s competitors’ products is that the Buddi Smart Tag has a tamper-proof feature, with a hard to cut strap, where any attempt to remove the device would notify the monitoring centre. Upon alert of an attempt to remove the device, the relevant authority would then be able to dispatch an officer to the precise location. The Buddi Smart Tag is in its fourth major iteration, having been first introduced to the market in 2012.

Big Technologies prides itself on its industry-leading hardware, which has been developed over a period of c.11 years. Supported by a network of technology experts, Big Technologies employs an in-house design and development team to meet customers' specific needs and provide continuous improvement and innovation. The table below shows a summary of the major comparable metrics for Big Technologies against an average of competitor products in its field:

	Buddi Smart Tag		Average Competitor
Size	53mm x 93mm x 22mm	✓	93mm x 67mm x 32mm
Weight	68g (tag)* 116g (with strap)	✓	184g (Attenti) 275g (Track Group)
Battery Life	72 hours	✓	36 hours
Recharge time	90 minutes	✓	141 minutes
Time to install	30 seconds	✓	5 minutes
Location Technology	RF/GPS WIFI/LBS/Inertial	✓	RF/GPS/LBS
Datapoints reported per hour	240	✓	14

*weight is without strap

The Smart Tag was first marketed in 2012, but has been continually updated to provide a competitive advantage and high barriers to entry. One of the key features of the tag includes automatic switching between location methods (e.g. GPS / RF / Indoor) to deliver the most accurate location information. The accuracy of data is of critical importance, particularly when the location data can often be used as evidence in criminal trial proceedings or when individuals are prohibited from entering a zone within a defined distance of certain locations (e.g. schools). A lack of accuracy of data being transmitted from the device could potentially lead to significant social implications, including false prosecution or conversely the data being dismissed as unreliable in court.

A survey conducted by the US National Criminal Justice Reference Service in May 2016 found that Big Technologies Group's products reported 240 data points to the monitoring software every hour, above an average of 14 data points reported by competing products. Big Technologies Group's products deliver over 50 per cent. more datapoints than a competitive product.

The higher levels of accuracy of the Buddi Smart Tag result in vastly reduced false alerts, with Big Technologies Group demonstrating a 72 per cent. reduction in total alerts versus the market standard of one false alert per device per day. This is a key competitive advantage of Big Technologies Group's platform. The Directors consider that actioning false alerts can create an administrative burden and can overwhelm correctional officials when having to contact offenders. This can extend to officers attending locations of false alerts to investigate, compromising time spent resolving actual breaches. This can create additional costs, inefficiencies and potentially serious security concerns. The Directors believe that some service-orientated competitors include pricing structures that are directly linked to monitoring alerts, whether false or accurate, creating little incentive to invest in R&D, improve product reliability and minimise the number of false alerts.

Other key features of the hardware include being waterproof to international IP68 standards, that protects against costly replacements for liquid damage, which for some authorities is one of the causes behind tag vandalism. In comparison to a number of competitor products, Big Technologies enables on-body wireless charging functionality, whereby the wearer can attach a

portable charger rather than being tethered to a walled power source. Combined with the extended battery life (up to 7 days), the Directors believe that this helps authorities ensure compliance on some of the most chaotic offenders, while reducing service requirements from field officers.

Some of the most distinguishing features of the Smart Tag are the smaller size, lightweight and ergonomic design, compared to other tags in the market. As a result, the devices are more comfortable for offenders and, therefore, are seen to encourage rehabilitation and discourage prohibited removal. Increasing wearer compliance offers significant public value and contributes towards reducing reoffending. Small, light and comfortable equipment, designed to promote compliance with an order, impacts hidden costs in compliance management. Increased compliance reduces the need for field visits, breach and recall – increasing the value for money of an EM program.

Big Technologies can demonstrate that its customers can expect the requirement for service visits to decline, from an average of 5 per cent. of tagged offenders to an evidenced 0.68 per cent. This is delivered by a combination of a reduced rate of tag removal (due to both increased comfort and the difficulty of removing the device), and also due to remote diagnostic checks removing the need for physical inspections. The Directors believe that such a reduction in service visits can result in significant cost savings for the customer.

(b) Other products

In addition to the optimised location technologies contained within the Buddi Smart Tag device, the Group also offers a “Smart Beacon” solution, which provides RF technologies for customers focussing on a curfew solution. The Smart Beacon enables a two-way voice facility and messages to be received by the offender.

The Group has a range of products which work alongside its tracking technologies to comply with customer requirements for similar applications, such as encryption technologies, two-factor authentication and proprietary biometric solutions. These technologies cover applications for monitoring domestic violence victims, quarantine subjects, gang members and individuals in the immigration system.

Buddi currently holds 14 patents in certain key markets, which cover a range of proprietary techniques used by the Group across its hardware and software to deliver key features to customers. The Group aims to secure patents around its technologies to provide protection for innovative features in key markets, such as the UK and US.

4.3 Leasing model

The Group leases its devices and software to customers on a SaaS-like basis, typically on a daily or monthly rate. Pricing will vary dependent on the individual contract, and the extent of the software and monitoring provisions, with some customers requiring 24/7 monitoring and field support services operated by the Group, whereas some will look to operate independently following an implementation and training period.

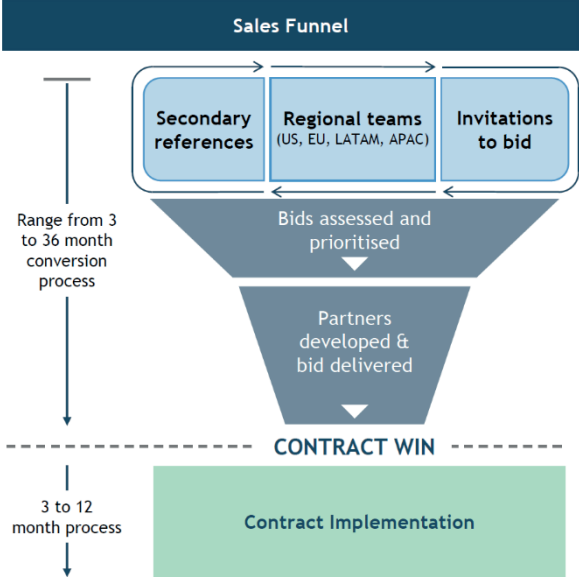
The leasing model typically includes a replacement cycle for each tag on a two to three-year basis. The high levels of recurring revenue generated from the SaaS-like and product leasing solution have helped the Group deliver consistently strong and healthy EBITDA margins averaging 50 per cent. over the last two years.

4.4 Sales channels / Routes to market

Over the past three years, the Group has generated continued sales growth, achieving a revenue growth of c.54 per cent. from FY19 to FY20. The revenue growth can be attributed in part to the Group’s increasing reputation for product quality has led to rising contract momentum, including winning both new contracts as well as delivering organic growth on existing contracts.

The state contracts can be procured at multiple levels (e.g. national or local) and can come directly or through national buying frameworks. In the majority of cases, the Group will respond directly to requests for proposals, including discussions around bid specifications and will negotiate directly with customers. In the US, where the Criminal Justice market is more fragmented, Big Technologies often forms strategic partnerships with resellers to extend its reach.

The majority of Big Technologies’ invitations to bid have come on the back of positive secondary references following the success of recent contracts. Invitations to tender are typically limited to a select number of companies who have the technologies and scale to deliver. The Directors believe that Big Technologies has been invited to an increasing proportion of the international competitive tender processes over the last three years.



From receipt of an invitation to bid, the bid process will typically last anywhere from 3 to 12 months, up to the point of winning a contract. Following a contract win, the contract implementation period will depend on the scale and extent of services provided, but can also typically range between 3 and 12 months. The Group has facilitated shorter implementation in exceptional circumstances, including full national replacement of an incumbent supplier who was not been able to deliver on promises provided in a tender. This particular instance included a replacement of 1,800 tags within a six-week period into a foreign country delivered completely remotely, under COVID-19 travel restrictions in 2020.

Big Technologies has regional teams in the United Kingdom, Australia, United States and Latin America. In each of these territories, Big Technologies employs a senior official who will liaise directly with local authorities to increase Buddi’s profile, while educating the officials on the benefits of adopting Big Technologies’ technologies. The Group has historically aimed to win, on average, one new contract a year. As the Group grows, the Directors believe the Group will have increased resources and capability to address more bids while maintaining high levels of success.

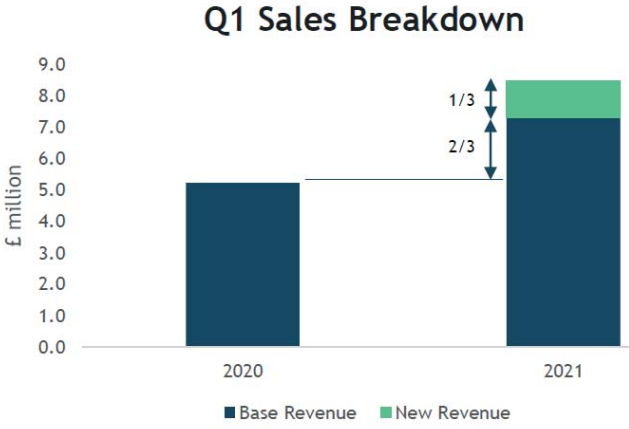
The Group prioritises bids to ensure that the contract is an appropriate fit for Big Technologies, typically avoiding contracts where the emphasis is solely on cost, namely where the tenders are focused on radio frequency and home curfew monitoring solutions, for which Big Technologies is not the price leader.

4.5 Revenue visibility

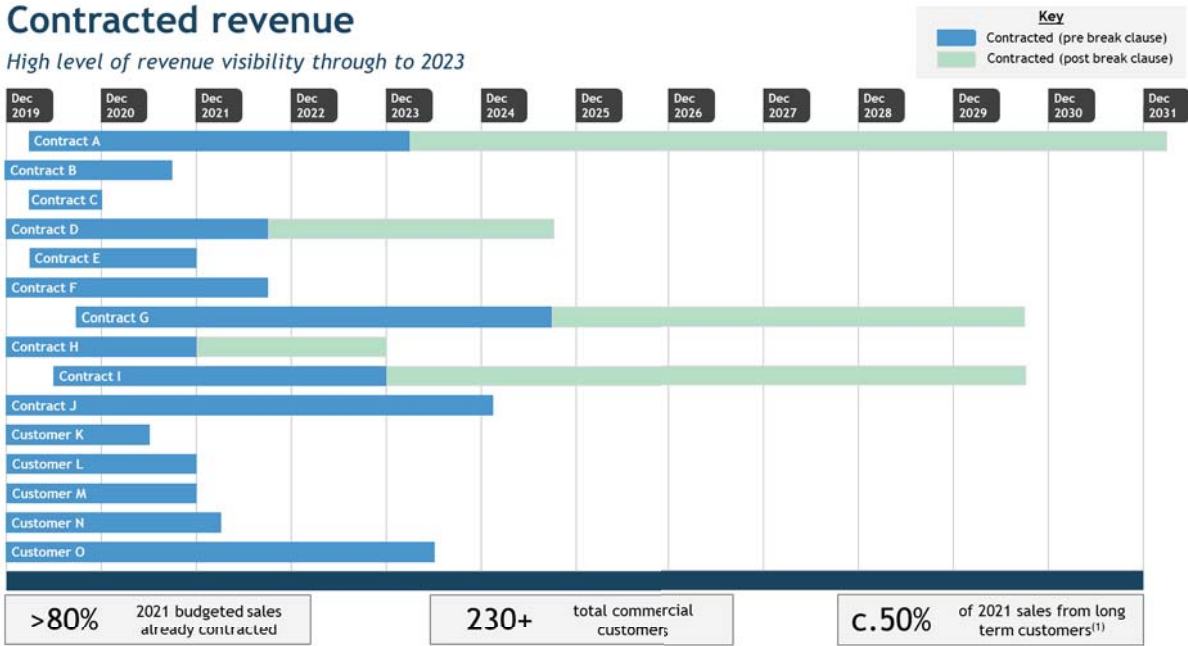
The long-term contracts provide the Group with a high level of future revenue visibility. In addition to visibility on the core contracted revenue, the Group aims to grow each contract by expanding the number of tags after implementation, achieved by delivering high levels of customer satisfaction and device functionality. As an example, Big Technologies has managed to increase orders placed under a number of contracts – in some cases by in excess of 30 per cent. and up to 100 per cent.

Due to the high-quality products and services, Big Technologies Group’s Criminal Justice solution has never permanently lost a customer and has a 100 per cent. record of break clauses not being exercised. In the instances where the Group had previously lost contracts on tender, for cost reasons, both customers later returned to the Group after temporarily using competing systems which failed to meet the standards set by the Group.

As a result of Big Technologies Group’s success in the Criminal Justice market, the Group has achieved substantial levels of revenue visibility by delivering organic contract growth from its existing client base. During FY20, 125 per cent. of FY19 revenue was delivered by existing clients only. The below diagram illustrates the like-for-like sales growth into Q1 2021 of above 60 per cent., owing to growth from both new and existing revenue. Approximately two thirds of the revenue growth is driven by organic contract expansion, with the remaining growth delivered from new contract wins.



The chart below illustrates Big Technologies Group’s long-term revenue visibility, with some contracts extending over a decade.



Due to the long-term contracts, at the start of each financial year Big Technologies Group has typically contracted over 80 per cent. of budgeted revenue for the financial year and over 50 per cent. of budgeted revenue for the following financial year.

Given the nature of the Group’s international government contracts, the Group has historically generated, and continues to generate, the majority of its revenue from a small number of large customers. In the year to December 2020 the top six customers generated a total of 74 per cent. of the Group’s revenue. The Group’s largest customer accounted for 24 per cent. of its total revenue for the year ended 31 December 2020.

Should the Group continue to grow revenues through winning new international contracts and onboarding new Criminal Justice customers, as the Directors expect, the Group’s contract base will

become more diversified. As such, the materiality of individual contracts to the Group will decline, and the concentration of revenues will decrease over time.

5 Operations

5.1 Management structure

The Executive Board of Sara Murray, Daren Morris and Charles Lewinton is supported by a wider senior leadership team.

Advised by the business development leadership team, the Executive Board will review all major invitations to tender and will then instruct the allocation of resources to tender opportunities. The wider business development team has a strong nationwide reputation in the Group's current key markets of Australia, Latin America, UK and US. These teams have years of electronic monitoring experience as well as significant time with the Group. The team includes individuals who tagged the first offenders in both the US and the UK, as well as experts with experience working for the government on the customer side. The operational and engineering teams are also led by industry veterans with very strong backgrounds.

As at December 2020, the Group had 256 employees with 189 in operations (central support, monitoring centre staff and field service staff), 30 in product development and the remainder in sales and administration.

5.2 Production and Procurement

Big Technologies' manufacturing processes are undertaken at the Group's centralised production facility in Norwich, England. The facilities operate with a small number of core personnel, supported by a pool of temporary workers to assist when additional manufacturing capacity is required to satisfy short delivery timeframes. The production facilities typically allow for the production of 500 full sets of devices per week, which can reasonably be doubled using the current pool of permanent and temporary workers. The Group also maintains a stock of tags based on forecast and contracted requirements and can also refurbish and reuse existing tags previous customers have returned. All workers require CRB checks as a minimum given the high-security nature of items.

The Group sources its components from a range of companies, with additional suppliers to meet the redundancy requirements of its government customers, so the Group is not reliant on any one supplier. Instead, Big Technologies Group's semiconductor components are primarily sourced from a collection of reputable international suppliers, including Texas Instruments and u-Blox. Most of the components are considered off-the-shelf, with differentiation driven by product and proprietary antenna design, in-house firmware development and software innovations.

(a) Social and Governance

The Group supply chain processes evaluate potential suppliers for both environmental and social considerations. Evaluation criteria include assessments around conflict minerals, diversity and human rights, to help ensure the Group does not work with suppliers that do not have strong ethical standards in these areas, meeting government tender requirements. Tenders may require suppliers and sub-contractors to have policies around environmental controls to minimise impact.

Given the Group's size and the nature of its operation, the general environmental impact is very low. The Group has robust employee policies covering diversity, anti-bribery and acceptable usage to ensure every employee is aware of their responsibilities and responsibilities to others. Overall, the Group's business is designed to have a positive social impact, providing technology that improves people's lives. This is a key element of what the Group strives to offer and the Directors believe that it is the reason many employees work for the Group and a key tenet which is upheld.

The Group's products reduce environmental footprint due to robust technology and automation minimising field visits. The negative social impacts associated with the removal of equipment and compliance checks are also reduced.

The Group holds stock around the world for customers, which helps shorten delivery times and mitigate international shipping timelines. Component parts on long lead-times are held in excess quantities to enable the Group to satisfy increased customer demand at short notice. Big

Technologies has a mature, auditable supply chain management system, which provides strong resilience, with no single key supplier, quality auditing and regular reviews.

The Group's service operations are ISO 9001 certified, demonstrating its capability for the planning, design, transition, delivery and improvement of its services to ensure consistency and quality. In addition, the Group's security systems are certified under the strict ISO 27001 standard.

Products that are sold are supplied with a 12-month warranty. The majority of products are leased and warranted for the lease duration, usually including periodic upgrades. Repairs to damaged products, which are not normal wear and tear, are charged to the customer, as are loss costs.

5.3 Monitoring centres and customer service team

The Group currently operates monitoring centres for its client base, located in its Rickmansworth head office and Darwin, Australia. The collective sites include more than 100 personnel employed by Big Technologies Group, who have been trained to monitor the alerts, and liaise with local law enforcement authorities regarding any alerts received from the monitored persons. Future projects may warrant the expansion or creation of new monitoring centres, which the Directors believe can be achieved in a relatively short period. The Australian monitoring centre was operating at full capacity, with fully trained staff within a 3-month period post signing a contract. Big Technologies' UK monitoring services are fully accredited manned monitoring services for alerts to British Standards BS5979 and National Security Inspectorate Gold Scheme.

The Rickmansworth monitoring centre is also the Group's 24/7 service hub for Criminal Justice contracts, and is the customer care centre for any questions received on Big Technologies' elderly care products. Further details of the Group's products in the care sector are provided in section 6.2(b)ii of this Part I.

The Group has experience of operating a Global Customer Service Team (CST) and providing help and support to customers. Big Technologies Group has its own specialist 24/7 in-house team, which has been built up since the Group's inception. The Global Customer Service Team is the first point of contact for all customers across the world, for both health and security businesses. The team provides a single point of contact to provide help and support for any customer enquiry, including providing technical support, which encompasses compliance with security and privacy standards worldwide.

The Directors believe that the CST provides a highly reputed service, tailored to meet the customers' requirements. Existing customers' satisfaction surveys rate the help and service support of the Group as "outstanding". The CST are the first point of contact to assist customers in analysing data, which can be used in statements for expert witness cases to support prosecution needs when required.

The Group's expert witness experience ranges from attendance at a local magistrates' court through to the high courts of justice. The Directors believe that the customers have found it is important that a credible and experienced expert witness supports and assists the customer, to ensure the EM scheme and GPS data is credibly understood. The Group, and their expert witness team have been involved in cases and successfully solved common issues with the use of GPS data in legal proceedings.

The Group's technology solutions offer customers an independent solution, with the ability to run their monitoring centres in-house, via the provision of an easy-to-use monitoring platform, with full access to the customers' own data. Training is provided for local staff, who are often employed directly by the relevant authority, in both control centre monitoring activities, on the Group's software platform and in field operational roles (e.g. fitting/removing the devices).

5.4 IT / Technology infrastructure

Buddi has a single, cloud infrastructure agnostic application for Electronic Monitoring, which can be deployed in multiple environments across multiple cloud providers, whether it be Amazon Web Services, Microsoft Azure, Google Cloud or on-premise data centres, with no additional changes to the code. This enables the Group to comply with any customer requirements regarding where the EM application, and all end-user data, must reside. The Group can even deploy its application in secure government data centres to which it does not have direct access.

The Group's automated deployment method reduces a new client onboarding process from three to four weeks down to a couple of days. It enables the Group to remotely distribute and apply new features and bug fixes to all its environments almost instantly and seamlessly. The way the application is built enables regular security updates without any interruption to customers, and in the last 12 months it enabled the Group to reach an average 99.999 per cent. uptime including planned downtime.

The Group targets an "always on" milestone, which requires proprietary 24/7 in-depth monitoring of all its environments, not only from the server side, but also from the applications' internal performance.

Security is critical to Big Technologies' success and, therefore, its applications use encryption end-to-end for data at rest and in transit. This covers all devices in the field, and disk encryption on the servers, to virtual private networks, which the Group uses to access and manage applications.

Big Technologies Group's primary cloud provider is AWS and the majority of its application instances are in AWS. Customers trust the Group with their data and a very high level of competence in AWS is essential to meet exacting government customer standards around the world. All IT team members are AWS certified and are tasked with keeping up with latest trends to drive innovation, to improve the Group's applications.

6 Growth Strategy

6.1 Criminal Justice: short term growth opportunities

(a) *Scale existing operations*

The Directors continue to pursue a growth strategy centred on growing the core Criminal Justice segment of the business, which includes expanding the scope of contracts with current customers. In addition, the Group looks to utilise its regional presence to leverage recent contract wins through opening discussions with neighbouring markets. Many of the existing countries have several individual jurisdictions that procure on a localised basis, which provides a continuous pipeline of opportunities to be pursued.

The majority of contracts are longer-term in nature (e.g. greater than two years) as it is often a time-consuming and costly process for governments commissioning the tenders. Historically, many customers could not expand the volume of offenders being electronically monitored due to a range of issues with existing solutions, including high levels of false alerts and the associated costs in dealing with them.

By consistently delivering high levels of customer quality and satisfaction, Big Technologies has capitalised on the reluctance of authorities to retender by extending both the scope and length of existing contracts. Providing improvements to customers through advanced technology and an enhanced service has allowed currently contracted agencies to explore new programmes that would utilise Big Technologies Group's current offering in new ways (e.g. youth bail programmes, victim monitoring). The Directors expect to continue to be able to lease additional units to present customers year-on-year, and to retain a 100 per cent. contract extension rate.

(b) *Expand and enhance product range*

The Directors consider that foundational to the Group's success to date has been the strength of its technological offering compared to competitors. The Directors believe that this will continue to provide a competitive edge to Big Technologies' solution. Years of significant investment in R&D and modular product design have provided a platform from which to explore new technologies to address problems within the Criminal Justice market, without intensive capital expenditure requirements.

Whilst traditionally electronic monitoring has focused on offender location tracking, there is demand from customers for solutions that track alcohol consumption and drug usage in service users in contravention of court orders. There are a limited number of existing suppliers in the market and their products suffer from a range of issues. These include oversensitivity to alcohol or drugs in the environment, with an inability to distinguish between consumption and proximity. To meet the demand for an efficient solution in that space, the Directors expect to introduce solutions to the Big Technologies Group's product portfolio in the short term.

(c) ***New territories***

The Directors expect to continue to win contracts in new territories, having historically outperformed the target of adding one new territory annually to the contract base. Amongst other things, unqualified positive secondary referencing and a technological edge have allowed Big Technologies to win tenders in multiple new territories per year. The Directors expect to continue to add new territories to Big Technologies Group's customer portfolio, either through stepping into existing contracts where the incumbent has failed to deliver or following competitive tender processes. The Directors have over 30 countries on the target list, compared to the existing 13 in which Big Technologies Group currently operates, including the US that is one of the single largest electronic monitoring markets in the world. Alongside the pipeline of a number of ongoing and targeted tenders, Big Technologies is well-positioned to respond to ad-hoc tender requests from around the globe.

(d) ***Systematic partnerships***

Big Technologies Group intends to continue to extend its exposure to new markets through strategic partnerships with other companies, following recent collaborations around quarantine protection, monitoring and management. The Directors believe that Big Technologies' Group's reputation and technological offering will ensure that businesses and bodies continue to view the Group as strong prospective partner. These associations can be used as a catalyst to raise the Group's profile in fragmented markets like the US, as well as meeting local customer requirements in markets where Big Technologies Group does not have a presence.

6.2 **Medium to Long term opportunities**

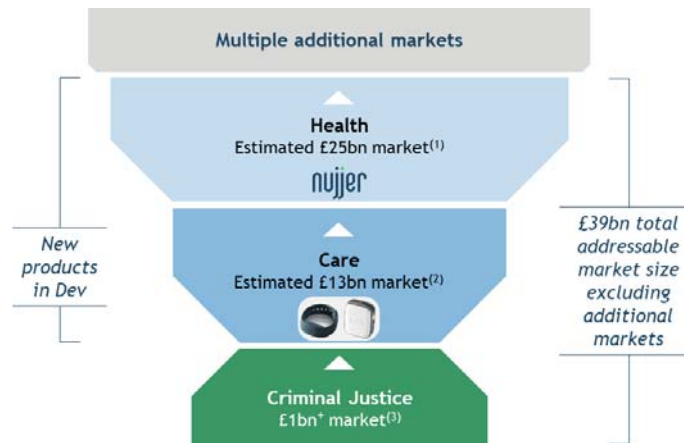
(a) ***Mergers & acquisitions***

Although the Group has successfully won new contracts each year to deliver successive periods of double-digit revenue growth, the Directors believe that displacing the competition in certain markets could be better achieved through selective acquisitions, particularly where long-term relationships exist. Should an opportunity come available, the Directors believe that the Group's market leading technologies and lean operating model can provide a material improvement on competitors' performance.

The US market is a key consideration for future M&A, being one of the world's largest markets for electronic tagging. As a highly fragmented market, split into several local authorities and budget holders (i.e. state and county), M&A could help the business scale significantly faster than time-intensive individual tenders. The Directors believe M&A could provide an opportunity to deliver the Group significant value uplift through overlaying its efficient operational model on any acquisition. The Group's leading technology will also deliver an improved and more cost-effective monitoring solution to the relevant authority.

(b) ***New markets for remote monitoring***

Through in-house development of a number of core proprietary technologies within the remote monitoring space, the Group has created a flexible platform that simplifies the entry to new markets. The modular technologies developed internally can be tailored to meet the specific needs of different end user markets. For example, the Group has already invested in discretionary use remote monitoring solutions within both the Health and Care markets. However, given the traction gained in the Criminal Justice space, they have not yet committed significant resource to fully exploit these alternate markets. Both the Health and Care markets provide large addressable market opportunities with a combined estimated value of £38 billion in the UK and US alone.



(i) Health

Big Technologies Group currently supplies the health market with its “Nujjer” product, which is a smart tracking solution designed to reduce the risk profile for patients at risk of type 2 Diabetes by encouraging best practice behaviour. The Nujjer product is an activity monitoring wristband that collects data on physical activity and eating habits to communicate with the patient’s smartphone app, to deliver personalised motivational messages. The Nujjer solution is specifically designed to increase patients’ daily activity, improve their eating habits, and more generally to encourage weight loss, which can naturally reduce their risk profile. The product aims to assist patients in making sustainable changes to their lifestyle, using a clinically tested device that is reliable for healthcare professionals to monitor.

Big Technologies was selected as one of five providers on the NHS Digital Diabetes Prevention Programme (NHS DDPP). This was a pilot scheme to determine digital solutions’ effectiveness in reducing the risk of Type 2 Diabetes, which includes the application of Big Technologies’ ‘Nujjer’ solution.

The Group successfully delivered the programme remotely across 52 GP practices in Somerset, and achieved QISMET accreditation to the Diabetes Self-Management Education (DSME) Quality Standard. NHS England conducted an independent evaluation of the pilot and found that the Group achieved “statistically significant” outcomes in helping patients to reduce their weight and HbA1c score, improving their health indicators.

In the UK, the NHS reports that there are 3.4 million people in England with Type 2 Diabetes. At an annual cost of £8.8 billion, Type 2 Diabetes treatment accounts for just under nine per cent of the annual NHS budget. As well as the 3.4 million with Type 2 Diabetes in England, NHS England estimates there are 5m people at risk of developing the disease. If current trends continue, one in three people are expected to be obese by 2023 and one in ten will develop Type 2 Diabetes. This illustrates significant future growth opportunities for behavioural change programs such as Nujjer in the UK alone. Owing to the number of people considered to be pre-diabetic in the UK, the Directors estimate that the size of the future opportunity for the Nujjer solution, which brings a digital alternative to face-to-face behavioural change interventions in Type 2 Diabetes prevention, could be in the order of £25 billion.

The Directors believe that Telehealth technologies, e.g. electronic sensors or equipment that monitor vital health signs of wearers remotely while they are at home or on the move, offer an opportunity to make significant health improvements and quality of life impacts for people with a high dependency on healthcare services. With Telehealth, readings are automatically transmitted to an appropriately trained person, who can monitor vital signs and make potential interventions without the patient needing to attend a clinic. Innovations like the Nujjer product are designed to increase the efficiency and availability of clinical support by allowing local practitioners to remotely connect with patients that are less able to look after themselves and helping to keep people out of hospital.

The Group's product roadmap includes the development of additional sensor technologies to add functionality and value to healthcare professionals, which the Group intends to integrate with the wearer's mobile phone using Bluetooth technology.

(ii) Care

The Care sector, in particular the personal emergency response market for vulnerable people, provides an opportunity for growth, with an estimated £13 billion addressable UK and US market. Within the UK, there is an estimated £850 million being spent on care calls by local authorities, providing a 15 minute 'check-up' on predominantly elderly individuals living alone to ensure they have not suffered a fall or require emergency care. UK statistics show that one in three adults over the age of 65 will fall each year, which with ageing populations and c.25 per cent. of all adults expected to be over 65 by 2034, has resulted in over 3 million falls recorded a year.

Big Technologies Group has been able to utilise its knowledge and platform to develop a technological solution to address the inefficiencies and ineffectiveness of care calls. The solution involves a light and un-obtrusive wristband that can be paired with the individual's smartphone (or a Buddi Clip that includes GPS and two-way communication functionality). Big Technologies Group also utilises the 'Buddi' brand for its care product. When the wristband is being worn, the sensory technology can detect any falls, locate the individual and send an alert to either the designated contacts within the Buddi Connect app or a Buddi monitoring centre (or both). If the customer opts for Buddi to monitor the wristband, on receipt of any notification, direct telephone contact would be attempted from the monitoring centre to the wearer to understand any issues, in conjunction with contact also being made to their emergency contacts. A lack of response could be escalated to the relevant local authority, including the ambulance service if required.

In contrast to some of the competitors' products that require the wearer to press an alert button, Buddi's intelligent wristband also automatically detects falls. Importantly, the Buddi solution enables wearers to link the wristband to a smartphone or small Buddi Clip device, rather than some of the competitors' devices that rely on short-range radio frequency and which are, therefore, restricted to only working at home (close proximity to a home base station). Buddi's devices, therefore, provide wearers with independence and can delay the need for residential care provision. Meanwhile, family and carers are provided the reassurance that the wearer can be reached and located 24/7 in the event of an emergency.

The Directors believe that providing a solution, which a vulnerable person *wants* to use, will increase the chance that the technology will be accepted and used by the individual.

Big Technologies Group's care products are offered to consumers on a contract plan that includes an upfront fee for the hardware and a modest monthly fee for the use of the Buddi software smartphone applications. The Group's 24/7 monitoring services are charged on a monthly basis. Additional services include global roaming, allowing the products to be used and monitored outside the UK. The products can be purchased by both informal care providers (e.g. family) and formal care providers (e.g. local authorities and other care organisations). Buddi currently has an existing web presence offering B2C sales (www.buddi.co.uk). However, to date this has not been supported by extensive advertising spend. It remains an opportunity for the Group to exploit this market further through investment and targeted advertising campaigns.

The Group is currently testing a small, proprietary wall plug device that uses patented technology and artificial intelligence to monitor individuals and visitors within the home. This next generation device would complement existing technologies and could enhance care visits and protect vulnerable individuals.

7 Selected historical financial information

The following financial information has been derived from selected financial information contained in Part IV (Historical Financial Information) and should be read in conjunction with the full text of this Document. Investors should not rely solely on the summarised information set out below.

The below table presents a summary income statement for both the year ended 31 December 2020 and year ended 31 December 2019, being the latest accounting periods for the Groups'

consolidated accounts under IFRS. Financial information is also presented in Part IV of this Document for Buddi Limited for the financial year ended 31 December 2018 and for Big Technologies for the period from incorporation until 31 December 2018. During 2018 Big Technologies acquired Buddi Limited, which at that time contained the majority of the current Group's business.

Year ended	Year ended 31 December 2019 Audited £000	Year ended 31 December 2020 Audited £000
Revenue	19,263	29,591
Cost of Sales	(3,677)	(9,536)
Gross profit	15,586	20,055
Administrative expenses	(9,331)	(7,335)
Other income	54	27
Operating profit	6,309	12,747
Finance income	35	8
Finance expenses	(842)	(558)
Share of profit of joint venture	29	464
Profit before taxation	5,531	12,661
Taxation	(160)	(1,198)
Profits after taxation¹	5,371	11,463
EBITDA	9,469	15,707

The results for the year ended 31 December 2020 showed an increase in revenue of £10.3 million compared with the year ended 31 December 2019, representing an increase of approximately 54 per cent., which can be attributed to the commencement of new contracts within the year and expansion of contracted volumes with existing contracts, primarily across Australia and the Americas.

EBITDA in the year to 31 December 2020 increased by £6.3 million, representing a 66 per cent. increase, which brought the EBITDA margins for the Group above 50 per cent. This is reflective of the increased scale of operations.

The gross margins fell from c.81 per cent in FY19 to c.68 per cent in FY20 as the Group added direct costs to support the growth in the key regions, which included the increased operational headcount from 28 at December 2019 to 190 at December 2020 to deliver on new contracts. The headcount increase primarily related to increased monitoring and support services, which had increased as a percentage of revenue from 5 per cent. in FY19 to 12 per cent. in FY20.

The Directors expect the gross margins to stabilise at a minimum of the FY20 level in the near term.

The cost of sales includes the depreciation on Buddi Smart Tags, which are recorded as fixed assets on the balance sheet and are typically depreciated over a two-year period from new.

The higher administration expenses in FY19 reflects a £2.7 million bad debt expense primarily relating to a contract with Nexus Services Inc.. The Group have sought to recover the unpaid revenues via a legal claim. Further details of the legal claim are provided within paragraph 14.1, in Part V of this Document.

8 Current trading and prospects

Trading for the period from 31 December 2020, being the date to which the audited financial information in Part IV has been prepared, to the date of this Document was consistent with the Board's expectations and as at 31 May 2021 the Group had an unaudited cash balance of

¹ Profits after taxation for the year ended 31 December 2020 include approximately £306,000 owing to a Non-controlling interest

£21.8 million. During the first half of 2021 the Group has continued to be awarded new contracts in line with the Board's expectations, which are anticipated to contribute revenue from the start of the financial year ending 31 December 2022.

There has been no significant change in the financial or trading position of the Group since 31 December 2020, being the date to which the audited financial information in Part IV of this Document has been prepared.

9 Directors

The following table lists the names, ages, positions and dates of appointment as a director for each Director:

Name	Age	Position	Date appointed
Simon Collins	61	Non-Executive Chairman	4 May 2021
Sara Murray	52	Chief Executive Officer	26 May 2017
Daren Morris	51	Chief Financial Officer	30 June 2021
Charles Lewinton	40	Chief Technology Officer	26 May 2017
Camilla Macun	52	Non-Executive Director	30 June 2021

The business address of all of the Directors is Talbot House, 17 Church Street, Rickmansworth, WD3 1DE.

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

Simon Collins (61) – Non-Executive Chairman

Simon co-founded strategic advisory firm Gold Collins in 2018 and holds board positions at Decoded (Chairman), Signal AI, Quantexa and the RAF. Simon was Chairman of KPMG UK from 2012 to 2017 and Global Head of Transactions & Restructuring during his 19-year tenure at the firm. He also spent twelve years in investment banking (including time spent at SG Warburg & Co. and NatWest Markets). Simon is a chartered accountant (ICAEW FCA 1986) and read Economics at the University of Manchester.

Sara Murray (52) – Chief Executive Officer

Sara has founded and grown several other successful technology companies. She founded Ninah Consulting, a proprietary software to advise clients, including GSK and Coca-Cola, and sold it to Publicis Group (via ZenithOptimedia) in 2003. She founded Inspop (Confused.com) and sold the company to Admiral Insurance in 2002. Sara has been named Entrepreneur of the Year and was appointed Officer of the Order of the British Empire (OBE) in the 2012 Queen's Birthday Honours for services to entrepreneurship and innovation. She was a board member of the British Government's Innovate UK and a founder of Seedcamp, an organisation to jumpstart the entrepreneurial community in the UK and Europe. She was previously on the board of Schering Health Care (now Bayer Schering Pharma) and was a Senior Independent Director of Boohoo Group PLC. Sara read Physiology, Psychology and Philosophy at St Hilda's College, Oxford and is a member of the Council of Imperial College London.

Daren Morris (51) – Chief Financial Officer

Daren was previously CFO of Volex PLC from 2014 to 2020. He helped lead a turnaround that drove a quadrupling of the share price over the period. Prior to that, he helped to list Vallar plc on the London Stock Exchange, which was a special purpose acquisition corporation that became Asia Resource Minerals PLC, where Daren was employed as head of mergers and acquisitions. Daren spent the first fifteen years of his career in investment banking and was a Managing Director at both UBS Investment Bank and Morgan Stanley, advising manufacturing and technology companies on their expansion and financing strategies. Daren's public company board experience includes Volex plc, Easyjet plc and Nexen Tech Corporation. Daren is a qualified chartered accountant (ICAEW ACA 1997) and read Physics at Trinity College, Oxford.

Charles Lewinton (40) – Chief Technology Officer

Charles has over twelve years of hardware and software experience in the EM industry. Charles joined Buddi in 2012 after serving as Technical Delivery Manager at Serco and as a Software Developer at Geologix. Charles has a BSc Hons in Computing from the University of East Anglia.

Camilla Macun (52) – Non-Executive Director

Camilla is an experienced professional equities fund manager. In the UK, Camilla has launched and managed portfolios on behalf of a diverse range of client types, including institutional pension funds, retail funds, local authorities and private banks. She has successfully raised and grown new funds and won new mandates. She is a UK citizen based in Abu Dhabi with a residence visa, until recently working as a product manager in the investment product group at ADCB Abu Dhabi. She is a director at Cranmore Partners, a boutique advisory firm specialising in project finance in the energy sector.

10 Share plans

In order to align the interests of Shareholders and the executive management of the Company following Admission, the Company has adopted the LTIP Plan and the Growth Plan, further details of which are set out in paragraph 13.4 and 13.5 respectively of Part V of this Document.

In addition, a number of Options and Warrants exist which relate to management incentive schemes put in place prior to Admission. Following the exercise of Options and Warrants over 373,650 and 5,858,500 Shares respectively by Charles Lewinton and Sara Murray prior to Admission, 3,315,950 Options will remain outstanding and capable of exercise on Admission. Further details of these options and warrants are set out in paragraphs 4.2 and 4.5 respectively of Part V of this Document

11 Placing, Vendor Placing, Placing Agreement and Selling Shareholder Agreements

The Placing

The Company is proposing to raise a total of approximately £16.1 million by way of a conditional placing by the Company of the New Shares, at the Placing Price with new investors.

The New Shares will represent approximately 2.8 per cent. of the Enlarged Share Capital at Admission.

The Vendor Placing

The Selling Shareholders have indicated a desire to realise a proportion of their investment in the Company. The Vendor Placing will allow the Selling Shareholders to achieve this.

Under the Vendor Placing, the Selling Shareholders have agreed to sell the Sale Shares at the Placing Price and Zeus Capital has agreed to use its reasonable endeavours to procure purchasers for the Sale Shares at the Placing Price. The Sale Shares will represent approximately 32.2 per cent. of the Enlarged Share Capital at Admission. The Company will not receive any proceeds from the sale of the Sale Shares.

The Placing Agreement

Pursuant to the Placing Agreement, Zeus Capital has agreed to use its reasonable endeavours to procure subscribers for the New Shares at the Placing Price. The Company and the Directors have given certain warranties (and the Company has given an indemnity) to Zeus Capital, all of which are customary for this type of agreement.

The Placing and Vendor Placing, which are not underwritten, are conditional, *inter alia*, on:

- the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms prior to Admission; and
- Admission occurring no later than 28 July 2021 (or such later date as Zeus Capital and the Company may agree, being no later than 31 August 2021).

The New Shares being subscribed for pursuant to the Placing will, on Admission, rank *pari passu* in all respects with the Existing Shares in issue (including the Sale Shares) and will participate in full for all dividends and other distributions thereafter declared, made or paid on the Ordinary Share capital of the Company. The Placing Shares will, immediately on and from Admission, be freely transferable.

Zeus Capital has the right under the Placing Agreement to terminate the Placing Agreement and not proceed with the Placing or the Vendor Placing if, prior to Admission, certain events occur including certain force majeure events. If such right is exercised by Zeus Capital, the Placing and Vendor Placing will lapse and any monies received in respect of the Placing and Vendor Placing will be returned to investors without interest.

Further details of the Placing Agreement are set out in paragraph 12.2 of Part V of this Document.

The Selling Shareholder Agreements

Pursuant to the Selling Shareholder Agreements, Zeus Capital has agreed to use its reasonable endeavours to procure purchasers for the Sale Shares, at the Placing Price. Each of the Selling Shareholders has given certain warranties to Zeus Capital, all of which are customary for this type of agreement.

The Vendor Placing, which is not underwritten, is conditional, *inter alia*, on:

- the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms prior to Admission; and
- Admission occurring no later than 28 July 2021 (or such later date as Zeus Capital and the Company may agree, being no later than 31 August 2021).

Further details of the Selling Shareholder Agreements are set out in paragraph 12.3 of Part V of this Document.

12 Lock-In and Orderly Market Arrangements

Pursuant to the Lock-In Agreements each of Sara Murray and Charles Lewinton, have undertaken:

- for a period of 12 months from Admission, not to dispose of any of the Shares in which they are interested at Admission, subject to customary exemptions and/or with the permission of Zeus Capital or any subsequent NOMAD, should Zeus Capital cease to be the Company's NOMAD within the period; and
- for a further period of 12 months, to comply with certain requirements designed to maintain an orderly market in the Shares.

Pursuant to the Lock-In and Orderly Market Arrangements, each of the Selling Shareholders who will hold Shares following Admission, has undertaken:

- for a period of 3 months from Admission, not to dispose of any of the Shares in which they are interested at Admission, subject to customary exemptions and/or with the permission of Zeus Capital or any subsequent NOMAD, should Zeus Capital cease to be the Company's NOMAD within the period; and
- for a further period of 3 months, to comply with certain requirements designed to maintain an orderly market in the Shares.

Further details of the Lock-in and Orderly Market Arrangements are set out in paragraphs 12.5 and 12.6 of Part V of this Document.

13 Relationship Agreement

The Company, Zeus Capital and Sara Murray have entered into the Relationship Agreement which regulates the ongoing relationship between Sara Murray and the Company with a view to ensuring that, amongst other things, transactions and relationships between the Company and Sara Murray are entered into on an arm's length basis. The Relationship Agreement also provides Sara Murray with the right to appoint and maintain one director for so long as she (together with her associates) maintains an interest in 15 per cent. or more of the issued share capital of the Company. A summary of the terms of the Relationship Agreement is set out in paragraph 12.4 of Part V of this Document.

14 Cornerstone Investment Agreement

On 8 July 2021, the Company entered into a cornerstone investment agreement with Liontrust Investment Partners LLP ("**Liontrust**") who have, subject to certain conditions, agreed to subscribe for Placing Shares (the "**Cornerstone Investment Agreement**"). Subject to the terms of the Cornerstone Investment Agreement, Liontrust has agreed to subscribe for £60 million of Placing Shares at the Placing Price.

The Placing Shares to be subscribed for by Liontrust will rank *pari passu* with the other Shares issued in the Placing. No special rights have been granted to Liontrust pursuant to the Cornerstone Investment Agreement. The Cornerstone Investment Agreement will, amongst other things, terminate if the Placing Agreement has not become unconditional in accordance with its terms and Admission has not occurred occur on or before 30 September 2021. For more information, see paragraph 12.12 of Part V of this Document.

15 Use of proceeds

The gross proceeds of the Placing of the New Shares will be used by the Company to:

- strengthen the existing business through investment and organically grow the Company's global contract base; and
- increase the strength of the balance sheet to provide the capacity to make selective acquisitions in key territories

In addition to enabling the Placing and the Vendor Placing, the Directors believe that Admission will provide the Group with increased reputation and profile and the ability to incentivise key employees.

16 Taxation

Information regarding taxation is set out in paragraph 17 of Part V of this Document. These details are intended only as a general guide to the current tax position in the UK.

If an investor is in any doubt as to his or her tax position or is subject to tax in a jurisdiction other than the UK, he or she should consult his or her own independent financial adviser immediately.

17 Admission, settlement and dealings

Application has been made to the London Stock Exchange for the Enlarged Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and dealings in the Shares on AIM will commence at 8.00 a.m. on 28 July 2021.

The Shares will be in registered form and will be capable of being held in either certificated or uncertificated form (e.g. in CREST). Accordingly, following Admission, settlement of transactions in the Shares may take place within the CREST system if a Shareholder so wishes. In respect of Shareholders who will receive Shares in uncertificated form, Shares will be credited to their CREST stock accounts on 28 July 2021. Shareholders who wish to receive and retain share certificates are able to do so and share certificates representing the Shares to be issued pursuant to the Placing or transferred pursuant to the Vendor Placing are expected to be dispatched by post to such Shareholders by no later than 11 August 2021.

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

The Articles permit the holding of Shares in CREST. The Company will apply for the Enlarged Share Capital to be admitted to CREST from the date of Admission.

18 Interests in Shares

Upon Admission, the Directors will in aggregate be interested in, directly and indirectly, 73,210,000 Shares representing approximately 25.4 per cent. of the Enlarged Share Capital. Further information is available in paragraph 7 of Part V of this Document.

19 Corporate Governance

The Directors acknowledge the importance of the principles set out in the QCA Code. Further details on how the Company intends to comply with the QCA Code are set out in Part II of this Document.

The Directors intend to apply the QCA Code, as far as they consider appropriate for a company of its size and nature.

Immediately following Admission, the Board will comprise five directors, three of whom shall be executive directors and two of whom shall be independent non-executive directors. The Company has made a commitment to appoint an additional independent non-executive director within six months of Admission, to further strengthen the balance of the Board. The current Board reflects a blend of different experience and backgrounds. Both Simon Collins and Camilla Macun are considered independent.

The Board intends to meet regularly to consider strategy, performance and the framework of internal controls. To enable the Board to discharge its duties, all directors will receive appropriate and timely information. Briefing papers will be distributed to all Directors in advance of Board meetings. All Directors will have access to the advice and services of the Chief Financial Officer, who will be responsible for ensuring that the Board procedures are followed and that applicable rules and regulations are complied with. In addition, procedures will be in place to enable the Directors to obtain independent professional advice in the furtherance of their duties, if necessary, at the Company's expense.

Board Committees

The Company will, upon Admission, have established Audit, Nomination and Remuneration Committees.

The Audit Committee will have Simon Collins as chairman, and will have primary responsibility for monitoring the quality of internal controls, ensuring that the financial performance of the Group is properly measured and reported on and reviewing reports from the Group's auditors relating to the Group's accounting and internal controls, in all cases having due regard to the interests of Shareholders. The Audit Committee will meet at least twice a year. Camilla Macun will be the other member of the Audit Committee.

The Nomination Committee will have Simon Collins as chairman, and will identify and nominate, for the approval of the Board, candidates to fill Board vacancies as and when they arise. The Nomination Committee will meet as required. Camilla Macun will be the other member of the Nomination Committee.

The Remuneration Committee will have Camilla Macun as chairman, and will review the performance of the executive directors and determine their terms and conditions of service, including their remuneration and the grant of options, having due regard to the interests of Shareholders. The Remuneration Committee will meet at least once a year. Simon Collins will be the other member of the Remuneration Committee.

Share Dealing Code

The Directors understand the importance of complying with the AIM Rules for Companies relating to dealings by directors and certain other employees of the Group in the Shares and has established a share dealing code. The Company will take all reasonable steps to ensure compliance by the directors and any relevant employees. The Directors believe that the share dealing code adopted by the Board is appropriate for a company quoted on AIM. The Board will comply with Rule 21 of the AIM Rules for Companies relating to the Company maintaining an appropriate share dealing code,

which incorporates the requirements of MAR and will take reasonable steps to ensure compliance by the Company's employees.

20 Dividend policy

The Directors intend to re-invest a significant portion of the Company's earnings to facilitate plans for further growth. Accordingly, whilst the Directors do not expect to declare any dividend in respect of the current financial year ending on 31 December 2021, it is the Board's intention, should the Group generate a sustained level of distributable profits, to consider a progressive dividend policy in future years. Declaration of dividends will always remain subject to all applicable legal and regulatory requirements and recommendations of final dividends and payments of interim dividends will be at the discretion of the Board. The Board will only exercise such discretion where it is commercially prudent to do so, taking into account the policy set out above. Whilst the Board considers dividends as the primary method of returning capital to Shareholders, it may, at its discretion, consider share purchases, when advantageous to Shareholders and where permissible. The Company may revise its dividend policy from time to time.

21 Applicability of the Takeover Code

The Takeover Code is issued and administered by the Panel and governs amongst other things, transactions involving companies to which the Takeover Code applies. The Takeover Code applies to the Company and therefore its Shareholders are entitled to the protection afforded by the Takeover Code. Under Rule 9 of the Takeover Code, if (a) any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with that person are interested) carry 30 per cent. or more of the voting rights of the company; or (b) any person, together with persons acting in concert with that person, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of the company but does not hold shares carrying more than 50 per cent. of such voting rights and such person, or any person acting in concert with that person, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which that person is interested, such person shall extend offers, on the basis set out in Rules 9.3 and 9.5 of the Takeover Code, to the holders of any class of equity share capital whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights. Offers for different classes of equity share capital must be comparable. Any offer to be made pursuant to Rule 9 of the Takeover Code should be a cash offer for the outstanding shares in the company at a price not less than the highest price paid for interests in shares by the acquirer or persons acting in concert with the acquirer during the previous 12 months.

Within the definition of persons acting in concert within the Takeover Code, certain categories of person are presumed to be acting in concert with each other, with that presumption capable of being rebutted subject to consultation with and the agreement of the Panel. Presumption (9) of this definition presumes that all shareholders in a private company who, following re-registration of that company as a public company in connection with an initial public offering or otherwise, become shareholders in a company to which the Takeover Code applies, shall be presumed to be acting in concert unless the contrary is established. Following consultation, the Panel have agreed that the presumption of concertedness relating to shareholders in a private company can be rebutted in respect of the Company.

A concert party consisting of Sara Murray and Judith Murray, both of whom have holdings of Shares, has been established.

Sara Murray's shareholding in the Company immediately following Admission will be 73,000,000 Shares representing approximately 25.31 per cent. of the Enlarged Share Capital. When combined with Shares held by Judith Murray, the combined holding of Sara Murray and Judith Murray immediately following Admission will be 73,600,000 Shares representing approximately 25.51 per cent. of the Enlarged Share Capital. On the basis that all the options and share incentives relating to the Company that Sara Murray holds on Admission are vested and exercised at their maximum level, and assuming no other Shares are issued, Sara Murray's aggregate shareholding in the Company may increase to up to 96,780,319 Shares, which equates to approximately 30.99 per cent. of the issued share capital of the Company as diluted by the theoretical issuance of Shares to Sara Murray as a result of the exercise of both existing Options and awards under the Growth Plan. When combined with the existing interests of Judith Murray, the

above figures increase to 97,380,319 and 31.19 per cent. respectively. Should Sara Murray or any person acting in concert with her acquire any further interest in Shares that increases the percentage of Shares carrying voting rights in which they are interested at the time of such acquisition to 30 per cent. or greater (excluding the impact of the actual or potential share issues disclosed above), a mandatory offer pursuant to Rule 9 of the Takeover Code will usually be required to be made to all of the remaining Shareholders to acquire their Shares.

22 Risk factors

Your attention is drawn to the risk factors set out in Part III of this Document and to the section entitled "Forward Looking Statements" therein. In addition to all other information set out in this Document, potential investors should carefully consider the risks described in those sections before making a decision to invest in the Company.

23 Additional information

You should read the whole of this Document and not just rely on the information contained in this Part I.

Your attention is drawn to the information set out in Parts II to V (inclusive) of this Document which contains further information on the Group.

PART II

CORPORATE GOVERNANCE

As a company that will be admitted to trading on AIM, the Company is not required to adopt a specific corporate governance code. However, it is required to provide details of the corporate governance code it has decided to adopt, state how it complies with that code and provide an explanation where it departs from compliance with that code.

The Directors support a high standard of corporate governance and have decided to comply with the QCA Code. The Directors believe that the QCA Code provides the Company with the framework to help ensure that a strong level of governance is maintained, enabling the Company to embed the governance culture that exists within the organisation as part of building a successful and sustainable business for all of its stakeholders. The Company will comply with the QCA Code with effect from Admission, as detailed below.

Principle 1: Establish a business strategy and business model which promote long-term value for shareholders

The Group's business model and strategy is set out in Part I of this Document. The Directors believe that the Group's model and growth strategy, which includes the continued winning and delivery of long-term Criminal Justice contracts, as well as expansion into complementary markets (health and care markets in particular), helps to promote long-term value for shareholders.

The principal risks facing the Group are set out in Part III of this Document. The Directors will take appropriate steps to identify risks and undertake a mitigation strategy to manage these risks following Admission.

Principle 2: Seek to understand and meet shareholder needs and expectations

Prior to Admission, the Company's executive management undertook a roadshow which has informed the Company as to its shareholders' expectations following Admission.

In due course following Admission the Company's annual report and notice of Annual General Meeting will be sent to all Shareholders and will be available for download from the Company's website.

There will be an active dialogue maintained with Shareholders. Shareholders will be kept up to date via announcements made via a Regulatory Information Service on matters of a material substance and/or a regulatory nature. Updates will be provided to the market from time to time, including any financial information, and any expected material deviations to market expectations will be announced via a Regulatory Information Service. The Company's AGM will be an opportunity for shareholders to meet with the Non-Executive Chairman and other members of the Board. The meeting is open to all Shareholders, giving them the option to ask questions and raise issues during the formal business or, more informally, following the meeting. The results of the AGM will be announced via a Regulatory Information Service.

The Board is keen to ensure that the voting decisions of Shareholders are reviewed and monitored and the Company intends to engage with Shareholders who do not vote in favour of resolutions at AGMs to understand their motivation.

There is also a designated email address for investor relations, investors@buddi.co.uk, and all contact details are included on the Group's website.

Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Group takes its corporate social responsibilities, including its wider ESG responsibilities, very seriously and is focused on maintaining effective working relationships across a wide range of stakeholders including shareholders, employees, customers, suppliers and the communities in which the Group operates, in order to achieve long term success.

The Directors will maintain an open and ongoing dialogue with its stakeholders to help promote the long term success of the Group.

Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation

The principal risks facing the Group are set out in Part III of this Document. The Directors will take appropriate steps to identify risks and undertake a mitigation strategy to manage these risks following Admission.

The risks involved and the specific uncertainties for the Group will be regularly monitored and the full Board will formally review such risks at regular intervals and adapt them as the Group's operations grow and evolve. All proposals reviewed by the Board will include a consideration of the issues and risks of the proposal. Where necessary, the Board draws on the expertise of appropriate external consultants or advisers to assist in dealing with or mitigating risk.

Principle 5: Maintain the Board as a well-functioning, balanced team led by the Chair

On Admission the Board will comprise the following persons:

- The Independent Non-Executive Chairman;
- One Independent Non-Executive Director; and
- Three Executive Directors.

The biographies of the Directors are set out in paragraph 9 of Part I of this Document. The Non-Executive Chairman and Director Simon Collins and Camilla Macun are considered to be independent and were selected with the objective of bringing experience and independent judgement to the Board. The Company have made a commitment to appoint an additional independent non-executive director within six months of Admission, to further strengthen the balance of the Board.

In determining that Simon Collins is independent for the purposes of the QCA Code, the Board have taken into account that whilst he does have an interest in Shares via share options (full details of which are set out in paragraph 4.2 of Part V of this Document), they do not consider that the value of this award, considered on an annualised basis and net of income tax, is of sufficient size to impact upon his independence. It was also noted that none of the other factors that can be seen to impact upon actual or perceived independence (as set out in The UK Corporate Governance Code published by the Financial Reporting Council) apply to Simon Collins.

The Board is also supported by the Audit Committee, the Remuneration Committee and the Nomination Committee, further details of which are set out in paragraph 19 of Part I of this Document. The Nomination Committee will keep the composition of the Board under regular review, taking into account the relevant skills, experience, independence, knowledge and gender balance of the Board. The directors will be subject to retirement by rotation at every third AGM of the Company.

The Board will meet regularly and hold at least 6 board meetings per annum. Processes are in place to ensure that each Director is, at all times, provided with such information as is necessary to enable each Director to discharge their respective duties.

The Group is satisfied that the current Board is sufficiently resourced to discharge its governance obligations on behalf of all stakeholders and will consider the requirement for additional executive and non-executive directors as the Company fulfils its growth objectives.

Principle 6: Ensure that between them the Directors have the necessary up to date experience, skills and capabilities

The skills and experience of the Directors are summarised in their biographies set out in paragraph 9 of Part I of this Document.

The Directors believe that the Board has the appropriate balance of diverse skills and experience in order to deliver on its core objectives. Experiences are varied and contribute to maintain a balanced board that has the appropriate level and range of skill to push the Group forward.

The Board is not dominated by one individual and all Directors have the ability to challenge proposals put forward to the meeting, democratically. The Directors have also received a briefing from the Company's Nominated Adviser in respect of continued compliance with, *inter alia*, the AIM Rules for companies.

Principle 7: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

The Directors will consider seriously the effectiveness of the Board, Audit Committee, Remuneration Committee, and individual performance of each Director.

Post-Admission, the Company intends to establish a formal process for the regular assessment of the individual contributions of each member of the Board to ensure that their contribution is relevant and effective. Until then, the Non-Executive Chairman is responsible for ensuring an effective Board.

Principle 8: Promote a corporate culture that is based on ethical values and behaviours

The Group has a responsibility towards its employees and other stakeholders. The Board promotes a culture of integrity, honesty, trust and respect and all employees of the Group are expected to operate in an ethical manner in all of their internal and external dealings.

The staff handbook and policies promote this culture and include such matters as whistleblowing, social media, anti-bribery and corruption, communication and general conduct of employees. The Board takes responsibility for the promotion of ethical values and behaviours throughout the Group, and for ensuring that such values and behaviours guide the objectives and strategy of the Group.

The culture is set by the Board and is regularly considered and discussed at Board meetings.

Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

The Non-Executive Chairman leads the Board and is responsible for its governance structures, performance and effectiveness. The Board retains ultimate accountability for good governance and is responsible for monitoring the activities of the executive team. The Non-Executive Directors are responsible for bringing independent and objective judgement to Board decisions. The Executive Directors are responsible for the operation of the business and delivering the strategic goals agreed by the Board.

The Board is supported by the Audit Committee, Nomination Committee and Remuneration Committee, further details of which are set out in paragraph 19 of Part I of this Document. There are certain material matters which are reserved for consideration by the full Board.

The Board intends to review the Group's governance framework on an annual basis to ensure it remains effective and appropriate for the business going forward.

Principle 10: Communicate how the Company is governed and is performing by maintaining a dialogue with Shareholders and other relevant stakeholders

Responses to the principles of the QCA Code and the information that will be contained in the Company's annual report and accounts provide details to all stakeholders on how the Company is governed. The Board views that the annual report and accounts as well as its half year report as key communication channels through which progress in meetings the Group's objectives and updating its strategic targets can be given the Shareholders following Admission.

Additionally, the Board will use the Company's AGMs as a primary mechanism to engage directly with Shareholders, to give information and receive feedback about the Group and its progress.

The Company's website will be updated on a regular basis with information regarding the Group's activities and performance, including financial information.

There is also a designated email address for investor relations, investors@buddi.co.uk, and all contact details are included on the Group's website.

PART III

RISK FACTORS

Investing in and holding Shares involves financial risk. Prospective investors in the Shares should carefully review all of the information contained in this Document and should pay particular attention to the following risks associated with an investment in the Shares, the Group's business and the industry in which it participates. An investment in Shares should only be made by those with the necessary expertise to evaluate fully that investment.

The risks and uncertainties described below are not an exhaustive list and do not necessarily comprise all, or explain all, of the risks associated with the Group and the industry in which it participates or an investment in the Shares. They comprise the material risks and uncertainties in this regard that are known to the Group and should be used as guidance only. Additional risks and uncertainties relating to the Group and/or the Shares that are not currently known to the Group, or which the Group currently deems immaterial, may arise or become (individually or collectively) material in the future, and may have a material adverse effect on the Group's business, results of operations, financial condition and prospects. If any such risk or risks should occur, the price of the Shares may decline and investors could lose part or all of their investment. Prospective investors should consider carefully whether an investment in the Shares is suitable for them in the light of the information in this Document and their personal circumstances. The risk factors described below are not intended to be presented in any assumed order of priority

RISKS RELATING TO THE GROUP'S BUSINESS AND THE INDUSTRY IN WHICH IT OPERATES

The Group depends on a limited number of customers for a substantial majority of its revenue. If the Group fails to maintain existing relationships or bring on new clients, or if its customers cancel or reduce their contracts, the Group's revenue could decline significantly

The Group has historically generated, and continues to generate, the majority of its revenue from a limited number of customers, predominantly, agreements with government authorities and or suppliers to government authorities associated with the supply of electronic monitoring equipment for use in the Criminal Justice system. A significant proportion of the Group's current and future income is anticipated to be derived from those arrangements through payments for products and services being supplied by the Group. The loss of any key partner could have a significant negative impact on the Group's operating results and cash flows.

The Group has historically generated, and continues to generate, the majority of its revenue from a limited number of customers. In the year to December 2020 the top six customers generated a total of 74 per cent. of the revenue of the Group. The Group's largest customer accounted for 24 per cent. of its total revenue for the year ended 31 December 2020. Two of the Group's existing contracts representing 9 per cent. of revenues for the year ended 31 December 2020 can be terminated by the customer with no notice period. As a result of the Group's high customer concentration, the Group's revenue could be materially and disproportionately impacted by the decisions of its largest customers and other significant customers, including, but not limited to the following factors:

- the Group's customers' requirements for electronic monitoring products and services may fall away following a change in wider governmental or local policies;
- customers may feel that the Group has failed to fulfil its performance obligations;
- changes in key customers' needs as a result of developments in their local markets; and
- any accidents or incidents involving Company technology, with associated negative publicity, may deter future customers and cause existing customers to not renew contracts.

There is no guarantee that contracts will be renewed and could be subject to termination on short notice

Albeit, the Group's contracts are typically long term, the Group have never permanently lost a contract and have historically evidenced high levels of customer satisfaction. At any given time, there can be a number of contracts due for renewal in the ordinary course of business, and there can be no guarantee that these contracts will be renewed. In September 2021 and December 2021 there are certain international contracts due for renewal that represent 20 per cent. and 5 per cent.

of the Group's FY20 revenue respectively. If the two contracts are not renewed, this could have a material adverse effect on the Group's business and financial prospects.

Certain government contracts also contemplate a process for the agreements to be renewed, however, such renewals cannot be guaranteed and are in most cases, at the absolute discretion of the customer. The continuation of certain agreements may also be subject to the successful participation by the supplier in a tender process; if its products are not of sufficient quality or cost-effectiveness, when compared with competitors this may lead to the non-renewal of an agreement or a failure to award a new contract.

Certain government contracts are based on terms which are particularly favourable to the customer and this includes, in certain agreements, a right to terminate arrangements for convenience or otherwise on less than six months' notice.

Consequently, the loss of key contracts, the inability to renew its relationship with key customers or the impact of other concentration-related risks could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Government contracts generally contain superior contractual rights to the customer which are unfavourable to the Group

The Group contracts with several government bodies and local authorities which contain provisions which are based upon standardised terms or framework agreements, which are generally favourable to the customer. These agreements include detailed warranties and indemnity provisions in favour of the customer. In most cases the liability of the Group will be subject to agreed caps (which are nevertheless, significant and may far exceed the value of an individual contract), but in certain cases, the Group would be subject to uncapped liability, particularly in connection with certain breaches. The potential breadth of liability under such warranties and indemnities create a risk that any liability on the Group's part could be material. A successful claim under such warranties and indemnities which is not covered by the Group's insurance policies (or otherwise where such insurance cover is insufficient to cover a particular risk) may have a significant impact on the Group's business, prospects, results of operation and financial condition.

Many of the Group's contracts and relationships are long term in nature and the Group remains committed to the negotiated financial terms for long periods of time.

The form of contracts that the Group enters into typically stretch over a number of years, and as such the Group remains committed to the financial terms that have been negotiated for long periods of time. This exposes the Group to risks associated with those contracts becoming uncommercial over their lifetime.

If the contracts are not appropriately written and reviewed prior to submission, there is the risk that the Group will be tied to long term contracts that become unfavourable and unviable, and from which the Group cannot break. If the contracts fail to sufficiently take account of pricing adjustments for inflation, damages suffered from lost or broken units and any ad-hoc or exceptional costs, this could have an adverse effect on the Group's business, results of operations and financial condition. Due to the size and length of a number of key contracts, a failure to adequately and consistently price them may lead to the Group undervaluing the significant investment that has been made in developing its products and services, and suffering losses in the long term.

Credit risk

There is a risk that parties with whom the Group trades or has other business relationships (including partners, customers, suppliers, subcontractors and other parties) may become insolvent. This may be as a result of general economic conditions or factors specific to that company. In the event that a party with whom the Group trades becomes insolvent or fail to fulfil their obligations to the Group, this could materially and adversely affect the Group's business, operating results, financial condition or prospects (in so far as the Group is not insured).

Intellectual Property and Know How

The Group's success depends in part on its ability to protect its rights in its intellectual property and know how, which may be significant to the Group in protecting its competitive position. The Group's current or future intellectual property rights may or may not have priority over those third parties' claims to the same intellectual property.

The Group relies upon various intellectual property protections, including trade secrets, licence agreements, patents, trademarks and contractual provisions, including with current and former employees and contractors, to preserve its intellectual property rights.

The steps that the Group has taken, or which it otherwise intends to take in future, may not be sufficient or adequate in protecting its intellectual property rights and deterring unauthorised use, theft or misappropriation of information that the Group regards as proprietary.

The Group operates within multiple jurisdictions and to police the unauthorised use of the Group's intellectual property rights is a difficult and expensive task. In certain circumstances, the Group may need to pursue enforcement action in order to preserve or enforce its rights in respect of certain intellectual property rights, or to defend itself in actions raised by third parties. However, the laws of overseas jurisdictions may not have the same mechanisms for both the protection and the enforcement of intellectual property rights as the United Kingdom. Furthermore, the pursuit of enforcement action may result in substantial costs and the diversion of resources and management attention and there can be no guarantees as to the outcome of any enforcement action.

Material litigation or other substantial claims or arbitration or legal uncertainties could materially adversely affect the Group

Other than as detailed in paragraph 14 of Part V of this Document, the Group is not currently a party, either as a defendant or a claimant, a party to any litigation which is of a material nature, but it may be subject to such litigation in the future. The Group is exposed to the risk of litigation from its customers, actual and potential partners, suppliers, employees and regulatory authorities for breach of legal, contractual or other duties. Exposure to, either, significant litigation or a substantial number of small claims may be expensive to defend and may result in diverting significant management time away from the Group's operations. If the Group is unsuccessful in defending against any litigation or claim and is required to pay significant damages or, otherwise, it is required to pay the cost of significant costs or penalties by regulators, this could have a significant adverse impact on the financial condition, business, prospectus and results of the Group's operations. In addition to the potential financial impact of litigation or regulatory claims, the Group's reputation could be damaged by litigation or regulatory claims, even if the Group is not found to be liable, and this could have a material adverse effect on the Group's business and financial condition.

Government policies

A significant proportion of the Group's current and future income is expected to be derived from supply agreements to the Criminal Justice sector. National policy makers are expected to adopt differing views and opinions in respect of the management of prison populations. Growing prison populations globally have raised questions over the long-term sustainability of imposing custodial sentences. Overcrowding in prisons has raised concerns over the safety of staff and offenders. The Group has been successful to date in securing customer contracts with governments and local authorities based upon policies that favour the use of electronic monitoring of criminal offenders as part of the management and rehabilitation of prison offenders. The growth of the Group will in part depend upon a continuation of this trend in order to provide the Group with opportunities for growth and to enable it to penetrate new markets.

The policies of national governments are difficult to forecast and are subject to rapid change, particularly in the face of public pressure. Policy changes could have a significant impact on the Group's financial position, operations and results. Changing policies at a national or international level could mean that the Group's services and products are no longer required or suitable or, otherwise, it is unable to achieve growth in accordance with the current expectations of management.

The Group's business could be negatively affected by successful new market entrants or by existing competitors significantly increasing their market share

The Group's continued success depends, among other factors, upon its ability to compete effectively against existing and new competitors in the EM market, predominantly in the Criminal Justice sector. Some of the competitors in this space have or may have greater financial, marketing, personnel or other resources than the Group.

The Group competes with a variety of participants in EM market who vary in size and in the scope and breadth of the services which they offer. In the broader electronic monitoring market, the

Group's competitors include a number of large established US based companies. The Group could also face increased direct competition from new entrants to the sector.

Competitive pressures created by the Group's present competitors or new market entrants could have a material adverse effect on the Group's business, financial condition and results of operations. If the Group cannot compete effectively against such existing and new competitors, it may lose the ability to win new customer contracts or grow its customer network, which could have a material adverse effect on the Group's business, financial condition and results of operation.

The Group may be unable to obtain in a timely manner and at a reasonable cost or of acceptable quality equipment that is necessary for it to remain competitive and to fulfil customer demands

The Group's operations and ongoing growth strategy depend on its ability to obtain an appropriate amount of components, including semiconductors, from suppliers that may be subject from time to time by limited supply and long delivery cycles. For example, the manufacture of the Group's Buddi Smart Tags uses semiconductors, for which there is a recognised global shortage. The Group has implemented various business models and risk management contingencies with suppliers to shorten the procurement lead time and to better manage its supply chain, including the sourcing of semiconductors. However, issues with the supply chains may delay the timely availability of the equipment and parts needed to exploit time sensitive business opportunities and also increase the market price for such equipment and parts. If the Group is unable to obtain equipment in a timely manner to fulfil the Group's customers' demand on technology and production capacity, or at a reasonable cost, it could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group is dependent on technology and product development, and is required to keep up with technological changes

The Group operates in markets where technology, industry standards, product offerings and customer demand can evolve over time. To date, the Group has been successful in securing contracts with key customers and delivering solutions to customers, particularly within the Criminal Justice sector. There are however no guarantees that the Group will be able to keep pace with technological developments of its competitors or that it will be able to develop technology or products that are as cost-effective as its competitors. The Group expect to tender for the award of future contracts, particularly in the Criminal Justice sector, and it will be necessary to demonstrate that it is able to deliver products that are both high-quality and cost-effective. In a number of cases, the customer may be seeking a solution which can be demonstrated as being a 'best in class' solution.

The Group continues to invest in innovation with an in-house development team that look to improve existing products and develop new products for its customers. There is no guarantee that the R&D conducted by the Group will be successful, or that the Group will remain competitive with its technology and its product and service offering.

The Group's future success will depend on its ongoing ability to adapt to changing technologies which the Group or the market has not yet encountered, to adapt the products and services to evolving industry standards and to improve the performance, features and reliability of its products and services in response to competitive offerings and the demands of the marketplace. Failure to do so could have a material adverse effect on the Group's business, financial condition and results of operation.

If the Group's products and services do not conform to, or are not compatible with, existing or emerging industry standards, demand for its existing solutions may decrease, which in turn would harm the Group's business and operating results

The Group's product designs and operations have been undertaken in a certain manner to comply with a variety of current industry standards. For example, the Group's service operations are ISO 9001 certified, and the Group's security systems are certified under the ISO 27001 standard. Some industry standards may not be widely adopted or implemented uniformly and competing standards may emerge that may be preferred by the Group's customers. In addition, existing standards may be challenged as infringing upon the intellectual property rights of other companies or may be superseded by new innovations or standards.

The Group's ability to compete in the future will depend on its ability to identify and ensure compliance with changing industry standards in its target markets. If the Group's customers adopt new or competing industry standards with which its solutions are not compatible, or if industry adopt standards with which the Group's solutions are compatible, the Group's products would become less desirable to its current or prospective customers. As a result, the Group's financial performance would suffer and it could be required to make significant expenditures to develop new solutions.

The Group may fail to maintain the reputation and strength of its key brands, particularly its 'Buddi' brand in its core market

The Group's business and, in particular, the ability to win new contracts with clients who have not previously been customers depends, amongst other things, on the strength of its brand and existing customer referencing. The Buddi brand is a well-regarded brand in the electronic monitoring space.

The Group operates within the Criminal Justice sector and its products will, in part, be responsible for helping local authorities and governments to ensure that criminal offenders comply with the terms of the Court orders, which would include, complying with curfew restrictions and ensuring that offenders remain within certain geographic locations or boundaries. Any failure of the Criminal Justice system to safeguard the welfare and safety of the public from serious criminal offenders is likely to be regarded as a matter likely to generate significant press and media attention and speculation. Therefore, if the Buddi brand were to be related to any press or media attention, regardless as to whether it is alleged that the Group was responsible for any wrongdoing, it could have a material adverse impact on the reputation of the Buddi brand and by corollary, the financial performance and condition of the Group as a whole.

A number of factors could negatively affect the strength of the Group's brand, including:

- a failure to maintain a high standard of service resulting in poor customer references, negatively influencing future contract acquisitions;
- an accident or incident involving a user of a Company product that could generate negative publicity for the Group;
- data or security breaches or negative publicity that affect customer confidence in the Group's brands or online commerce generally;
- IT failures that cause the Group's software, platform or wider operating systems to be unavailable for significant periods of time;
- the failure of the Group to invest successfully in the design, content and usability of the Group's products in order to remain competitive; and
- a failure of the Group to maintain its brand strength and customer referencing causing a material adverse effect on the Group's business, financial condition and results of operations.

The Group is exposed to risks associated with gathering and protecting highly sensitive customer & user information

As part of the operations of its business, the Group receives and stores a large volume of personally identifiable information, most importantly location data specifically related to individual offenders. The Group processes this data to provide additional value to clients, for example in the form of customised reports or behaviour pattern analysis. Security breaches, whether instigated internally or externally on the Group's systems or other internet-based systems, could significantly harm the Group's business. The Group incurs, and expects to continue to incur, expense to protect itself against attempted security breaches and their impact.

Despite the Group's protections, it is possible that computer circumvention capabilities, new discoveries or advances or other developments, including the Group's own acts or omissions, could result in a party (whether internal, external, an affiliate or unrelated third party) compromising or circumventing the Group's security systems. This could result in parties obtaining access to location data or the Group's proprietary information or causing significant interruptions to the Group's operations. The Group cannot guarantee that the security measures in place will prevent data breaches, or that third-party service providers will be successful in implementing security systems to prevent data breaches. Failure to continue to improve the Group's security standards or a data breach in any of the Group's businesses, or in the systems of third parties upon which the Group relies, could expose the Group to a risk of loss or litigation and possible liability and could

significantly harm its business. The Group's insurance may not be adequate to reimburse it for losses caused by security breaches.

Data Protection Compliance

The Group processes personal data on behalf of its customers, which include police forces and Criminal Justice authorities on the basis of contractual arrangements. The Group is required to observe data protection laws in the countries in which it currently operates, in addition to the regime that applies to the United Kingdom.

Should there be a data breach or a failure to comply with relevant data protection laws, including without limitation the GDPR, or if there was a breach of personal data by either the Group or any of its service providers, there is a risk that the Group could, amongst other things, face significant fines from the Information Commissioner's Office in the UK and/or claims brought against it by affected third parties. Additionally, there is a risk that such enforcement action or claim could have a material adverse effect on the Group's reputation, business, prospects, results of operation and financial condition.

Certain customer contracts to which the Group is a party require the Group to ensure strict compliance with data protection and privacy laws, in the country in which certain activities are being performed. The Group has in certain cases provided warranty and indemnity protection in favour of customers to ensure the observance of such obligations and that it will comply fully with local laws. In the event that the Group fails to comply with local requirements on data protection or privacy laws, it may also be exposed to significant liability under contracts in relation to its customers, which could potentially have a material adverse effect on the Group's reputation, business, prospects, results of operation and financial condition.

A failure, or interruption, of the Group's information technology and communications systems could damage its reputation

The Group's business depends on the performance, reliability and availability of its information technology and communications systems. Any damage to or failure of its systems could result in disruptions to both the Group's platform, which could reduce its revenue and profits, and damage its brands and relationships with customers. The Group's systems may be vulnerable to damage or interruption from power loss, telecommunications failures, computer viruses, computer denial of service attacks or other attempts to harm its systems and/or software faults. The Group's disaster recovery plans may not adequately address every potential event and its insurance policies may not cover every loss (including losses resulting from business interruption) or damage that it suffers fully, or at all.

The Group's two monitoring centres are based in Rickmansworth, UK and Darwin Australia. The Rickmansworth site also serves as the 24/7 service hub for Criminal Justice contracts, and the customer care centre for elderly care products. These buildings are vulnerable to natural disasters, including floods and fires which may result in power loss and telecommunications failures. The systems within these buildings are further vulnerable to, among other possibilities, damage from computer viruses and computer denial of service attacks. While the Group has a disaster recovery plan, such plan does not account for all eventualities and may not be up to date with industry best practice at any given time. The occurrence of a natural disaster or other unanticipated problems at the Group's headquarters or other monitoring centre could result in interruptions to the Group's service, thereby harming its reputation and business.

The Group relies on a number of third-party providers for cloud services for its electronic monitoring application, with systems hosted in external data centres. Third party service providers also provide additional data storage, telecommunication services and software. A failure or interruption in the services provided by third parties, or a termination of the agreements under which they have agreed to provide services to the Group, could harm its operations and reputation. In addition, other than standard contractual protections as to service levels, the Group has no control over the availability or quality of services provided by these third parties, including whether they, in turn, rely on third party service providers to provide services to the Group, which increases the Group's vulnerability to service problems. Any disruption in the services provided by these parties or any failure or inability of these providers to handle the day-to-day operating requirements could harm the Group's business.

A failure by the Directors to execute the Group's strategy, or to manage any associated growth, could have a material adverse effect on the Group's business, financial condition and results of operations

The Group has experienced high growth historically which has placed, and may continue to place, certain demands on its resources, systems, internal controls and management. In order to sustain this growth, and successfully execute its growth strategy, the Group may involve: (i) scaling its existing operations in current markets; (ii) maintaining its technological base whilst expanding and enhancing its product range; (iii) successfully expanding into growing markets; and (iv) strategically collaborating with partners.

Certain factors may undermine the Group's abilities to execute its growth strategy, including but not limited to the following:

- a prolonged or substantial decrease in authorities using electronic monitoring;
- a failure by the Group to onboard additional contracts;
- a failure to have sufficient hardware to fulfil the requirements of customers;
- a failure by the Group to successfully compete with new market entrants or existing competitors;
- a failure to attract or retain key employees;
- a failure to keep pace with innovation, pricing and product offerings in the local jurisdictions it operates or is looking to enter;
- a failure by the Group to compete successfully or grow its existing products in the care and health market;
- legal and regulatory developments with respect to any of the jurisdictions in which the Group operates; and
- the costs associated with implementing the Group's strategy may, whether such strategy is successful or not, cause a decrease in the Group's operating profit margin. In addition, the time required to execute such strategy could divert the Group management's attention from other business concerns.

A failure by the Directors to execute the Group's strategy, or to manage any associated growth, could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group may fail to deliver on bespoke customer requirements and win new contracts to penetrate key markets.

The Group addresses several end-markets, and each of these markets may present distinct challenges which may require the Group to develop and customise its solutions to address the particular customer requirements. As a result, the Group's continued success will depend on its ability to adapt its offering to meet customer demands, which may include funding product or software development to enhance its existing offering or innovate in a timely manner.

If the Group fails to accurately understand or address its customer requirements or market demand for its solutions (including through successful R&D and product development), its business may suffer. For example, the Group's future design and development activities include development of alcohol and drug monitoring technologies, which may increasingly be expected in the market. The Group aims to continue developing solutions for industry needs or specific customer requirements, which allows it to maintain existing customers and win new customers.

The Group may not always correctly evaluate future market needs and there can be no assurance that the Group will always be able to develop solutions on a cost-effective basis, or at all. The Group may experience difficulties demonstrating the value to customers of newer products if they believe existing products are adequate to meet customer expectations. If the Group is unable to successfully market future generations of products to current and prospective clients, this could slow revenue growth.

Despite the Group currently having market-leading smart tag devices in the Criminal Justice market, securing contract wins in future target markets (including the health and care market) will require an

investment of time and resources. The Group will not necessarily secure contract wins or achieve meaningful revenue from arrangements in the Criminal Justice market or other new markets, despite having incurred expense and incurred time in tender processes. If any of these market opportunities do not develop as the Group currently anticipates or if the Group is unable to penetrate new markets, it will be expected to impact financial performance of the business.

The Group may be adversely impacted by the strategic partnerships and joint ventures that it forms in new and existing markets.

The Group operates in partnership with a number of partners across, including new and developing markets. Some of these partnerships are relatively new business relationships. For example, the Group has historically entered into JV agreements and other partnerships as part of their tender processes for the procurement and supply of a tracking solution technology.

There is a risk that the Group mis-manages these relationships or that partners decide not to devote significant resources to support the Group's offering, or do not perform to the expectations set by the Group, potentially damaging the Group's brand. The potential impacts of mismanagement or other issues associated with the behaviours of current or future partners may take the form of both financial and reputational damages. The failure of these third parties to provide adequate services and technologies, the failure of third parties to adequately maintain or update their services and technologies, or the misappropriation or misuse of this information or intellectual property could result in a disruption to the Group's business operations or a material adverse effect on its business, financial position and prospects.

Similarly, actions taken by third parties with whom the Group may be affiliated could have an adverse effect on the Group's reputation and may negatively impact its business. At the same time, if the media, consumers, or employees raise any concerns about the Group's actions vis-à-vis those third parties, this could have a material adverse effect on its business, financial position and prospects.

The procurement processes for the Group's contracts with customers can be lengthy and unpredictable on timing, which makes forecasting contracts difficult

The sales cycle for the Group can typically be quite lengthy, often lasting several months from first contact with the customer. This includes the customer conducting technical evaluations of the Group's technology, as well as competing technologies. Purchasing decisions also may be delayed by a customer's internal budget approval process. Even once an agreement is reached, there is typically a lengthy period, in some cases multiple years, before implementation.

Certain macroeconomic conditions can limit the Group's ability to accurately predict the timing of its customers' purchasing cycle and could result in potential unexpected delays in onboarding or implementation to that expected. If orders forecasted for a specific customer for a particular period do not occur in that period, the Group's revenue and operating results for that particular period could suffer.

The Group's international operating footprint and the global nature of its customer base

Uncertainty exists around international geopolitical factors, including protectionism and regulatory changes that could potentially delay governmental decision making. This uncertainty could restrict or delay contracts being initiated with the Group's contracts. If regulatory changes were to limit the Group's ability to sell products and provide a service to international customers, this could lead to a significant reduction in revenue levels for the Group.

As a UK based company, the Group is also subject to the impact on trading, regulatory and other conditions resulting from the United Kingdom's departure from the European Union. Following its formal departure from the European Union on 31 January 2020, the United Kingdom ceased trading as part of the European Union on 31 December 2021 following entry by the United Kingdom and the European Union into the EU-UK Trade and Cooperation Agreement (the "EU-UK TCA"). The impact of the changes in the trading relationship between the United Kingdom following entry into and implementation of the EUUK TCA is uncertain and may continue to change in the coming years, and the Group faces uncertainties regarding the tax, legal and regulatory framework that applies to trade between the United Kingdom and other countries.

In addition, the Group may be subject to:

- limitations on repatriation of earnings or the conversion of foreign currencies;
- changes in foreign tax law;
- reduced protection of intellectual property rights and heightened exposure to intellectual property theft in some countries;
- longer collection periods for receivables and greater difficulty in collecting accounts receivable;
- inability to continue to offer competitive compensation in certain growing regions, and differing employment practices and labour issues;
- licensing requirements for exports by the various governments, which may restrict product exports and contract fulfilment; and
- public health emergencies, such as the recent coronavirus outbreak and the subsequent public health measures, affecting the Group's employees & clients, and its ability to provide services in the affected regions.

These and other domestic conditions in countries where the Group and its customers operate could lead to variations in costs or expenses associated with the Group's international operations. These and other risks related to the international nature of the Group's business may often be impossible to predict. The Group's inability to manage these and other risks could have a material adverse effect on its business, results of operations, financial position and prospects.

The Group may make acquisitions and investments which could divert management's attention, result in operating difficulties and otherwise disrupt the Group's operations and such acquisitions and investments may result in dilution to the Group's shareholders

In the future, the Group may acquire other businesses, products or technologies. If it completes acquisitions, the Group may not achieve the combined revenue, cost synergies or other benefits from the acquisition that it anticipates, nor strengthen its competitive position or achieve its other goals in a timely manner, or at all, and these acquisitions may be viewed negatively by its customers, financial markets or investors. In addition, any acquisitions the Group undertakes may lead to difficulties in integrating personnel, technologies and operations from the acquired businesses and in retaining and motivating key personnel.

Acquisitions may disrupt the Group's ongoing operations, divert management from their primary responsibilities, subject the Group to additional liabilities, increase its expenses and adversely affect its business, results of operations and financial condition. Acquisitions could also result in an increase in amortisation expense related to identifiable assets acquired, potentially dilutive issuances of equity securities or the incurrence of debt, any of which could harm the Group's business. In addition, potential future acquisitions may result in impairments of goodwill and other acquired intangible assets, which could lead to the recognition of significant losses if developments are contrary to the Group's expectations, which could have a material adverse impact on the Group's results of operations, financial condition and prospects.

Certain future acquisitions may result in a significant amount of intangible assets, including goodwill, on its consolidated balance sheet. The Group tests goodwill and other intangible assets with an indefinite useful life or which are not yet available for use (such as development projects) for impairment at least annually or when there is a clear intermediate indication that an impairment may be required. Other intangible assets with a determinable useful life are amortised on a straight-line basis over the period of their useful economic life, except where their actual depletion demands a different amortisation pattern. Determination of the expected useful lives of such assets and the amortisation patterns is based on estimates of the period during which they will generate cash flows. An impairment test is performed if there is an indication of possible impairment.

Although the Group believes the estimates of the useful lives of certain assets, assumptions concerning the macroeconomic environment and developments in the industries in which it operates, and estimates of the discounted future cash flows, are appropriate, changes in assumptions or circumstances could require changes in the analysis. This could lead to the recognition of additional impairment losses in the future if developments are contrary to expectations, which could have a material adverse impact on the Group's results of operations, financial condition and prospects.

Industrial espionage of the Group's internal trade secrets and intellectual property, resulting in disclosure of its trade secrets and intellectual property to competitors or customers

The increasing use and evolution of technology creates additional opportunities for the unintentional dissemination or intentional destruction of confidential or proprietary information stored in the Group's systems, portable media or storage devices. The Group could also experience a business interruption, information theft or reputational damage from industrial or state-sponsored espionage attacks, malware or other cyber incidents or data breaches, which may compromise its system infrastructure or lead to data breaches, either internally or at the Group's third-party providers or other business partners. Such incidents could compromise the Group's trade secrets or other confidential information and result in such information being disclosed to competitors or customers and becoming less valuable, which could result in loss of revenue and business. Additionally, in response to the COVID-19 pandemic, a number of the Group's office employees are working remotely, which may increase the risk of cyber incidents or data breaches. Breaches in security, system interruptions and unauthorised disclosure of data, whether perceived or actual, could adversely affect the Group's businesses, assets, revenue and reputation and result in fines, litigation, regulatory proceedings and investigations, increased insurance premiums, remediation efforts, indemnification expenditures, lost revenue and other potential liabilities.

The Group may face public liability and product liability claims.

The Group's electronic monitoring devices that are sold into the Criminal Justice market can be used to monitor high risk individuals in the community. Whilst the Group's products comply in all material respects with all applicable laws and regulations, the actual or alleged sale of defective products by the Group could result in product recalls or product liability claims, the settlement or outcome of which could have a material adverse effect on the Group's reputation, business, financial condition, results of operations and prospects.

Even if an event causing a product recall proves to be unfounded or if a product liability claim against the Group is unsuccessful or is not fully pursued, the negative publicity surrounding any assertion that the products sold by the Group resulted in adverse consequences, or any product recall or allegation that the products sold by the Group were defective, could adversely affect both the Group's reputation with existing and potential new customers and the Group's corporate and brand image. Any such event could, therefore, have a material adverse effect on the Group's reputation, business, financial condition, results of operations and prospects.

Dependence on key personnel

Attracting and retaining experienced and appropriately skilled personnel is a critical component of the future success of the Group's business. Competition for experienced people is high, both in respect of managerial positions and in respect of business development, manufacturing, R&D and supply chain functions. Accordingly, the Group will seek to put in place arrangements to incentivise key personnel, but the Group may nevertheless encounter difficulties in attracting or retaining such individuals. The departure of senior members of the Group's management team may have a negative impact on its customer relations and growth. In the event that future departures of key employees occur, the Group's ability to execute its business strategy successfully, or to continue to provide its technology and services to its clients or win new clients and partners, could be adversely affected.

The Group's business and financial performance could be negatively impacted by changes in taxation, statutory charges and compliance costs

The Group's business is subject to specific tax, including VAT, rules and the Group accounts for taxes in all jurisdictions it considers relevant. Due to the nature of the Group's business, tax authorities in other jurisdictions may consider that taxes are due in their jurisdiction, for example because the customer is resident in that jurisdiction or the service is deemed to be supplied in such jurisdiction. If those tax authorities take a different view than the Group as to the basis on which the Group is subject to tax, it could result in the Group having to account for tax that it currently does not collect or pay, which could have a material adverse effect on the Group's financial condition and results of operation if it could not reclaim taxes already accounted for in the jurisdictions the Group considers relevant. Any increases in applicable tax rates or changes to the basis on which tax is due in any jurisdictions where the Group is subject to tax could have a material adverse effect on the Group's financial condition and results of operation.

As an employer of over 250 employees across the world, the Group is subject to a number of taxes and duties levied by governments. The Group's operating and other expenses could increase, without a corresponding rise in revenues, as a result of increases in taxation arising from changes in taxation policies and/or other statutory charges (including, without limitation, increases in business rates across the Group's estate or reductions in capital allowance rates). The Group's financial results may also be adversely affected by other changes in laws, regulations or government policies that lead to increased costs of compliance.

The Group is exposed to risks associated with currency fluctuations

The Group reports its results in pounds sterling, however it holds and operates contracts across the world. Therefore, its presentation of consolidated financial statements and results of operations may be affected by both the transaction and translation effects of foreign currency exchange rate fluctuations, with the larger likely effect from translation of currencies. The Group is exposed to transaction effects when it incurs costs or generates revenue in different currencies, in particular the US dollar and Australian dollar. As the Group's business expands into new markets, it may result in increased exposure to foreign currency exchange rate fluctuations. The Group is also exposed to currency fluctuation when it converts currencies through its operations into currencies required to pay for its fixed costs and services, which could result in a gain or loss depending on fluctuations in exchange rates

Changes in accounting standards

Changes in accounting standards, rules and regulations may have a significant impact on the reported financial results of the Group and it is impossible to specify or ascertain the effect of such changes or new standards, which is dependent on the financial position of the Group at the time. Moreover, in connection with financial reporting under new or amended accounting standards, the Group will make its own accounting judgements and elections in the future, which cannot be determined at this time

Macroeconomic risk

Any economic downturn either globally or locally in any area in which the Group operates may have an adverse effect on the demand for the Group's products and services. A more prolonged economic downturn may lead to an overall decline in the volume of the Group's sales, restricting the Group's ability to realise a profit and negatively impact its financial position and prospects. The markets in which the Group offers its products and services are directly affected by many national and international factors that are beyond the Group's control

Past performance

The past performance of the Group is not a guide to future performance of the Group and no representation is made or warranty given regarding future performance of the Group.

Insurance

There can be no certainty that the Group's insurance cover is adequate to protect it against every eventuality. There are certain types of losses, generally of a catastrophic nature, such as those caused by earthquakes, floods, hurricanes, terrorism or acts of war that may be uninsurable or, for example in the case of terrorism, are not economically insurable. The Group's position, financial performance, prospects and business could be materially adversely affected if an event occurred for which the Group did not have adequate insurance cover

Overseas operations

The Group currently has overseas operations in the US, Australia and Colombia and may look to extend operations into other countries as part of its growth strategy. These jurisdictions will have different regulatory, fiscal, and legal environments that could change in the future and could impact how the Group conducts its business in these countries. If the Group fails to comply with the laws and regulations applicable to its overseas operations, it could be subject to reputational and legal risks, including government enforcement action and/or fines. Such risks, if realised, could have a material adverse effect on the Group's profits and financial condition.

RISKS RELATING TO THE PLACING AND THE SHARES

Share price volatility and liquidity

AIM is a trading platform designed principally for growth companies, and as such, tends to experience lower levels of trading liquidity than larger companies quoted on the Official List or some other stock exchanges. Following Admission, there can be no assurance that an active or liquid trading market for the Shares will develop or, if developed, that it will be maintained. The Shares may therefore be subject to large fluctuations on small volumes of shares traded. As a result, an investment in shares traded on AIM carries a higher risk than those listed on the Official List.

Prospective investors should be aware that the value of an investment in the Group may go down as well as up and that the market price of the Shares may not reflect the underlying value of the Group. There can be no guarantee that the value of an investment in the Group will increase. Investors may therefore realise less than, or lose all of, their original investment. The share prices of publicly quoted companies can be highly volatile and shareholdings illiquid. The price at which the Shares are quoted and the price which investors may realise for their Shares may be influenced by a large number of factors, some of which are general or market specific, others which are sector specific and others which are specific to the Group and its operations. These factors include, without limitation, (i) the performance of the overall stock market, (ii) large purchases or sales of Shares by other investors, (iii) financial and operational results of the Group (iv) changes in analysts' recommendations and any failure by the Group to meet the expectations of the research analysts, (v) changes in legislation or regulations and changes in general economic, political or regulatory conditions, and (vi) other factors which are outside of the control of the Group.

Shareholders may sell their Shares in the future to realise their investment. Sales of substantial amounts of Shares following Admission and/or termination of the lock-in restrictions (the terms of which are summarised in paragraphs 12.5 and 12.6 of Part V of this Document), or the perception that such sales could occur, could materially adversely affect the market price of the Shares available for sale compared to the demand to buy Shares. There can be no guarantee that the price of the Shares will reflect their actual or potential market value or the underlying value of the Group's net assets and the price of the Shares may decline below the Placing Price. Shareholders may be unable to realise their Shares at the quoted market price or at all.

Investment risk

An investment in a quoted company is highly speculative, involves a considerable degree of risk and is suitable only for persons or entities which have substantial financial means and who can afford to hold their ownership interests for an indefinite amount of time or to lose their investment principal. While various investment opportunities are available, potential investors should consider the risks that pertain to professional services companies in general.

Market perception

Market perception of the Group may change, potentially affecting the value of Investors' holdings of Shares and the ability of the Group to raise further funds by the issue of further Shares or otherwise. Negative perceptions of the Group's competitors may result in negative market perception of the sectors in which the Group operates, which could have an adverse effect on the price of the Shares as well as the Group's ability to raise further funds either publicly or privately.

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

The Group cannot assure Investors that the Shares will always continue to be traded on AIM or on any other exchange. If such trading were to cease, certain Investors may decide to sell their Shares, which could have an adverse impact on the price of the Shares. Additionally, if in the future the Group decides to obtain a listing on another exchange in addition or as an alternative to AIM, the level of liquidity of the Shares traded on AIM could decline.

Determination of Placing Price

Placees will purchase the Placing Shares at the Placing Price, which is a fixed price, prior to satisfaction of all conditions for the Shares to be issued. The Placing Price may not accurately reflect the trading value of the Shares on Admission, or the Group's potential earnings or any other recognised criteria of value.

Dilution

If the Group were to offer equity securities for sale in the future, Shareholders not participating in these equity offerings may become diluted and pre-emptive rights may not be available to certain Shareholders. The Group may also in the future issue Shares, warrants and/or options to subscribe for new Shares, including (without limitation) to certain advisers, employees, directors, senior management and consultants. The exercise of such warrants and/or options may also result in dilution of the shareholdings of other investors.

An investment in Shares by an investor whose principal currency is not pounds sterling may be affected by exchange rate fluctuations

The Shares are, and any dividends to be paid in respect of them will be, denominated in pounds sterling, and the Shares will trade in pounds sterling. An investment in Shares by an investor whose principal currency is not pounds sterling exposes the investor to foreign currency exchange rate risk. Any depreciation of pounds sterling in relation to such foreign currency will reduce the value of the investment in the Shares to such foreign currency, and any depreciation of pounds sterling in relation to other foreign currency will reduce the value of any dividends in relation to pounds sterling.

Future issues of Shares may result in dilution of existing shareholders and shareholders outside the United Kingdom may not be able to participate in future equity offerings

The Group may decide to issue additional Shares in the future in subsequent public offerings or private placements to fund the future funding requirements of the Group and may also issue additional Shares in connection with future acquisitions if the Directors consider it appropriate to do so. In the case of pre-emptive offerings, if existing Shareholders do not subscribe for additional Shares on a *pro rata* basis in accordance with their existing shareholdings, this will dilute their existing interests in the Group and, in the case of any non-pre-emptive offering, existing interests of Shareholders will be diluted by the issuance of new Shares.

English law provides for pre-emptive rights to be granted to Shareholders on future equity offerings, unless such rights are disappplied by a shareholder resolution. However, securities laws of certain jurisdictions outside the United Kingdom may restrict the Group's ability to allow participation by Shareholders located in such jurisdictions in future equity offerings. In particular, Shareholders in the United States may not be entitled to exercise their pre-emption rights unless such an offering is registered under the US Securities Act or made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. The holdings of Shareholders located outside the United Kingdom who are not able to participate in any future equity offerings could be diluted by any such offerings.

Furthermore, the issue of additional Shares may be on more favourable terms than the Sale Shares. In addition, the issue of additional Shares by the Group, or the possibility of such issue, may cause the market price of the Shares to decline and may make it more difficult for Shareholders to sell Shares at a desirable time or price.

Changes in taxation legislation or the interpretation of tax legislation could affect the Group's ability to provide returns to Shareholders

Any change in taxation legislation or the interpretation of taxation legislation could affect the Group's ability to provide returns to Shareholders. Statements in this Document concerning the taxation of investors in the Shares are based on current tax law and practice in the UK and other jurisdictions, which are subject to change. The taxation of an investment in the Group depends on the individual circumstances of the relevant investor.

PART IV

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

SECTION A: ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF THE GROUP



Crowe U.K. LLP
Chartered Accountants
Member of Crowe Global
55 Ludgate Hill
London EC4M 7IW, UK
Tel +44 (0)20 7842 7100
Fax +44 (0)20 7583 1720
DX: 0014 London Chancery Lane
www.crowe.co.uk

26 July 2021

The Directors
Big Technologies plc
Talbot House
17 Church Street
Rickmansworth
WD3 1DE

The Directors
Zeus Capital Limited
82 King Street
Manchester
M2 4WQ

Dear Sirs,

Introduction

We report on the audited consolidated historical financial information of Big Technologies plc (the “**Company**”) and its subsidiaries (the “**Group**”) set out in Section B of Part IV (“**Historical Financial Information of the Group**”) of the admission document dated 26 July 2021 (the “**Document**”) of the Company.

Opinion on financial information

In our opinion, the financial information gives, for the purposes of the Document, a true and fair view of the state of affairs of the Group as at the date stated and of the results, financial position, cash flows and changes in equity for the period then ended in accordance with the basis of preparation set out in note 2 to the financial information and International Financial Reporting Standards (IFRS) as issued by the UK Endorsement Board.

Responsibilities

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in note 2 to the financial information. It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Basis of Preparation

This historical financial information of the Group has been prepared for inclusion in the Document on the basis of preparation and accounting policies set out in note 2 to the financial information. This report is required by part (a) of Schedule Two to the AIM Rules for Companies (the “**AIM Rules**”) and is given for the purposes of complying with the AIM Rules and for no other purpose.

Basis of opinion

We conducted our work in accordance with Standards of Investment Reporting issued by the the Financial Reporting Council in the United Kingdom. We are independent of the Group in accordance with relevant ethical requirements. In the United Kingdom this is the FRC's Ethical Standard as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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 judgments made by those responsible for the preparation of the financial statements underlying 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.

Declaration

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

Yours faithfully,

Crowe U.K. LLP
Chartered Accountants

SECTION B – HISTORICAL FINANCIAL INFORMATION OF THE GROUP

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31 December 2019 £'000	Year ended 31 December 2020 £'000
	Note		
Revenue	4	19,263	29,591
Cost of sales		(3,677)	(9,536)
		15,586	20,055
Administrative expenses		(9,331)	(7,335)
Other income		54	27
		6,309	12,747
Operating profit	5		
Finance income		35	8
Finance expenses	8	(842)	(558)
Share of profit of joint venture	14	29	464
		5,531	12,661
Profit before taxation			
Taxation	9	(160)	(1,198)
		5,371	11,463
Profit for the year		5,371	11,463
Other comprehensive income:			
Exchange differences on translation		(42)	95
		5,329	11,558
Total comprehensive income for the year		5,329	11,558
Profit for the year attributable to:			
Owners of the Company		5,371	11,157
Non-controlling interest		—	306
		5,371	11,463
		5,371	11,463
Earnings per share (basic and diluted) – pence			
	24	1.96p	4.18p
Total comprehensive income attributable to:			
Owners of the Company		5,329	11,252
Non-controlling interest		—	306
		5,329	11,558
		5,329	11,558

The Consolidated Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December 2019 £'000	As at 31 December 2020 £'000
	Note		
Goodwill	10	13,359	13,359
Intangible assets	11	6,709	6,344
Property, plant and equipment	12	1,159	2,062
Right-of-use assets	13	687	543
Investments	14	602	497
Other receivables	16	1,038	1,762
Non-current assets		23,554	24,567
Inventories	15	2,063	2,230
Trade and other receivables	16	3,190	4,358
Cash and cash equivalents	17	11,612	17,999
Current assets		16,865	24,587
Total assets		40,419	49,154
Lease liabilities	13	190	226
Borrowings	18	6,250	—
Trade and other payables	19	2,907	5,545
Current liabilities		9,347	5,771
Lease liabilities	13	478	312
Deferred tax liabilities	20	741	633
Trade and other payables	19	948	1,975
Non-current liabilities		2,167	2,920
Total liabilities		11,514	8,691
Net assets		28,905	40,463
Equity			
Share capital	22	27	27
Share premium	23	21,767	21,767
Translation reserve		(67)	28
Retained earnings	23	7,178	18,335
Equity attributable to the owners of the Company		28,905	40,157
Non-controlling interest		—	306
Total equity		28,905	40,463

CONSOLIDATED STATEMENT OF CHANGES OF EQUITY

	Share capital £'000	Share premium £'000	Translation reserve £'000	Retained earnings £'000	Total owners' equity £'000	Non- controlling interest £'000	Total equity £'000
At 1 January 2019 (restated)	26	11,769	(25)	1,807	13,577	—	13,577
Profit for the year	—	—	—	5,371	5,371	—	5,371
Exchange differences on translation	—	—	(42)	—	(42)	—	(42)
Total comprehensive income	—	—	(42)	5,371	5,329	—	5,329
Shares issued during the year	1	9,998	—	—	9,999	—	9,999
As at 31 December 2019	27	21,767	(67)	7,178	28,905	—	28,905
Profit for the year	—	—	—	11,157	11,157	306	11,463
Exchange differences on translation	—	—	95	—	95	—	95
Total comprehensive income	—	—	95	11,157	11,252	306	11,558
As at 31 December 2020	27	21,767	28	18,335	40,157	306	40,463

CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended 31 December 2019 £'000	Year ended 31 December 2020 £'000
Profit before tax	5,531	12,661
Adjustments for:		
Depreciation of property, plant and equipment	1,439	1,354
Depreciation of right-of-use assets	175	348
Amortisation of intangible assets	1,546	1,258
Share of profit from joint venture	(29)	(464)
Finance income	(35)	(8)
Finance costs	22	51
Interest expense	820	527
<i>Changes in working capital:</i>		
(Increase) in inventories	(369)	(167)
(Increase)/decrease in trade and other receivables	(2,143)	(1,998)
Increase/(decrease) in trade and other payables	(1,598)	3,240
<i>Cash (used in)/generated from operations</i>	5,359	16,802
Corporation tax paid	(3)	(676)
Net cash flows from operating activities	5,356	16,126
Purchase of property, plant and equipment	(119)	(79)
Own work capitalised (electronic monitoring equipment)	(912)	(2,168)
R&D capitalised	(880)	(893)
Interest received	35	8
Dividend income from Joint venture	—	549
Net cash flows used in investing activities	(1,876)	(2,583)
Issue of ordinary shares	9,999	—
Repayment of loans and borrowings	(4,500)	(6,250)
Repayment of lease liabilities	(177)	(364)
Interest paid	(820)	(527)
Net cash flows used in financing activities	4,502	(7,141)
Net increase in cash and cash equivalents	7,982	6,402
Cash and cash equivalents at the beginning of the year	3,636	11,612
Effects of exchange rate changes on the balance of cash held in foreign currencies	(6)	(15)
Cash and cash equivalents at end of year	11,612	17,999

Notes to the consolidated statement of cash flows

Net debt reconciliation:

	As at 1 January 2020 £'000	Net cash movements £'000	New lease agreements £'000	As at 31 December 2020 £'000
Cash and cash equivalents (note 17)	11,612	6,387	—	17,999
Lease liabilities (note 13)	(668)	364	(234)	(538)
Borrowings (note 18)	(6,250)	6,250	—	—
Net cash	4,694	13,001	(234)	17,461

1. General information

The financial information reflects the financial performance and position of Big Technologies plc (the 'Company') and its subsidiaries (collectively the 'Group') for the two years ended 31 December 2020.

Big Technologies plc is a private company limited by shares, incorporated and domiciled in the United Kingdom under the Companies Act 2006. The address of the company's registered office is Talbot House, 17 Church Street, Rickmansworth, Hertfordshire, WD3 1DE.

The principal activities of the Group remain the development and delivery of remote monitoring technologies and services to a range of domestic and international customers.

2. Accounting policies

a) Basis of preparation

The consolidated financial information includes the financial information of the Group including its interest in joint ventures made up to 31 December 2019 and 31 December 2020.

The financial information has been prepared on the historical cost basis and has been presented in Pound Sterling ("£"). This is the functional currency of the Group being the currency of the primary economic environment in which the Group operates and is rounded to the nearest thousand £.

b) Statement of compliance

The Group financial information has been prepared in accordance with international accounting standards.

This is the first year the Group has prepared its financial information in accordance with International Financial Reporting Standards (IFRS) as issued by the UK Endorsement Board (UKEB), accordingly the information as at 1 January 2019 (being the date of transition) and for the year ended 31 December 2019 have been restated to comply with IFRS.

The Financial Reporting Standard Applicable in the UK and Republic of Ireland ("FRS 102") differs in certain respects from IFRS, hence when preparing the financial information, management has amended certain accounting, and measurement bases to comply with IFRS. The disclosures required by IFRS 1 'First-time adoption of International Financial Reporting Standards ("IFRS 1") concerning the transition from FRS 102 to IFRS.

IFRS 1 permits the Group to take advantage of certain exemptions from applying the requirements on a fully retrospective basis as at the date of transition in certain instances. The Group has chosen to apply the following exemptions which are permitted under IFRS 1:

- The Group acquired interests in Buddi Limited and Buddi LLC in 2018, prior to the date of transition. The Group has elected to apply the optional exemption and not restate the acquisition accounting by applying IFRS3 retrospectively.
- The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of

low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

- The Group has applied the exemption to cumulative currency translation differences for all foreign operations, which deems exchange differences to be zero as at 1 January 2019.
- The Group has not restated revenue from contracts that were completed prior to 1 January 2019.

c) Basis of consolidation

The Group financial information consolidates the financial information of the Company and all its subsidiary undertakings made up to 31 December 2019 and 31 December 2020. In addition, the Group's share of the results and equity of joint ventures and associated undertakings (together "equity accounted investments") are accounted for using the equity method in the Group's financial information.

Subsidiaries are those entities over which the Group exercises control. Control is established when the Company is exposed, or has rights, to variable returns from its involvement within the subsidiary and has the ability to affect those returns through its power over the subsidiary.

The acquisition method of accounting is used to account for all business combinations. The cost of the business combination is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree plus costs directly attributable to the business combination. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill.

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

Under the equity method, the investment is recognised initially at cost and the carrying amount of the investment is adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the joint venture. The consolidated profit and loss account include the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. Any premium on acquisition is dealt with in accordance with the goodwill policy.

Acquisition related costs are expensed as incurred.

The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Subsidiaries disposed of are included in the consolidation up to the date that control passes to a third party.

All inter-company balances and transactions between group companies have been eliminated on consolidation.

Where necessary, adjustments are made to the financial information of subsidiaries to bring the accounting policies used into line with those used by the Group.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately for the Group's equity therein. The interest of non-controlling shareholders is initially measured at the non-controlling interest's portion of the share of the fair value of the identifiable net assets. Subsequent to formation, the carrying amount of the non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of the subsequent changes in equity.

d) Going concern

The directors having considered the financial position of the Group together with the business risks and expected cash flows from forecasted operations for the next 12 months from the date of approval of the financial information. This includes the additional, enhanced or emerging risks arising out of the COVID-19 pandemic.

Having assessed potentially severe but plausible scenarios for the impact of COVID-19 including income stress testing scenarios, the directors believe that the Group has sufficient cash liquidity to cover at least 12 months of operating costs that relate to its principal business activity. The directors also believe that the Group has the resources and the operating model flexibility and resilience to support and enable the continuing delivery of key services and activities for the foreseeable future, being not less than 12 months from the date of signing of the accounts.

e) Standards, amendments and interpretations in issue but not yet effective:

The adoption of the following mentioned standards, amendments and interpretations in future years are not expected to have a material impact on the Group's financial information:

	EU effective date: Periods beginning on or after	IASB effective date: Periods beginning on or after
IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement, IFRS 7 Financial Instruments: Disclosures, IFRS 4 Insurance Contracts and IFRS 16 Leases (Amendments): Interest Rate Benchmark Reform – Phase 2	1 January 2021	1 January 2021
IFRS 3 Business Combinations (Amendment): Reference to the Conceptual Framework	1 January 2022	1 January 2022
Annual Improvements to IFRSs (2018 – 2020 cycle)	1 January 2022	1 January 2022
IAS 1 Presentation of Financial Statements (Amendment): Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current – Deferral of Effective Date	1 January 2023	1 January 2023

f) Foreign currencies

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the end of the month prior to the dates of the transactions.

At each period end, foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

On consolidation, the results of overseas operations are translated into Pounds Sterling on the following basis:

- Assets and liabilities for each balance sheet are translated at the closing rate at the reporting date.
- Income and expenses for each income statement are translated at the average rate of exchange for the reporting year.

On consolidation exchange differences arising from the translation of the net investment in foreign entities and borrowings are recognised in other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

g) Revenue from contracts with customers

Revenue represents the value, net of sales taxes, of goods sold and services provided to customers. The Group recognises revenue from the following categories:

Sales of goods:

- Device Sales – revenue from sales of electronic monitoring hardware is recognised when the goods are delivered, which under IFRS 15 Revenue is recognised as a single point, on delivery, despatch or pick-up depending on agreed terms with the customer. Where the hardware is sold as part of a long-term contract that includes usage services, then revenue is recognised over the period of the contract as the Group fulfils its performance obligation.

Delivery of services:

- Installation Services – revenue in relation to services and hardware for the design and construction of an electronic monitoring system, which are generally provided at the start of a long-term contract with a customer. As these services are an integral part of a long-term contract for the provision of electronic monitoring services, revenue is recognised over the period of the contract as the Group fulfils its performance obligation.
- Usage Services – revenue in relation to services for the provision of electronic monitoring software (including licence fees), hardware, related support services (which may include the fitting of devices to the offender, 24/7 monitoring services, helpdesk and technical support services, installation, maintenance and upgrades to systems and telecoms infrastructure and data management and reporting) are recognised over time as the Group fulfils its performance obligation.
- Reimbursement for loss and damage to devices and other ad hoc services – revenue is recognised when the customer declares the loss of or damage to the equipment, or at the end of a contract when the monitoring equipment is returned by the customer. The amounts billed for the lost or damaged equipment is defined in the contract with the customer. Revenue from ad hoc services is recognised when the performance obligations under the relevant service contract have been fulfilled and the right to receive the consideration under the contract is probable.

Contract liabilities (amounts received in advance of performance delivery) consists of billings or payments received in advance of revenue recognition.

Contract assets (accrued revenue) consists of revenue recognised in advance of billings or payments

h) Interest income

Interest income is calculated by applying the effective interest rate method.

i) Research and development costs

Research costs are expensed as incurred. Development expenditures, on an individual project, are recognised as an intangible asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete and its ability to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset; and
- the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit, being 4 to 8 years. Amortisation is recorded in administrative expenses.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase.

j) Tax

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted and substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Comprehensive Income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). However, for deductible temporary differences associated with investments in subsidiaries a deferred tax asset is recognised when the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are set off only where the Group has a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

k) Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquired at the date of acquisition.

Goodwill is not amortised but is reviewed for impairment at least annually or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses.

Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

Intangible assets other than goodwill

Intangible assets acquired separately are measured on initial recognition at cost, or if acquired as part of a business combination, at fair value. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period.

The amortisation expense on intangible assets with finite lives is recognised in administrative costs within profit or loss in the expense category consistent with the function of the intangible assets.

The estimated useful life range is as follows:

- Customer relationships – 7–10 years

- Brand – 7 years
- Technology – 2 years
- Research and Development – 4–8 years

l) Property, plant and equipment

Property, plant and equipment is recognised as an asset only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

At initial recognition, the cost of an item of property, plant and equipment comprises the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

After recognition, all property, plant and equipment assets are carried at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is provided at rates calculated to write down the cost of assets, less estimated residual value, over their expected useful lives on the following basis:

- Long-term leasehold property – 5 years
- Plant and machinery – 3 years
- Fixtures and fittings – 3 years
- Office equipment – 3 years
- Other fixed assets – 2 years

Other fixed assets represent electronic monitoring equipment, including tags, that have been manufactured by the Group and is being used to provide Usage Services to customers.

The assets' residual values and useful lives are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

m) Impairment of non-financial assets

Individual assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An asset is impaired when its carrying amount exceeds its recoverable amount. The recoverable amount is measured as the higher of fair value less cost of disposal and value in use. The value in use is calculated as being net projected pre-tax cash flows based on financial forecasts discounted back to present value using a pre-tax discount rate.

The impairment loss is allocated to reduce the carrying amount of the asset, first against the carrying amount of any goodwill allocated to the cash-generating unit, and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. Other than goodwill, an impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

n) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities, representing obligations to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any

accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the remainder of the lease term.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. The Group's lease liabilities are included in interest-bearing loans and borrowings.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Extension and termination options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

o) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Raw materials: purchase cost on a first in/first out basis; and
- Work in progress and finished goods and goods for resale: cost of direct materials.

p) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held on call with financial institutions, other short-term and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which is subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

q) Financial instruments

Financial assets

All financial assets are classified as financial instruments measured at amortised cost; these comprise trade and other receivables and cash and cash equivalents.

Financial assets measured at amortised cost are recognised when the Group becomes party to the contractual provisions of the instrument and are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and reward are transferred.

Financial assets are also derecognised (written-off) when the Group has no reasonable expectation of recovering the financial asset. Indicators of where there is no reasonable expectation of recovery include indicators of a customer's inability to pay or losses arising in relation to contract disputes.

Financial assets are measured at amortised cost when both of the following criteria are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

Subsequent to initial recognition, financial assets are measured at amortised cost using the effective interest rate method.

At each reporting date the Group recognises a loss allowance for expected credit losses (“ECL”) on financial assets measured at amortised cost. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group recognises lifetime ECL for trade receivables. The ECL on these financial assets are estimated using a provision matrix based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction at the reporting date, including time value of money where appropriate. Where credit risk on the financial instrument has not increased significantly since initial recognition, the Group measured the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the financial instrument. Further details are set out in Note 16.

Financial liabilities

Financial liabilities comprise trade and other payables and lease liabilities. Financial liabilities are obligations to pay cash or other financial assets and are recognised in the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially recognised at fair value adjusted for any directly attributable transaction costs.

After initial recognition, financial liabilities are measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs. Discounting is omitted where the effect of discounting is immaterial. A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

r) Pension costs

The Group operates a defined contribution pension scheme for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The annual contributions payable are charged to the Group profit or loss on an accruals basis. The assets of the scheme are held separately from those of the Group.

s) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measuring the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

t) Share based payments

The cost of share-based employee compensation arrangements, whereby employees receive remuneration in the form of shares or share options, is recognised as an employee benefit expense in the Consolidated Statement of Comprehensive Income.

The total expense to be apportioned over the vesting period of the benefit is determined by reference to the fair value (excluding the effect of non-market-based vesting conditions) at the date

of grant. At the end of each reporting period the assumptions underlying the number of awards expected to vest are adjusted for the effects of non-market-based vesting conditions to reflect the conditions prevailing at that date. The impact of any revisions to the original estimates is recognised in the statement of profit or loss, with a corresponding adjustment to equity. At the date of the financial information, the number of awards expected to vest is nil, thus there is no charge recognised in the Consolidated Statement of Comprehensive Income.

As at the 31 December 2020 the Company had in issue 34,896 options with an exercise price of £26.76 and 2,000 options with an exercise price of £34.23, which are only expected to vest on a sale or listing of the Company on a stock exchange.

u) Operating segments

The Group has one division being the provision of electronic tracking devices, products and services.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

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

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the financial information:

Recognition of revenue

Management judgement is required to identify the performance obligations in the customer contracts which the Group enters into. Once the performance obligations have been determined and revenue has been appropriately allocated, management judgement is also required in determining the progress towards completion of performance obligations for each contract. The methodology and key judgements applied are described in the accounting policy above and in note 4.

Capitalisation of development expenditure

Management has to make judgements as to whether development expenditure has met the criteria for capitalisation or whether it should be expensed in the year. Development expenditure is only capitalised after its reliable measurement, technical feasibility and commercial viability can be demonstrated.

Measurement of expected credit loss ("ECL")

The measurement of expected credit losses to be recognised on the Group's financial assets requires judgement by the Directors. ECL is measured based on a historic loss rate applied to the aging of the receivable at the relevant period end. As the aging increases to more than 90 days overdue, there is a significant increase in credit risk. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group considers qualitative and quantitative reasonable and supportable forward-looking information. Further information is set out in note 16.

Estimation uncertainty

The estimates and underlying assumptions are reviewed on an ongoing basis. The critical estimates that the directors have made in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial information are discussed below.

Inventory provision

At the balance sheet date, management assessed inventories for impairment and usability. Any inventories that were no longer usable were valued at nil in the closing inventory valuation. The key

estimates applied by the directors are to ensure that all inventory related to products that are past “end of life” are fully impaired and all slow-moving inventory is reviewed and impaired as required. At 31 December 2020, the carrying amount of inventory was £2.2 million (2019: £2.1 million) which was stated net of an inventory provision of £0.5 million (2019: £0.2 million). The inventory is further explained in note 15.

Measurement, useful lives and impairment of development costs

Development costs are considered to have a finite economic life. These costs are recorded by project and then amortised over their useful economic lives that are reviewed at each reporting date. The useful economic life is determined based on historic experience for the life of other similar products. The value of development costs are tested whenever there are indications of impairment and reviewed at each reporting date or more frequently should this be justified by internal or external events.

Useful lives of property, plant and equipment – other fixed assets

Other fixed assets comprise of electronic monitoring equipment that is considered to have a finite economic life. The useful economic life is determined based on historic experience and the fact that new versions of the Group’s products are introduced from time to time. When new products are introduced, this is considered an indication of impairment.

Assessing indicators of impairment for goodwill

Goodwill is assessed annually for impairments. The directors have considered both external and internal sources of information such as market conditions and expected sales growth in order to model discounted cash flow forecasts for each of the cash generating units. The directors are confident that the forecast cash generation is in excess of the value of the goodwill held. Further information on the assumptions used is included in note 10. As at December 2020, the carrying amount of goodwill was £13.4 million.

4. Revenue

The Group’s revenue from contracts with customers was:

	Year ended 31 December 2019 £'000	Year ended 31 December 2020 £'000
Sales of goods	186	194
Delivery of services	19,077	29,397
	19,263	29,591
By geographical market:		
	Year ended 31 December 2019 £'000	Year ended 31 December 2020 £'000
Europe	2,604	6,463
Asia Pacific	6,311	12,173
Americas	10,348	10,955
	19,263	29,591

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	31 December 2019 £'000	31 December 2020 £'000
Contract assets	206	—
Contract liabilities		
Within one year	(682)	(1,796)
More than one year	(948)	(1,975)
	(1,630)	(3,771)

The contract assets and liabilities primarily relate to the advance consideration due or received from customers for installation work completed, but recognised over time, in line with the duration of the contracts for the provision of electronic monitoring services. Details of contract balances are set out in notes 16 and 19.

5. Operating profit

Operating profit for the year has been arrived at after charging/(crediting):

	Year ended 31 December 2019 £'000	Year ended 31 December 2020 £'000
Research costs	721	1,281
Depreciation of property, plant and equipment	90	110
Depreciation of internally capitalised assets	1,349	1,244
Depreciation of right-of-use assets	175	348
Amortisation of intangible assets	1,546	1,258
Foreign exchange (gain)/loss	212	(213)

6. Staff costs

Staff costs, including directors' remuneration were as follows:

	Year ended 31 December 2019 £'000	Year ended 31 December 2020 £'000
Wages and salaries	3,055	6,186
Social security costs	418	714
Other pension costs	87	162
	3,560	7,062

The average monthly number of employees, including the directors during the year was as follows:

	Year ended 31 December 2019 No.	Year ended 31 December 2020 No.
Management	4	6
Development	25	27
Administration	5	17
Sales	16	17
Operations	26	173
	76	240

7. Remuneration of key management personnel

	Year ended 31 December 2019 £'000	Year ended 31 December 2020 £'000
Directors' emoluments	541	563
Contributions to defined contribution pension schemes	44	46
	585	609

Retirement benefits were accrued for 2 directors (2019: 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £385,000 (2019: £376,333).

The value of the Company/s contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £39,996 (2019: £43,533).

Key management personnel of the Group are directors of the Company. Employer's social security contributions in relation to the Directors amount to £75k (2019: £72k).

8. Finance expenses

	Year ended 31 December 2019 £'000	Year ended 31 December 2020 £'000
Loan interest costs	820	527
Lease liability	22	31
Total	842	558

9. Taxation

	Year ended 31 December 2019 £'000	Year ended 31 December 2020 £'000
<i>Current tax</i>		
Current tax on profit for the year	377	1,721
Adjustments in respect of prior year	—	(415)
	377	1,306
<i>Deferred tax</i>		
Origination and reversal of temporary timing differences	(217)	(147)
Adjustments in respect of prior periods	—	(39)
Effect of increased tax on opening balance	—	78
	(217)	(108)
Taxation on profit	160	1,198

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019: lower than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	Year ended 31 December 2019 £'000	Year ended 31 December 2020 £'000
Profit before taxation	5,531	12,661
Profit multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	1,051	2,406
Effects of		
Expenses not deductible for tax purposes	211	606
Income not taxable	(77)	(173)
Adjustment in research and development tax credit	(287)	(315)
Deferred tax released – intangible assets	(217)	—
Remeasurement of deferred tax for change in rate	23	42
Prior period adjustment to deferred tax	(79)	(39)
Deferred tax not recognised	(522)	(150)
Difference in overseas tax rates	3	326
Patent box additional deduction	—	(1,067)
Adjustment in respect of prior periods	—	(415)
Other differences leading to a (decrease) increase in tax charge	54	(23)
Total taxation charge for the year	160	1,198

The corporation tax rate for the year ended 31 December 2020 was 19%. The Corporation Tax rate of 19% was enacted with effect from 1 April 2017 and the Finance Act 2016 legislated the UK Corporation Tax rate to decrease to 17% from 1 April 2020. However, on 17 March 2020, using the Provisional Collection of Taxes Act 1968, the UK Government cancelled the proposed reduction in Corporation Tax rate to 17% and therefore deferred tax is based on the substantially enacted tax rate.

10. Goodwill

Cost	£'000
At 1 January 2019	13,359
Additions	—
At 31 December 2019	13,359
Additions	—
At 31 December 2020	13,359
Amortisation and Impairment	
At 1 January 2019	—
Charge for the year	—
At 31 December 2019	—
Charge for the year	—
At 31 December 2020	—
Net book value	
At 31 December 2020	13,359
At 31 December 2019	13,359

Goodwill was tested in accordance with IAS 36 Impairment of Assets. The impairment review is performed by comparing the carrying amount of the cash generating unit (“CGU”) to which goodwill has been allocated. Recoverable amounts for CGUs are the higher of fair value less costs of disposal, and the value in the use.

Goodwill has been allocated to the following CGU's:

	31 December 2019 £'000	31 December 2020 £'000
Buddi LLC	8,766	8,766
Buddi Limited	4,593	4,593
	13,359	13,359

Goodwill acquired in a business combination is allocated at acquisition to the cash generating unit that is expected to benefit from that business combination. The carrying amount of the goodwill has been allocated to two CGUs – the US operations under Buddi LLC (acquired in September 2018) and the Rest of World operations under Buddi Limited (acquired in May 2018).

The group tests goodwill at least annually for impairment. Tests are conducted more frequently if there are indications that goodwill might be impaired. The recoverable amounts for the CGUs are determined from value-in-use calculations. The key assumptions for the value-in-use calculations have been individually estimated for each CGU and include expected changes to cash flows during the period for which management has detailed plans.

Management estimate discount rates using pre-tax rates that reflect the current market assessments of the time value of money and the risks and tax rates specific to each CGU. The pre-tax WACC applied to the Buddi LLC CGU was 20.2% (2019 21.6%) and to the Buddi Limited CGU was 17.2% (2019 18.1%). The rates used are expected to be similar as the allocation of capital is centrally managed and there is a high degree of interdependency between the CGUs. Furthermore, the products and services offered and the nature of the end-customers are the same across both CGUs.

The calculations have used the Group's forecast figures for the next five years. At the end of the five years the calculations assume that the performance of the CGUs will grow at a nominal rate of 2.0 per cent in perpetuity. Growth rates of this level are considered to be very conservative when

considering management's view of end market growth forecast and the trend of the increased use of electronic monitoring technology to generate efficiencies in the Group's customers' operations.

The weighted average cost of capital is derived using beta values of a comparator group of companies adjusted for funding structures as appropriate.

Following a detailed review, no impairment losses were recognised in the year ended 31 December 2020 or in the year ended 31 December 2019. Sensitivity testing was performed on the forecasts to consider the impact of reasonably possible worst-case scenarios. Given the high level of visibility in the Group's revenue as a result of its long-term contracts with government customers, the Group considered a scenario with a 23 per cent fall in forecast cumulative cash flows across the forecast period for each CGU. The application of these scenarios did not result in either of the CGUs requiring impairment.

11. Intangible assets

	Customer relationships £'000	Brand £'000	Technology £'000	Research and development £'000	Total intangibles £'000
Cost					
At 1 January 2019	3,854	427	1,211	2,662	8,154
Additions	—	—	—	880	880
At 31 December 2019	3,854	427	1,211	3,542	9,034
Additions	—	—	—	893	893
At 31 December 2020	3,854	427	1,211	4,435	9,927
Amortisation					
At 1 January 2019	214	26	302	237	779
Charge for the period	406	61	606	473	1,546
At 31 December 2019	620	87	908	710	2,325
Charge for the period	407	61	303	487	1,258
At 31 December 2020	1,027	148	1,211	1,197	3,583
Net book value					
At 31 December 2020	2,827	279	—	3,238	6,344
At 31 December 2019	3,234	340	303	2,832	6,709

12. Property, plant and equipment

	Long term leasehold property £'000	Plant and machinery £'000	Fixture and fittings £'000	Office equipment £'000	Other fixed assets £'000	Total £'000
Cost						
At 1 January 2019	139	399	14	211	3,263	4,026
Prior year restatement	—	(239)	(6)	(90)	335	—
Restated January 2019	139	160	8	121	3,598	4,026
Additions	3	91	1	24	912	1,031
FX	—	—	—	1	—	1
At 31 December 2019	142	251	9	146	4,510	5,058
Additions	—	24	3	52	2,168	2,247
FX	—	—	—	(1)	40	39
At 31 December 2020	142	275	12	197	6,718	7,344
Depreciation						
At 1 January 2019	115	337	11	188	2,328	2,979
Prior year restatement	—	(239)	(6)	(90)	(184)	(519)
At 1 January 2019	115	98	5	98	2,144	2,460
Charge for the period	9	63	2	16	1,349	1,439
At 31 December 2019	124	161	7	114	3,493	3,899
Charge for the period	8	67	2	33	1,244	1,354
FX	—	1	—	(1)	29	29
At 31 December 2020	132	229	9	146	4,766	5,282
Net book value						
At 31 December 2020	10	46	3	51	1,952	2,062
At 31 December 2019	18	90	2	32	1,017	1,159

The main asset category within fixed assets are other fixed assets which represent electronic monitoring equipment that has been manufactured by the Group and is being used to provide Usage Services to customers.

The restatement is to reverse over depreciation of other fixed assets of £519k in the opening balance sheet.

13. Right-of-use assets and lease liabilities

Cost	£'000
As at 1 January 2019	814
Additions	48
As at 31 December 2019	862
Additions	204
As at 31 December 2020	1,066
Depreciation	
As at 1 January 2019	—
Expense	175
As at 31 December 2019	175
Expense	348
As at 31 December 2020	523
Net book value	
As at 31 December 2020	543
As at 31 December 2019	687

The maturity of the gross contractual undiscounted cash flows due on the Group's lease liabilities is set out below based on the period between the reporting date and the contractual maturity date.

Maturity Analysis	31 December	31 December
	2019	2020
	£'000	£'000
Within one year	212	236
Between one and five years	496	325
	708	561
Less unearned interest	(40)	(23)
	668	538
<i>Analysed as:</i>		
Non-current	190	226
Current	478	312
	668	538

The carrying value of the right of use assets in respect of the above lease liabilities is £543k (2019: £687k, 1 January 2019: £814k).

The Group's lease arrangements are in relation to five properties (six in 2019 and 2018) in the United Kingdom. These leases have termination dates in 2022 and 2023; one lease terminated in 2020. In 2020 new leases were entered into for motor vehicles in our subsidiary in Colombia, these are due to terminate in April 2021.

The rate of interest implicit in the Group's lease arrangements are not readily determinable and management have determined that the incremental borrowing rate to be applied in calculating the lease liability is 3.1 per cent for the UK properties and 12.0 percent for the motor vehicles in Colombia. The fair value of the Group's lease obligations is approximately equal to their carrying amount.

14. Investments

Held by the Group and included in the Statement of Financial Position measured under the equity method:

Name	Country of incorporation	Principal Activity	Registered address
Union Temporal Sistemas Electronicos De Seguridad	Colombia	Electronic monitoring services	Calle 130 A, 58 A-29, Bogota, Colombia

The Group has a 50 per cent interest in Union Temporal Sistemas Electronicos de Seguridad (UTSES) which was established in late 2017 to provide electronic monitoring services to the Colombia prison service. Under IFRS11, UTSES meets the criteria to be defined as a joint venture and is therefore accounted for under the equity method.

Investment in UTSES	£'000
As at 31 December 2019	602
Share of the profit	464
Distribution	(549)
Foreign exchange movement	(20)
As at 31 December 2020	497

Financial position of UTSES

The following table illustrates the summarised financial position of the Group's investment in UTSES

	31 December 2019 £'000	31 December 2020 £'000
Revenue	205	1,275
Cost of sales	—	(261)
Admin expenses	(148)	(87)
Profit before tax	57	927
Income tax Profit after tax	(57)	(927)
Total comprehensive income for the year	57	927
Group's share of profit for the year	29	464
Assets	4,465	1,216
Liabilities	(3,261)	(222)
Net assets	1,204	994
Group's carrying amount of the investment	602	497

15. Inventories

	31 December 2019 £'000	31 December 2020 £'000
Raw materials	1,137	1,452
Finished goods and goods for resale	926	778
Total inventories	2,063	2,230

The amount charged (credited) to the consolidated statement of profit or loss and other comprehensive income as a provision against slow moving and obsolete stock in 2020 was £364k (2019: £(217k)).

16. Trade and other receivables

	31 December 2019 £'000	31 December 2020 £'000
Trade receivables	2,333	3,246
Prepayments	114	168
Amounts owed by joint venture	20	—
Contract assets	206	—
Other receivables	1,555	2,706
Total trade and other receivables	4,228	6,120
Due for settlement within 12 months	3,190	4,358
Due for settlement after 12 months	1,038	1,762
Total trade and other receivables	4,228	6,120

The non-current assets relate to performance bonds in Australia. The performance bonds relate to contracts in New South Wales (AUD 2,000,000) and Northern Territories (AUD 1,000,000). The bonds must remain in place until February 2024 in New South Wales and April 2026 in Northern Territories.

Expected credit loss for trade receivables

The majority of the Group's customers are quasi-governmental in nature and the historical credit loss rate has been very low. However, the Group has experienced some credit losses from customers in the US market and does make an allowance for expected credit losses in this market.

The Group allocates a loss rate to customers based on the number of days that payment is overdue:

- Less than 60 days overdue – 0% loss rate.
- More than 60 days but less than 90 days overdue – 5% loss rate.
- More than 90 days overdue – 25% loss rate.

The total loss allowance based on this calculation was £33k (December 2019: £30k, 1 January 2019: £107k).

17. Cash and cash equivalents

	31 December 2019 £'000	31 December 2020 £'000
Cash at bank and in hand	11,612	17,999

18. Borrowings

	31 December 2019 £'000	31 December 2020 £'000
Unsecured borrowings at amortised cost	—	—
Bank loans	6,250	—
Total borrowings	6,250	—

19. Trade and other payables

	31 December 2019 £'000	31 December 2020 £'000
Trade payables	792	597
Amounts owed to joint ventures	481	—
Accruals	101	575
Other payables	248	1,257
Other taxation and social security	229	316
Contract liabilities	1,630	3,771
Corporation tax payable	374	1,004
Total trade and other payables	3,855	7,520
Due for settlement within 12 months	2,907	5,545
Due for settlement after 12 months	948	1,975
Total trade and other payables	3,855	7,520

The fair values of the Company's trade and other payables are considered to equate to their carrying amounts. A reconciliation of the movement in contract liabilities is as follows:

	31 December 2019 £'000	31 December 2020 £'000
Short term	1,608	682
Long term	223	948
At beginning of period	1,831	1,630
Additions	958	2,580
Recognised as revenue during the period	(1,365)	(233)
Reclassified to/(from) contract assets	206	(206)
Short term	682	1,796
Long term	948	1,975
At end of period	1,630	3,771

20. Deferred tax

	31 December 2019 £'000	31 December 2020 £'000
At 1 January	(958)	(741)
Movement during the year recognised in profit or loss	217	108
At 31 December	(741)	(633)
Represented by: Deferred tax liability:		
Intangible assets	(741)	(633)

21. Financial instruments and risk management

The Group's financial instruments at the reporting date mainly comprise cash and various items arising directly from its operations, such as trade and other receivables and trade and other payables.

Financial assets and liabilities

Financial assets and liabilities analysed by the categories were as follows:

	31 December 2019 £'000	31 December 2020 £'000
Financial assets at amortised cost:		
Trade and other receivables	3,190	4,358
Cash and cash equivalents	11,612	17,999
	14,802	22,357
Financial liabilities at amortised cost:		
Borrowings	6,250	—
Trade and other payables	2,907	5,545
Lease liabilities	668	538
	9,825	6,083

The carrying value of all financial instruments is not materially different from their fair value. Cash and cash equivalents attract floating interest rates. Accordingly, their carrying amounts are considered to approximate to fair value.

Risk management policies

The Group's Directors are responsible for overseeing capital resources and maintaining efficient capital flow, together with managing the Group's market, liquidity, foreign exchange, interest and credit risk exposures.

Credit Risk

Credit risk is the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. Maximum credit risk at the reporting date was as follows:

	31 December 2019 £'000	31 December 2020 £'000
Non-current other receivables	1,038	1,762
Current trade and other receivables	3,190	4,358
Cash and cash equivalents	11,612	17,999
	15,840	24,119

Before accepting a new customer, the Group assesses both the potential customer's credit quality and risk. Customer contracts are drafted to reduce any potential risk to the Group. Where appropriate the customer's recent financial information is reviewed.

The Group has lodged deposits which are held in escrow with financial institutions, which act as a performance guarantee, under the terms of certain contracts.

Trade receivables are regularly reviewed for impairment loss. The Group has assessed the credit risk of its financial assets measured at amortised cost and has determined that the loss allowance for expected credit losses is immaterial to the historic financial information. As described in note 16 the majority of the Group's customers are quasi-governmental in nature and the historical credit loss rate has been very low. However, the Group has experienced some credit losses from customers in the US market and does make an allowance for expected credit losses in this market.

Accounts receivable from the Group's four largest customers as at 31 December 2020 totalled approximately £1,691k (31 December 2019: £1,298k, 1 January 2019: £461k).

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Management monitors the level of cash and cash equivalents on a continuous basis to ensure sufficient liquidity to be able to meet the Group's obligations as they fall due.

The Group has significant cash and cash equivalents and liquidity risk is minimal.

Interest Rate Risk

Interest rate risk is the risk that future cash flows associated with a financial instrument will fluctuate because of changes in market interest rates. The Group has no borrowings and interest rates on cash and cash equivalents are low, such that interest rate risk is minimal.

Currency Risk

The Group is exposed to foreign currency exchange risks due to the Group holding foreign currency monetary assets and liabilities which are exposed to exchange rate fluctuations. This risk is assessed on an on-going basis. The Group does not use derivative financial instruments to manage currency exchange movements and, as such, no hedge accounting is applied.

The table below illustrates the sensitivity analysis of the Group's reported profit to a 10% increase or decrease in the respective foreign exchange rates to which they are exposed. The sensitivity analysis is calculated on balances outstanding at the year end, with all other variables held constant.

	Change in rate	Effect on profit before tax £'000
31-Dec-20		
Change in US Dollar	10%	(990)
	-10%	1,210
Change in Australian Dollar	10%	(335)
	-10%	409
Change in Colombian Peso	10%	(96)
	-10%	118
31-Dec-19		
Change in US Dollar	10%	(606)
	-10%	742
Change in Australian Dollar	10%	(355)
	-10%	434
Change in Colombian Peso	10%	(17)
	-10%	21

Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern. The capital structure of the Group consists of issued capital, the share premium account and retained earnings.

The Group manages its capital structure and adjusts it in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2020, 31 December 2019 and 1 January 2019. The Group does not have any externally imposed capital requirements.

As part of the Group's management of capital structure, consideration is given to the cost of capital.

22. Share capital

Share capital	31 December 2019 £'000	31 December 2020 £'000
Authorised issued and fully paid share capital	27	27

1. In August 2019 2,000 ordinary shares at £0.01 were each allotted for proceeds of £133,800.
2. In July 2019 147,476 ordinary shares at £0.01 were each allotted for proceeds of £9,866,144.
3. In July 2018 1,684,096 ordinary shares at £0.01 were each allotted for proceeds of £8,420,480.
4. In May 2018 178,454, ordinary shares at £0.01 were each allotted for proceeds of £892,270.
5. In May 2017 730,000 ordinary shares were each allotted for proceeds of £2,482,082.

23. Reserves

Share capital

Share capital represents the nominal value of shares that have been issued.

Share premium

Share premium is the excess amount received by the Company over the par value of shares issued.

Translation reserve

The translation reserve represents cumulative foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries and is not distributable by way of dividends.

Retained earnings

Retained earnings represent accumulated profits and losses to date.

Non-Controlling interest

The equity in a subsidiary not attributable directly or indirectly to a parent. Translation reserve

The translation reserve represents the exchange differences arising on the translation of overseas subsidiaries on consolidation.

24. Earnings per share

Share capital	31 December 2019	31 December 2020
Basic and diluted earnings per share (pence)	1.96	4.18
Basic and diluted weighted average shares in issue	2,742,026	2,742,026

Basic earnings per share is calculated by dividing the profit/loss after tax attributable to the equity holders of Big Technologies Plc by the weighted average number of shares in issue during the year. As required by IAS33 the number of shares in issue in the period has been retrospectively adjusted to reflect the 99 for 1 bonus allotment after the balance sheet date – see note 28.

Diluted earnings per share is calculated by dividing the profit/loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. As no options have been issued in either year, no adjustment to basic earnings per share is required.

25. Pension commitments

The Group operates a defined contribution retirement benefit schemes for all qualifying employees based in the UK and Colombia. The assets of the schemes are held separately from those of the Group in funds under the control of trustees. The total expense recognised for the period ended 31 December 2020 was £161k (31 December 2019: £96k). Contributions outstanding at the period end were £16k (31 December 2019: £16k and 1 January 2019: £8k).

26. Related party transactions

The directors are considered to be the only key management personnel of the group. Salaries of key management personnel and analysis of Directors emoluments is given in note 7.

In addition to this in 2020 £84k (2019: £84k) was paid to TFM Development Ltd a company of which Sara Murray is also a director and a shareholder. This is for a licence fee paid in respect of a patent owned by TFM Development used by Buddi Ltd as part of its research and development on Alcopatch.

The Group also traded with Union Temporal Sistemas Electronicos De Seguridad (UTSES) a company owned by Buddi Colombia Sucursal Ltd. as part of a joint venture arrangement.

Transactions with UTSES can be summarised as follows.

	Sales to UTSES £'000	Purchases from UTSES £'000	Amounts owed by UTSES £'000	Amounts owed to UTSES £'000
31 December 2020	3,063	—	—	—
31 December 2019	805	—	20	481

27. Controlling party

There is no ultimate controlling party.

28. Post balance sheet events

As at 31 December 2020 the Company had in issue 2,742,026 shares with a nominal value of £0.01 each. On 24 May 2021 a resolution was passed such that the number of shares in issue was increased to 274,202,600 shares, with a nominal value of £0.01 each, through a bonus allotment to existing shareholders of 99 shares for each share held. The nominal value of the new shares issued was deemed paid in full by crediting £2,714,606 to the Company's share premium account. Following this transaction the Company has 274,202,600 shares in issue and paid up share capital of £2,742,026.

29. Nature of financial information

The financial information on the Group presented above does not constitute statutory financial statements for either of the periods ended 31 December 2019 or 31 December 2020.

SECTION C: ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF BIG TECHNOLOGIES PLC



Crowe U.K. LLP
Chartered Accountants
Member of Crowe Global
55 Ludgate Hill
London EC4M 7IW, UK
Tel +44 (0)20 7842 7100
Fax +44 (0)20 7583 1720
DX: 0014 London Chancery Lane
www.crowe.co.uk

26 July 2021

The Directors
Big Technologies plc
Talbot House
17 Church Street
Rickmansworth
WD3 1DE

The Directors
Zeus Capital Limited
82 King Street
Manchester
M2 4WQ

Dear Sirs,

Introduction

We report on the audited historical financial information of Big Technologies plc (the “**Company**”) set out in Section D of Part IV (“**Historical Financial Information of Big Technologies plc**”) of the admission document dated 26 July 2021 (the “**Document**”) of the Company.

Opinion on financial information

In our opinion, the financial information gives, for the purposes of the Document, a true and fair view of the state of affairs of the Company as at the date stated and of the results, financial position, cash flows and changes in equity for the period then ended in accordance with the basis of preparation set out in note 2 to the financial information.

Responsibilities

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in note 2 to the financial information. It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Basis of Preparation

This historical financial information of the Group has been prepared for inclusion in the Document on the basis of preparation and accounting policies set out in note 2 to the financial information. This report is required by part (a) of Schedule Two to the AIM Rules for Companies (the “**AIM Rules**”) and is given for the purposes of complying with the AIM Rules and for no other purpose.

Basis of opinion

We conducted our work in accordance with Standards of Investment Reporting issued by the the Financial Reporting Council in the United Kingdom. We are independent of the Company in accordance with relevant ethical requirements. In the United Kingdom this is the FRC’s Ethical Standard as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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 judgments made by those responsible for the preparation of the financial statements underlying 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.

Declaration

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

Yours faithfully

Crowe U.K. LLP
Chartered Accountants

**SECTION D – HISTORICAL FINANCIAL INFORMATION OF
BIG TECHNOLOGIES PLC**

STATEMENT OF COMPREHENSIVE INCOME

	Seven-months ended 31 December 2018 £'000
Turnover	125
Gross profit	125
Administrative expenses	(1)
Other operating income	9
Operating profit/(loss)	133
Interest payable and expenses	(382)
Loss before tax	(249)
Taxation	—
Loss after tax	(249)
Retained earnings at the beginning of the period	—
Loss for the period	(249)
Retained earnings at the end of the period	(249)

STATEMENT OF FINANCIAL POSITION

	Note	As at 31 December 2018 £'000
Fixed assets		
Investments	4	22,428
		22,428
Current assets		
Cash at bank and in hand	5	787
		787
Creditors: amounts falling due within one year	6	(1,419)
Net current (liabilities)/assets		(632)
Total assets less current liabilities		
Creditors: amounts falling due after one year	7	(10,250)
Net assets		11,546
Capital and reserves		
Called up share capital		26
Share premium account		11,769
Profit and loss account		(249)
Capital and reserves		11,546

1. General information

Big Technologies plc is a private company limited by shares incorporated in England and Wales, registered number 10791781. Its registered office is Talbot House, 17 Church Street, Rickmansworth, Hertfordshire, WD3 1DE. The principal activity of the company is that of a holding company.

The company changed its accounting reference date from 31 May 2019 to 31 December 2018 on 24 September 2019 in order to have an accounting year end that is coterminous with its subsidiary companies.

2. Accounting policies

2.1 Basis of preparation of financial information

The financial information has been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

Management prepares budgets showing the future profitability of Big Technologies Plc and therefore the directors consider it appropriate to prepare the financial information on a going concern basis.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP and figures are rounded to the nearest £'000.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Income and Retained Earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Income and Retained Earnings within 'other operating income'.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Borrowing costs

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the period in which they are incurred.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

3. Employees

The average monthly number of employees, including directors, during the period was 2. No director receives remuneration through this company.

4. **Fixed asset investments**

	Investments in subsidiary companies £'000
Cost or valuation	
At 1 June 2018	12,178
Additions	10,250
At 31 December 2018	22,428

5. **Cash and cash equivalents**

	31 December 2018 £'000
Cash at bank and in hand	787
	787

6. **Creditors: Amounts falling due within one year**

	31 December 2018 £'000
Other loans	500
Amounts owed to group undertakings	420
Other creditors	498
Accruals and deferred income	1
	1,419

7. **Creditors: Amounts falling due after more than one year**

	31 December 2018 £'000
Other loans	10,250
	10,250

The other loans at 31 December 2018 relate to unsecured, convertible loan notes issued on 14 September 2018 (the start date) at an issue price of £1,000 per note with an aggregate principal amount of £10,250,000. Interest is charged at 8% on the loan whose maturity date is the third anniversary of the start date. On specific events, the loan notes can be converted into equity instruments, the number of which is variable dependent on the market value of the equity shares at the date of conversion.

8. **Loans**

Analysis of the maturity of loans is given below:

	31 December 2018 £'000
Amounts falling due within one year	
Other loans	500
	500
Amounts falling due 2-5 years	
Other loans	10,250
	10,250
	10,750

9. **Share capital**

	31 December 2018 £'000
Allotted, called up and fully paid	
2,592,600 (2018 – 2,592,600) Ordinary shares of £0.01 each	26

10. **Nature of financial information**

The financial information of the Company presented above does not constitute statutory financial statements for the seven-month period ended 31 December 2018.

SECTION E: ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF BUDDI LIMITED



Crowe U.K. LLP
Chartered Accountants
Member of Crowe Global
55 Ludgate Hill
London EC4M 7IW, UK
Tel +44 (0)20 7842 7100
Fax +44 (0)20 7583 1720
DX: 0014 London Chancery Lane
www.crowe.co.uk

26 July 2021

The Directors
Big Technologies plc
Talbot House
17 Church Street
Rickmansworth
WD3 1DE

The Directors
Zeus Capital Limited
82 King Street
Manchester
M2 4WQ

Dear Sirs,

Introduction

We report on the audited historical financial information of Buddi Limited (the “**Buddi**”) set out in Section F of Part IV (“**Historical Financial Information of Buddi Limited**”) of the admission document dated 26 July 2021 (the “**Document**”) of the Company.

Qualified opinion on financial information

In our opinion, except for the possible effects of the matter described in the ‘Basis for qualified opinion’ section of our report, the financial information gives, for the purposes of the Document, a true and fair view of the state of affairs of Buddi as at the date stated and of the results, financial position, cash flows and changes in equity for the period then ended in accordance with the basis of preparation set out in note 2 to the financial information.

Responsibilities

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in note 2 to the financial information. It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Basis of Preparation

This historical financial information of Buddi has been prepared for inclusion in the Document on the basis of preparation and accounting policies set out in note 2 to the financial information. This report is required by part (a) of Schedule Two to the AIM Rules for Companies (the “**AIM Rules**”) and is given for the purposes of complying with the AIM Rules and for no other purpose.

Basis of qualified opinion

We draw attention to the accounting policies in note 2 to the financial information and the fact that the prior year financial information was unaudited as Buddi was entitled to exemption from audit. With respect to opening inventory at 1 January 2018, having a carrying amount of £1,317,000, the audit evidence available to us was limited because the counting of the physical inventory as at 31 December 2017 was not observed by the auditors. Owing to the nature of the company’s records, we were unable to obtain sufficient appropriate audit evidence regarding the opening

inventory quantities by using other audit procedures. This limitation in our scope impacts our opinion on the opening profit and loss account deficit of £9,134,000 as at 1 January 2018.

We conducted our work in accordance with Standards of Investment Reporting issued by the the Financial Reporting Council in the United Kingdom. We are independent of Buddi in accordance with relevant ethical requirements. In the United Kingdom this is the FRC's Ethical Standard as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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 judgments made by those responsible for the preparation of the financial statements underlying the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

Except for the matter described in the basis for qualified opinion 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.

Declaration

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

Yours faithfully,

Crowe U.K. LLP

Chartered Accountants

SECTION F – HISTORICAL FINANCIAL INFORMATION OF BUDDI LIMITED

STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December 2018 £'000
Turnover	11,049
Cost of sales	(2,142)
Gross profit	8,907
Administrative expenses	(6,836)
Other operating income	28
Operating profit	2,099
Interest receivable and similar income	—
Interest payable and expenses	(41)
Profit before tax	2,058
Taxation	327
Profit for the financial year	2,385
Total comprehensive income for the year	2,385

STATEMENT OF FINANCIAL POSITION

		31 December 2018 £'000
	Note	<hr/>
Fixed assets		
Tangible assets	5	1,041
Investments	6	—
		<hr/>
		1,041
Current assets		
Stocks		1,694
Debtors: amounts falling due within one year	7	1,863
Cash at bank and in hand	8	2,577
		<hr/>
		6,134
Creditors: amounts falling due within one year	9	(2,607)
		<hr/>
Net current assets		3,527
		<hr/>
Total assets less current liabilities		4,568
Net assets		4,568
Capital and reserves		
Called up share capital		14
Share premium account		11,303
Profit and loss account		(6,749)
		<hr/>
Capital and reserves		4,568
		<hr/> <hr/>

STATEMENT OF CHANGES IN EQUITY

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total equity £'000
At 1 January 2018 (as previously stated)	14	11,303	(10,250)	1,067
Prior year adjustment	—	—	1,116	1,116
At 1 January 2018 (as restated)	14	11,303	(9,134)	2,183
Comprehensive income for the year				
Profit for the year	—	—	2,385	2,385
Total comprehensive income for the year	—	—	2,385	2,385
At 31 December 2018	14	11,303	(6,749)	4,569

1. General information

Buddi Limited is a private company limited by shares incorporated in England & Wales, registered number 05308826. Its registered office is Talbot House, 17 Church Street, Rickmansworth, Hertfordshire, WD3 1DE. Its principal activity is the development and delivery of remote monitoring technologies and services.

2. Accounting policies

2.1 Basis of preparation of financial information

The financial information has been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland.

The prior year financial information was unaudited as Buddi Limited was entitled to exemption from audit.

The following principal accounting policies have been applied:

2.2 Going concern

Management prepares budgets showing the future profitability of Buddi Limited and therefore the directors consider it appropriate to prepare the financial information on a going concern basis.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to Buddi Limited and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- Buddi Limited has transferred the significant risks and rewards of ownership to the buyer;
- Buddi Limited retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

- the amount of revenue can be measured reliably;
- it is probable that Buddi Limited will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that Buddi Limited will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

L/Term Leasehold Property — 5 years

Other fixed assets — 2-3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Financial instruments

Buddi Limited only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that Buddi Limited would receive for the asset if it were to be sold at the balance sheet date.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Foreign currency translation

Buddi Limited functional and presentational currency is GBP and figures are rounded to the nearest £'000.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Income and Retained Earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Income and Retained Earnings within 'other operating income'.

2.12 Pensions

Defined contribution pension plan

Buddi Limited operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which Buddi Limited pays fixed contributions into a separate entity. Once the contributions have been paid Buddi Limited has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from Buddi Limited in independently administered funds.

2.13 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.14 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.15 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where Buddi Limited operates and generates income.

2.16 Research and development

Research costs are expensed as incurred. Development expenditures, on an individual project, are recognised as an intangible asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete and its ability to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset; and
- the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit, being 4 to 8 years. Amortisation is recorded in administrative expenses.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase.

3. Employees

The average monthly number of employees, including directors, during the year was 63.

4. Directors' remuneration

	Year ended 31 December 2018 £'000
Directors' emoluments	561
Company contributions to defined contribution pension schemes	42
	603

5. Tangible fixed assets

	Leasehold property £'000	Other fixed assets £'000	Total £'000
Cost or valuation			
At 1 January 2018	127	2,918	3,045
Additions	12	1,296	1,308
Disposals	—	(336)	(336)
At 31 December 2018	139	3,878	4,017
Depreciation			
At 1 January 2018	88	1,775	1,863
Charge for the year on owned assets	27	1,422	1,449
Disposals	—	(336)	(336)
At 31 December 2018	115	2,861	2,976
Net book value			
At 31 December 2018	24	1,017	1,041

The net book value of land and buildings may be further analysed as follows:

	31 December 2018 £'000
Long leasehold	24

6. Fixed asset investments

	Investments in subsidiary companies £'000
Cost or valuation	
At 1 January 2018	724
At 31 December 2018	724
Impairment	
At 1 January 2018	579
Charge for the period	145
At 31 December 2018	724
Net book value	
At 31 December 2018	—
At 31 December 2017	145

7. Debtors

	31 December 2018 £'000
Trade debtors	1,084
Amounts owed by joint ventures and associated undertakings	539
Other debtors	160
Prepayments and accrued income	80
	1,863

8. Cash and cash equivalents

	31 December 2018 £'000
Cash at bank and in hand	2,577
	2,577

9. Creditors: Amounts falling due within one year

	31 December 2018 £'000
Other loans	37
Trade creditors	428
Amounts owed to group undertakings	2
Other taxation and social security	178
Other creditors	141
Accruals and deferred income	1,821
	2,607

10. Share capital

	31 December 2018 £'000
Allotted, called up and fully paid	
1,448,098 (2017 – 1,448,098) Ordinary shares of £0.01 each	14

11. Pension commitments

Buddi Limited operates a defined contributions pension scheme. The assets of the scheme are held separately from those of Buddi Limited in an independently administered fund. The pension cost charge represents contributions payable by Buddi Limited to the fund and amounted to £68,417. Contributions totalling £8,012 were payable to the fund at the balance sheet date

12. Commitments under operating leases

At 31 December 2018 Buddi Limited had future minimum lease payments under non-cancellable operating leases as follows:

	31-Dec 2018 £'000
Not later than 1 year	169
Later than 1 year and not later than 5 years	662
	831

13. Prior year adjustment

During the year Buddi Limited changed its accounting policy in relation to remote monitoring tracking equipment. In previous years Buddi Limited has expensed this equipment through cost of sales when issued to a customer. However, since Buddi Limited retains title to the asset, and the asset continues to be used to generate revenue for a number of years it is considered more appropriate to issue the asset from stock to fixed assets on despatch and then amortise it over its useful economic life. The impact of changing the accounting policy was to increase fixed assets and opening reserves at 1 January 2017 by £137,200, to increase fixed assets by £1,116,200 at 31 December 2017.

14. Controlling party

On 30 May 2018 Big Technologies Limited purchased 100% of the share capital of Buddi Limited and became its ultimate parent company. The registered office of Big Technologies Limited is the same as that of Buddi Limited.

15. Nature of financial information

The financial information of the company presented above does not constitute statutory financial statements for the year ended 31 December 2018.

PART V

ADDITIONAL INFORMATION

1 Responsibility

The Directors (whose names, addresses and functions appear on page 10 of this Document) and the Company (whose registered office appears on page 10 of this Document) accept responsibility, both individually and collectively, for the information contained in this Document and compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Directors and the Company, the information contained in this Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2 The Group

- 2.1 The Company was incorporated on 26 May 2017 in England and Wales as a private company limited by shares with registered number 10791781 under the name Big Technologies Limited.
- 2.2 On 8 July 2021 the Company was re-registered as a public limited company and changed its name to Big Technologies PLC. The Company is domiciled in the United Kingdom.
- 2.3 The principal legislation under which the Company and its securities operates is the Companies Act and the regulations made thereunder.
- 2.4 The Company's registered office is Talbot House, 17 Church Street, Rickmansworth, United Kingdom, WD3 1DE and will remain so on Admission. The telephone number of its registered office is +44(0) 1923 601910 (UK freephone number: 0800 978800). The Group's website is www.bigtechnologies.co.uk and this will be the website which discloses the information required by Rule 26 of the AIM Rules for Companies.
- 2.5 The Company is a public limited company and accordingly, the liability of the members of the Company is limited to the amount paid up on their shares.
- 2.6 The Company has no administrative, management or supervisory bodies other than the Board, the Audit Committee, Nomination Committee and Remuneration Committee, details of which are set out at paragraph 19 of Part I of this Document.
- 2.7 The principal activity of the Company is to act as the holding company of the Group. The principal activity of the Group concerns the development and supply of Electronic Monitoring technologies, particularly within the Criminal Justice market. The activities of the Group are described in more detail at Part I of this Document.

- 2.8 The Company currently has two wholly owned direct subsidiaries, Buddi Limited and Buddi US, LLC, and two indirect subsidiaries, Electronic Medical Solutions Limited and Buddi Australia Pty Ltd. Buddi Limited has a branch, Buddi Sucursal Colombia SA, registered in Colombia, which holds an interest in two joint venture companies, Union Temporal Sistemas Electronicos de Seguridad and Union Temporal Vigilancia Electronica. Further details of the Group are summarised below:

Name	Country of Incorporation	Field of activity	Direct or Indirect Company ownership	Percentage held (%)
Buddi Limited	England	Main operating subsidiary of the Group which is party to a number of domestic and international contracts	Direct	100
Buddi US, LLC	United States of America	US trading subsidiary	Direct	100
Electronic Medical Solutions Limited	England	Dormant	Indirect	100
Buddi Australia Pty Ltd	Australia	Australian trading subsidiary	Indirect	100
Buddi Sucursal Colombia SA	Colombia	Colombian branch office of Buddi Limited. Party to Colombian Joint Venture Agreement described in paragraph 12.9 of this Part V	Indirect	100
Union Temporal Vigilancia Electronica	Colombia	Colombian trading temporary union which is a joint venture without independent legal personality	Indirect	75
Union Temporal Sistemas Electronicos de Seguridad	Colombia	Dormant temporary union which is a joint venture without independent legal personality	Indirect	50

3 Share Capital of the Company

- 3.1 The issued paid up share capital of the Company prior to Admission and as it is expected to be immediately following Admission, is as follows:

Shares	Aggregate Nominal Value	Number of Shares
Prior to Admission	£2,804,347.50	280,434,750
Immediately following Admission	£2,884,750.82	288,475,082

- 3.2 On incorporation, the initial share capital of the Company was £10 divided into 1,000 ordinary shares having a nominal value of £0.01 each.

- 3.3 The following changes in the issued share capital of the Company has taken place between the Company's date of incorporation and the date of this Document:

<i>Date of Event</i>	<i>Description</i>	<i>No. of Shares Allotted</i>	<i>Subscription Price per Share (£)</i>	<i>Total number of Shares</i>
9 March 2018	Allotment	131,702	£0.59	132,702
20 March 2018	Allotment	131,702	£0.59	264,404
21 May 2018	Allotment	174,454	£5.00	438,858
16 July 2018	Allotment	2,153,692	£5.00	2,592,550
25 July 2019	Allotment	147,476	£66.90	2,740,026
29 July 2019	Allotment	2,000	£66.90	2,742,026
24 May 2021	Bonus Issue, as described at paragraph 3.4 of this Part V	271,460,574	£0.01	274,202,600

- 3.4 On 29 April 2021, the Company passed shareholder resolutions to approve the sum of £2,714,605.74 standing to the credit of the Company's share premium account being capitalised and applied for the purposes of undertaking a bonus issue of 271,460,574 New Shares to all members of the Company recorded on the register of members as at 28 April 2021 (the **Bonus Issue**). The allotment of shares pursuant to the Bonus Issue took place on 24 May 2021. The purpose of the Bonus Issue was to facilitate the re-registration of the Company as a public limited company.
- 3.5 On 19 July 2021, conditionally (excluding the authorities granted under paragraph 3.5(a) to 3.5(b), below) upon Admission occurring by 28 July 2021 or such later date as the Directors and Zeus Capital may agree, providing such date is not later than 8.00 a.m. on 31 August 2021, shareholder resolutions having the following effect were passed:
- the Directors were authorised pursuant to section 551 of the Companies Act to allot up to 14,272,482 Shares in connection with the Placing and the exercise of certain options and warrants on or before 28 July 2021 (unless previously, renewed, revoked, varied or extended);
 - the Directors were given the power (pursuant to section 571 of the Companies Act) to allot equity securities (as defined in section 560 of the Companies Act) pursuant to the authority referred to in paragraph 3.5(a) (above) as if section 561(1) of the Companies Act did not apply to any such allotment, such power being limited to the allotment of up to 14,272,482 Shares);
 - the Directors were generally and unconditionally authorised, until the conclusion of the Company's annual general meeting or the date being fifteen months from the date of the passing of the resolution, whichever is the earlier, to allot shares in the Company or grant rights to subscribe for or convert any security into shares in the Company in accordance with section 551 of the Companies Act up to an aggregate nominal amount of £960,622 (representing approximately one-third of the issued nominal value of the shares of the Company on Admission); and
 - the Directors were given the power (pursuant to sections 570 of the Companies Act) to allot equity securities (as defined in section 560 of the Companies Act) for cash pursuant to the authority conferred by the resolution referred to in paragraph 3.5(c) (above) as if section 561(1) of the Companies Act did not apply to: (i) the allotment of equity securities in connection with an offer of securities to existing shareholders in proportion (so far as practicable) to their existing holdings; and (ii), otherwise than in accordance with (i) for any such allotment, such power being limited to the allotment of equity securities up to an aggregate nominal amount of £288,475 including (but not limited to) for the purpose of financing an acquisition or capital investment.

- 3.6 Pursuant to the approval of the shareholder resolutions described in paragraph 3.5 above of this Part V, the Directors have been duly authorised to issue and allot the Placing Shares.
- 3.7 The Placing Shares will, following allotment, rank *pari passu* in all respects with the Existing Shares including the right to receive all dividends and other distributions hereafter declared, paid or made on the share capital of the Company.
- 3.8 The holders of the Existing Shares will be diluted by the issue of the New Shares. The effect of the issue of the Placing Shares (assuming that the Placing is fully subscribed by parties who are not holders of Existing Shares) will be that holders of Existing Shares, will own approximately 97.21 per cent. of the Enlarged Share Capital.
- 3.9 The Shares are in registered form and may be held either in certificated form or in uncertificated form through CREST. The Articles permit the Company to issue shares in uncertificated form. There are no issued but not fully paid Shares.
- 3.10 The Shares have no redemption or conversion rights.
- 3.11 Section 561 of the Companies Act gives the holders of Shares rights of pre-emption in respect of allotments of securities which are or are able to be paid up in cash (other than by way of allotments to employees pursuant to an employee share scheme as defined under section 1166 of the Companies Act). Subject to limited exceptions and to the extent authorised pursuant to the resolutions of the Shareholders described in paragraph 3.5 above, unless Shareholders' approval is obtained in a general meeting of the Company, the Company must normally offer Shares which are to be issued for cash to existing Shareholders *pro-rata* to their shareholdings.
- 3.12 Other than pursuant to the Placing, the Shares are not being marketed or being made available to the public in whole or in part in conjunction with the application for Admission.
- 3.13 The Existing Shares have not been admitted to listing or dealing on any Recognised Investment Exchange or other trading facility, nor has any application for such admission been made and it is not intended to make any arrangements for dealing in the Shares on any such exchange other than the application to be made in connection with Admission.
- 3.14 The currency of the issue is pounds sterling.
- 3.15 Save as disclosed in this Part V, as at the date of this Document:
- (a) no shares in the capital of the Company or any member of the Group is under option or is the subject of an agreement, conditional or unconditional, to be put under option;
 - (b) no shares in the capital of the Company have been issued, or are now proposed to be issued, otherwise than fully paid;
 - (c) there are no shares in the capital of the Company which do not represent capital;
 - (d) no person has any preferential subscription rights for any share capital of the Company;
 - (e) no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any shares in the capital of the Company;
 - (f) the Company does not hold any of its own Shares as treasury shares and none of the Company's subsidiaries hold any Shares;
 - (g) the Company has no convertible debt securities, exchangeable debt securities or debt securities with warrants in issue; and
 - (h) there are no acquisition rights or obligations over the unissued share capital of the Company and there is no undertaking to increase the share capital of the Company.

4 Share Incentives, Option and Warrants

Options

- 4.1 Details of share option and incentive arrangements are summarised in paragraph 13 of this Part V. As at the date of this Document there are total of 5,689,600 options over Shares and on Admission, there will be a total of 5,470,950 options over Shares, representing approximately 1.90 per cent of the Enlarged Share Capital.
- 4.2 As at the date of this Document, the Company has granted a total of 3,689,600 options over Shares under the terms of the EMI Plan (of which, a total of 200,000 are not approved options for the purposes of HMRC, and the remaining are understood to be qualifying EMI options). In addition, the Company has granted options over a total of 2,000,000 Shares on the basis of individual grants. Details of the options currently under grant are set out in the table below:

<i>Date of Grant</i>	<i>EMI or non-EMI</i>	<i>Exercise Price</i>	<i>Options Granted</i>	<i>Vesting conditions</i>	<i>Exercise Period</i>
14 January 2020	EMI	£0.2676	3,489,600	Options will vest on Admission	From the date of vesting until 14 January 2030
30 June 2018	Non-EMI	£0.3423	200,000	None	From the date of vesting until 30 June 2028
1 January 2021	Non-EMI	£1.10	2,000,000	The options shall vest as follows: (i) 1/3 on 31 December 2021; (ii) 1/3 on 31 December 2022; and (iii) 1/3 on 31 December 2023.	From the date: (i) the market cap of the Company at Admission equals £300,000,000 or more; or (ii) all of the Shares in the Company are sold for a valuation of £300,000,000 or more; or (iii) the sale of assets of the Company or any member of the Group, with such business and assets being valued at £300,000,000 or more until 31 December 2024.

- 4.3 On Admission, the Company has approved the following awards under the terms of the LTIP Plan subject to the following terms:

<i>Date of Grant</i>	<i>Exercise Price</i>	<i>No. Options Granted</i>	<i>Normal Vesting Date</i>	<i>Performance Conditions</i>
Admission	£Nil	155,000	3 years from date of grant	<ul style="list-style-type: none"> 50% based on out performance of the total shareholder return performance AIM 100 index 50% based upon cumulative EBITDA target

- 4.4 On Admission, Buddi Limited (a direct wholly owned subsidiary of the Company) has approved the following awards under the terms of the Growth Share Plan in which the participants may, by exercise of a put option, exchange A Shares in Buddi Limited for Shares as further described at paragraph 13.5 of this Part V.

Name of Beneficiary	Exercise Price	Put option granted	Grant Date	Vesting Terms
Sara Murray	70 A Shares in Buddi Limited	Up to 23,033,018 Shares	21 July 2021	(i) 1/3 on the date of satisfaction of all the performance criteria
Daren Morris	15 A Shares in Buddi Limited	Up to 4,935,647 Shares	21 July 2021	(ii) 1/3 on the first anniversary of the date of satisfaction of all the performance criteria
Charles Lewinton	15 A Shares in Buddi Limited	Up to 4,935,647 Shares	21 July 2021	(iii) 1/3 on the second anniversary of the date of satisfaction of all the performance criteria

Warrants

- 4.5 On 21 July 2019, the Company entered into a warrant deed pursuant to which Sara Murray was granted 5,858,500 warrants to subscribe for Shares at a subscription price of £0.669 (66.9 pence) each. This warrant deed replaced warrants issued pursuant to a deed poll of the Company dated 25 April 2018 and warrant certificate dated 25 July 2019. The terms of the warrants are summarised at paragraph 12.8 of this Part V.

5 Articles of Association

5.1 Objects of the Company

The Articles do not provide for any objects of the Company and accordingly the Company's objects are unrestricted.

5.2 Voting Rights

Subject to any special terms as to voting attached to any class of shares, at any general meeting, on a show of hands, every member present in person or by proxy or (being a corporation) who is present by a duly authorised representative shall be determined in accordance with the Companies Act. On a poll every Member present in person or by proxy or by representative (in the case of a corporate Member) shall have one vote for each share of which he is the holder, proxy or representative. On a poll, a Member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes in the same way. No member is entitled to vote at a general meeting either personally or by proxy if he or any person appearing to be interested in shares held by him has been duly served with a notice under section 793 of the Companies Act and is in default for the prescribed period in supplying to the Company the information required thereby or, unless the Directors determined otherwise, if any calls in respect of shares held by him have not been paid.

5.3 Notices and Quorum of General Meeting

The Company shall hold an annual general meeting once a year. An annual general meeting of the Company shall be called on 21 clear days' notice, that is excluding the date of deemed receipt of such notice and the date of the meeting. Any general meeting of the Company shall be called on 14 clear days' notice. The Directors can call a general meeting at any time they think fit. The Company is required to send notice to members (except where the member is not entitled to such notice under the Articles or pursuant to any other restrictions imposed), the Company's Directors, and auditors. The Articles permit 'hybrid' general meetings (i.e. allowing participation at a physical general meeting by electronic facilities) to be held. In the case of an electronic or hybrid meeting, the notice must specify

the date, time and electronic platform for the meeting. Notice will be sent to those registered in the register of members of the Company at such relevant time as is decided by the Directors in accordance with the Articles. The notice of annual general meeting or general meeting will include a time at which the member must be entered on such register in order to have the right to vote, being not more than forty eight hours before the time fixed for the meeting. The quorum at general meetings will be two Members present in person or by proxy and entitled to vote.

5.4 **Variation of Rights**

If at any time the capital of the Company is divided into different classes of share, the rights attached to any class may be varied either with the written consent of the holders of not less than three-quarters in nominal value of the issued shares of that class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate meeting of the holders of the issued shares of that class. The rights may be so varied either while the Company is a going concern or during or in contemplation of a winding up. The quorum at any such separate meeting (other than an adjourned meeting) shall be not less than two persons entitled to vote and holding or representing by proxy at least one-third in nominal value of the issued shares of the relevant class (excluding any shares of that class held as treasury shares).

5.5 **Lien and Forfeiture**

The Company has a first and paramount lien and charge upon every share (not being a fully paid share) for all amounts payable to the Company whether called or payable at a fixed time in respect of that share. The Board may sell shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within 14 days of notice requiring the holder to do so.

Subject to the Articles and the terms on which the shares are allotted, the Board may make such calls on Shareholders in respect of any money unpaid on their shares. Each Shareholder shall (subject to receipt of at least 14 days' notice) pay to the Company the amount called on his shares. If a sum called or instalment payable in respect of a share is not paid before or on the day appointed for payment, the person from whom the sum is due shall pay interest on the sum and expenses. The notice should also state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.

5.6 **Directors**

Share Qualification

A Director is not required to hold any Shares by way of qualification.

Board Powers

The Directors are responsible for the management of the Company's business and the Directors may exercise all the Company's powers and may do on its behalf anything that can be done by the Company. The Board may delegate any of its power to any committee consisting of one or more Directors or to any Director.

Directors' Conflicts of Interest

Directors must declare to the other Directors any situation in which he has or could have a direct or indirect interest that conflicts or possibly might conflict with the interests of the Company. Save in relation to permitted causes, any Director so interested cannot count as part of a meeting of the Directors in relation to voting for quorum purposes. If a question comes up at a meeting of the Directors about whether a Director (other than the chairperson of the meeting) can vote, the question be referred to the chairperson of the meeting (or if the Director concerned is the chairperson, to the other Directors at the meeting) and his ruling (or the ruling of the majority of other Directors in relation to the chairperson) will be final and conclusive.

Borrowing Powers

The Directors may exercise all of the powers of the Company to borrow money, and to mortgage or charge undertaking, property and assets (present and future) and uncalled capital and, subject to the provisions of applicable laws, to issue debentures, debenture stock, and other securities.

Directors' Meetings

The quorum necessary for the transaction of the business of the Board may be fixed by the Board, and unless so fixed at any other number shall be two.

5.7 Directors' Expenses and Additional Remuneration

The Company may pay on behalf of or reimburse a Director all reasonable traveling, hotel and incidental expenses in connection with their attendance at meetings of directors or committees of directors, general meetings or separate meetings of the holders of any class of shares or of debentures of the Company, and all expenses properly and reasonably incurred otherwise in connection with the exercise of their powers in relation to the Company. A Director who by request of the Board performs special services outside his ordinary duties as a Director or goes or resides abroad for any purposes of the Company may be paid such extra remuneration by way of salary, commission, percentage of profits or otherwise as the Board may determine.

5.8 Retirement and Appointment of Directors

The Company may by ordinary resolution appoint any person willing to act and who is permitted by law to do so, to be a director. The Directors may also from time to time appoint directors, but any director so appointed shall retire by rotation at the next annual general meeting of the Company and stand for re-election. A Director may by ordinary resolution at a meeting of which special notice has been given in accordance with section 312 of the Companies Act, remove any director. A Director may also be removed from office if he receives written notice signed by not less than, in the case of non-executive directors, three-quarters, and in the case of executive directors, a majority or half of the Board if that includes the chairperson of the other Directors removing him from office. The office of a Director shall be vacated if such Director becomes prohibited by law of holding such office and in certain other circumstances.

5.9 Retirement by Rotation

At every annual general meeting, any directors appointed by the Board since the last general meeting and any directors who were not appointed or re-appointed at one of the preceding two annual general meetings of the Company shall retire by rotation and stand for re-election.

5.10 Directors' indemnity and insurance

The Directors may decide to purchase and maintain insurance at the expense of the Company for the benefit of any relevant officer in respect of any loss or liability which has been or may be incurred by that relevant officer in connection with his duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company.

5.11 Transfers

All transfers of shares held in certificated form may be effected by transfer in any usual form or in any other form acceptable to the Directors and shall be executed by or on behalf of the transferor and, if the share is partly paid, the transferee. The Directors may refuse to register the transfer of a certificated share if the transfer is not lodged at the Company's registered office or such other appointed place, it is not duly stamped, it is not accompanied by the certificate or similar documents, it is in respect of more than one class of share or if it is in favour of more than four transferees. All transfers of shares held in uncertificated form will be effected by means of the relevant system.

5.12 Dividends

There are no fixed dates on which a dividend entitlement arises. The Company may by ordinary resolution from time to time declare dividends to be paid to Shareholders, although the amount of the dividend cannot exceed the amount recommended by the Directors. In

addition, the Directors may pay interim dividends if justified by the profits of the Company available for distribution. The dividend payment to each Shareholder shall be calculated proportionately to the amounts paid up on each issued Share. In certain circumstances unclaimed dividends may be used for the benefit of the Company until claimed. Any dividend which remains unclaimed twelve years after the date the dividend becomes due for payment shall be forfeited and shall revert to the Company. Payments of dividends may be made by direct debit, bank transfer, cheque, dividend warrant or money order or by any other method. Subject to the passing of an ordinary resolution by the Shareholders, the Board may offer Shareholders the right to elect to receive additional Shares, credited as fully paid, rather than cash. The Shares rank *pari passu* as a class in terms of preference, restriction, and all other rights.

5.13 Return of Capital

If the Company is wound up, the liquidator may, with the authority of a special resolution and any other authority required by law, divide among the members in specie the whole or any part of the assets of the Company (whether the assets shall consist of property of one kind or different kinds). For this purpose, the liquidator may set such value as the liquidator considers fair on any assets and may determine how to divide it between the members or different classes of members.

Any such division shall be in accordance with the existing rights of the members. The liquidator may, with the authority of a special resolution and any other authority required by law, transfer all or any part of the assets to trustees on such trusts for the benefit of members as the liquidator decides. Where the liquidator divides or transfers any assets in this way, no member shall be required to accept any asset in respect of which there is a liability.

6 Other Relevant Laws and Regulations

6.1 Disclosure Guidance and Transparency Rules

Under Chapter 5 of the Disclosure and Transparency Rules, a person must notify the Company of the percentage of its voting rights he holds as shareholder or through his direct or indirect holding of certain financial instruments (or a combination of such holdings) if the percentage of those voting rights; (a) reaches, exceeds or falls below 3 per cent., 4 per cent., 5 per cent., 6 per cent., 7 per cent., 8 per cent., 9 per cent., 10 per cent. and each 1 per cent. threshold thereafter up to 100 per cent. as a result of an acquisition or disposal of shares or such financial instruments; or (b) reaches, exceeds or falls below an applicable threshold in (a) as a result of events changing the breakdown of voting rights and on the basis of information disclosed by the Company in accordance with the Disclosure and Transparency Rules.

6.2 Takeovers

As a public limited company incorporated and centrally managed and controlled in the UK, the Company is subject to the Takeover Code. Following the implementation of Part 28 of the Companies Act, the Panel has statutory powers to enforce the Takeover Code in respect of companies whose shares are admitted to trading on AIM. Since the date of incorporation of the Company, there has been no takeover offer (within the meaning of Part 28 of the Companies Act for any Shares.

6.3 Mandatory bid

Under Rule 9 of the Takeover Code when (i) a person acquires an interest in shares which (taken together with shares in which he and persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company subject to the Takeover Code; or (ii) a person who, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. and no more than 50 per cent. of the voting rights of a company subject to the Takeover Code, and such person, or any persons acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, then in either case, that person together with the persons acting in concert with him, is normally required to extend a general offer in cash, at the highest price paid by him (or any persons acting in concert with him) for shares in the company within the preceding

12 months, to the holders of any class of equity share capital whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights not already held by them.

6.4 Squeeze-out

Under the Companies Act, an offeror which makes a takeover offer for the Company has the right to buy out minority Shareholders where it has acquired (or unconditionally contracted to acquire) not less than 90 per cent. in value of the shares to which the offer relates and not less than 90 per cent. of the voting rights in the Company. It would do so by sending a notice to the outstanding minority Shareholders telling them that it will compulsorily acquire their shares. Such notice must be sent within three months of the last day on which the offer can be accepted. The notice must be made in the prescribed manner. The squeeze-out of the minority Shareholders can be completed at the end of six weeks from the date the notice has been given, following which the offeror can execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for the outstanding minority Shareholders. The consideration offered to the outstanding minority 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.

6.5 Sell-out

The Companies Act also gives minority Shareholders a right to be bought out in certain circumstances by an offeror who has made a takeover offer for the Company, provided that at any time before the end of the period within which the offer can be accepted, the offeror has acquired (or unconditionally contracted to acquire) not less than 90 per cent. in value of the shares to which the offer relates and not less than 90 per cent. of the voting rights in the Company. A minority Shareholder can exercise this right by a written communication to the offeror at any time until three months after the period within which the offer can be accepted or a later date specified in the notice given by the offeror. An offeror would be required to give the remaining Shareholders notice of their rights to be bought out within the one month from the end of the period in which the offer can be accepted. The offeror may impose a time limit on the rights of the 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 his/her rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

7 Interests of the Directors

Interest in Shares

7.1 The interests of the Directors, so far as is known to them (having made appropriate enquiries), persons connected with them, which expression shall be construed in accordance with the AIM Rules for Companies (all of which are beneficial except as shown), in the Shares as at the date of this Document and as expected to be immediately following Admission, are as follows:

<i>Director</i>	<i>Number of shares held prior to Admission & before the exercise of certain Options & Warrants⁽¹⁾</i>	<i>Percentage of Existing Share Capital</i>	<i>Number of Shares immediately following Admission</i>	<i>Percentage of Enlarged Share Capital</i>
Sara Murray	73,000,000	26.03	73,000,000	25.31
Charles Lewinton	–	–	–	–
Simon Collins	–	–	–	–
Daren Morris	–	–	200,000	0.07
Camilla Macun	–	–	10,000	0.00

⁽¹⁾ Warrants will be exercised in respect of 5,858,500 Shares by Sara Murray and Options will be exercised in respect of 373,650 Shares by Charles Lewinton conditional on Admission, and such Shares issued as a result of such exercise will be sold at Admission.

7.2 As at the date of this Document, the Directors have been granted the following options and or warrants over Shares, as described in the table set out below:

<i>Director</i>	<i>Share Options</i>		<i>Warrants</i>	<i>Exercise Price (£)</i>	<i>Vesting Date</i>	<i>Exercise Period</i>
	<i>No. Shares under option</i>	<i>Option Scheme relevant to award</i>				
Sara Murray	—	—	5,858,500	£0.669	Date of grant (23 July 2019)	5 years from the date of grant
Sara Murray	747,300	EMI Plan	—	£0.2676	On Admission	From the date of Admission until the date falling 10 years from grant.
Charles Lewinton	747,300	EMI Plan	—	£0.2676	On Admission	From the date of Admission until the date falling 10 years from grant.
Simon Collins	2,000,000	Non-EMI Plan	—	£1.10	The options shall vest as follows: (i) 1/3 on 31 December 2021; (ii) 1/3 on 31 December 2022; and (iii) 1/3 on 31 December 2023.	From the date the: (i) the market cap of the Company at Admission equals £300,000,000 or more; or (ii) all of the Ordinary Share Shares in the Company are sold for a valuation of £300,000,000 or more; or (iii) the sale of assets of the Company or any member of the Group, with such business and assets being valued at £300,000,000 or more until 31 December 2024.

Sara Murray, Charles Lewinton and Daren Morris are also beneficiaries of the Growth Share Plan which is detail in paragraph 13.5.

Director Details

7.3 Other than in respect of the Company, the Directors currently hold the following directorships and are partners in the following partnerships and have held the following directorships and been partners in the following partnerships within the five years prior to the publication of this Document:

<i>Name</i>	<i>Current Directorship</i>	<i>Past Directorship</i>
Simon Jeremy Collins	Decoded Limited Simon J Collins & Associates Limited Gold Collins & Associates Limited The RAF100 Appeal Resilience First Limited Royal Air Force (RAF) KPMG Foundation	Switch Mobility Limited Pancreatic Cancer U.K. KPMG Foundation KPMG Europe Holdings Limited KPMG Gulf Holdings Limited Equaterra UK Ltd Nunwood Services Ltd Market Analysis (Nunwood) Limited KPMG LLP KPMG LLP (GBEN) KPMG Europe LLP KPMG Holdings Limited KPMG IT Advisory Limited KPMG Audit Holdings Limited KPMG Sourcing Limited KPMG CW Properties Limited KPMG United Kingdom PLC KPMG Business Intelligence Limited KPMG CIO Advisory Limited KPMG Audit Plc KPMG UK Limited KPMG Overseas Service Limited Makinson Cowell (US) Limited Makinson Cowell Limited KPMG Pension Funding (GP) Limited Daymer International Limited Knowledge Systems (Nunwood) Limited KPMG Nunwood Consulting Limited KPMG Nunwood Investment Limited KPMG Boxwood Limited Flareware Systems Limited
Sara Elizabeth Murray	TFM Inventions Limited TFM Developments Limited The White Ensign Association Limited Electronic Medical Solutions Limited Buddi Limited Buddi Australia PTY Ltd Buddi US LLC CellMark	Boohoo.com Plc
Charles James John Lewinton	Buddi Limited	None

Name	Current Directorship	Past Directorship
Daren John Morris		Volex Cable Assemblies Sdn Bhd Volex Cable Assembly (Shenzhen) Co Ltd Volex Cable Assembly (Zhongshan) Co. Limited Volex France SARL Volex Germany GmbH Volex Interconnect Systems (Suzhou) Co. Ltd Volex Inc. Volex Canada, Inc. Ethical Brand Foundation Limited Ethical Brand Limited Pencon Limited Pendle Connectors Limited Volex Electronics Limited Volex Electrical Products Limited Volex Interconnect Systems Limited Volex Interconnect (India) Private Limited Volex (No.1) Limited Volex (No.2) Limited Volex (No.3) Limited Ionix Development Company Limited Volex Interconnect Products Limited Volex Interconnect Systems Limited Ward and Goldstone Limited Volex (No.5) Limited Silcotec Europe (UK) Limited G.T.K (U.K) Limited GTK (Holdco) Limited Volex Europe (No.1) Limited Cable Products Limited Volex (No.4) Limited Mayor (UK) Limited Volex Group Pension Scheme Trustee Limited Volex Group Holdings Limited Volex plc Volex Executive Pension Scheme Trustee Limited Nexen Tech Corporation Rockmount Financial Limited Opus Corporate Finance LLP Volex (Asia) Pte Limited Volex Holdings Inc. Volex Pte Limited Volex (Thailand) Co Limited Volex Cable Assemblies (Phils) Inc Vallar Holding Company Limited

Name	Current Directorship	Past Directorship
		Volex Cable Assembly (Vietnam) Pte Limited Volex Cables (HK) Limited Volex de Mexico Sa de CV
Camilla Macun	Cranmore Partners Ltd	

- 7.4 Save as disclosed at paragraphs 7.5 and 7.6 and as at the date of this Document, none of the Directors have:
- had any unspent convictions in relation to indictable offences;
 - been declared bankrupt or entered into an individual voluntary arrangement;
 - been a director of any company at the time of or within twelve months preceding any receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with that company's creditors generally or with any class of its creditors;
 - been a partner in a partnership at the time of, or within twelve months preceding, any compulsory liquidation, administration or partnership voluntary arrangement of any such partnership;
 - had any asset which has been the subject of a receivership or has been a partner of a partnership at the time of or within the twelve months preceding any asset of the partnership being the subject of a receivership; or
 - been subject to any public criticism by any statutory or regulatory authority (including any recognised professional body) or has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.
- 7.5 In 1998, Nosis Limited, a company of which Sara Murray was director at the time, was placed into a creditor's voluntary liquidation. The company was dissolved on 08 June 2004 with an estimated deficit to creditors of £70,645.
- 7.6 In 2002, Ninah Limited, a company of which Sara Murray was director, was placed into a creditor's voluntary liquidation. The company was dissolved on 22 March 2004 with an estimated deficit to creditors of £118,692.
- 7.7 There are no outstanding loans granted or guarantees provided by the Company to, or for the benefit of, any of the Directors.
- 7.8 Save as otherwise disclosed in this Document, no Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken as a whole and which was effected by the Company since its incorporation and which remains in any respect outstanding or under-performed.
- 7.9 None of the Directors or any member of their respective families (as defined in the glossary to the AIM Rules for Companies) is interested in any related financial product referenced to the Shares (being a financial product whose value is, in whole or in part, determined directly or indirectly by reference to the price of the Shares, including a contract for difference or a fixed odds bet).

8 Significant Shareholders

8.1 As at the date of this Document and immediately following Admission, save for the interests of the Directors which are set out in paragraph 7 above of this Part V above, the Company is aware of the following persons who are or will hold, directly or indirectly, voting rights representing three per cent. or more of the issued share capital of the Company to which voting rights are attached:

Name	As at the date of this Document		On Admission	
	Number of Shares	Percentage of Existing Share Capital	Number of Shares	Percentage of Enlarged Share Capital
Odey Asset Management LLP ⁽¹⁾	37,397,300	13.34	8,827,900	3.06
RCP Ltd	27,400,000	9.77	8,625,000	2.99
Romelle Ltd	27,389,500	9.77	27,389,500	9.49
Monitoring Partners	26,697,500	9.52	6,697,500	2.32
Zinc Limited	25,901,000	9.24	8,401,000	2.91
Ernström Kapital AB	24,096,900	8.59	24,096,900	8.35
Iville Limited	9,140,000	3.26	9,140,000	3.17
Peter Lawson	8,614,000	3.07	8,614,000	2.99
Liontrust Investment Partners LLP	—	—	30,270,862	10.49
Aberdeen Standard Investments	—	—	13,200,000	4.58
JP Morgan Asset Management UK	—	—	10,095,216	3.50
Schroder Investment Management Limited	—	—	9,039,867	3.13
Chelverton Asset Management Ltd	—	—	8,750,000	3.03

(1) Comprising holdings of OEI MAC Inc and Odey European Inc

8.2 The Company is not aware of any persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.

8.3 There are no differences between the voting rights enjoyed by those persons referred to in paragraph 8.1 of this Part V and those enjoyed by the other holders of Shares.

9 The Selling Shareholders

9.1 The names of the Selling Shareholders, the number of Shares immediately prior to Admission, the number of Sale Shares being sold as part of the Placing and the number of Shares immediately following Admission and completion of the Placing are expected to be as follows:

Selling Shareholder	Business Address	Number of shares held prior to Admission & before the exercise of certain Options & Warrants	No. of Shares immediately prior to Admission⁽³⁾	No. of Sale Shares being sold as part of the Placing	No. of Shares immediately following Admission
RCP Limited	PO Box 602 La Plaiderie House St Peter Port Guernsey GY1 4NL	27,400,000	27,400,000	18,775,000	8,625,000
Monitoring Partners	La Plaiderie House, St Peter Port, Guernsey, GY1 4NL	26,697,500	26,697,500	20,000,000	6,697,500
Zinc Limited	PO Box 659, International Trust Building, Road Town, Tortola, British Virgin Islands	25,901,000	25,901,000	17,500,000	8,401,000
OEI Mac, Inc	DE (Cayman) Limited, PO Box 775, Landmark Square, West Bay Road, Grand Cayman, KY1 9006	20,561,200	20,561,200	15,107,800	5,453,400
Odey European Inc	DE (Cayman) Limited, PO Box 775, Landmark Square, West Bay Road, Grand Cayman, KY1 9006	16,836,100	16,836,100	13,461,600	3,374,500
Sara Murray ⁽¹⁾	Talbot House 17, Church St, Rickmansworth WD3 1DE	73,000,000	78,858,500	5,858,500	73,000,000
David George	Talbot House 17, Church St, Rickmansworth WD3 1DE	6,617,400	6,617,400	1,323,480	5,293,920
Judith Murray ⁽²⁾	Talbot House 17, Church St, Rickmansworth WD3 1DE	1,000,000	1,000,000	400,000	600,000
Charles Lewinton	Talbot House 17, Church St, Rickmansworth WD3 1DE	—	373,650	373,650	—

⁽¹⁾ Sara Murray is an existing Director of the Company and current CEO.

⁽²⁾ Judith Murray is a connected person of Sara Murray, and is disposing of 400,000 Shares

⁽³⁾ This reflects the exercise of Warrants in respect of 5,858,500 Shares by Sara Murray and the exercise of Options in respect of 373,650 Shares by Charles Lewinton, both of which were exercised conditional on Admission

10 Terms of Engagement of the Directors and the Proposed Directors

10.1 Letter of Appointment – Simon Jeremy Collins

On 12 July 2021, Simon Jeremy Collins executed a letter of appointment with the Company pursuant to which he agreed to act as the Independent Non-Executive Chairman of the Company. The letter of appointment is effective from 12 July 2021 and shall continue unless terminated earlier by either party giving to the other three (3) month's prior written notice. Simon Jeremy Collins is expected to spend between 15-25 days per annum on work for the Company, including attendance at board meetings and at annual general meetings. Simon Jeremy Collins shall be paid £70,000 gross per annum, payable monthly in arrears.

10.2 Service Agreement – Sara Elizabeth Murray

On 7 July 2021, Sara Elizabeth Murray entered into a service agreement with the Company under the terms of which Sara Elizabeth Murray agreed to act as Chief Executive Officer of the Company. The service agreement is effective from 7 July 2021 and shall continue indefinitely unless terminated by either party giving to the other not less than 12 months' notice in writing. Sara Elizabeth Murray shall be required to devote such time as may be reasonably required to enable her to carry out her duties to the Company under the service agreement. The gross fee payable to Sara Elizabeth Murray is £357,000 per annum which shall accrue day-to-day and is payable in monthly arrears.

10.3 Service Agreement – Daren John Morris

On 7 July 2021, Daren John Morris entered into a service agreement with the Company under the terms of which he agreed to act as Chief Financial Officer of the Company. The service agreement is effective from 7 July 2021 and shall continue indefinitely unless terminated by either party giving to the other not less than 6 months' notice in writing. Daren John Morris shall be required to devote such time as may be reasonably required to enable him to carry out his duties to the Company under the service agreement. The gross fee payable to Daren John Morris is £230,000 per annum which shall accrue day-to-day and is payable in monthly arrears.

10.4 Service Agreement – Charles James John Lewinton

On 7 July 2021, Charles James John Lewinton entered into a service agreement with the Company under the terms of which he agreed to act as Chief Technology Officer of the Company. The service agreement is effective from 7 July 2021 and shall continue indefinitely unless terminated by either party giving to the other not less than 12 months' notice in writing. Charles James John Lewinton shall be required to devote such time as may be reasonably required to enable him to carry out his duties to the Company under the service agreement. The gross fee payable to Charles James John Lewinton is £150,000 per annum which shall accrue day-to-day and is payable in monthly arrears.

10.5 Letter of Appointment – Camilla Macun

On 7 July 2021, Camilla Macun executed a letter of appointment with the Company pursuant to which she agreed to act as an Independent Non-Executive Director of the Company. The letter of appointment is effective from 7 July 2021 and shall continue unless terminated earlier by either party giving to the other three (3) month's prior written notice. Camilla Macun is expected to spend between 15-25 days per annum on work for the Company, including attendance at board meetings and at annual general meetings. Camilla Macun shall be paid £50,000 gross per annum, payable in monthly arrears.

11 Employees

- 11.1 As at December 2020 the Group had engaged a total of 256 employees. A breakdown of the employees by their general role, employer and location as at 31 December 2020 is set out below:

<i>Function</i>	<i>Buddi Limited</i>	<i>Buddi US, LLC</i>	<i>Buddi Sucursal Colombia SA</i>	<i>UTVELEC</i>	<i>Buddi Australia Pty Ltd</i>
Management	2	1	1	1	2
Development	29	0	0	0	0
Administration	5	0	2	9	1
Sales	13	2	1	0	0
Operations	30	1	0	66	93
Totals by Geographic Location	79 UK	4 USA	4 Colombia	76 Colombia	96 Australia

12 Material Contracts

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

12.1 Nominated Adviser and Broker Agreement

The Company and the Directors entered into a Nominated Adviser and Broker Agreement dated 21 July 2021 with Zeus Capital pursuant to which Zeus Capital agreed to act as the Company's nominated adviser and broker in connection with Admission and to provide ongoing services as nominated adviser and broker to the Company as required under the AIM Rules for Companies. Pursuant to the Nominated Adviser and Broker Agreement, the Company and the Directors agree to comply with their obligations under the AIM Rules for Companies. The Company shall pay to Zeus Capital in respect of its services as nominated adviser and broker an annual retainer fee of £65,000.

12.2 Placing Agreement

On 21 July 2021, the Company, the Directors and Zeus Capital entered into the Placing Agreement. The Placing Agreement is conditional, *inter alia*, on Admission taking place not later than 28 July 2021 (or such later date as Zeus and the Company may agree, but in any event no later than 31 August 2021).

Pursuant to the Placing Agreement, Zeus Capital has agreed to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price. The Placing Agreement provides for the Company to pay all expenses of, and incidental to, the Placing and the application for Admission.

Zeus Capital shall be entitled to receive a commission calculated at a rate of 3 per cent. of gross value of funds raised pursuant to the Placing, plus at the sole discretion of the Company, an additional 1 per cent. of the gross value of funds raised pursuant to the Placing.

The Placing Agreement contains certain customary warranties given by the Company and the Directors in favour of Zeus Capital, including as to the accuracy of information contained in this Document and a customary indemnity from the Company in favour of Zeus Capital which is unlimited in time and amount.

The Directors and the Company has also given certain customary undertakings to Zeus Capital in connection with Admission. The Directors who will hold Shares and/or options over Shares on Admission have agreed to enter into lock-in agreements of a customary nature and the terms of those documents are described in paragraph 12.5 of this Part V.

Zeus Capital may terminate the Placing Agreement in customary specified circumstances prior to Admission, including where there is a breach or alleged breach of warranty or the occurrence of a specified force majeure event at any time prior to Admission.

12.3 Selling Shareholder Agreements

The Company, Zeus Capital and the Selling Shareholders entered into the Vendor Placing Agreements, the Company and each of the Selling Shareholders pursuant to which Zeus Capital has been appointed to use its reasonable endeavours (as the agent to the Selling Shareholders) to procure buyers for the Sale Shares at the Placing Price on the basis of the information contained in this Document. The obligations of Zeus Capital are subject to and conditional upon, *inter alia*, the Placing Agreement becoming unconditional, Admission and the Selling Shareholders complying with their obligations under the agreement. The Selling Shareholders are required to provide certain warranties in favour of Zeus.

12.4 Relationship Agreement with Sara Murray

On 21 July 2021, the Company, Sara Murray and Zeus Capital Limited entered into a relationship agreement. As at Admission, Sara Murray (the **Significant Shareholder**) and her associates will have an interest in 73,600,000 Shares representing 25.51 per cent. of the Enlarged Share Capital. The Relationship Agreement will apply for so long as the Company's Shares are admitted to trading on AIM, there being no action being undertaken to wind-up or dissolve the Company (including by a creditors arrangement or by the appointment of a receiver), there being no action or steps taken in relation to the creditors arrangements in respect of the Company and the appointment of receivers in respect of the Company's assets and for so long as the Significant Shareholder individually or together with her associates holds more than 15% of the voting rights at a general meeting of the Company attaching to Shares.

The Significant Shareholder undertakes to each of the Company and Zeus Capital not to exercise her voting rights and shall procure (so far as she is properly able to do so) that each of her associates shall not exercise their respective voting rights (to the extent that they are able by the exercise of such rights to procure) in a manner that frustrates:

- (a) the Group and the business being managed for the benefit of the Shareholders' as a whole;
- (b) the composition of the Board (save for a period of six months' immediately following Admission) being comprised at all times of at least as many non-executive directors as there are executive directors of the Company;
- (c) transactions, agreements and arrangements between any member of the Group and the Significant Shareholder and any of her associates, being on an arm's length basis; and
- (d) the Company being managed in accordance with the QCA Code to the extent practicable for the size, stage of development and operations of the Group at the relevant time or any other corporate governance regime adopted by the Board from time to time.

The Significant Shareholder undertakes to each of the Company and Zeus Capital that she shall not and shall procure (so far as she is properly able to do so) that none of her associates shall:

- (e) take any action that would have the effect of preventing any member of the Group from complying with obligations under any the Companies Act, FSMA, the AIM Rules for Companies, the AIM Rules for Nominated Advisers, the Takeover Code, MAR and the QCA Code;
- (f) (save in relation to any resolution to either preserve the appointment of the Nominated Director as defined below or remove the Significant Shareholder from the Board) exercise her voting rights in respect of any resolution relating to a transaction, agreement or arrangement with or relating to the Significant Shareholder or any of her associates; or
- (g) exercise her voting rights to procure or seek to procure any amendment to the Articles which would be inconsistent with the provisions of the Relationship Agreement.

Should the Significant Shareholder no longer serve as a director of the Company, then for so long as the Significant Shareholder individually or together with her associates is interested in 15% or more of the voting rights at the general meeting of the Company attaching to Shares, she shall be entitled to nominate a Director (a **Nominated Director**) for appointment to the Board. Any such nomination shall be made by giving notice in writing to the Company (copied to Zeus Capital) (a **Director Nomination Notice**). The Nominated Director may be removed and or replaced by notice of the Significant Shareholder from time to time, subject to prior written approval of Zeus Capital (not to be unreasonably withheld, sanctioned or delayed) following customary due diligence in order to confirm their suitability.

The Significant Shareholder may require the removal of a Nominated Director by giving notice in writing to the Company and the Director being removed (copied to Zeus Capital) (a **Director Removal Notice**).

12.5 Directors Lock-in Agreements

Each of the Directors holding an interest in Shares or options as at Admission, who in aggregate hold 73,210,000 Shares (representing 25.4 per cent. of the Enlarged Share Capital) have entered into lock-in and orderly market agreements dated 21 July 2021, pursuant to which they have agreed with the Company and Zeus Capital, subject to certain customary and limited exceptions:

- (h) for a 12 month period they will not directly or indirectly transfer the legal and/or beneficial ownership (or any interest therein or in respect thereof) of any Shares held by them immediately after Admission (or any Shares which may accrue to it as a result of such holding) or enter into any transaction with the same economic effect as any of the foregoing; and
- (i) for a further period of 12 months after the initial lock-up period ends, for the purposes of maintaining an orderly market they will not directly or indirectly transfer the legal and/or beneficial ownership (or any interest therein or in respect thereof) of any Shares held by them immediately after Admission (or any Shares which may accrue to it as a result of such holding) or enter into any transaction with the same economic effect as any of the foregoing otherwise than through Zeus Capital.

12.6 Selling Shareholders Lock-in Agreements

Each of the Selling Shareholders, who in aggregate hold 111,445,320 Shares (representing 38.6 per cent. of the Enlarged Share Capital) as at Admission have entered into lock-in and orderly market agreements dated 21 July 2021, pursuant to which they have agreed with the Company and Zeus Capital, subject to certain customary and limited exceptions:

- (a) for a three month period they will not directly or indirectly transfer the legal and/or beneficial ownership (or any interest therein or in respect thereof) of any Shares held by them immediately after Admission (or any Shares which may accrue to it as a result of such holding) or enter into any transaction with the same economic effect as any of the foregoing; and
- (b) for a further period of three months after the initial lock-up period ends, for the purposes of maintaining an orderly market they will not directly or indirectly transfer the legal and/or beneficial ownership (or any interest therein or in respect thereof) of any Shares held by them immediately after Admission (or any Shares which may accrue to it as a result of such holding) or enter into any transaction with the same economic effect as any of the foregoing otherwise than through Zeus Capital.

12.7 Deed of Termination of Shareholders' Agreement

The existing shareholders of the Company had entered into a shareholders' agreement dated 25 April 2018 in relation to the operation of the Company and the relationship between shareholders. On 21 June 2021, all shareholders and the Company had entered into a deed of termination in respect of the Shareholders' Agreement, such that the parties have agreed to terminate such agreement and to confirm that the shareholders will irrevocably and unconditionally release each other from every obligation under that agreement, and to waive all and any rights in respect of any future claims under that agreement.

12.8 Sara Murray Warrant Deed

On 21 July 2021, the Company entered into a warrant deed pursuant to which the Company granted Sara Murray 5,858,500 warrants to subscribe for Shares in the Company at an exercise price of £0.669 (66.9 pence) per Share. The effective date of the warrant deed is 23 July 2019. The warrants are exercisable at any time after the date of grant until the fifth anniversary of the date of grant. The warrants are not subject to any performance conditions.

12.9 Colombian Joint Venture Agreement

On 17 October 2019, Buddi Sucursal Colombia SA (**Buddi Colombia**) entered into a joint venture agreement with Honor for the purpose of establishing Vigilancia Electronica (**UTVELEC**) (the **JV Agreement**). UTVELEC is owned by Buddi Colombia and Honor (the **JV Parties**) in the following respective proportions: 75:25 (the **JV Interests**).

Under the terms of the JV Agreement, the JV Parties agreed to prepare a joint proposal to Unidad de Servicios Penitenciarios de Colombia (**USPEC**), as part of a public tendering selection process conducted in connection with the procurement and supply of a tracking solution technology to be utilised on individuals who are under house arrest in Colombia (**Services**).

The parties were successful in securing the tender with USPEC, and the parties entered into a commercial agreement for the purpose of providing the services to USPEC (the **Project**). The agreement governing the Project is due to expire in September 2021.

The obligation to contribute towards the financing of the operations of UTVELEC is undertaken in accordance with the JV Parties respective JV Interests, and such funding is required to be made by way of loan to UTVELEC. Under the JV Agreement, Buddi Colombia has agreed that it will be responsible for providing, technology, software and hardware, as well as the technical knowledge and personnel required to be able to undertake the project. The JV Parties are required under the JV Agreement to establish a committee which will be responsible for supervision of the Project and for reaching key decisions. The JV Parties will vote on decisions in accordance with the JV Interests with the exception of certain decisions which are required to be made unanimously. The JV Agreement will terminate on the earlier of five (5) years since the award of the Project or the parties decision to terminate the joint venture. Upon dissolution, the earnings (profits) will be distributed to the JV Parties in accordance with their JV Interests upon the termination and winding up of the joint venture.

The agreement is governed by the laws of Colombia and any dispute will be required to be resolved by arbitration as a dispute resolution process.

12.10 Simon Collins Option Deed

On 21 July 2021 the Company entered into an option deed pursuant to which the Company granted Simon Collins 2,000,000 options to subscribe for Shares in the Company at an exercise price of £1.10 per Share, with effect from 1 January 2021. The options are exercisable from: (i) the date the Company's Shares are admitted with a market capitalisation of £300,000,000 or more; or (ii) the date all of the Shares are sold for £300,000,000 or more; or (iii) the date all of the Company's or a member of the Group's business or assets are sold for £300,000,000 or more, until 31 December 2024. The options shall vest as follows: (i) 1/3 on 31 December 2021; (ii) 1/3 on 31 December 2022; and (iii) 1/3 on 31 December 2023.

12.11 Collaboration with TFM

Buddi Limited, a subsidiary of the Company, has entered into an agreement with TM Inventions Limited, pursuant to which the parties have agreed to collaborate on the development of a new product. TFM is providing an exclusive licence to Buddi of certain intellectual property rights, which are being used for the purpose of developing the product. Sara Murray is both a director of that company and a shareholder of TFM. To date, the Company has paid a total of £84,000 to TFM Developments Limited, the parent company of TFM, in relation to this project.

TFM is entitled to receive a payment of £100,000 per annum during the development phase of the project in consideration for granting to Buddi Limited an exclusive royalty free licence of certain intellectual property rights. Research and development activities are inherently uncertain and there can be no assurances that a product will be capable of being commercialised.

If Buddi is successful in developing a product as a result of the collaboration, TFM shall grant an exclusive licence to Buddi in the intellectual property required for the product in consideration for a 3.5 per cent share of the revenue generated from the product (per annum) or, otherwise, an one-off fee as may be agreed between the parties.

12.12 Cornerstone Investment Agreement

On 8 July 2021, Liontrust Investment Partners LLP ("**Liontrust**") and the Company entered into a cornerstone investment agreement to, subject to certain conditions, subscribe for Placing Shares (the "**Cornerstone Investment Agreement**"). Subject to the terms of the Cornerstone Investment Agreement, Liontrust has agreed to acquire Placing Shares at the Placing Price with an aggregate value of £60 million (the "**Cornerstone Commitment**"). The Cornerstone Investment Agreement contains the obligation of Liontrust to subscribe for such number of Placing Shares, calculated by dividing its Cornerstone Commitment by the Placing Price, and to pay for such Placing Shares on Admission, subject to the following conditions:

- that the market capitalisation of the Company at Admission is not more than £577 million;
- Admission occurs on or before 30 September 2021;
- the Placing Agreement has become effective and unconditional in all respects and not having been terminated on or before Admission;
- this Document contains no material changes when compared to the draft document sent to Liontrust on 8 July 2021;
- the publication of this Document; and
- Liontrust receives its full Cornerstone Commitment.

(together, the "**Conditions**").

The Cornerstone Investment Agreement will terminate if the Conditions are not fulfilled or waived. If Liontrust fails to pay for the Placing Shares allocated to it, the Placing Shares may be sold as the Company and Zeus Capital may determine in their absolute discretion and Liontrust will remain liable for any shortfall and to bear any stamp duty or stamp duty reserve tax or any similar taxes which may arise upon the sale of such Placing Shares. The Cornerstone Investment Agreement contains customary warranties and indemnities given by Liontrust to each of the Company, the Selling Shareholders and Zeus Capital in connection with the Cornerstone Commitment.

13 Share Option Scheme Arrangements

13.1 On Admission, the Group will adopt the following share incentive plans, the principal provisions of which are summarised below:

- (a) the Company long term incentive plan (the **LTIP**), which will be used to incentivise employees (including executive directors) and to assist with both the retention and recruitment of employees and directors; and
- (b) the Company's subsidiary, Buddi Limited, will establish a new share based incentive plan established for the purpose of incentivising directors and senior executives of the Group to promote the growth in the equity value of the Group on a long term basis (the **Growth Share Plan**).

13.2 As at the date of this Document, the Company operates an EMI share option scheme for the benefit of its employees who are based in the United Kingdom (the **EMI Scheme**). As the Company no longer meets the eligibility criteria for an EMI Scheme, it is proposed to implement the LTIP and the Company does not plan to make further awards under the EMI Scheme.

13.3 The LTIP Scheme, Growth Share Plan and the EMI Scheme shall be referred to collectively for the purpose of this section as the “**Share Option Schemes**”. Further details of each of the Share Option Schemes are set out paragraphs 13.4 to 13.6 (inclusive) below.

13.4 **LTIP Share Option Scheme**

The LTIP is a discretionary share plan which will be administered and operated by the Remuneration Committee.

Eligibility

Any *bona fide* employee (including an executive director) of any member of the Group will be eligible to participate in the LTIP at the absolute discretion of the Remuneration Committee.

Form of awards

Awards under the LTIP may be in the form of:

- (a) a conditional right to receive ordinary shares in the Company (a **Conditional Award**); or
- (b) an option to acquire ordinary shares which shall include the right to grant options at nil cost (a nil-cost option) or at nominal value (a nominal-cost option) (together an **Option**),

Conditional Awards and Options are together referred to as **LTIP Awards**, and each an **LTIP Award**, as applicable. The term ordinary shares in the context shall mean, Shares (or, if the context requires, shares or other securities for the time being representing such shares in the consequence of any variation of the share capital of the Company).

Grant of LTIP Awards

LTIP Awards may normally be granted within the 42 day period beginning on: (a) the announcement of the Company’s results for any period; or (b) any day on which the Remuneration Committee determines that exceptional circumstances exist which justify the grant of an LTIP Award, PROVIDED THAT no award may be granted on any day on which a restriction on dealing in Shares applies. A restriction in this context refers to any restrictions on dealing in the Shares of the Company imposed by law and, including, MAR and the AIM Rules for Companies).

Settlement

LTIP Awards may be satisfied using: (i) newly issued shares; (ii) by the transfer of treasury shares; or (iii) by the transfer of existing shares (purchased on the market or otherwise), including shares in an employee trust. The Remuneration Committee has the discretion to change the way in which it is intended that an LTIP Award is satisfied.

Dividend Equivalents

The Remuneration Committee may determine on or before the date of grant that, the Company may provide additional Shares to the participant based on the value of dividends paid on vested ordinary shares.

Performance Conditions

The Remuneration Committee may determine if an LTIP Award will be granted subject to the satisfaction of a performance condition which will determine the proportion (if any) of the LTIP Award capable of vesting at the end of a performance period. A performance period will usually be three financial years long (or such other duration as the Committee determines).

Any performance condition may be varied or substituted if the Remuneration Committee so determines provided that in the opinion of the Remuneration Committee any varied or substituted performance condition is a fairer measure of performance, no more difficult to satisfy than the original performance condition was at the grant date and is not materially easier to satisfy.

Vesting, Release and Exercise

LTIP Awards shall vest on the later of the vesting date specified in the LTIP award certificate (which shall not normally be prior to the third anniversary of the grant) or the date on which the Remuneration Committee determines whether any performance condition or other condition has been satisfied (if applicable).

LTIP Awards may be subject to a holding period which shall normally be 24 months following the date of vesting (a **Holding Period**).

An LTIP Award which is subject to a Holding Period will ordinarily be released (so that the participant is entitled to acquire the ordinary shares) following the end of the Holding Period. Alternatively, LTIP Awards that are subject to a Holding Period may be granted on the basis that the participant is entitled to acquire ordinary shares following vesting but that, other than sales to cover tax liabilities, they are not entitled to dispose of ordinary shares until the end of the Holding Period.

LTIP Awards which are not subject to a Holding Period will ordinarily be released at vesting.

LTIP Awards granted in the form of Options will normally be exercisable from the date of vesting or, if applicable, the end of the Holding Period until the tenth anniversary of the grant date, or such earlier date as the Remuneration Committee determines.

Recovery provisions (malus and clawback)

On the grant date the Committee shall determine a clawback period (**Clawback Period**) which in the absence of such determination shall be two years. At any time during the Clawback Period following the grant of an LTIP Award, the Remuneration Committee may require the participant to either return some or all of the shares acquired pursuant to the LTIP Award or make a cash payment to the Company in respect of the cash or shares delivered. The Remuneration Committee may also reduce (to zero if appropriate) or cancel the LTIP Award (if ordinary shares have not been delivered in respect of it, including if it is subject to a Holding Period).

The Remuneration Committee will retain the discretion to calculate the amount subject to recovery, including whether to clawback such amount gross or net of any tax or social security contributions applicable to the LTIP Award.

The circumstances in which the Remuneration Committee may invoke these malus and clawback provisions are where

- (c) any member of the Group materially misstated its financial results for any reason and that misstatement results or resulted either directly or indirectly in an LTIP Award being granted or vesting to a greater extent than would have been the case had that misstatement not been made;
- (d) any performance condition and/or any other condition being satisfied based on an error, or on inaccurate or misleading information or assumptions which resulted either directly or indirectly in an LTIP Award being granted or vesting to a materially greater extent than would have been the case had that error not been made;
- (e) circumstances arose (or continued to arise) during the vesting period which would have warranted the summary dismissal of the participant; and/or
- (f) any other circumstances that in the sole opinion of the Remuneration Committee have (or would have if made public) a significant impact on the reputation of any member of the Group or the business in which the participant is employed (including, but not limited to, corporate failure).

Leaver Provisions

- (g) Unvested LTIP

Ordinarily, unvested LTIP Awards will lapse on cessation of employment. However, if a participant ceases to hold office or employment by reason of death, ill-health, injury, disability, retirement, redundancy, the participant's employing company or the business within which they are employed being transferred out of the Group or any other reason at the Remuneration Committee's discretion (a **Good Leaver**), any unvested LTIP Award

they hold will usually continue and be released at the originally anticipated vesting date, or release date where there is a Holding Period. The Remuneration Committee will retain the discretion to vest the LTIP Award as soon as reasonably practicable after the cessation of employment or at some other time (such as following the end of the performance period in the case of an LTIP Award which would otherwise be subject to a Holding Period).

If a participant ceases employment by reason of death the LTIP Award will be released as soon as reasonably practicable thereafter. The extent to which an LTIP Award held by a Good Leaver or a participant that dies is released will be determined by reference to (a) the extent to which any performance condition has been satisfied (as determined by the Remuneration Committee in the event of release before the end of the performance period) and (b) unless the Remuneration Committee determines otherwise, taking into account the proportion of the performance period (or vesting period in the case of an LTIP Award that is not subject to a performance condition) that has elapsed at the date of cessation.

(h) Vested but unreleased LTIP Awards

If an LTIP Award is granted subject to a Holding Period and the participant ceases employment during the Holding Period, the LTIP Award will normally be released, to the extent vested, at the normal release date. The Remuneration Committee will have discretion to release the LTIP Award at the date of cessation.

(i) Vested Options

Good Leavers are entitled to retain vested Options for a period of 12 months following the later of the cessation of their employment and the vesting date, following which the Options shall lapse.

Corporate Events

In the event of a change of control of the Company, unvested LTIP Awards will vest and be released (and vested but unreleased LTIP Awards will be released) as soon as reasonably practicable.

Unvested LTIP Awards will vest taking into account the extent to which any performance condition has been satisfied at the date of change of control (as determined by the Remuneration Committee) and, unless the Remuneration Committee determines otherwise, taking into account the proportion of the performance period (or vesting period in the case of an LTIP Award that is not subject to a performance condition) that has elapsed. Alternatively, the Remuneration Committee may require LTIP Awards to be exchanged for awards over ordinary shares or other securities in the acquiring company.

If other events occur such as, a demerger, delisting, special dividend or other event which, in the opinion of the Remuneration Committee, may affect the current or future value of ordinary shares, the Remuneration Committee may determine that LTIP Awards will vest and be released on terms that the Remuneration Committee may determine.

13.5 Growth Share Option Plan

The Growth Share Plan was adopted by Buddi Limited on 21 July 2021 pursuant to which a total of 100 A shares in Buddi Limited (**A Shares**) were issued to the senior managers in the Group. The A Shares are non-voting shares but may have the right to receive any distributions declared provided that the Satisfaction Criteria (as defined below) has been met and the Company consents. Pursuant to the terms of the Growth Share Plan (a summary of which is set out below) the holders of the A Shares have the right to exchange their A Shares into Shares as set out below:

A Share Exchange Criteria

The holders of the A Shares shall be entitled to exchange their A Shares upon satisfaction of the following criteria:

Share Price Criteria

- (a) on or before the third anniversary of Admission, the share price of the Shares, based on the average closing share price over any period of 30 day:

Price of Shares	Award
£3.10 to £3.64	6,855,065 Shares to 27,420,260 Shares on a straight-line basis
£3.65 to £4.38 (or more)	27,420,260 Shares to 32,904,312 Shares on a straight-line basis

and on the third anniversary of Admission, the holders of the A Shares entitlement to exchange their A Shares with Shares will crystallise and the holders of the A Shares shall be entitled to exchange their A Shares into Shares (subject to the Vesting Periods).

- (b) if and to the extent the above criteria has not been achieved to the maximum possible thresholds, then the holders of the A Shares will, subject to the crystallisation of their entitlement on the third anniversary of Admission, be given a further year to achieve their entitlement to the maximum possible thresholds with revised targets, as follows:

Price of Shares	Award
£3.58 to £4.45	6,855,065 Shares to 27,420,260 Shares on a straight-line basis
£4.45 to £5.68 (or more)	27,420,260 Shares to 32,904,312 Shares on a straight-line basis

and on the fourth anniversary of Admission, the holders of the A Shares shall be entitled to exchange their A Shares into Shares (subject to the Vesting Periods).

Time Criteria

In the event that one or more Share Price Criteria are satisfied prior to the third anniversary of Admission, the earliest that the holders of the A Shares shall be entitled to exchange their A Shares with Shares shall be the third anniversary of Admission.

(the Share Price Criteria and Time Criteria together the “**Satisfaction Criteria**”)

A Share Exchange

Upon satisfaction of the Satisfaction Criteria either the Company or the holders of the A Shares may elect to exchange the A Shares for Shares on the basis of the tables above. The A Shares may be exchanged; as follows:

- (c) one-third on the Satisfaction Criteria date;
- (d) one-third on the first anniversary of the Satisfaction Criteria date; and
- (e) one-third on the second anniversary of the Satisfaction Criteria date.

(“**Exchange Vesting Date**”)

Exit Event

Upon an Exit Event occurring (which in the context of the Growth Share Plan shall be (i) the transfer of Shares to a bidder pursuant to a takeover offer or (ii) a sale of all or substantially all of the business and assets of the Company):

- (f) if the Share Price Criteria has been met but some or all of the A Shares have not yet been exchanged, either the Company or the A Shareholders may elect to exchange all of the remaining A Shares; and
- (g) if the Share Price Criteria has not been met, then the value given to the Company upon the Exit Event shall be applied using a straight line test to the Share Price Criteria and the amount of Shares to be exchanged shall be reduced by the same proportion.

Leaver Provisions

Upon an A Share holder being deemed a Bad Leaver (as defined below) then the Company (or their nominee) may purchase the A Shares at nominal value. Should an A Share holder be deemed a Good Leaver (as defined below), the Time Criteria be satisfied and the Share Price Criteria reach £3.65 per Share, then the A Share holder may retain their A Shares and participate in any exchange. Should the A Share holder be deemed a Good Leaver but the Time Criteria and the Share Price Criteria not reach £3.65 per Share, then the Company may acquire the A Shares at nominal value, where in the context of the Growth Share Plan:

- (h) Bad Leaver means: a person who ceases to be employed or engaged by the Group as a consequence of:
 - (i) such person's resignation, except in: (i) the case of death or permanent disability, which has rendered the leaver incapable of working; or (ii) circumstances which constitute a constructive, wrongful and/or unfair dismissal save in the case that unfair dismissal is as a result of a procedural defect; or
 - (ii) that person's dismissal for cause, where "cause" shall mean the lawful termination of that person's contract of employment or consultancy without notice or payment in lieu of notice as a consequence of that person's misconduct or as otherwise permitted pursuant to the terms of that person's contract of employment or consultancy;
- (i) Good Leaver means: a person who ceases to be employed or engaged by the Group and who is not a Bad Leaver and shall include, without limitation, when the Board determines that a person is not a Bad Leaver.

13.6 **EMI Plan**

The EMI Plan was adopted by the Company on 5 December 2019. Awards made under the EMI Plan take the form of an option to acquire Shares at an exercise price which has been determined by the Board or, if it so determines, nil exercise price.

Eligibility

Any employees or executives of the Company or any subsidiary of the Company may be granted EMI Awards.

Grant

The Board has discretion to determine the grant of EMI Plan awards from time to time upon such terms as they may determine appropriate. The Company may make EMI Plan awards under the terms of the EMI Plan at any time, provided that this is not later than the date falling on the tenth anniversary of the adoption of the EMI Plan, being 4 December 2029.

Performance Conditions and Vesting

The Board may grant options subject to the satisfaction of any performance target and other conditions it may determine. The Board may also substitute, vary or waive a performance condition or target where it determines that such performance conditions or targets are no longer appropriate.

If the Board determines that any performance target or other condition has not been satisfied either in whole or in part in relation to an option and can no longer be satisfied, the option shall lapse immediately as to the proportion in relation to which the performance target or other condition has not been satisfied, unless the Board determines otherwise.

Vesting shall occur either on the date specified in an option certificate issued to an option holder or, otherwise, upon such date as the Board determines that a performance target or condition has been satisfied. The option may be exercised upon the earlier of, the date of vesting or an exit event which includes a Relevant Transaction as defined below.

The EMI Plan options will vest upon the occurrence of a "**Relevant Transaction**", which is defined in the EMI Plan as *inter alia*: (i) the admission to trading of a majority of the issued share capital of the Company to an investment exchange (including any overseas) recognised

under the Financial Services and Markets Act 2000; (ii) a sale to a third party purchaser of all (or substantially all) of the assets and business of the Company; or (iii) a change of control of the Company by way of sale of all or part of the share capital of the Company).

Exercise and Lapse of Options

An option may be exercised at anytime after vesting and prior to lapsing, an option shall lapse on the earliest of:

- (a) the 10th anniversary of the date of grant;
- (b) the expiry of any set out period upon takeover or winding up of the Company;
- (c) the day following the first anniversary of the date of death of the option holder (unless otherwise unanimously determined by the Board);
- (d) any performance target or other condition not being satisfied and being no longer capable of being satisfied;
- (e) the option holder ceases to be a relevant employee (unless otherwise unanimously determined by the Board);
- (f) the winding up of the Company;
- (g) upon the option holder's bankruptcy;
- (h) any other date provided for under the EMI Plan.

14 Litigation

14.1 Buddi US and Buddi are engaged in two disputes in the US, details of which are set out below.

Dispute with Nexus Services, Inc

- (a) Buddi US and Buddi entered into a lease agreement with Nexus Services, Inc, t/a Libre ("**Nexus**") ("**Lease Agreement**") pursuant to which Buddi US and Buddi agreed to provide monitoring equipment and other services to Nexus. As a result of Nexus's non-payment of invoices being in the region of \$7 million in relation to equipment and services that had been supplied to Nexus (the "**Unpaid invoices**"), Buddi US and Buddi terminated the Lease Agreement with effect from 20 May 2020;
- (b) On 26 May 2020, Nexus filed a claim against Buddi US and Buddi in the District Orange County, Florida alleging a breach of contract ("**Nexus Claim**"), at which time the amount owed in respect of the Unpaid Invoices (including interest) by Nexus to Buddi US and Buddi was approximately \$7 million. On 17 June 2020, Buddi US and Buddi denied all allegations contained in the Nexus Claim and issued a counterclaim on the basis that this case arises from a breach of contract by Nexus, for reason, among other things, of non-payment of the Unpaid Invoices;
- (c) This matter is set for trial in August 2022. Whilst there is uncertainty with any litigation, Buddi US and Buddi's attorney is confident that those companies will be successful in their claims and will defeat the Nexus Claim. They are advising on this matter on a contingency basis so neither Buddi US nor Buddi will have to pay the attorneys' fees unless damages are recovered for Buddi US and Buddi, in which case they will be paid out of the amounts recovered.
- (d) Nexus has not quantified the damages they are seeking.
- (e) The Group has created a bad debt provision of £3,011,000 in respect of the amounts owed by Nexus to Buddi US and Buddi under the Lease Agreement, including the Unpaid Invoices.

Class Action Complaint brought by SC

- (f) On 25 June 2020, an individual known as “SC” filed a class action complaint against Buddi US and Buddi. SC is an undocumented immigrant residing in the United States who was participating in Nexus’s release bond program. SC paid Nexus for participation in such program. So far as the Directors are aware, SC is the only individual taking part in this class action complaint.
 - (g) Following termination of the Lease Agreement (referred to in paragraph 14.2(a) above), Buddi US and Buddi were provided with contact details of approximately 25 Nexus program participants by Nexus to recover GPS ankle monitoring bracelets directly from the program participants. SC is, *inter alia*, alleging that Buddi US and Buddi used the GPS tracking bracelet to identify their location to initiate contact with them – an allegation that Buddi US and Buddi deny.
 - (h) SC’s complaint is based on four separate alleged violations. Buddi US and Buddi’s attorney does not believe that two violations would stand on the point of law. In respect of the other two, they assess that in respect of one, the court may award SC with monetary loss incurred or with \$500 in damages for each violation, whichever is greater and in respect of another one, the Court may impose a fine of \$5,000 per violation or three times the amount of SC’s actual damages.
 - (i) SC is advised by the same law firm as Nexus is in relation to the matters referred to in paragraphs 14.2(a) to 14.2(e) above. Both SC and Nexus have failed to provide documents requested by Buddi US and Buddi to fully evaluate the complaint.
 - (j) This complaint and all liabilities that may arise as a result of it are covered by Buddi US’s current insurance policies.
 - (k) In addition, pursuant to the Lease Agreement, Nexus has provided to Buddi US and Buddi an indemnity to hold harmless those companies from any and all claims and lawsuits with respect to any act(s) of any person assigned to location monitoring, home detention or curfew utilising Buddi US and Buddi’s equipment or services provided under the Lease Agreement.
- 14.2 The Company and Buddi Limited received a letter of potential claim on 22 July 2021 on behalf of a small number of former shareholders of Buddi Limited. The letter notifies the Company and Buddi Limited of a potential claim in respect of the operation of a drag mechanism contained in the articles of Buddi Limited that was utilised in connection with the acquisition of Buddi Limited dating back to May 2018. The letter makes clear, amongst other things, that the claimants’ investigations into any alleged wrongdoing on the part of the Company or Buddi Limited are ongoing, that the letter had been sent to give the Company and/or Buddi Limited an opportunity to respond to the claimants’ concerns and to ensure that the Company is able to comply with all of the regulatory, notification and disclosure requirements connected with the Placing. Having received this letter the Company has sought advice from the solicitors who advised the Company on the operation of the drag mechanism in 2018, its solicitors acting on the Placing and the Admission and from Queen’s Counsel and having reviewed that advice (which is the subject of legal privilege which is not waived) is satisfied that the drag mechanism was exercised properly in accordance with its terms and that any claim brought by the former Buddi Limited shareholders would be likely to be defeated.
- 14.3 Save as set out in paragraph 14.1 and 14.2 above, no member of the Group is or has been involved in any governmental, legal or arbitration proceedings and the Company is not aware of any such proceedings pending or threatened by or against the Group during the 12 months preceding the date of this Document, which may have or have had in the recent past a significant effect on the financial position or profitability of the Group.

15 Intellectual Property Rights

- 15.1 The Group has developed proprietary hardware and software monitoring systems and wearable technology, which is described in Part I, being of material importance to the Group. The Group undertakes considerable effort to protect its intellectual property rights, but certain

aspects of the Group's intellectual property estate comprise of unregistered intellectual property rights, subsisting as copyright and know-how. The trademarks and domain names of the Group are of material importance to the business of the Group.

- 15.2 Save as disclosed in this Document, there are no patents or other intellectual property rights that are of fundamental importance to the business of the Group.

16 Working Capital

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

17 UK Taxation

The following information is based on UK tax law and HM Revenue and Customs ("HMRC") practice currently in force in the UK (2021/22 UK tax year). Such law and practice (including, without limitation, rates of tax) is in principle subject to change at any time. The information that follows is for guidance purposes only. Any person (individual or corporate) who is in any doubt about his or her position should contact their professional advisor immediately.

17.1 Tax treatment of UK investors

The following information, which relates only to UK taxation, is applicable to persons who are tax resident in the UK under domestic law and who beneficially own Shares as investments and not as securities to be realised in the course of a trade. It is based on the law and practice currently in force in the UK. The information is not exhaustive and does not apply to potential investors:

- (a) who intend to acquire, or may acquire (either on their own or together with persons with whom they are connected or associated for tax purposes), more than 5 per cent., of any of the classes of shares in the Company; or
- (b) who will be required to treat the Shares as "employment related securities" for UK tax purposes; or
- (c) who intend to acquire Shares as part of tax avoidance arrangements; or
- (d) who are in any doubt as to their UK taxation position.

Such Shareholders should consult their professional advisers without delay. Shareholders should note that tax law and interpretation can change and that, in particular, the levels, basis of and reliefs from taxation may change. Such changes may alter the benefits of investment in the Company.

Shareholders who are neither resident nor temporarily non-resident in the UK and who do not carry on a trade, profession or vocation through a branch, agency or permanent establishment in the UK with which the Shares are connected, will not normally be liable to UK taxation on dividends paid by the Company or on capital gains arising on the sale or other disposal of Shares. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

17.2 UK Dividends

Where the Company pays dividends no UK withholding taxes are deducted at source, Shareholders who are resident in the UK for tax purposes will, depending on their circumstances, be liable to UK income tax or corporation tax on those dividends.

UK resident individual Shareholders who are domiciled in the UK, and who hold their Shares as investments, will be subject to UK income tax on the amount of dividends received from the Company.

UK dividend income received by UK tax resident individuals will have a £2,000 annum dividend tax allowance UK dividend receipts in excess of £2,000 will be taxed at 7.5 per cent. for basic rate taxpayers, 32.5 per cent. for higher rate taxpayers, and 38.1 per cent. for additional rate taxpayers.

Shareholders who are subject to UK corporation tax should generally, and subject to certain anti-avoidance provisions, be able to claim exemption from UK corporation tax in respect of any dividend received but will not be entitled to claim relief in respect of any underlying tax.

17.3 Disposals of Shares

Any capital gain arising on the sale, redemption, transfer, gift, or other disposal of these Shares will be taxed at the time of such disposal under UK capital gains tax/corporation tax provisions.

The rate of capital gains tax on the disposal of Shares by individuals will depend on their marginal rate of UK tax. Capital gains falls within the basic rate band will be subject to tax at a rate of 10 per cent. with capital gains falling into the upper and additional rate subject to tax at a rate of 20 per cent. Please note that the UK Government commissioned a review of the capital gains tax regime in July 2020 and these rates could increase in future years.

Subject to certain exemptions, the corporation tax rate applicable to its taxable profits is currently 19 per cent. In the Budget on 3 March 2021 it was announced that the rate increase to 25% after 1 April 2023.

17.4 Further information for Shareholders subject to UK income tax and capital gains tax

Transactions in securities

The attention of Shareholders (whether corporates or individuals) within the scope of UK taxation is drawn to the provisions set out in, respectively, Part 15 of the Corporation Tax Act 2010 and Chapter 1 of Part 13 of the Income Tax Act 2007, which (in each case) give powers to HM Revenue and Customs to raise tax assessments so as to cancel “tax advantages” derived from certain prescribed “transactions in securities”. Should these specific provisions apply the result would be to re-characterise any capital gains as income

Stamp Duty and Stamp Duty Reserve Tax

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 stamp duty reserve tax or (except where stated otherwise) to persons connected with depositary arrangements or clearance services who may be liable at a higher rate.

No stamp duty or stamp duty reserve tax will generally be payable on the issue of Shares.

Neither UK stamp duty nor stamp duty reserve tax should arise on transfers of Shares on AIM (including instruments transferring Shares and agreements to transfer Shares) based on the following assumptions:

- the Shares are admitted to trading on AIM, but are not listed on any market (with the term “*listed*” being construed in accordance with section 99A of the Finance Act 1986), and this has been certified to Euroclear; and
- AIM continues to be accepted as a “*recognised growth market*” as construed in accordance with section 99A of the Finance Act 1986).

In the event that either of the above assumptions does not apply, stamp duty or stamp duty reserve tax may apply to transfers of Shares in certain circumstances.

Any transfer of Shares for consideration prior to admission to trading on AIM is likely to be subject to stamp duty or stamp duty reserve tax.

The above comments are intended as a guide to the general stamp duty and stamp duty reserve tax position and may not relate to persons such as charities, market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services to whom special rules apply.

THIS SUMMARY OF UK TAXATION ISSUES CAN ONLY PROVIDE A GENERAL OVERVIEW OF THESE AREAS AND IT IS NOT A DESCRIPTION OF ALL THE TAX CONSIDERATIONS THAT MAY BE RELEVANT TO A DECISION TO INVEST IN THE COMPANY. THE SUMMARY OF CERTAIN UK TAX ISSUES IS BASED ON THE LAWS AND REGULATIONS IN FORCE AS OF THE DATE OF THIS DOCUMENT AND MAY BE

SUBJECT TO ANY CHANGES IN UK LAWS OCCURRING AFTER SUCH DATE. LEGAL ADVICE SHOULD BE TAKEN WITH REGARD TO INDIVIDUAL CIRCUMSTANCES. ANY PERSON WHO IS IN ANY DOUBT AS TO HIS TAX POSITION OR WHERE HE IS RESIDENT, OR OTHERWISE SUBJECT TO TAXATION, IN A JURISDICTION OTHER THAN THE UK, SHOULD CONSULT HIS PROFESSIONAL ADVISER.

18 Related Party Transactions

Save as disclosed in paragraph 12.11 of this Part V and the historical financial information set out in Part IV of this Document, during the period of two years immediately preceding the date of this Document, no company in the Group has entered into any related party transactions.

19 Environmental

19.1 The Directors are not aware of any environmental issues or risks affecting the Group and its operations.

20 Significant Change

20.1 Save as disclosed in this Document, there has been no significant change in the financial position or financial performance of the Group since 31 December 2020, being the date on which the audited consolidated financial information of the Group set out in Section B of Part IV of this Document has been prepared.

21 Consents

21.1 The nominated adviser and broker to the Company is Zeus Capital, which is authorised and regulated in the United Kingdom by the FCA. Zeus Capital has not withdrawn its consent to the issue of this Document with the inclusion of its name and reference to it in the form and context in which it appears.

21.2 Crowe U.K. LLP, in its capacity of Reporting Accountants and Auditors to the Company has given and not withdrawn its written consent to the inclusion in this Document of its reports set out in sections A, C and E of Part IV of this Document in the form and context in which they are included, and it has accepted responsibility for its reports for the purposes of Schedule Two of the AIM Rules for the Companies. Crowe U.K. LLP has also given and not withdrawn its written consent to the inclusion in this Document of references to its name in the form and context in which they appear. Crowe U.K. LLP is registered to carry out audit work by the Institute of Chartered Accountants in England and Wales and has no material interest in the Company.

22 General

22.1 The financial information set out in this Document does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts have been delivered to the registrar of companies for the three accounting periods ended 31 December 2020. Auditors' reports in respect of each statutory accounts have been made under section 495 of the Companies Act 2006 and each such report was an unqualified report, and did not contain any statement under section 498(2) or (3) of the Companies Act 2006.

22.2 The accounting reference date of the Company is 31 December.

22.3 No person (other than the Company's professional advisers named in this Document and trade suppliers) has at any time within the twelve month period preceding the date of this Document received, directly or indirectly, from the Company or entered into any contractual commitment not otherwise disclosed in this Document to receive, directly or indirectly, from the Company on or after Admission any fees, securities in the Company or any other benefit to the value of £10,000 or more save for:

- Rockmount Financial Limited, a company controlled by the wife of Daren Morris, for services provided in relation to Admission; and
- Simon J Collins & Associates, company controlled by Simon Collins, for the provision of services (prior to formal appointment as Chairman).

- 22.4 The gross proceeds of the Placing receivable by the Company are expected to be approximately £16.1 million. It is estimated that the total expenses payable by the Company in connection with the Placing and Admission will amount to £1.4 million (excluding VAT). It is therefore estimated that the net proceeds of the Placing receivable by the Company after the settlement of both fees and expenses are expected to be approximately £14.7 million.
- 22.5 The Placing Price of 200 pence represents a premium of 199 pence above the nominal value of a Share. The Placing Price is payable in full on Admission.
- 22.6 The Shares are in registered form and will, following Admission, be capable of being held in uncertificated form. Prior to the despatch of share certificates following the Placing, transfers will be certified against the register of members. The Company has applied to Euroclear, the operator of CREST, for the Shares to be admitted to CREST with effect from Admission and Euroclear has agreed to such admission. CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument. The Articles permit the holding of Shares under CREST. CREST is a voluntary system and holders of Shares who wish to retain share certificates will be entitled to do so.
- 22.7 No person has made a public takeover bid for the Company's issued share capital since its incorporation or in the current financial period and the Company is not aware of the existence of any takeover pursuant to the rules of the Panel.
- 22.8 The Company confirms that where information in this Document has been sourced from third parties, it has been accurately reproduced and so far as the Company is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 22.9 So far as the 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.
- 22.10 Save as disclosed in this Document, the Directors are unaware of any exceptional factors which have influenced the Company's activities.
- 22.11 The Directors are unaware of any environmental issues that may affect the Company's utilisation of its tangible fixed assets.
- 22.12 Save as disclosed in this Document, so far as the Directors are aware, there have not, in relation to the Company, been:
- (a) any significant recent trends in production, sales, inventory, costs and selling prices between the end of the last financial year of the Company and the date of this Document; or
 - (b) any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material adverse effect on the Company's prospects for at least the current financial year.
- 22.13 Save as disclosed in this Document, there are no investments in progress and there are no future investments on which the Directors have already made firm commitments which are significant to the Company.

23 Availability of this Document

Copies of this Document are available free of charge from the Company's registered office located at Talbot House, 17 Church Street, Rickmansworth, United Kingdom, WD3 1DE and from the offices of Hill Dickinson LLP, The Broadgate Tower, 20 Primrose Street, London, EC2 2EW during normal office hours (Saturday, Sunday and public holidays excepted) and shall remain available for at least one month after Admission. A copy of this Document is available and can be downloaded free of charge from the Company's website at: www.bigtechnologies.co.uk.

24 Documents for Inspection

Copies of the following documents may be inspected at the registered office of the Company during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this Document until one month following Admission:

- (a) the memorandum and articles of association of the Company; and
- (b) this Document.

Dated: 26 July 2021

PART VI

TERMS AND CONDITIONS OF THE PLACING

IMPORTANT INFORMATION FOR INVITED PLACEEES ONLY REGARDING THE PLACING AND VENDOR PLACING.

THE INFORMATION AND TERMS CONTAINED IN THIS DOCUMENT AND THIS PART VI (THE “**PLACING TERMS**”) ARE RESTRICTED AND ARE NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO OR FROM THE UNITED STATES, THE REPUBLIC OF IRELAND, AUSTRALIA, CANADA, JAPAN, THE REPUBLIC OF SOUTH AFRICA OR ANY OTHER JURISDICTION IN WHICH SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL (EACH A “**RESTRICTED TERRITORY**”).

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING OR VENDOR PLACING. THIS DOCUMENT AND THE PLACING TERMS ARE FOR INFORMATION PURPOSES ONLY AND ARE DIRECTED ONLY AT PERSONS WHOSE ORDINARY ACTIVITIES INVOLVE THEM ACQUIRING, HOLDING, MANAGING AND DISPOSING OF INVESTMENTS (AS PRINCIPAL OR AGENT) FOR THE PURPOSES OF THEIR BUSINESS AND WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND ARE: (A) PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA (“**EEA**”) WHO ARE QUALIFIED INVESTORS WITHIN THE MEANING OF ARTICLE 2(E) OF THE PROSPECTUS REGULATION (WHICH MEANS REGULATION 2017/1129 AS AMENDED FROM TIME TO TIME) (THE “**PROSPECTUS REGULATION**”) (“**QUALIFIED INVESTORS**”); OR (B) IN THE UNITED KINGDOM, PERSONS WHO ARE QUALIFIED INVESTORS WITHIN THE MEANING OF THE UK VERSION OF THE EU PROSPECTUS REGULATION WHICH FORMS PART OF DOMESTIC LAW PURSUANT TO THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (THE “**UK PROSPECTUS REGULATION**”) AND WHO ARE PERSONS WHO (I) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE “**ORDER**”); OR (II) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) (“**HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC**”) OF THE ORDER; OR (C) ARE PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS “**RELEVANT PERSONS**”).

THIS DOCUMENT AND THE INFORMATION IN IT MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. PERSONS DISTRIBUTING THIS DOCUMENT MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS DOCUMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS DOCUMENT DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN THE COMPANY.

THIS DOCUMENT IS NOT AN OFFER OF SECURITIES FOR SALE INTO THE UNITED STATES. THE PLACING SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT 1933, AS AMENDED (THE “**US SECURITIES ACT**”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD OR TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. SUBJECT TO CERTAIN EXCEPTIONS AND AT THE SOLE DISCRETION OF THE COMPANY, THE PLACING SHARES ARE BEING OFFERED AND SOLD ONLY OUTSIDE THE UNITED STATES IN “**OFFSHORE TRANSACTIONS**” WITHIN THE MEANING OF, AND IN ACCORDANCE WITH, REGULATION S UNDER THE US SECURITIES ACT AND OTHERWISE IN ACCORDANCE WITH APPLICABLE LAWS. NO PUBLIC OFFERING OF THE PLACING SHARES IS BEING MADE IN THE UNITED STATES, THE UNITED KINGDOM OR ELSEWHERE. NO MONEY, SECURITIES OR OTHER CONSIDERATION FROM ANY PERSON INSIDE THE UNITED STATES IS BEING SOLICITED AND, IF SENT IN RESPONSE TO THE INFORMATION CONTAINED IN THIS DOCUMENT, WILL NOT BE ACCEPTED.

EACH PLACEE SHOULD CONSULT WITH ITS ADVISERS AS TO LEGAL, TAX, BUSINESS AND RELATED ASPECTS OF AN INVESTMENT IN PLACING SHARES. THE DISTRIBUTION OF THIS DOCUMENT, ANY PART OF IT OR ANY INFORMATION CONTAINED IN IT MAY BE RESTRICTED BY LAW IN CERTAIN JURISDICTIONS, AND ANY PERSON INTO WHOSE POSSESSION THIS DOCUMENT, ANY PART OF IT OR ANY INFORMATION CONTAINED IN IT COMES SHOULD INFORM THEMSELVES ABOUT, AND OBSERVE, SUCH RESTRICTIONS.

Persons (including, without limitation, nominees and trustees) who have a contractual right or other legal obligation to forward a copy of this Document should seek appropriate advice before taking any action.

This Document should be read in its entirety. In particular, you should read and understand the information provided in this Part VI.

By participating in the Placing and Vendor Placing (the **"Placing"**), each person who chooses to participate in the Placing (a **"Placee"**) will be deemed to have read and understood this Document in its entirety, to be participating, making an offer and acquiring Placing Shares on the terms and conditions contained herein and to be providing the representations, warranties, indemnities, acknowledgements and undertakings contained in this Part VI.

In particular, each such Placee represents, warrants, undertakes, agrees and acknowledges to Zeus Capital, the Company and the Selling Shareholders (amongst other things) that:

- (a) it is a Relevant Person and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;
- (b) in the case of a Relevant Person in the United Kingdom who acquires any Placing Shares pursuant to the Placing:
 - (i) it is a Qualified Investor within the meaning of Article 2(e) of the UK Prospectus Regulation; and
 - (ii) in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Article 5(1) of the UK Prospectus Regulation:
 - (A) the Placing Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant State other than Qualified Investors or in circumstances in which the prior consent of Zeus Capital has been given to the offer or resale; or
 - (B) where Placing Shares have been acquired by it on behalf of persons in any Relevant State other than Qualified Investors, the offer of those Placing Shares to it is not treated under the Prospectus Regulation as having been made to such persons;
- (c) in the case of a Relevant Person in a member state of the EEA (each a **"Relevant State"**) who acquires any Placing Shares pursuant to the Placing:
 - (i) it is a Qualified Investor within the meaning of Article 2(e) of the EU Prospectus Regulation; and
 - (ii) in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Article 5(1) of the EU Prospectus Regulation:
 - (A) the Placing Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in a Relevant State other than Qualified Investors or in circumstances in which the prior consent of Zeus Capital has been given to the offer or resale; or
 - (B) where Placing Shares have been acquired by it on behalf of persons in a Relevant State other than Qualified Investors, the offer of those Placing Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons;

- (d) it is acquiring the Placing Shares for its own account or is acquiring the Placing Shares for an account with respect to which it exercises sole investment discretion and has the authority to make and does make the representations, warranties, indemnities, acknowledgements, undertakings and agreements contained in this Document;
- (e) it understands (or if acting for the account of another person, such person has confirmed that such person understands) the resale and transfer restrictions set out in this Part VI;
- (f) except as otherwise permitted by the Company and subject to any available exemptions from applicable securities laws, it (and any account referred to in paragraph (d) above) is outside the United States acquiring the Placing Shares in offshore transactions as defined in and in accordance with Regulation S under the US Securities Act;
- (g) it 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 and may not be offered, sold or transferred, directly or indirectly, within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States; and
- (h) the Company, the Selling Shareholders and Zeus Capital will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

No prospectus

No prospectus or other offering document has been or will be submitted to be approved by the FCA in relation to the Placing or the Placing Shares and Placees' commitments will be made solely on the basis of the information contained in this Document and any information publicly announced through a Regulatory Information Service (as defined in the AIM Rules for Companies) by or on behalf of the Company on or prior to Admission (the "**Publicly Available Information**") and subject to any further terms set forth in the form of confirmation to be sent to individual Placees.

Each Placee, by participating in the Placing, agrees that the content of this Document is exclusively the responsibility of the Company and confirms that it has neither received nor relied on any information (other than the Publicly Available Information), representation, warranty or statement made by or on behalf of Zeus Capital, the Company, the Selling Shareholders or any other person and none of Zeus Capital, the Company, the Selling Shareholders or any other person acting on such person's behalf nor any of their respective affiliates has or shall have any liability for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

Zeus Capital makes no representation to any Placees regarding an investment in the Placing Shares.

Details of the Placing Agreement and the Placing Shares

Pursuant to the Placing Agreement with the Company and subject to the terms and conditions set out in the Placing Agreement, Zeus Capital, as agent for and on behalf of the Company and the Selling Shareholders, has agreed to use its reasonable endeavours to procure Placees for the New Shares and the Sale Shares at the Placing Price.

Pursuant to the Selling Shareholder Agreements with each of the Selling Shareholders and subject to the terms and conditions set out in the Selling Shareholder Agreements, Zeus Capital as agent for and on behalf of the Selling Shareholders, has agreed to use its reasonable endeavours to procure Placees for the Sale Shares at the Placing Price.

The New Shares will, when issued, and the Sale Shares, when purchased, be subject to the articles of association of the Company and credited as fully paid and will rank *pari passu* in all respects with the Existing Shares in the Company, including the right to receive all dividends and other distributions declared, made or paid in respect of such Shares after the date of issue of the New Shares or purchase of the Sale Shares (as applicable).

Application for admission to trading

Application will be made to the London Stock Exchange for admission of the Shares (including the Placing Shares) to trading on AIM. It is expected that Admission will become effective at 8.00 am on or around 28 July 2021 (or such later date as the Company and Zeus Capital may agree in writing, in any event being not later than 31 August 2021) and that dealings in the Shares on AIM will commence at the time of Admission.

Participation in the Placing

This Part VI gives details of the terms and conditions of, and the mechanics of participation in, the Placing and Vendor Placing. No commissions will be paid to Placees or by Placees in respect of any Placing Shares. Zeus Capital and the Company shall be entitled to effect the Placing by such alternative method as they may, in their sole discretion, determine.

Principal terms of the Placing

- (a) Zeus Capital is acting as bookrunner to the Placing, as agent for and on behalf of the Company. Zeus Capital is authorised and regulated in the United Kingdom by the FCA and is acting for the Company (in respect of the New Shares) and for the Selling Shareholders (in respect of the Sale Shares) and no one else in connection with the matters referred to in this Document and will not be responsible to anyone other than the Company or the Selling Shareholders for providing the protections afforded to the customers of Zeus Capital or for providing advice in relation to the matters described in this Document.
- (b) Participation in the Placing will only be available to persons who may lawfully do so, and who are invited by Zeus Capital to participate in the Placing. Zeus Capital and any of its affiliates are entitled to participate in the Placing as principal.
- (c) The final number of Placing Shares to be issued or acquired at the Placing Price will be agreed and determined between Zeus Capital and the Company and such details will be announced by the Company through a Regulatory Information Service pursuant to the placing results announcement.
- (d) Each Placee's allocation in the Placing shall be determined by Zeus Capital and the Company. Placees commitments to subscribe for and/or acquire the Placing Shares will be made orally to Zeus Capital on a recorded telephone line and a form of confirmation documenting such commitment will be dispatched by Zeus Capital by email as soon as possible thereafter. That oral confirmation will give rise to an irrevocable, legally binding commitment by that person (who at that point becomes a Placee), in favour of Zeus Capital and the Company, under which it agrees to subscribe for and/or acquire the number of Placing Shares allocated to the Placee at the Placing Price and otherwise on the terms and subject to the conditions set out in this Part VI and in accordance with the Company's articles of association. Except with Zeus Capital's written consent, such commitment will not be capable of variation or revocation at the time at which it is submitted. The terms of this Part VI will also be deemed incorporated in the form of confirmation.
- (e) Each Placee will have an immediate, separate, irrevocable and binding obligation, owed to Zeus Capital (as agent for the Company and the Selling Shareholders), to pay to it (or as it may direct) in cleared funds an amount equal to the product of the Placing Price and the number of Placing Shares such Placee has agreed to subscribe for and/or acquire and the Company has agreed to allot and issue and the relevant Selling Shareholder has agreed to sell to that Placee.
- (f) Irrespective of the time at which a Placee's allocation(s) pursuant to the Placing is/are confirmed, settlement for all Placing Shares to be subscribed for and/or acquired pursuant to the Placing will be required to be made at the same time, on the basis explained below under "Registration and Settlement".
- (g) All obligations of Zeus Capital under the Placing will be subject to fulfilment of the conditions referred to below under "Conditions of the Placing" and to the Placing not being terminated on the basis referred to below under "Termination of the Placing".

- (h) All obligations of Zeus Capital under the Vendor Placing will be subject to fulfilment of the conditions referred to below under “Conditions of the Vendor Placing” and to the Vendor Placing not being terminated on the basis referred to below under “Termination of the Vendor Placing”.
- (i) By participating in the Placing, each Placee will agree that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee.
- (j) To the fullest extent permissible by law and applicable FCA rules, none of: (a) Zeus Capital, (b) any of Zeus Capital’s affiliates, agents, directors, officers, consultants, (c) to the extent not contained within (a) or (b), any person connected with Zeus Capital as defined in the FSMA ((b) and (c) being together “affiliates” and individually an “affiliate” of Zeus Capital), (d) any person acting on Zeus Capital’s behalf, shall have any liability (including to the extent permissible by law, any fiduciary duties) to Placees or to any other person whether acting on behalf of a Placee or otherwise. In particular, neither Zeus Capital, nor any of its affiliates shall have any liability (including, to the extent permissible by law, any fiduciary duties) in respect of their conduct of the Placing or of such alternative method of effecting the Placing as Zeus Capital and the Company may agree.

Registration and Settlement

If Placees are allocated any Placing Shares in the Placing they will be sent a form of confirmation or electronic trade confirmation by Zeus Capital, as soon as it is able which will confirm the number of Placing Shares allocated to them, the Placing Price and the aggregate amount owed by them to Zeus Capital.

Each Placee will be deemed to agree that it will do all things necessary to ensure that delivery and payment is completed as directed by Zeus Capital in accordance with either the standing CREST or certificated settlement instructions which they have in place with Zeus Capital.

Settlement of transactions in the Placing Shares following Admission will take place within the CREST system, subject to certain exceptions. Settlement through CREST is expected to take place in respect of the Placing Shares on 28 July and Admission is expected to occur no later than 8.00 am on 28 July 2021 unless otherwise notified by Zeus Capital.

Settlement will be on a delivery versus payment basis. However, in the event of any difficulties or delays in the admission of the Placing Shares to CREST or the use of CREST in relation to the Placing, the Company and Zeus Capital may agree that the Placing Shares should be issued in certificated form. Zeus Capital reserves the right to require settlement for the Placing Shares, and to deliver the Placing Shares to Placees, by such other means as they deem necessary if delivery or settlement to Placees is not practicable within the CREST system or would not be consistent with regulatory requirements in a Placee’s jurisdiction.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above, in respect of either CREST or certificated deliveries, at the rate of 2 percentage points above prevailing LIBOR as determined by Zeus Capital.

Each Placee agrees that, if it does not comply with these obligations, Zeus Capital may sell, charge by way of security (to any funder of Zeus Capital) or otherwise deal with any or all of their Placing Shares on their behalf and retain from the proceeds, for Zeus Capital’s own account and benefit, an amount equal to the aggregate amount owed by the Placee plus any interest due and any costs and expenses properly incurred by Zeus Capital as a result of the Placee’s failure to comply with its obligations. The relevant Placee will, however, remain liable for any shortfall below the amount owed by it and for any stamp duty or stamp duty reserve tax (together with any interest or penalties) which may arise upon the sale of their Placing Shares on their behalf. Legal and/or beneficial title in and to any Placing Shares shall not pass to the relevant Placee until such time as it has fully complied with its obligations hereunder.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees must ensure that, upon receipt, the conditional form of confirmation or electronic trade confirmation is copied and delivered immediately to the relevant person within that organisation. Insofar as Placing Shares are registered in a Placee’s name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should,

subject as provided below, be so registered free from any liability to United Kingdom stamp duty or stamp duty reserve tax. Placees will not be entitled to receive any fee or commission in connection with the Placing.

Conditions of the Placing

The obligations of Zeus Capital under the Placing Agreement and the Placing are, conditional upon, *inter alia*:

- (a) the Company allotting the New Shares in accordance with the terms of the Placing Agreement;
- (b) the performance by the Company and the Directors of their obligations under the Placing Agreement to the extent that they fall to be performed prior to Admission;
- (c) the Selling Shareholder Agreements having become unconditional (save only as to any obligations under the Placing Agreement and Admission);
- (d) Zeus Capital not having exercised its right to terminate the Placing Agreement; and
- (e) Admission occurring by not later than 8.00 am on 28 July 2021 (or such later date as the Company and Zeus Capital may agree in writing, in any event being not later than 31 August 2021),

(all conditions to the obligations of Zeus Capital included in the Placing Agreement being together, the “**conditions**”).

If any of the conditions set out in the Placing Agreement are not fulfilled or, where permitted, waived in accordance with the Placing Agreement within the stated time periods (or such later time and/or date as the Company and Zeus Capital may agree, provided that the time for satisfaction of the condition set out in (e) above shall not be extended beyond 8.00 am on 31 August 2021, or the Placing Agreement is terminated in accordance with its terms, the Placing will lapse and the Placee’s rights and obligations shall cease and terminate at such time and each Placee agrees that no claim can be made by or on behalf of the Placee (or any person on whose behalf the Placee is acting) in respect thereof.

By participating in the Placing, each Placee agrees that its rights and obligations cease and terminate only in the circumstances described above and under “Termination of the Placing” below and will not be capable of rescission or termination by it.

Certain conditions may be waived in whole or in part by Zeus Capital, in its absolute discretion by notice in writing to the Company and Zeus Capital may also agree in writing with the Company to extend the time for satisfaction of any condition. Any such extension or waiver will not affect Placees’ commitments as set out in this Document.

Zeus Capital may terminate the Placing Agreement in certain circumstances, details of which are set out below.

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

Conditions of the Vendor Placing

The obligations of Zeus Capital under the Selling Shareholder Agreements are, and the Vendor Placing in respect of each relevant Selling Shareholder is, conditional upon, *inter alia*:

- (a) the performance by the Selling Shareholder of its obligations under the relevant Selling Shareholder Agreement to the extent that they fall to be performed prior to Admission;
- (b) Zeus Capital not having exercised its right to terminate the relevant Selling Shareholder Agreement;
- (c) Zeus Capital not having exercised its right to terminate the Placing Agreement; and

- (d) Admission occurring by not later than 8.00 am on 28 July 2021 (or such later date as the Company and Zeus Capital may agree in writing, in any event being not later than 31 August 2021),

(all conditions to the obligations of Zeus Capital included in each of the Selling Shareholder Agreements being together, the “**seller conditions**”).

If any of the seller conditions set out in the relevant Selling Shareholder Agreement are not fulfilled or, where permitted, waived in accordance with the relevant Selling Shareholder Agreement within the stated time periods (or such later time and/or date as the Company and Zeus Capital may agree, provided that the time for satisfaction of the seller condition set out in (d) above shall not be extended beyond 8.00 am on 31 August 2021, or the relevant Selling Shareholder Agreement is terminated in accordance with its terms, the Vendor Placing in respect of that Selling Shareholder will lapse and the Placee’s rights and obligations shall cease and terminate at such time and each Placee agrees that no claim can be made by or on behalf of the Placee (or any person on whose behalf the Placee is acting) in respect thereof.

By participating in the Vendor Placing, each Placee agrees that its rights and obligations cease and terminate only in the circumstances described above and under “Termination of the Vendor Placing” below and will not be capable of rescission or termination by it.

Certain seller conditions may be waived in whole or in part by Zeus Capital, in its absolute discretion by notice in writing to the Company and Zeus Capital may also agree in writing with the Company to extend the time for satisfaction of any condition. Any such extension or waiver will not affect Placees’ commitments as set out in this Document.

Zeus Capital may terminate any of the Selling Shareholder Agreements in certain circumstances, details of which are set out below.

Neither Zeus Capital, the Selling Shareholders, the Company nor any of their respective affiliates, agents, directors, officers, employees shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision any of them may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition to the Vendor Placing nor for any decision any of them may make as to the satisfaction of any seller condition or in respect of the Vendor Placing and by participating in the Vendor Placing each Placee agrees that any such decision is within the absolute discretion of Zeus Capital.

Termination of the Placing

Zeus Capital may terminate the Placing Agreement, in accordance with its terms, at any time prior to Admission if, *inter alia*:

1. Zeus Capital becomes aware that any statement contained in the Placing Documents (as such term is defined in the Placing Agreement) has become or been discovered to be untrue, incorrect or misleading in any material respect; or
2. Zeus Capital becomes aware that any of the warranties was, when given, untrue, inaccurate or misleading in any material respect; or
3. Zeus Capital becomes aware that any of the warranties is not, or has ceased to be, true, accurate or not misleading in any material respect; or
4. Zeus Capital becomes aware that there is a material breach by the Company or a Director of its respective obligations under the Placing Agreement; or
5. Zeus Capital becomes aware there has occurred, a material adverse change in the business of the Group or in the financial or trading position or prospects of the Group or the Company which is material in the context of the Placing and/or Admission in the reasonable opinion of Zeus Capital (acting in good faith); or
6. there has occurred a force majeure event, which, in the opinion of Zeus Capital (acting in good faith), would or would be likely to prejudice materially the Company or the Placing, or make the success of the Placing doubtful.

If the Placing Agreement is terminated in accordance with its terms, the rights and obligations of each Placee in respect of the Placing as described in this Document shall cease and terminate at such time and no claim can be made by any Placee in respect thereof.

By participating in the Placing, each Placee agrees with the Company and Zeus Capital that the exercise by the Company or Zeus Capital of any right of termination or any other right or other discretion under the Placing Agreement shall be within the absolute discretion of the Company or Zeus Capital and that neither of the Company nor Zeus Capital need make any reference to such Placee and that neither Zeus Capital, the Company, nor any of their respective affiliates, agents, directors, officers or employees shall have any liability to such Placee (or to any other person whether acting on behalf of a Placee or otherwise) whatsoever in connection with any such exercise.

By participating in the Placing, each Placee agrees that its rights and obligations terminate only in the circumstances described above and under the “Conditions of the Placing” section above and will not be capable of rescission or termination by it after the issue by Zeus Capital of a form of confirmation confirming each Placee’s allocation and commitment in the Placing.

Termination of the Vendor Placing

Zeus Capital may terminate any of the Selling Shareholder Agreements, in accordance with their terms, at any time prior to Admission if, *inter alia*:

1. Zeus Capital becomes aware that any of the warranties was, when given, untrue, inaccurate or misleading; or
2. Zeus Capital becomes aware that any of the warranties is not, or has ceased to be, true, accurate or not misleading; or
3. Zeus Capital becomes aware of a breach by the Selling Shareholder of its obligations under the relevant Selling Shareholder Agreement which in the opinion of Zeus Capital (acting in good faith) is material in the context of the Placing and/or Admission; or
4. Zeus Capital is entitled to terminate the Placing Agreement.

If any the Selling Shareholder Agreements is terminated in accordance with its terms, the rights and obligations of each Placee in respect of the Vendor Placing as described in this Document in respect of that Selling Shareholder shall cease and terminate at such time and no claim can be made by any Placee in respect thereof.

By participating in the Vendor Placing, each Placee agrees with the Company and Zeus Capital that the exercise by Zeus Capital of any right of termination or any other right or other discretion under any of the Selling Shareholder Agreements shall be within the absolute discretion of Zeus Capital and that neither of the Company nor Zeus Capital need make any reference to such Placee and that neither Zeus Capital, the Company, the Selling Shareholder nor any of their respective affiliates, agents, directors, officers or employees shall have any liability to such Placee (or to any other person whether acting on behalf of a Placee or otherwise) whatsoever in connection with any such exercise.

By participating in the Vendor Placing, each Placee agrees that its rights and obligations terminate only in the circumstances described above and under the “Conditions of the Vendor Placing” section above and will not be capable of rescission or termination by it after the issue by Zeus Capital of a form of confirmation confirming each Placee’s allocation and commitment in the Vendor Placing.

Representations, warranties and further terms

By participating in the Placing, each Placee (and any person acting on such Placee’s behalf) represents, warrants, acknowledges and agrees with Zeus Capital, the Company and the Selling Shareholders (for itself and for any such prospective Placee) that (save where Zeus Capital expressly agrees in writing to the contrary):

- (a) it has read and understood this Document in its entirety and that its subscription or acquisition of the Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, indemnities, acknowledgements, agreements and undertakings and other information contained herein and that it has not relied on, and will not rely on, any information given or any representations, warranties or statements made at any time by any person in connection with Admission, the Placing, the Vendor Placing, the Company, the Selling Shareholders, the Placing Shares or otherwise, other than the information contained in this Document and the Publicly Available Information;

- (b) it has not received a prospectus or other offering document in connection with the Placing and acknowledges that no prospectus or other offering document: (a) is required under the Prospectus Regulation or the UK Prospectus Regulation; and (b) has been or will be prepared in connection with the Placing;
- (c) it has made its own assessment of the Placing Shares and has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing and neither Zeus Capital, the Selling Shareholders, the Company nor any of their respective affiliates, agents, directors, officers or employees or any person acting on behalf of any of them has provided, and will not provide, it with any material regarding the Placing Shares or the Company or any other person other than the information in this Document, or the Publicly Available Information; nor has it requested neither of Zeus Capital, the Selling Shareholders, the Company, any of their respective affiliates, agents, directors, officers or employees or any person acting on behalf of any of them to provide it with any such information;
- (d) neither Zeus Capital, nor any person acting on behalf of them or any of their respective affiliates, agents, directors, officers or employees has or shall have any liability for any Publicly Available Information, or any representation relating to the Company, provided that nothing in this paragraph excludes the liability of any person for fraudulent misrepresentation made by that person;
- (e) the only information on which it is entitled to rely on and on which it has relied in committing to subscribe for and/or acquire the Placing Shares is contained in the Publicly Available Information and this Document, such information being all that it deems necessary to make an investment decision in respect of the Placing Shares and it has made its own assessment of the Company, the Placing Shares and the terms of the Placing based on Publicly Available Information and the information contained in this Document;
- (f) neither Zeus Capital, the Selling Shareholders, the Company nor any of their respective affiliates, agents, directors, officers or employees has made any representation or warranty to it, express or implied, with respect to the Company, the Placing or the Placing Shares or the accuracy, completeness or adequacy of the Publicly Available Information and the information contained in this Document;
- (g) it has conducted its own investigation of the Company, the Placing and the Placing Shares, satisfied itself that the information is still current and relied on that investigation for the purposes of its decision to participate in the Placing;
- (h) it has not relied on any investigation that Zeus Capital or any person acting on their behalf may have conducted with respect to the Company, the Placing or the Placing Shares;
- (i) the content of this Document and the Publicly Available Information has been prepared by and is exclusively the responsibility of the Company and that none of Zeus Capital, the Selling Shareholders or any persons acting on behalf of it is responsible for or has or shall have any liability for any information, representation, warranty or statement relating to the Company contained in this Document or the Publicly Available Information nor will they be liable for any Placee's decision to participate in the Placing based on any information, representation, warranty or statement contained in this Document, the Publicly Available Information or otherwise. Nothing in this Part VI shall exclude any liability of any person for fraudulent misrepresentation;
- (j) the Placing Shares have not been registered or otherwise qualified, and will not be registered or otherwise qualified, for offer and sale nor will a prospectus be cleared or approved in respect of any of the Placing Shares under the securities laws of any Restricted Territory and, subject to certain exceptions, may not be offered, sold, taken up, renounced or delivered or transferred, directly or indirectly, within a Restricted Territory or in any country or jurisdiction where any such action for that purpose is required;
- (k) it and/or each person on whose behalf it is participating:
 - (i) is entitled to subscribe for and/or acquire Placing Shares pursuant to the Placing under the laws and regulations of all relevant jurisdictions;
 - (ii) has fully observed such laws and regulations;

- (iii) has capacity and authority and is entitled to enter into and perform its obligations as a subscriber and/or an acquirer of Placing Shares and will honour such obligations; and
 - (iv) has obtained all necessary consents and authorities (including, without limitation, in the case of a person acting on behalf of a Placee, all necessary consents and authorities to agree to the terms set out or referred to in this Part VI) under those laws or otherwise and complied with all necessary formalities to enable it to enter into the transactions contemplated hereby and to perform its obligations in relation thereto and, in particular, if it is a pension fund or investment company it is aware of and acknowledges it is required to comply with all applicable laws and regulations with respect to its subscription or acquisition of Placing Shares;
- (l) it is not, and any person who it is acting on behalf of is not, and at the time the Placing Shares are subscribed for and/or acquired will not be, a resident of, or with an address in, or subject to the laws of, any Restricted Territory, and it acknowledges and agrees that the Placing Shares have not been and will not be registered or otherwise qualified under the securities legislation of any Restricted Territory and may not be offered, sold, or acquired, directly or indirectly, within those jurisdictions;
 - (m) the Placing Shares have not been, and will not be, registered under the US Securities Act and may not be offered, sold or resold in or into or from the United States except pursuant to an effective registration under the US Securities Act, or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in accordance with applicable state securities laws; and no representation is being made as to the availability of any exemption under the US Securities Act for the reoffer, resale, pledge or transfer of the Placing Shares;
 - (n) it and the beneficial owner of the Placing Shares is, and at the time the Placing Shares are acquired will be, outside the United States and acquiring the Placing Shares in an “offshore transaction” as defined in, and in accordance with, Regulation S under the US Securities Act;
 - (o) it (and any account for which it is purchasing) is not acquiring the Placing Shares with a view to any offer, sale or distribution thereof within the meaning of the US Securities Act;
 - (p) it will not distribute, forward, transfer or otherwise transmit this Document or any part of it, or any other presentational or other materials concerning the Placing in or into or from the United States (including electronic copies thereof) to any person, and it has not distributed, forwarded, transferred or otherwise transmitted any such materials to any person;
 - (q) neither Zeus Capital, their affiliates, agents, directors, officers or employees nor any person acting on behalf of any of them is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing and that participation in the Placing is on the basis that it is not and will not be a client of Zeus Capital and Zeus Capital has no duties or responsibilities to it for providing the protections afforded to its clients or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement or the Selling Shareholder Agreements nor for the exercise or performance of any of its rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;
 - (r) it has the funds available to pay for the Placing Shares for which it has agreed to subscribe for and/or acquire and acknowledges and agrees that it will make payment to Zeus Capital for the Placing Shares allocated to it in accordance with the terms and conditions of this Document on the due times and dates set out in this Document, failing which the relevant Placing Shares may be placed with others on such terms as Zeus Capital may, in its absolute discretion determine without liability to the Placee and it will remain liable for any shortfall below the net proceeds of such sale and the placing proceeds of such Placing Shares and may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties due pursuant to the terms set out or referred to in this Document) which may arise upon the sale of such Placee’s Placing Shares on its behalf;

- (s) no action has been or will be taken by any of the Company, the Selling Shareholders, Zeus Capital or any person acting on their behalf that would, or is intended to, permit a public offer of the Placing Shares in the United States or in any country or jurisdiction where any such action for that purpose is required;
- (t) the person who it specifies for registration as holder of the Placing Shares will be: (a) the Placee; or (b) a nominee of the Placee, as the case may be. Neither Zeus Capital nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. Each Placee and any person acting on behalf of such Placee agrees to subscribe for and/or acquire Placing Shares pursuant to the Placing and agrees to pay the Company and Zeus Capital in respect of the same (including any interest or penalties) on the basis that the Placing Shares will be allotted to a CREST stock account of Zeus Capital or transferred to a CREST stock account of Zeus Capital who will hold them as nominee on behalf of the Placee until settlement in accordance with its standing settlement instructions with it;
- (u) it is acting as principal only in respect of the Placing or, if it is acting for any other person, (a) it is duly authorised to do so and has full power to make the acknowledgments, representations and agreements herein on behalf of each such person and (b) it is and will remain liable to the Company and Zeus Capital for the performance of all its obligations as a Placee in respect of the Placing (regardless of the fact that it is acting for another person);
- (v) the allocation, allotment, issue and delivery to it, or the person specified by it for registration as holder, of Placing Shares will not give rise to a stamp duty or stamp duty reserve tax liability under (or at a rate determined under) any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and that it is not participating in the Placing as nominee or agent for any person or persons to whom the allocation, allotment, issue or delivery of Placing Shares would give rise to such a liability;
- (w) it and any person acting on its behalf (if within the United Kingdom) falls within Article 19(5) and/or 49(2) of the Order and undertakes that it will acquire, hold, manage and (if applicable) dispose of any Placing Shares that are allocated to it for the purposes of its business only;
- (x) it will not make an offer to the public of the Placing Shares and it has not offered or sold and will not offer or sell any Placing Shares to persons in the United Kingdom or elsewhere in the EEA except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of section 85(1) of the FSMA or an offer to the public in any member state of the EEA within the meaning of the Prospectus Regulation;
- (y) it has only communicated or caused to be communicated and it will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) relating to Placing Shares in circumstances in which section 21(1) of the FSMA does not require approval of the communication by an authorised person;
- (z) it has complied and it will comply with all applicable laws with respect to anything done by it or on its behalf in relation to the Placing Shares (including all relevant provisions of the FSMA in respect of anything done in, from or otherwise involving the United Kingdom);
- (aa) if it is a financial intermediary, as that term is used in the UK Prospectus Regulation, the Placing Shares acquired by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in the United Kingdom other than Qualified Investors, or in circumstances in which the express prior written consent of Zeus Capital has been given to the offer or resale;
- (bb) if in the United Kingdom, it is a qualified investor within the meaning of the UK Prospectus Regulation and a person (i) having professional experience in matters relating to investments and who falls within the definition of 'investment professionals' in Article 19(5) of the Order; or (ii) who is a high net worth entity falling within Article 49(2)(a) to (d) of the Order; or (iii) to whom this Document may otherwise lawfully be communicated;

- (cc) if it is a financial intermediary, as that term is used in the EU Prospectus Regulation (including any relevant implementing measure in any member state), the Placing Shares acquired by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in any member state of the EEA other than Qualified Investors, or in circumstances in which the express prior written consent of Zeus Capital has been given to the offer or resale;
- (dd) if in a member state of the EEA, it is a “Qualified Investor” within the meaning of the EU Prospectus Regulation;
- (ee) it has neither received nor relied on any confidential price sensitive information about the Company in accepting this invitation to participate in the Placing;
- (ff) neither Zeus Capital nor any of its affiliates, agents, directors, officers or employees or any person acting on behalf of any of them has or shall have any liability for any information, representation or statement contained in this Document or for any information previously published by or on behalf of the Company or any other written or oral information made available to or publicly available or filed information or any representation, warranty or undertaking relating to the Company, and will not be liable for its decision to participate in the Placing based on any information, representation, warranty or statement contained in this Document or elsewhere, provided that nothing in this paragraph shall exclude any liability of any person for fraud;
- (gg) neither Zeus Capital, the Selling Shareholders, the Company, nor any of their respective affiliates, agents, directors, officers or employees or any person acting on behalf of Zeus Capital, the Company or their respective affiliates, agents, directors, officers or employees is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing nor providing advice in relation to the Placing nor in respect of any representations, warranties, acknowledgements, agreements, undertakings, or indemnities contained in the Placing Agreement nor the exercise or performance of Zeus Capital’s rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;
- (hh) Zeus Capital may, in accordance with applicable legal and regulatory provisions, engage in transactions in relation to the Placing Shares and/or related instruments for their own account and, except as required by applicable law or regulation, Zeus Capital will not make any public disclosure in relation to such transactions;
- (ii) Zeus Capital and each of its affiliates, each acting as an investor for its or their own account(s), may bid or subscribe for and/or purchase Placing Shares and, in that capacity, may retain, purchase, offer to sell or otherwise deal for its or their own account(s) in the Placing Shares, any other securities of the Company or other related investments in connection with the Placing or otherwise. Accordingly, references in this Document to the Placing Shares being offered, subscribed, acquired or otherwise dealt with should be read as including any offer to, or subscription, acquisition or dealing by Zeus Capital and/or any of its affiliates, acting as an investor for its or their own account(s). None of Zeus Capital, the Selling Shareholders or the Company intend to disclose the extent of any such investment or transaction otherwise than in accordance with any legal or regulatory obligation to do so;
- (jj) it has complied with its obligations in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2000, the Terrorism Act 2006 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (together, the “**Regulations**”) and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations;
- (kk) it is aware of the obligations regarding insider dealing in the Criminal Justice Act 1993, FSMA, the UK version of the Market Abuse Regulation (Regulation 596/2014) which is part of English law by virtue of the European Union (Withdrawal) Act 2018, as amended (“**UK MAR**”) and the Proceeds of Crime Act 2002 and confirms that it has and will continue to comply with those obligations;

- (ll) in order to ensure compliance with Regulations , Zeus Capital (for itself and as agent on behalf of the Company) or the Company's registrars may, in their absolute discretion, require verification of its identity. Pending the provision to Zeus Capital's or the Company's registrars, as applicable, of evidence of identity, definitive certificates in respect of the Placing Shares may be retained at Zeus Capital's absolute discretion or, where appropriate, delivery of the Placing Shares to it in uncertificated form may be delayed at Zeus Capital's or the Company's registrars', as the case may be, absolute discretion. If within a reasonable time after a request for verification of identity Zeus Capital's (for itself and as agent on behalf of the Company) or the Company's registrars have not received evidence satisfactory to them, Zeus Capital and/or the Company may, at its absolute discretion, terminate its commitment in respect of the Placing, in which event the monies payable on acceptance of allotment will, if already paid, be returned without interest to the account of the drawee's bank from which they were originally debited;
- (mm) its commitment to acquire Placing Shares on the terms set out in this Document and in the form of confirmation will continue notwithstanding any amendment that may in future be made to the terms and conditions of the Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company's, the Selling Shareholders', or Zeus Capital's conduct of the Placing;
- (nn) it has knowledge and experience in financial, business and international investment matters as is required to evaluate the merits and risks of subscribing for the Placing Shares. It further acknowledges that it is experienced in investing in securities of this nature and is aware that it may be required to bear, and is able to bear, the economic risk of, and is able to sustain, a complete loss in connection with the Placing. It has relied upon its own examination and due diligence of the Company and its affiliates taken as a whole, and the terms of the Placing, including the merits and risks involved;
- (oo) it irrevocably appoints any duly authorised officer of Zeus Capital as its agent for the purpose of executing and delivering to the Company and/or its registrars any documents on its behalf (without any obligation to do so) necessary to enable it to be registered as the holder of any of the Placing Shares for which it agrees to subscribe or purchase upon the terms of this Document;
- (pp) the Company, Zeus Capital, the Selling Shareholders and others (including each of their respective affiliates, agents, directors, officers or employees) will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements, which are given to Zeus Capital, on their own behalf and on behalf of the Company and are irrevocable;
- (qq) if it is acquiring the Placing Shares as a fiduciary or agent for one or more investor accounts, it has full power and authority to make, and does make, the foregoing representations, warranties, acknowledgements, agreements and undertakings on behalf of each such accounts;
- (rr) neither it nor, as the case may be, its clients expect Zeus Capital to have any duties or responsibilities to such persons similar or comparable to the duties of "best execution" and "suitability" imposed by the FCA's Conduct of Business Source Book, and that Zeus Capital is not acting for it or its clients, and that Zeus Capital will not be responsible for providing the protections afforded to customers of Zeus Capital or for providing advice in respect of the transactions described herein;
- (ss) it is a "professional client" or an "eligible counterparty" within the meaning of Chapter 3 of the FCA's Conduct of Business Sourcebook and it is purchasing Placing Shares for investment only and not with a view to resale or distribution;
- (tt) it will (or will procure that its nominee will) if applicable, make notification to the Company of the interest in its Shares in accordance with the Disclosure Guidance and Transparency Rules published by the FCA;
- (uu) it represents and warrants that, to the extent it has received any inside information (for the purposes of UK MAR) and section 56 of the Criminal Justice Act 1993) in relation to the Company or any related company subject to UK MAR and the securities of the Company or any such related company, it has not:

- (i) dealt (or attempted to deal) in the securities of the Company or any related company;
 - (ii) encouraged, recommended or induced another person to deal in the securities of such company; or
 - (iii) unlawfully disclosed inside information in respect of the Company or any related company to any person, prior to the information being made publicly available;
- (vv) it undertakes to Zeus Capital at the time of making its commitment to acquire Placing Shares that it will confirm in writing to Zeus Capital in the form of confirmation sent by Zeus Capital to Placees the number of Placing Shares it intends to acquire and those Placing Shares in respect of which such relief will not be sought;
 - (ww) as far as it is aware, it is not acting in concert (within the meaning given in the City Code) with any other person in relation to the Company;
 - (xx) it is responsible for obtaining any legal, tax and other advice that it deems necessary for the execution, delivery and performance of its obligations in accepting the terms and conditions of the Placing, and that it is not relying on the Company or Zeus Capital to provide any legal, tax or other advice to it;
 - (yy) it will not distribute any document relating to the Placing Shares and it will be acquiring the Placing Shares for its own account as principal or for a discretionary account or accounts (as to which it has the authority to make the statements set out herein) for investment purposes only;
 - (zz) it is acquiring the Placing Shares for its own account or is acquiring the Placing Shares for an account with respect to which it exercises sole investment discretion and has the authority to make and does make the representations, warranties, indemnities, acknowledgements, undertakings and agreements contained in this Document;
 - (aaa) time is of the essence as regards its obligations under this Part VI;
 - (bbb) any document that is to be sent to it in connection with the Placing will be sent at its risk and may be sent to it at any address provided by it to Zeus Capital;
 - (ccc) the Placing Shares will be issued subject to the terms and conditions of this Part VI; and
 - (ddd) these terms and conditions in this Part VI and all documents into which this Part VI is incorporated by reference or otherwise validly forms a part and/or any agreements entered into pursuant to these terms and conditions and all agreements to acquire shares pursuant to the Placing will be governed by and construed in accordance with English law and it submits to the exclusive jurisdiction of the English courts in relation to any claim, dispute or matter arising out of any such contract, except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by the Company or Zeus Capital in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange.

By participating in the Placing, each Placee (and any person acting on such Placee's behalf) agrees to indemnify and hold the Company, the Selling Shareholders, Zeus Capital and each of their respective affiliates, agents, directors, officers and employees harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings given by the Placee (and any person acting on such Placee's behalf) in this Part VI or incurred by Zeus Capital, the Selling Shareholders, the Company or each of their respective affiliates, agents, directors, officers or employees arising from the performance of the Placee's obligations as set out in this Document, and further agrees that the provisions of this Part VI shall survive after the completion of the Placing.

The agreement to allot and issue Placing Shares to Placees (or the persons for whom Placees are contracting as agent) free of stamp duty and stamp duty reserve tax in the United Kingdom relates only to their allotment and issue to Placees, or such persons as they nominate as their agents, direct by the Company. Such agreement assumes that the Placing Shares are not being acquired in connection with arrangements to issue depositary receipts or to transfer the Placing Shares into a clearance service. If there are any such arrangements, or the settlement related to any other

dealings in the Placing Shares, stamp duty or stamp duty reserve tax may be payable. In that event, the Placee agrees that it shall be responsible for such stamp duty or stamp duty reserve tax and none of the Company, the Selling Shareholders or Zeus Capital shall be responsible for such stamp duty or stamp duty reserve tax. If this is the case, each Placee should seek its own advice and they should notify Zeus Capital accordingly. In addition, Placees should note that they will be liable for any capital duty, stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the United Kingdom by them or any other person on the acquisition by them of any Placing Shares or the agreement by them to acquire any Placing Shares and each Placee, or the Placee's nominee, in respect of whom (or in respect of the person for whom it is participating in the Placing as an agent or nominee) the allocation, allotment, issue or delivery of Placing Shares has given rise to such non-United Kingdom stamp, registration, documentary, transfer or similar taxes or duties undertakes to pay such taxes and duties, including any interest and penalties (if applicable), forthwith and to indemnify on an after-tax basis and to hold harmless the Company, the Selling Shareholders and Zeus Capital in the event that either the Company, the Selling Shareholders and/or Zeus Capital has incurred any such liability to such taxes or duties.

The representations, warranties, acknowledgements and undertakings contained in this Part VI are given to Zeus Capital, the Company and the Selling Shareholders and are irrevocable.

Each Placee and any person acting on behalf of the Placee acknowledges that Zeus Capital does not owe any fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings, acknowledgements, agreements or indemnities in the Placing Agreement or the Selling Shareholder Agreements.

Each Placee and any person acting on behalf of the Placee acknowledges and agrees that Zeus Capital may (at its absolute discretion) satisfy their obligations to procure Placees by itself agreeing to become a Placee in respect of some or all of the Placing Shares or by nominating any connected or associated person to do so.

When a Placee or any person acting on behalf of the Placee is dealing with Zeus Capital, any money held in an account with Zeus Capital on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the relevant rules and regulations of the FCA made under FSMA. Each Placee acknowledges that the money will not be subject to the protections conferred by the client money rules: as a consequence this money will not be segregated from Zeus Capital's money (as applicable) in accordance with the client money rules and will be held by it under a banking relationship and not as trustee.

References to time in this Document are to London time, unless otherwise stated. All times and dates in this Document may be subject to amendment. No statement in this Document is intended to be a profit forecast, and no statement in this Document should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

The price of shares and any income expected from them may go down as well as up and investors may not get back the full amount invested upon disposal of the shares. Past performance is no guide to future performance, and persons needing advice should consult an independent financial adviser.

The Placing Shares to be issued or sold pursuant to the Placing and Vendor Placing will not be admitted to trading on any stock exchange other than AIM.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this Document.

