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You acknowledge that this electronic transmission and the delivery of the attached document is confidential and intended for you only and you agree you will not **forward, reproduce or publish this electronic transmission or the attached document to any other person**. The Prospectus has been prepared solely in connection with (i) the proposed 3 for 4 rights issue (the "Rights Issue") of up to 34,881,368 new ordinary shares of 15 pence each (the "New Ordinary Shares") in the capital of the Company, (ii) the offer and sale of any New Ordinary Shares not taken up in the Rights Issue to certain institutional and professional investors and (iii) the admission of the New Ordinary Shares to the standard listing segment of the Official List of the UK Financial Conduct Authority (the "FCA") and to trading on London Stock Exchange plc's main market for listed securities (together with the Rights Issue, the "Offer").

This document has been approved by the FCA in accordance with section 85 of the Financial Services and Markets Act 2000, and will be made available to the public and has been filed with the FCA in accordance with the Listing Rules and Prospectus Rules of the FCA. This document together with the documents incorporated into it by reference (as set out in Part 17 "Additional Information" of this document) will be made available to the public in accordance with Prospectus Rule 3.2.1 by the same being made available, free of charge, at www.futureplc.com/invest-in-future/ and at the Company's registered office at Quay House, The Ambury, Bath, BA1 1UA, United Kingdom.

Prospective investors are advised to access such information prior to making an investment decision.

THIS ELECTRONIC TRANSMISSION AND THE ATTACHED DOCUMENT MAY ONLY BE DISTRIBUTED, OUTSIDE THE UNITED STATES, IN "OFFSHORE TRANSACTIONS" AS DEFINED IN, AND IN RELIANCE ON, REGULATION S UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE ATTACHED DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS NOTICE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. NOTHING IN THIS ELECTRONIC TRANSMISSION AND THE ATTACHED DOCUMENT CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES OR OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT OUTSIDE THE UNITED STATES, IN "OFFSHORE TRANSACTIONS" IN RELIANCE ON REGULATION S UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES.

CANADIAN INVESTORS ARE ADVISED THAT THIS EMAIL AND THE DOCUMENT ATTACHED HERETO MAY ONLY BE TRANSMITTED IN THOSE JURISDICTIONS IN CANADA AND TO THOSE PERSONS WHERE AND TO WHOM THEY MAY BE LAWFULLY OFFERED FOR SALE AND THEREIN ONLY BY PERSONS PERMITTED TO SELL SUCH SECURITIES. THIS EMAIL AND THE DOCUMENT ATTACHED HERETO IS NOT AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN ADVERTISEMENT OR A PUBLIC OFFERING IN CANADA. NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS REVIEWED OR IN ANY WAY PASSED UPON THE DOCUMENT ATTACHED HERETO OR THE MERITS OF THE SECURITIES DESCRIBED THEREIN AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE. THE DISTRIBUTION OF THE SECURITIES CONTAINED IN THE DOCUMENT ATTACHED HERETO IS BEING MADE ON A PRIVATE PLACEMENT BASIS ONLY AND IS EXEMPT FROM THE REQUIREMENT THAT THE COMPANY PREPARE AND FILE A PROSPECTUS WITH THE RELEVANT CANADIAN SECURITIES REGULATORY AUTHORITIES.

This electronic transmission and the attached document and the Offer when made are only addressed to and directed at persons in member states of the European Economic Area who are "qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC) ("Qualified Investors"). This electronic transmission and the attached document must not be acted on or relied on in any member state of the European Economic Area other than the United Kingdom, by persons who are not Qualified Investors. Any investment or investment activity to which this document relates is available only to in any member state of the European Economic Area other than the United Kingdom, Qualified Investors, and will be engaged in only with such persons.

The making or acceptance of the proposed offer of nil paid rights, fully paid rights and/or New Ordinary Shares to persons who have registered addresses outside the UK, or who are resident in, or citizens of, countries other than the UK may be affected by the laws of the relevant jurisdiction. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their rights.

It is also the responsibility of any person (including, without limitation, custodians, nominees and trustees) outside the UK wishing to take up rights under or otherwise participate in the Rights Issue to satisfy himself or herself as to the full observance of the laws of any relevant territory in connection therewith, including the obtaining of any governmental or other consents which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such territories.

Subject to certain exceptions, the provisional allotment letters, the nil paid rights, the fully paid rights and the New Ordinary Shares may not be transferred or sold to, or renounced or delivered in Australia, Canada, Japan, the Republic of South Africa or the United States. No offer of New Ordinary Shares is being made by virtue of this document or the provisional allotment letters into in Australia, Canada, Japan, the Republic of South Africa or the United States.

Confirmation of Your Representation: This electronic transmission and the attached document is delivered to you on the basis that you are deemed to have represented to the Company and Numis Securities Limited (“Numis”) and Nplus1 Singer Capital Markets Limited (“N+1 Singer” and together with Numis, the “Underwriters”) that (i) you are located outside the United States and acquiring such securities in “offshore transactions”, as defined in, and in reliance on, Regulation S under the Securities Act; (ii) if you are in any member state of the EEA other than the UK, you are a Qualified Investor and/or a Qualified Investor acting on behalf of Qualified Investors to the extent you are acting on behalf of persons or entities in the EEA other than the UK; and (iii) you are an institutional investor that is eligible to receive this document and you consent to delivery by electronic transmission.

You are reminded that you have received this electronic transmission and the attached document on the basis that you are a person into whose possession this document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver this document, electronically or otherwise, to any other person. This document has been made available to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither the Company, the Underwriters nor any of their respective affiliates accepts any liability or responsibility whatsoever in respect of any difference between the document distributed to you in electronic format and the hard copy version. By accessing the attached document, you consent to receiving it in electronic form. Apart from the responsibilities and liabilities, if any, which may be imposed on either of the Underwriters by the FSMA or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, neither of the Underwriters, nor any of their respective affiliates, directors, officers, employees or advisers accepts any responsibility whatsoever for the contents of the attached document or for any statement made or purported to be made by it, or on its behalf, in connection with the Company or the New Ordinary Shares. The Underwriters and each of their respective affiliates, each accordingly disclaim all and any liability whether arising in tort, contract or otherwise which they might otherwise have in respect of such document or any such statement. No representation or warranty express or implied, is made by the Underwriters or any of their respective affiliates as to the accuracy, completeness or sufficiency of the information set out in the attached document.

Restriction: Nothing in this electronic transmission constitutes, and may not be used in connection with, an offer of securities for sale to persons other than the specified categories of institutional buyers described above and to whom it is directed and access has been limited so that it shall not constitute a general solicitation. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

Numis is acting exclusively for the Company and no one else in connection with the Offer. It will not regard any other person (whether or not a recipient of this document) as their client in relation to the Offer and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the Offer or any transaction or arrangement referred to in the attached document.

N+1 Singer is acting exclusively for the Company and no one else in connection with the Offer. It will not regard any other person (whether or not a recipient of this document) as their client in relation to the Offer and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the Offer or any transaction or arrangement referred to in the attached document.

You are responsible for protecting against viruses and other destructive items. Your receipt of this document via electronic transmission is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

THIS DOCUMENT AND ANY ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant, fund manager or other appropriate independent financial adviser, who is authorised under the Financial Services and Markets Act 2000 ("FSMA") if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

This document, which comprises: (i) a circular prepared for the purposes of the General Meeting convened pursuant to the Notice of General Meeting set out at the end of this document; and (ii) a prospectus relating to the New Ordinary Shares prepared in accordance with the Prospectus Rules of the Financial Conduct Authority (the "FCA") made under section 73A of FSMA. This document has been approved by the FCA in accordance with section 87A of FSMA, will be made available to the public and has been filed with the FCA in accordance with the Prospectus Rules. This document together with the documents incorporated into it by reference (as set out in Part 5 (*Important Information*) of this document) will be made available to the public in accordance with Prospectus Rule 3.2.1.

If you sell or have sold or have otherwise transferred all of your Existing Ordinary Shares (other than ex-rights) held in certificated form before 8.00 a.m. (London time) on 6 August 2018 (the "Ex-Rights Date"), please send this document, together with the accompanying Form of Proxy and any Provisional Allotment Letter (duly renounced), if and when received, at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee, except that such documents should not be sent to any jurisdiction where to do so might constitute a violation of local securities laws or regulations, including, but not limited to, the United States or any of the Excluded Territories. If you sell or have sold or have otherwise transferred all or some of your Existing Ordinary Shares (other than ex-rights) held in uncertificated form before the Ex-Rights Date, a claim transaction will automatically be generated by Euroclear which, on settlement, will transfer the appropriate number of Nil Paid Rights to the purchaser or transferee. If you sell or have sold or have otherwise transferred only part of your holding of Existing Ordinary Shares (other than ex-rights) held in certificated form before the Ex-Rights Date, you should refer to the instruction regarding split applications in Part 8 (*Questions and Answers on the Rights Issue*) of this document and in the Provisional Allotment Letter.

Future plc and the Directors, whose names appear on page 36 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of Future plc and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and makes no omission likely to affect the import of such information.

FUTURE PLC

(incorporated in England and Wales under the Companies Act 1985 with registered number 03757874)

Proposed 3 for 4 Rights Issue of up to 34,881,368 New Ordinary Shares at 303 pence per New Ordinary Share

Application for the admission of the New Ordinary Shares to the standard listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities

Notice of General Meeting

Joint Bookrunners and Underwriters

Numis

N+1 Singer

A Notice of General Meeting of the Company, to be held at the offices of Future, 1-10 Praed Mews, London W2 1QY at 9.00 a.m. on 3 August 2018, is set out at the end of this document. A Form of Proxy for use in connection with the General Meeting is enclosed with this document. Whether or not you intend to be present at the General Meeting, you are asked to complete and return the enclosed Form of Proxy in accordance with the instructions printed on it as soon as possible and, in any event, so as to be received by the Registrar, Computershare Investor Services PLC, at The Pavilions, Bridgwater Road, Bristol BS99 6ZY, by not later than 9.00 a.m. on 1 August 2018 (or, in the case of an adjournment, not later than 48 hours, excluding non-working days, before the time fixed for the holding of the adjourned meeting).

The Existing Ordinary Shares are listed on the standard listing segment of the Official List and traded on the London Stock Exchange's main market for listed securities. Applications have been made to the FCA for the New Ordinary Shares to be admitted to the standard listing segment of the Official List and to the London Stock Exchange for such New Ordinary Shares to be admitted to trading on its main market for listed securities. It is expected that Admission will become effective, and that dealings in the New Ordinary Shares, nil paid, will commence, at 8.00 a.m. on 6 August 2018.

This document should be read as a whole, including any of the documents (or parts thereof) incorporated herein by reference. Your attention is drawn to the letter from your Chairman which is set out in Part 7 (*Letter from the Chairman*) of this document and which contains a recommendation from your Board to vote in favour of the Resolution to be proposed at the General Meeting referred to below. Your attention is also drawn to Part 2 (*Risk Factors*) of this document for a discussion of certain factors that should be considered by Shareholders when deciding on what action to take in relation to the Rights Issue, and by others when and deciding whether or not to purchase the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares.

Numis Securities Limited ("Numis") and Nplus1 Singer Capital Markets Limited ("N+1 Singer", together, the "Underwriters"), which are each authorised and regulated by the FCA in the United Kingdom, are acting for the Company in relation to the Rights Issue and nobody else (whether or not a recipient of this document) as a client in relation to the Rights Issue and Admission and will not be responsible to anyone other than the Company for providing the protections afforded to the clients of the Underwriters nor for providing advice in relation to the Rights Issue and Admission or any other matter referred to in this document. Apart from the responsibilities and liabilities, if any, which may be imposed upon the Underwriters by FSMA or the regulatory regime established thereunder, the Underwriters do not accept any responsibility whatsoever or make any representation or warranty, express or implied, concerning the contents of this document, including its accuracy, completeness or verification, or concerning any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Nil Paid Rights, the Fully Paid Rights, the New Ordinary Shares, the Provisional Allotment Letters or the Rights Issue, and nothing in this document is, or shall be relied upon as, a promise or representation in the respect, whether as to the past or future. The Underwriters accordingly disclaim, to the fullest extent permitted by law, all and any responsibility and liability whether arising in tort, contract or otherwise (save as referred to herein) which they might otherwise have in respect of this document or any such statement.

Subject to, among other things, the passing of the Resolution at the General Meeting, it is expected that Qualifying Non-CREST Shareholders (other than, subject to certain exceptions, those with registered addresses in the United States or the Excluded Territories) will be sent a Provisional Allotment Letter on 3 August 2018, and that Qualifying CREST Shareholders (other than, subject to certain exceptions, those with registered addresses in the United States or the Excluded Territories) will receive a credit to their appropriate stock accounts in CREST in respect of the Nil Paid Rights to which they are entitled on 6 August 2018. The Nil Paid Rights so credited are expected to be enabled for settlement by Euroclear as soon as practicable after Admission.

The latest time and date for acceptance and payment in full for the New Ordinary Shares by holders of the Nil Paid Rights is expected to be 11.00 a.m. on 20 August 2018. The procedures for delivery of the Nil Paid Rights, acceptance and payment are set out in Part 9 (*Terms and Conditions of the Rights Issue*) of this document and, for Qualifying Non-CREST Shareholders (other than, subject to certain exceptions, those with registered addresses in the United States or the Excluded Territories) also in the Provisional Allotment Letter. Overseas Shareholders with registered addresses in the United States or the Excluded Territories should refer to paragraph 2.6 of Part 9 (*Terms and Conditions of the Rights Issue*) of this document.

Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Rights Issue.

Notice to Overseas Shareholders

This document does not constitute an offer of Nil Paid Rights, Fully Paid Rights or New Ordinary Shares to any person with a registered address, or who is located, in the United States or the Excluded Territories or in any other jurisdiction in which such an offer or solicitation is unlawful.

The Nil Paid Rights, the Fully Paid Rights and the New Ordinary Shares have not been and will not be registered under the US Securities Act of 1933 (the "US Securities Act"), and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, in or into the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There will be no public offer of the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares in the United States.

The Nil Paid Rights, the Fully Paid Rights and the New Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state's securities commission in the United States or any US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence.

The Nil Paid Rights, the Fully Paid Rights and the New Ordinary Shares have not been and will not be registered or qualified for distribution to the public under the relevant laws of any state, province or territory of any Excluded Territories and, subject to certain exceptions, may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within any Excluded Territory.

All Overseas Shareholders and any person (including, without limitation, a nominee or trustee) who has a contractual or legal obligation to forward this document or any Provisional Allotment Letter, if and when received, or other document to a jurisdiction outside the United Kingdom should read the information set out in paragraph 2.6 of Part 9 (*Terms and Conditions of the Rights Issue*) of this document.

Notice to all investors

Any reproduction or distribution of this document, in whole or in part, and any disclosure of its contents or use of any information contained in this document for any purpose other than considering an investment in the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares is prohibited. By accepting delivery of this document, each offeree of the Nil Paid Rights, the Fully Paid Rights and/or the New Ordinary Shares agrees to the foregoing.

The distribution of this document and/or the Provisional Allotment Letters and/or the transfer of the Nil Paid Rights, the Fully Paid Rights and/or the New Ordinary Shares into jurisdictions other than the United Kingdom may be restricted by law. Persons into whose possession these documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, subject to certain exceptions, such documents should not be distributed, forwarded to or transmitted in or into the United States or the Excluded Territories. The Nil Paid Rights, the Fully Paid Rights, the New Ordinary Shares and the Provisional Allotment Letters are not transferable, except in accordance with, and the distribution of this document is subject to, the restrictions set out in paragraph 2.6 of Part 9 (*Terms and Conditions of the Rights Issue*) of this document. No action has been taken by the Company or by the Underwriters that would permit an offer of the New Ordinary Shares or rights thereto or possession or distribution of this document or any other offering or publicity material or the Provisional Allotment Letters, the Nil Paid Rights or the Fully Paid Rights in any jurisdiction where action for that purpose is required, other than in the United Kingdom.

Investors should only rely on the information contained in this document and the documents (or parts thereof) incorporated herein by reference. In making an investment decision, each investor must rely on their own examination, analysis and enquiry of the Company and the terms of the Rights Issue, including the merits and risks involved. No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been authorised by the Company or by the Underwriters. Neither the delivery of this document nor any subscription or sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company and its subsidiary undertakings and, where the context requires, its associated undertakings, from time to time (the "Group") since the date of this document or that the information in this document is correct as at any time subsequent to its date.

With the exception of those elements of the specific documents incorporated by reference into this document as described in Part 5 (*Important Information*) of this document, which will be made available on Future's website, the content of the Company's website does not form part of this document.

Capitalised terms have the meanings ascribed to them in Part 18 (*Definitions*) of this document.

Information to Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Nil Paid Rights, the Fully Paid Rights and the New Ordinary Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the Nil Paid Rights, the Fully Paid Rights and/or the New Ordinary Shares may decline and investors could lose all or part of their investment; the Nil Paid Rights, the Fully Paid Rights and the New Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Nil Paid Rights, the Fully Paid Rights and/or the New Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the offer of New Ordinary Shares. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Underwriters will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Nil Paid Rights, the Fully Paid Rights and/or the New Ordinary Shares.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Nil Paid Rights, the Fully Paid Rights and/or the New Ordinary Shares and determining appropriate distribution channels.

WHERE TO FIND HELP

Part 8 (*Questions and Answers on the Rights Issue*) of this document answers some of the questions most often asked by shareholders about rights issues. If you have further questions, please call Computershare Investor Services PLC on 0370 707 1443 if calling from the United Kingdom or +44 370 707 1443 if calling from overseas. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Computershare Investor Services PLC cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

This document is dated 18 July 2018.

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PART 1

SUMMARY

Summaries are made up of disclosure requirements known as “Elements”. These elements are numbered in Sections A-E below.

This summary contains all the Elements required to be included in a summary for this type of security and company. As some Elements are not required to be addressed there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted into the summary because of the type of security and company, it is possible that no relevant information can be given regarding the Element. In this case, a short description of the Element is included in the summary with a mention of “not applicable”.

Section A – Introduction and warnings

<i>Element</i>	<i>Disclosure requirement</i>	<i>Disclosure</i>
A.1	Warning	This summary should be read as an introduction to this document. Any decision to invest in the securities should be based on consideration of this document as a whole by the investor. Where a claim relating to the information contained in this document is brought before a court, the plaintiff investor might, under the national legislation of the Member States of the European Economic Area, have to bear the costs of translating the document before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the document or it does not provide, when read together with the other parts of the document, key information in order to aid investors when considering whether to invest in such securities.
A.2	Subsequent resale of securities or final placement of securities through financial intermediaries	Not applicable. The Company has not given consent to the use of this document for subsequent resale or any final placement of Ordinary Shares by financial intermediaries.

Section B – Company and any guarantor

<i>Element</i>	<i>Disclosure requirement</i>	<i>Disclosure</i>
B.1	Legal and commercial name	The issuer’s legal and commercial name is Future plc.

B.2	Domicile/legal form/legislation /country of incorporation	The Company was incorporated in England and Wales on 22 April 1999 under the Companies Act 1985 as a private limited company with registered number 03757874. The principal legislation under which the Company operates is the Act and the regulations made thereunder.
B.3	Key factors of Company's current operations and principal activities	Future is a global platform business for specialist media, generating revenue from digital advertising, eCommerce, events, licensing, retail, subscriptions and contract publishing. It is headquartered in Bath, UK and has operations in the UK, US and Australia.
B.4	Significant trends	Media division The Media division hosts a number of global B2C and B2B websites upon which it sells advertising space and collects affiliate marketing (eCommerce) income. It operates in a number of sectors, including technology, games and entertainment, and has a number of leading brands, including TechRadar, PC Gamer, The Photography Show, Homebuilding & Renovating Show and CreativeBloq. Website advertising is a core part of the Media division. The market is encountering structural change as a number of customers and agencies move towards delivering advertising programmatically. The Group is well placed to manage these changes, having invested early in digital advertising technology and through its global sales team selling into both the UK and US markets. In the six months ended 31 March 2018 digital advertising grew organically by 24 per cent. year on year as a result of a number of technology investments in this area to increase both volumes and viewability of inventory and also the yield of such advertising. The Media division continues to see strong organic growth in eCommerce with eCommerce revenue up 76 per cent. year on year for the six months ended 31 March 2018. This has been driven by Future's use of data to optimise conversion rates and target new product categories as well as increasing commission rates from merchants. A spike in revenue is seen each year around the "Black Friday" period in November and across the Christmas holiday period with Future being well placed to target deals in technology, gaming and other men's lifestyle products. In events, the latest Photography Show in March 2018 attracted just fewer than 30,000 visitors. The Homebuilding & Renovating Show was acquired as part of the acquisition of the Home Interest division of Centaur Communications Limited (a subsidiary of Centaur Media plc) ("Home Interest") in August 2017 and now all but two of the seven events have been operated under Future's ownership. These shows have proved successful, with a proforma¹ revenue increase for the six months ended 31 March 2018 of 9 per cent. from the shows. Magazine division Future has taken advantage of a fragmented market through selective acquisitions of a number of complementary titles to the existing portfolio and the addition over the last 12 months of several new portfolios to cover the home interest, B2B and outdoor leisure markets.

¹ Pro forma revenue is on the basis of prior year revenue being restated under Future ownership

		The Magazine division focuses on publishing special interest content, with 86 publications and over 440 bookazines per year, with total global circulation of over one million. The Magazine portfolio covers ten verticals; including technology, games and entertainment, music, creative and photography hobbies and home interest. Its titles are available in print and digital formats and include Classic Rock, Total Film, How It Works, Digital Camera, Homebuilding & Renovating and All About History and Future holds market leading positions in the UK in music, gaming, home DIY and creative and design. The Magazine division has benefited from added scale and operational efficiencies through the acquisitions of Miura Holdings (“Imagine Publishing Group”), Team Rock and Home Interest. Future’s publishing cycle takes advantage of popular events throughout the year and the current trends in consumer interest by publishing topic specific bookazines and premium issues. Recent examples include Future’s bookazines on the royal wedding and royal baby. There is also a seasonal spike in volumes in the run-up to the Christmas period as consumers start to think about Christmas gifting and as demand increases over the holiday period.																											
B.5	Group structure	Future plc is the parent company of the Group and has subsidiaries in the UK, Australia, US, Germany, the Philippines and Guernsey.																											
B.6	Notifiable share ownership	As at the Latest Practicable Date, the Company had been notified under the Disclosure Guidance and Transparency Rules of the following direct and indirect substantial interests in the Existing Ordinary Shares of the Company: <table> <tr> <th><i>Shareholder</i></th><th><i>Number of Ordinary Shares</i></th><th><i>Percentage of the share capital</i></th></tr> <tr> <td>Aberforth Partners</td><td>7,512,592</td><td>16.15%</td></tr> <tr> <td>Canaccord Genuity Wealth Management (Inst)</td><td>4,950,000</td><td>10.64%</td></tr> <tr> <td>Disruptive Capital Investments</td><td>4,561,412</td><td>9.81%</td></tr> <tr> <td>Invesco Perpetual</td><td>3,965,848</td><td>8.53%</td></tr> <tr> <td>Slater Investments</td><td>3,868,000</td><td>8.32%</td></tr> <tr> <td>AXA Framlington Investment Managers</td><td>3,399,782</td><td>7.31%</td></tr> <tr> <td>River and Mercantile Asset Management</td><td>2,576,948</td><td>5.54%</td></tr> <tr> <td>Herald Investment Management</td><td>1,734,333</td><td>3.73%</td></tr> </table> As at the Latest Practicable Date, save as disclosed in this Element, the Company is not aware of any interest (within the meaning of the Disclosure Guidance and Transparency Rules) which represents 3 per cent. or more of the voting rights in the Company. The Company is not aware of any person or persons who as at the Latest Practicable Date, directly or indirectly, acting jointly with others or acting alone, exercised or could exercise control over the Company. The Company is not aware of any arrangements the operation of which may, at a subsequent date, result in a change in control of the Company. None of the Company’s major Shareholders has any different voting rights from other holders of Ordinary Shares.	<i>Shareholder</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of the share capital</i>	Aberforth Partners	7,512,592	16.15%	Canaccord Genuity Wealth Management (Inst)	4,950,000	10.64%	Disruptive Capital Investments	4,561,412	9.81%	Invesco Perpetual	3,965,848	8.53%	Slater Investments	3,868,000	8.32%	AXA Framlington Investment Managers	3,399,782	7.31%	River and Mercantile Asset Management	2,576,948	5.54%	Herald Investment Management	1,734,333	3.73%
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Herald Investment Management	1,734,333	3.73%																											
B.7	Historical financial information	Selected historical financial information regarding the Group which summarises the results of operations and financial condition of the Group for the three financial years ended 30 September 2017, 30 September 2016 and 30 September 2015 as well as the interim periods for the																											

six months ended 31 March 2018 and 31 March 2017, prepared using International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee's (IFRIC) interpretations as adopted by the European Union, applicable as at each accounts date is set out below.

Selected historical financial information relating to Future has been extracted without material adjustment (except for the line items "Operating profit/(loss) before share-based payments, depreciation, amortisation, exceptional items and impairment of intangible assets" and "share-based payments" in the consolidated income statement) from the audited consolidated financial statements of the Group for the three financial years ended 30 September 2017, 30 September 2016 and 30 September 2015 and the unaudited interim financial statements of the Group for the six months ended 31 March 2018 and 31 March 2017.

Consolidated Income Statement

The results for the years ended 30 September 2017, 2016 and 2015 are audited. The results for the periods ended 31 March 2018 and 2017 are unaudited.

	12 months to 30 September (Audited)			6 months to 31 March (Unaudited)	
	2017	2016	2015	2018	2017
	£m	£m	£m	£m	£m
Continuing operations					
Revenue	84.4	59.0	59.8	51.1	40.9
Adjusted EBITDA*	11.0	5.2	3.7	8.8	4.8
Share-based payments	(2.1)	(0.5)	(0.1)	(1.4)	(0.4)
Depreciation	(0.3)	(0.4)	(0.5)	(0.3)	(0.2)
Amortisation	(4.1)	(2.0)	(2.3)	(3.0)	(1.8)
Exceptional items	(3.7)	(3.5)	(2.5)	(0.3)	(1.1)
Impairment of intangible assets	—	(13.0)	—	—	—
Operating profit/(loss)	0.8	(14.2)	(1.7)	3.8	1.3
Net finance costs	(0.6)	(0.7)	(0.6)	(0.5)	(0.4)
Profit/(Loss) before tax	0.2	(14.9)	(2.3)	3.3	0.9
Tax on profit/(loss)	1.4	0.5	0.3	0.1	0.1
Profit/(Loss) for the year from continuing operations	1.6	(14.4)	(2.0)	3.4	1.0
Profit for the year from discontinued operations	—	0.2	0.7	—	—
Profit/(Loss) for the year attributable to owners of the parent	1.6	(14.2)	(1.3)	3.4	1.0

* Adjusted EBITDA means earnings before share based payments and associated social security costs, interest, tax, depreciation, amortisation, impairment of intangible assets and exceptional items

Consolidated Balance Sheet

The balance sheet as at each of the financial years ended 30 September 2017, 2016 and 2015 is audited. The balance sheet as at each of the periods ended 31 March 2018 and 2017 is unaudited.

	30 September (Audited)			31 March (Unaudited)	
	2017	2016	2015	2018	2017
	£m	£m	£m	£m	£m
Assets					
Total non-current assets	97.9	36.1	44.9	95.7	61.4
Total current assets	24.5	15.8	19.5	34.7	18.8
Total assets	<u>122.4</u>	<u>51.9</u>	<u>64.4</u>	<u>130.5</u>	<u>80.2</u>
Equity and liabilities					
Total equity	61.3	21.2	31.4	66.0	38.0
Total non-current liabilities	24.7	5.6	7.1	24.2	15.1
Total current liabilities	36.4	25.1	25.9	40.3	27.1
Total liabilities	<u>61.1</u>	<u>30.7</u>	<u>33.0</u>	<u>64.5</u>	<u>42.2</u>
Total equity and liabilities	<u>122.4</u>	<u>51.9</u>	<u>64.4</u>	<u>130.5</u>	<u>80.2</u>

Consolidated Cash Flow Statement

The cash flows for the years ended 30 September 2017, 2016 and 2015 are audited. The cash flows for the periods ended 31 March 2018 and 2017 are unaudited.

	12 months to 30 September (Audited)			6 months to 31 March (Unaudited)	
	2017	2016	2015	2018	2017
	£m	£m	£m	£m	£m
Net cash used in operating activities	10.0	2.0	(8.6)	9.1	2.1
Net cash (used in)/generated from investing activities	(34.2)	(2.8)	(0.7)	(0.7)	(0.7)
Net cash generated from/(used in) financing activities	31.5	1.9	3.3	(0.6)	0.5
Net (decrease)/increase in cash and cash equivalents	<u>7.3</u>	<u>1.1</u>	<u>(6.0)</u>	<u>7.8</u>	<u>1.9</u>
Cash and cash equivalents at beginning of year	2.9	1.6	7.5	10.1	2.9
Exchange adjustments	(0.1)	0.2	0.1	(0.4)	–
Cash and cash equivalents at end of year	<u>10.1</u>	<u>2.9</u>	<u>1.6</u>	<u>17.5</u>	<u>4.8</u>

Further information in respect of the results, cash flows and financial position in respect of the above periods is set out below:

Revenue

- Group revenue for the six months ended 31 March 2018 was £51.1 million (2017: £40.9 million, 2016: £30.2 million) as Future continues to manage the expected decline in print whilst taking advantage of digital opportunities to increase Media revenues.

	● UK revenue was £42.0 million for the six months ended 31 March 2018 (2017: 33.0 million, 2016: £23.6 million) and US revenue was £10.4 million (2017: £8.5 million, 2016: £7.2 million). In 2016 the Group re-organised into two divisions, Media and Magazine. ● Media revenue increased by 62 per cent. to £26.2 million for the six months ended 31 March 2018, driven by the Group's fast-growing revenue streams: eCommerce, events and digital display advertising. ● Magazine revenue increased to £24.9 million for the six months ended 31 March 2018 (2017: £24.7 million) reflecting the acquisition of Imagine. ● Group revenue was £84.4 million for the year ended 30 September 2017 (2016: £59.0 million, 2015: £59.8 million) reflecting the growing new revenue streams and continued tight management of print. Adjusted EBITDA In the six months ended 31 March 2018 the Group's Adjusted EBITDA was £8.8 million (2017: £4.8 million, 2016: £2.0 million). The Group's Adjusted EBITDA profit was £11.0 million for the year ended 30 September 2017 (2016: £5.2 million, 2015: £3.7 million). For the year ended 30 September 2017 the Group's headcount increased to 634 employees, following a reduction from 521 to 449 in 2016. Exceptional items The Group has incurred exceptional costs during the years ended 31 September 2015, 2016 and 2017 and the six months ended 31 March 2018 as it restructured its operations, including a rationalisation of its property portfolio and transaction costs associated with acquisitions. Cash flows and net debt – annual results Net debt at 30 September 2017 was £10.0 million (2016: net cash £0.5 million, 2015: net debt £1.8 million), which reflects the additional debt taken on to fund the Imagine and Home Interest acquisitions. During 2017 net cash inflow totalled £12.0 million (2016: £3.1 million inflow). There was a cash inflow from operations before exceptional items of £17.1 million (2016: £6.5 million inflow, 2015: £2.3 million outflow) arising from an improvement in the working capital cycle and trading performance. This was offset by £5.1 million (2016: £3.4 million) of restructuring payments made in the year, £1.8 million (2016: £1.9 million, 2015: £2.0 million) of capital expenditure, net proceeds from issuing shares of £21.0 million, draw down of bank loans (net of repayments and arrangement fees) of £10.6 million and payments of £32.6 million (net of cash acquired) to fund acquisitions. Foreign exchange and other movements accounted for the balance of cash flows in each of the respective years. Cash flow and net debt – interim results Net debt at 31 March 2017 was £2.0 million (2017: net debt of £5.2 million, 2016: net cash of £0.6 million). In 2018 there was a cash inflow from operations before exceptional items of £11.1 million (2017: £6.2 million, 2016: £2.6 million). Exceptional cashflows of £0.7 million represent payment of deal fees and other costs in respect of the vacant property lease costs and restructuring and redundancy costs.
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		No significant change Other than the acquisitions of NewBay Media and the four consumer titles from Haymarket Media Group which resulted in the Group increasing its debt facilities by a further £5 million, there has been no significant change in the trading or financial position of the Group since 31 March 2018, the date to which Future's last unaudited interim financial statements were issued.
B.8	Pro forma financial information	The Unaudited Pro Forma Financial Information has been prepared to illustrate the effect of the Rights Issue and the Acquisition on the consolidated net assets of the Group as if they had taken place on 31 March 2018 and to illustrate the effect of the acquisition of Home Interest, the Rights Issue and the Acquisition on the consolidated income statement of the Company for the year ended 30 September 2017 as if these had taken place at the beginning of the financial year. The Unaudited Pro Forma Financial Information has been prepared in accordance with Annex II of the Prospectus Directive and in a manner consistent with the accounting policies adopted by the Group. The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and because of its nature, addresses a hypothetical situation. It does not purport to represent what the Enlarged Group's financial position or results of operations actually would have been if the Acquisition had been completed on the dates indicated, nor does it purport to represent the results of operations for Future at any period or financial position at any future date. It does not reflect the results of any purchase price allocation exercise as this will be conducted following the Acquisition. The adjustments in the Unaudited Pro Forma Financial Information are expected to have a continuing impact on the Enlarged Group, unless otherwise stated. The Unaudited Pro Forma Financial Information does not constitute financial statements within the meaning of Section 434 of the Act. Shareholders should read the whole of this document and not rely solely on the summarised financial information contained in Part 16 (<i>Unaudited Pro Forma Financial Information of the Group</i>) of this document. PwC's report on the Unaudited Pro Forma Financial Information is set out in Section A of Part 16 (<i>Unaudited Pro Forma Financial Information of the Group</i>) of this document. The Unaudited Pro Forma loss before tax for the year ended 30 September 2017 is £0.8 million. The Unaudited Pro Forma net assets as at 31 March 2018 is £166.2 million.
B.9	Profit forecast	Not applicable. There are no profit forecasts included in this document.
B.10	Qualifications in the audit report	Not applicable. The audit reports on the historical financial information are not qualified.
B.11	Working capital	Not applicable. The Company is of the opinion that, after taking into account available bank facilities and the net proceeds of the Rights Issue, the working capital available to the Group and the Enlarged Group, is sufficient for its present requirements, that is, for at least the next 12 months from the date of this document.

Section C – Securities

Element	Disclosure requirement	Disclosure
C.1	Type and class of securities being offered	Pursuant to the Rights Issue, the Company is proposing to offer up to 34,881,368 New Ordinary Shares to Qualifying Shareholders at 303 pence per New Ordinary Share. When admitted to trading, the New Ordinary Shares will be registered with ISIN number GB00BYZN9041 and SEDOL number BYZN9041. The ISIN number for the Nil Paid Rights is GB00BF2S5L22 and the ISIN number for the Fully Paid Rights is GB00BF2S5M39.
C.2	Currency of the securities issue	Pounds sterling.
C.3	Number of shares issued	As at the Latest Practicable Date, the Company had 46,508,490 fully paid Ordinary Shares of 15 pence each in issue.
C.4	Description of the rights attaching to the securities	The New Ordinary Shares will, when issued and fully paid, rank <i>pari passu</i> in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions made, paid or declared after the date of issue of the New Ordinary Shares.
C.5	Restrictions on the free transferability of the securities	There are no restrictions on the free transferability of the Existing Ordinary Shares or the New Ordinary Shares.
C.6	Admission	Applications will be made to the FCA and to the London Stock Exchange for the New Ordinary Shares to be admitted to the standard listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities, respectively. It is expected that Admission will become effective on 6 August 2018 and that dealings in New Ordinary Shares (nil paid) will commence at 8.00 a.m. on that date.
C.7	Dividend policy	The Board understands the importance of optimising value for shareholders and believes in balancing returns to shareholders with investment in the business to support future growth. The Company's Employee Benefit Trust waives its entitlement to any dividends. The Board is considering a final dividend for the year 2018.

Section D – Risks

Element	Disclosure requirement	Disclosure
D.1	Key information on the key risks that are specific to the issuer or its industry	Risks relating to the business of and the industry in which the Group and, following Completion, the Enlarged Group operates ● The structural change in the Group's operating environment and the pace of transition from print remain a substantial risk for the Group. There is a risk that print circulation volumes and print advertising revenues decline at a faster rate than anticipated and digital revenues do not grow at a rate to offset this. ● The Group and, following Completion, the Enlarged Group is reliant on its information technology for the provision of information regarding most aspects of its financial and operational performance, including, but not limited to, circulation, advertising and costs information, as well

		as the delivery of its products, either printed, through websites or to digital newsstands. Interruption in the Group's information technology systems could be caused by a number of factors including as a result of human error, malfunction, damage, fire, natural disasters, power loss or malicious activities including computer hackings and computer viruses. ● A material proportion of traffic visits the Group's and, following Completion, the Enlarged Group's websites as a result of organic referrals from search engines. An unexpected change in how search engines prioritise search traffic could have a material impact on the Group and, following Completion, the Enlarged Group's ability to generate traffic to its websites. This could cause a reduction in advertising inventory and potential e-commerce traffic which, in turn, could adversely impact the business, financial condition and prospects of the Group and, following Completion, the Enlarged Group. ● The Group and, following Completion, the Enlarged Group are affected by economic conditions of the sector and regions in which they and their customers operate. The Group depends and, following Completion, the Enlarged Group will depend on consumers spending discretionary funds on leisure activities. The prevailing global economic climate, inflation, levels of employment, real disposable income, salaries, wage rates, interest rates, consumer confidence and consumer perception of economic conditions can all influence customer spending decisions adversely. ● The Group and, following Completion, the Enlarged Group is required to comply with strict data protection and privacy legislation in the jurisdictions in which the Group and, following Completion, the Enlarged Group operates, including (without limitation) the General Data Protection Regulation. Such laws restrict the Group's and, following Completion, the Enlarged Group's ability to collect and use personal information relating to its customers and third parties, including the marketing use of that information. The need to comply with data protection legislation is a significant control, operational and reputational risk which can affect the Group and, following Completion, the Enlarged Group. ● The Group and, following Completion, the Enlarged Group is dependent on members of its senior management team and skilled personnel and believes its future success will depend, in part, on its ability to attract and retain highly skilled management and personnel. If the Group and, following Completion, the Enlarged Group does not succeed in attracting and retaining skilled personnel, it may not be able to grow its business as anticipated. Furthermore, the departure of the Group's and, following Completion, the Enlarged Group's senior management could, in the short term, have a material adverse effect on the Group's and, following Completion, the Enlarged Group's business. Whilst the Group has ongoing employment agreements with its key employees, their retention cannot be guaranteed. Equally, the ability to attract new employees with the appropriate expertise and skills cannot be guaranteed. The Group and, following Completion, the Enlarged Group may experience difficulties in hiring appropriate employees and the failure to do so may have a detrimental effect upon the trading performance of the Group and, following Completion, the Enlarged Group.
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		● The Group and, following Completion, the Enlarged Group depends on using and granting licences to its licensees to use various types of third-party content including music, audio-visual material, photos, images and text. As a publisher, Future is responsible for any intellectual property or other infringement relating to the same and as licensor, Future is responsible to its licensees. Unauthorised parties may attempt to copy or otherwise obtain and use the Group's and, following Completion, the Enlarged Group's content and other intellectual property. ● As a magazine publisher and as an online publisher, the Group and, following Completion, the Enlarged Group is subject to the laws of defamation in the various territories in which it operates. Whilst the Group endeavours to and, following Completion, the Enlarged Group will endeavour to ensure that its publications do not contain defamatory material, there can be no assurance that the Group's and, following Completion, the Enlarged Group's financial condition and results of operations will not be materially adversely affected by claims for defamation. ● The Group is exposed to credit risk in respect of a portion of sales by its magazine distributor of export magazines to the US, as it is required to indemnify such distributor in the event of non-payment by the end customer. ● As a result of the investments in subsidiaries held (directly or indirectly) by Future, there is a risk that goodwill could become impaired whereby the value in use would be less than the carrying value. The success of the Group and, following Completion, the Enlarged Group and of its business strategy is dependent in part on the strength of its brands, image and reputation. Consumers expect that the Group and, following Completion, the Enlarged Group will offer a large selection of curated, high quality content and this reputation has strengthened its image and brands. Risks relating to the Acquisition ● Until the Acquisition, the Group and the Target will have operated as separate businesses. The Acquisition will require the integration of the Target with the existing head office functions of Future and the success of the Group and, following Completion, the Enlarged Group will depend, in part, on the effectiveness of the integration process and its ability to realise the anticipated benefits without adding significant back office overhead or other costs. ● The Acquisition Agreement was entered into on 17 July 2018. Due to the equity fundraising and shareholder approvals to be obtained prior to Completion, there will likely be a period during which the Group will be exposed to any adverse change in the financial position and future prospects of the Target.
D.3	Key information on the key risks that are specific to the securities	● The market price of the Nil Paid Rights, the Fully Paid Rights and/or the New Ordinary Shares could be subject to significant fluctuations due to a change in sentiment in the market towards them and/or securities of other companies in the same or similar sectors and may not reflect the underlying asset value of the Company. ● Shareholders who do not take up their full entitlement to New Ordinary Shares in the Rights Issue will experience dilution in their ownership.

		● An active trading market for the Nil Paid Rights or the New Ordinary Shares may not develop. ● Shareholders located outside the United Kingdom may not be permitted to take up their entitlements under the Rights Issue.
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Section E – Offer

<i>Element</i>	<i>Disclosure requirement</i>	<i>Disclosure</i>
E.1	Total net proceeds and estimate of total expenses of the offer, including estimated expenses charged to investors by the issuer	The net proceeds of the Rights Issue (assuming take up in full of all New Ordinary Shares) are expected to be approximately £100.3 million (net of expenses). The total costs and expenses (including fees and commissions) payable by the Group in connection with the Rights Issue and Acquisition are estimated to amount to £5.4 million (excluding VAT). No expenses will be charged by the Company to the subscribers of the New Ordinary Shares.
E.2a	Reasons for the offer, use of proceeds, and estimated net amount of expenses	Future US, a subsidiary of the Company has conditionally agreed to acquire Purch. The Company intends to use the net proceeds of the Rights Issue to satisfy the consideration for the Acquisition. The Rights Issue is not conditional upon Completion. It is possible that following Admission and the Rights Issue becoming wholly unconditional, the Acquisition could cease to be capable of completion. In this case, as the Rights Issue is not conditional upon Completion, the Rights Issue would still complete and the Company intends that the net proceeds of the Rights Issue that would otherwise have been used to satisfy part of the consideration payable on Completion will be applied to reducing the Company's net indebtedness on a short-term basis while the Directors evaluate alternative uses for the funds. If no such alternative uses can be found, the Directors will consider how best to return some or all of the proceeds to Shareholders.
E.3	Terms and conditions of the offer	Pursuant to the Rights Issue, the Company is proposing to offer up to 34,881,368 New Ordinary Shares to Qualifying Shareholders. The offer is to be made at 303 pence per New Ordinary Share, payable in full on acceptance by no later than 11.00 a.m. on 20 August 2018. The Rights Issue is expected to raise gross proceeds of approximately £105.7 million. The Issue Price represents a discount of approximately: ● 42.8 per cent. to the Closing Price of 530 pence on 17 July 2018 (being the last Business Day prior to the publication of this document); and ● 30.0 per cent. discount to the theoretical ex-rights price of 432.7 pence, based on the Closing Price on 17 July 2018. The Rights Issue will be made on the basis of: 3 New Ordinary Shares for every 4 Existing Ordinary Shares held by Qualifying Shareholders at the Record Date. Qualifying Shareholders with fewer than 2 Existing Ordinary Shares will not be entitled to any New Ordinary Shares. Fractions of New Ordinary Shares

		will not be allotted to Qualifying Shareholders and fractional entitlements will be rounded down to the nearest whole number of New Ordinary Shares. The Rights Issue will result in up to 34,881,368 New Ordinary Shares being issued (representing approximately 75.0 per cent. of the existing issued share capital and 42.9 per cent. of the enlarged issued share capital immediately following completion of the Rights Issue (assuming that no Ordinary Shares other than the New Ordinary Shares are issued prior to Completion)). The Rights Issue is fully underwritten by the Underwriters pursuant and subject to the terms of the Underwriting Agreement. The Rights Issue is conditional, <i>inter alia</i>, upon: ● the passing, without material amendment, of the Resolution; ● the Underwriting Agreement having become unconditional in all respects save for the condition relating to Admission; and ● Admission becoming effective by no later than 8.00 a.m. on 6 August 2018 (or such later time and date, being not later than 8.30 a.m. on 24 August 2018). A Resolution authorising the allotment of the New Ordinary Shares in connection with the Rights Issue will be proposed to the Shareholders for approval at the General Meeting. This authority, if passed, will be relied upon for the purposes of the Rights Issue. The New Ordinary Shares, when issued and fully paid, will rank <i>pari passu</i> in all respects with the Existing Ordinary Shares, including the right to receive dividends or distributions made, paid or declared after the date of issue of the New Ordinary Shares. Applications will be made to the FCA and to the London Stock Exchange for the New Ordinary Shares to be admitted to the standard listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities, respectively. It is expected that Admission will become effective and that dealings on the London Stock Exchange in the New Ordinary Shares (nil paid) will commence at 8.00 a.m. on 6 August 2018. The offer of Nil Paid Rights, Fully Paid Rights and New Ordinary Shares to persons resident in, or who are citizens of, or who have a registered address in a country other than the United Kingdom may be affected by the laws of the relevant jurisdiction.
E.4	Material interests	Not applicable. There are no interests (including conflicts of interest), known to the Company, which are material to the Acquisition or the Rights Issue.
E.5	Name of person offering to sell the securities.	Not applicable. The Rights Issue comprises an offer of New Ordinary Shares to be issued by the Company.
E.6	Dilution	Qualifying Shareholders who do not take up their entitlements to New Ordinary Shares will have their proportionate shareholdings in the Company diluted by approximately 42.9 per cent. as a consequence of the Rights Issue (assuming that no Ordinary Shares other than the New Ordinary Shares are issued prior to Completion).
E.7	Expenses charged to the investor	Qualifying Shareholders will not be charged expenses by the Company in respect of the Rights Issue.

PART 2

RISK FACTORS

Any investment in the New Ordinary Shares is subject to a number of risks. Before making any investment decision, Shareholders and prospective investors should carefully consider the factors and risks attaching to an investment in the New Ordinary Shares, the Group's and, following Completion, the Enlarged Group's business and the industries in which it operates, together with all other information contained in this document and all of the information incorporated by reference into this document, including, in particular, the risk factors described below.

A number of factors affect the operating results, financial condition and prospects of each of the Group and the Target and, following Completion, will affect the Enlarged Group. Some of the following risk factors apply to carrying on the Group's, the Target's and, following Completion, the Enlarged Group's business generally, while others are specific to the Group, the Target and, following Completion, the Enlarged Group. The risks described below are based on information known at the date of this document and are not an exhaustive list or explanation of all the risks which investors may face when subscribing for the New Ordinary Shares and should be used as guidance only. Additional risks and uncertainties currently unknown to the Company and the Directors, or that the Company and the Directors do not currently consider to be material, may also have an adverse (or materially adverse) effect on the business, financial condition, results of operations and prospects of the Group and/or, following Completion, the Enlarged Group. If any, or a combination, of the following risks actually materialise, the business, results of operations, financial condition, share price and prospects of the Group and, following Completion, the Enlarged Group could be materially adversely affected and potential investors may lose all or part of their investment. An investment in Ordinary Shares is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which may result from the investment. Accordingly, prospective investors are recommended to obtain independent financial advice from an adviser authorised under FSMA (or another appropriately authorised independent professional adviser) who specialises in advising upon investments. Accordingly, prospective investors should consider carefully whether an investment in the New Ordinary Shares is suitable for them in light of the information in this document and their personal circumstances.

Prospective investors should note that the risks relating to the Group and, following Completion, the Enlarged Group, their industries and the New Ordinary Shares summarised in the section of this document headed "Summary" are the risks that the Directors and the Company believe to be the most essential to an assessment by a prospective investor of whether to make an investment in the New Ordinary Shares. However, as the risks which the Group and, following Completion, the Enlarged Group face relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information in the key risks summarised in the section of this document headed "Summary" but also, amongst other things, the risks and uncertainties described below.

Prospective investors should review this document carefully and in its entirety (together with any documents incorporated by reference into it) and consult with their professional advisers before subscribing for any New Ordinary Shares. For the avoidance of doubt, nothing in the risk factors outlined in this section is intended to qualify the statement made in respect of the Group's working capital statement in paragraph 13 of Part 17 (Additional Information) of this document.

RISKS RELATING TO THE BUSINESS OF AND THE INDUSTRY IN WHICH THE GROUP AND, FOLLOWING COMPLETION, THE ENLARGED GROUP OPERATES

Change in Operating Environment

Structural changes in the Group's operating environment may lead to a faster rate of decline in print revenue than anticipated

The structural change in the Group's operating environment and the pace of transition from print remain a substantial risk for the Group. There is a risk that print circulation volumes and print advertising revenues decline at a faster rate than anticipated and cannot be offset by efficiencies in the associated cost base.

Reductions, including over and above those already anticipated, in the Group's advertising revenues could result from, amongst other things:

- a permanent decline in the amount spent on advertising in general;
- a decline in the popularity of the Group's editorial content or perceptions of the Group's brands and/or publications;
- the use of alternative means of delivery, such as radio and television broadcasting, direct mail and "below-the-line advertising" (which is advertising in non-traditional media);
- the activities of the Group's competitors, including increased competition from other local, regional and national local entertainment guides or new market entrants;
- a decrease in advertising yields; and
- The closure of overseas distribution networks reduces sales opportunity and exposes a credit risk.

A significant decline, over and above what is currently anticipated by the Group in its print advertising revenues, as a result of any one or a combination of the foregoing factors, would have a material adverse effect on the Group's and, following Completion, the Enlarged Group's business, results of operations and financial condition.

Unforeseen or rapid changes in technology relating to printing, digital or other distribution platforms may result in higher than expected capital expenditure and/or a loss of competitive positioning relative to other market players

Capital expenditure on digital technology, intellectual property and other assets can be significant. It is difficult to predict future changes and the cost of updating, renewing or replacing existing technologies and the impact of this on the Group's and, following Completion, the Enlarged Group's operating performance. Were a significant change to occur that required material unforeseen expenditure, this could have a material adverse effect on the Group's and, following Completion, the Enlarged Group's business, results of operations and financial condition.

The Group's and, following Completion, the Enlarged Group's success depends on its ability to innovate and to provide functionality that makes its websites user-friendly for consumers and to continue to adapt its digital products and features to changing market demands. If the Group and, following Completion, the Enlarged Group is unable to continue offering innovative products, it may be unable to attract additional consumers or retain its current consumers, which could have a material adverse effect on its business, results of operations, financial condition and prospects.

If the Group and, following Completion, the Enlarged Group is unable to invest in state of the art technology, it could lose significant opportunities for new advertising revenue from digital sources while also losing advertising revenue from traditional sources due to the general reallocation from print to digital advertising taking place.

Unforeseen or rapid changes to search engines' algorithms or terms of service could cause the Group's and, following Completion, the Enlarged Group's websites to be excluded from or ranked lower in organic search results

A material proportion of traffic visits to the Group's websites are and, following Completion, the Enlarged Group's websites will be as a result of organic referrals from search engines. Transactions effected by consumers in this way result in higher margins to the Group and, following Completion, the Enlarged Group as there are lower associated direct costs. Search engines do not accept payments to rank websites in their organic search results and instead they rely on algorithms to determine which websites are included in the results of a search query. An unexpected change in how search engines prioritise search traffic could have a material impact on the Group's and, following Completion, the Enlarged Group's ability to generate traffic to its websites, causing a reduction in advertising inventory and potential eCommerce traffic which, in turn, could adversely impact the business, results of operations, financial condition and prospects of the Group and, following Completion, the Enlarged Group.

The Group and, following Completion, the Enlarged Group are affected by economic conditions of the sector and regions in which they and their customers operate

The Group depends and, following the Acquisition, the Enlarged Group will depend on consumers spending discretionary funds on leisure activities. The prevailing global economic climate, inflation, levels of employment, real disposable income, salaries, wage rates, interest rates, consumer confidence and consumer perception of economic conditions can all influence customer spending decisions adversely.

The Group has and, following Completion, the Enlarged Group will have substantial operations in the United Kingdom and the United States, and as a result will continue to be exposed to macro-economic conditions in both these markets. These conditions may be affected by a variety of domestic and international factors, including the result of the referendum in the United Kingdom in June 2016, in which a majority of voters voted in favour of the United Kingdom withdrawing from the EU (commonly referred to as Brexit). The terms of the withdrawal will be negotiated over a period which may extend at least until March 2019. As a result, there is significant uncertainty about the future relationship between the United Kingdom, the European Union and its other Member States. If the economic conditions or consumer perception of economic conditions in the United Kingdom weaken as a result of Brexit, this may adversely influence customer spending decisions and adversely impact the business, results of operations and financial condition of the Group and, following Completion, the Enlarged Group.

The Group's and, following Completion, the Enlarged Group's strategic development is focussed, in part, on ongoing growth and diversification. An ongoing enabler of this could be the identification and completion of further acquisitions

The Group's and, following Completion, the Enlarged Group's continued growth depends, in part, on their ability to successfully identify and complete acquisitions. Attractive acquisitions may be difficult to identify or complete for a number of reasons, including the availability of desirable assets, competition amongst prospective buyers, economic uncertainty and, in some instances, the need for regulatory, including antitrust, approvals. The Group and, following Completion, the Enlarged Group may not be able to identify and successfully complete acquisitions or strategic business alliance transactions, on favourable terms, or at all, impacting the Group's and, following Completion, the Enlarged Group's ability to grow revenue in the future.

In addition, any acquisition the Group and, following Completion, the Enlarged Group may complete may be made at a substantial premium or may ultimately be a poor strategic fit, and there can be no assurance that the Group and, following Completion, the Enlarged Group will achieve the expected return on investment, for a number of reasons, many of which are outside the control of the Group and, following Completion, the Enlarged Group. In such circumstances, it is possible that the Enlarged Group may be required to impair the value of its goodwill and intangible assets, which would reduce the Enlarged Group's reported assets and earnings in the year the impairment charge is recognised. If any of the factors mentioned above were to occur, the Group and, following Completion, the Enlarged Group may not be able to achieve their strategy of growing through acquisitions, which could have a material adverse effect on the Group and, following Completion, the Enlarged Group's business, results of operations, financial condition and prospects.

The Group's and, following Completion, the Enlarged Group's continued growth depends, in part, on their ability to successfully integrate acquisitions including the Acquisition

The success of any acquisition depends in part on the Group's and, following Completion, the Enlarged Group's ability to integrate the acquired business or assets, including customers, colleagues, operating systems, operating procedures and information technology systems. These issues are particularly relevant in the context of larger acquisitions. The Group and, following Completion, the Enlarged Group may not be able to effectively integrate and manage the operations of any acquired business. In addition, the process of integrating acquired businesses or assets may involve unforeseen difficulties and integration could take longer than anticipated. Integrating any newly acquired business may require a disproportionate amount of management's attention and financial and other resources, and detract from the resources remaining for the Group's and, following Completion, the Enlarged Group's pre-existing business. Further, the Group and, following Completion, the Enlarged Group may not be able to maintain or improve the historical financial performance of acquired businesses. Finally, the Group and, following Completion, the Enlarged Group may not fully derive all of the anticipated benefits from their acquisitions, such as scale efficiencies, supply cost synergies and/or reduced operating costs due to centralised or shared technical

infrastructure. If any of the factors mentioned above were to occur, the Group and, following Completion, the Enlarged Group could suffer from inefficient business processes, inconsistent corporate culture and a weakened brand, which could have a material adverse effect on the business, results of operations, financial condition and prospects of the Group and, following Completion, the Enlarged Group.

The due diligence process that the Group, and following Completion, the Enlarged Group undertakes in connection with acquisitions may fail to uncover relevant information concerning the target business

The Group has made a number of acquisitions in the past few years. Prior to making an acquisition, the Group conducts due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each acquisition. When conducting due diligence, the Group may be required to evaluate important and complex business, financial, tax, accounting, legal issues, and outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of acquisition. Nevertheless, when conducting due diligence and making an assessment regarding an acquisition, including the Acquisition, the Group relies on the resources available to it, including information provided by the target business. The due diligence process may at times be subjective and the Group's assessments are subject to a number of assumptions relating to profitability, growth and company valuations. Accordingly, there can be no assurance that the assessments or due diligence conducted regarding target businesses will prove to be correct or reveal or highlight all relevant facts that may be necessary or helpful in evaluating the potential acquisition, and actual developments may differ significantly from the Group's, and following Completion, the Enlarged Group's expectations. As a result, the Group, and following Completion, the Enlarged Group may pay too high a price to acquire a business, assume unexpected liabilities or lose customers or employees following the acquisition. If any or all of these risks were to materialise, the result could have a material adverse impact on the Group's, and following Completion, the Enlarged Group's business, financial condition, prospects and/or results of operations.

Advertising

Following Completion, the Enlarged Group will have a dependency on digital advertising revenue, does not have long-term agreements with advertisers and may be unable to attract new advertisers or sell additional offerings to its existing advertisers

Following Completion, advertising will be an important source of revenue for the Enlarged Group. There can be no assurances that the Target's and, following Completion, the Enlarged Group's advertisers will continue to advertise through the Enlarged Group or that they will be able to replace, in a timely or effective manner departing advertisers with new advertisers from whom the Target and, following Completion, the Enlarged Group, is able to generate comparable revenue. If more difficult economic conditions result in a reduction in advertising spending in any of the territories in which the Enlarged Group operates, the results of its operations may be materially adversely affected.

The Target's and, following Completion, the Enlarged Group's advertising products face substantial competition for advertising revenues from a variety of sources, such as newspapers, television, radio and other forms of media; and, increasingly, advertising-supported digital products that provide news, product reviews and information, including websites and digital applications, news and review aggregators and social media sites. The impact of the growth of such competition on the Target's and, following Completion, the Enlarged Group's ability to generate advertising revenues is uncertain but it may have a material adverse effect on the results of operations of the Enlarged Group. In particular, the internet increasingly enables advertisers to reach large target audiences at low cost and competition from internet publishers may also have a material adverse effect on the Enlarged Group's financial condition and results of operations.

The cyclical nature of advertising revenues, in particular the impact of economic conditions on the advertising market

The Group's and, following Completion, the Enlarged Group's results are impacted by factors outside its control such as the prevailing economic climate, levels of employment, disposable income, interest rates, consumer sentiment and consumer perception of economic conditions. In particular, advertising revenues are cyclical and substantially dependent upon prevailing economic conditions, with less being spent on

advertising in times of economic downturn. The Group and, following Completion, the Enlarged Group is at risk from the ongoing weakness in print advertising, whilst digital advertising is at risk of general cyclical market trends. To the extent that the current economic environment in relevant markets declines or does not improve, or improves over an extended period of time only, the Group's, and following Completion, the Enlarged Group's business, operating results, financial condition or prospects may be materially affected.

Information Technology and Personal Data

The possibility of failures or interruptions in the Group's and, following Completion, the Enlarged Group's information technology systems could materially impact the Group's and, following Completion, the Enlarged Group's day-to-day operations

The Group and, following Completion, the Enlarged Group will be increasingly dependent on information technology. The Group and, following Completion, the Enlarged Group is reliant on its information technology for the provision of information regarding most aspects of its financial and operational performance, including, but not limited to, circulation, advertising and costs information, as well as the delivery of its products, either printed, through websites or to digital newsstands. Interruption in the Group's and, following Completion, the Enlarged Group's information technology systems could be caused by a number of factors including as a result of human error, malfunction, damage, fire, natural disasters, power loss or malicious activities including computer hackings and computer viruses.

Any failure of the Group's and, following Completion, the Enlarged Group's information technology systems would restrict the Group's and, following Completion, the Enlarged Group's ability to continue its operations and could have a material adverse effect on the Group's and, following Completion, the Enlarged Group's business, results of operations and financial condition. In the event of a total network or server failure, or data loss, there would be a major impact on the production of magazines, operation of websites and the operational effectiveness of the business.

Malicious activities including computer hackings may result in a loss of personal data which would trigger the need to notify users and the Information Commissioner's Office and Future may suffer reputational risk, as well as a significant financial penalty if it is responsible for the breach.

The Group and, following Completion, the Enlarged Group is subject to regulation regarding the use of personal data

The Group and, following Completion, the Enlarged Group is required to comply with strict data protection and privacy legislation in the jurisdictions in which the Group operates and, following Completion, the Enlarged Group will operate, including (without limitation) the General Data Protection Regulation ("GDPR"). Such laws restrict the Group's and, following Completion, the Enlarged Group's ability to collect and use personal information relating to its customers and third parties, including the marketing use of that information. The need to comply with data protection legislation is a significant control, operational and reputational risk which can affect the Group and, following Completion, the Enlarged Group in a number of ways including, for example, making it more difficult to grow and maintain marketing data and also through potential litigation or regulatory action (including substantial fines) relating to the alleged misuse of personal data. In some cases, the Group and, following Completion, the Enlarged Group may rely on third party contractors and employees to maintain its databases and seeks to ensure that procedures are in place to comply with the relevant data protection regulations. The Group and, following Completion, the Enlarged Group is exposed to the risk that its data could be wrongfully appropriated, lost or disclosed, or processed in breach of data protection regulation, by or on behalf of the Group and, following Completion, the Enlarged Group. If the Group and, following Completion, the Enlarged Group or any third party service providers on which it may rely fails to transmit customer information in a secure manner, or if any such loss of personal customer data were otherwise to occur, the Group and, following Completion, the Enlarged Group could face liability under data protection laws and/or suffer reputational damage from the resulting lost goodwill of individuals such as customers or employees, as well as deterring new customers.

Further, in connection with its business, the Group currently transfers and, following Completion, the Enlarged Group will transfer some personal data to external third parties and to other entities within the Group and, following Completion, the Enlarged Group who are located outside the EEA, including to parties based in the United States. Pursuant to EEA data protection regulations, transfers of personal data outside the EEA are restricted unless the importing country offers an adequate level of protection. If the

Group and, following Completion, the Enlarged Group is found not to comply with the data protection laws in respect of transfers of personal data outside the EEA, this may result in investigative or enforcement action (including criminal proceedings and significant pecuniary penalties) by the Information Commissioner's Office in the UK or similar regulatory authorities in other jurisdictions in which the Group and, following Completion, the Enlarged Group operates. This in turn could damage its reputation, lead to negative publicity and result in the loss of the goodwill of its existing customers and deter new customers, all of which would have a material adverse effect on the Group's and, following Completion, the Enlarged Group's business, results of operations and financial condition.

Competition

The publishing and events markets in which the Group and, following Completion, the Enlarged Group operates has relatively low barriers to entry

The publishing and events market has relatively low barriers to entry that could lead to rival operators establishing competing businesses in the Group's and, following Completion, the Enlarged Group's core markets. There are several competitors who could establish rival conferences at relatively low cost. However, the Directors believe that the diversified nature of the Group's and, following Completion, the Enlarged Group's business model means that the impact of such competition should be limited.

The Group and, following Completion, the Enlarged Group is subject to a number of factors affecting its competitive success including:

- demand for the content of its publications and websites;
- prices it offers potential advertisers;
- recognition of its brands;
- performance and strategies adopted by its competitors, and the participation and success of new competitors in the markets in which it operates;
- its ability to attract new customers at reasonable costs; and
- customer service and consumer satisfaction.

Revenue in the industry in which the Group and, following Completion, the Enlarged Group operates is dependent primarily upon advertising. Competition for advertising and readers is intense and comes from local, regional and national print sources, radio, broadcast and cable television, direct mail, internet and other communications and advertising media that operate in the Group's and, following Completion, the Enlarged Group's markets. Competition from alternative media platforms could make it increasingly difficult for the Group and, following Completion, the Enlarged Group to attract advertisers and readers, in particular if participants in alternative media platforms are able to improve their ability to target specific audiences and thereby become a more attractive medium than the Group's and, following Completion, the Enlarged Group's business offering. Such circumstances could result in the Group's and, following Completion, the Enlarged Group's print and digital offering not being as competitive in relation to these alternative media platforms, which could, in turn, inhibit the Group's and, following Completion, the Enlarged Group's ability to grow or maintain its print advertising, sales revenues and digital revenues, digital advertising revenues or grow or maintain its revenue levels associated with its advertising products.

Management

The Group's and, following Completion, the Enlarged Group's business depends on their ability to attract, motivate and retain their senior management and skilled personnel

The successful management and operations of the Group and, following Completion, the Enlarged Group depend on the contribution of members of their senior management team and skilled personnel. The continuing success of the Group and, following Completion, the Enlarged Group will depend, in part, on their ability to continue to attract, motivate and retain highly experienced and skilled management and personnel. If the Group and, following Completion, the Enlarged Group does not succeed in attracting and retaining skilled personnel, it may not be able to grow its business as anticipated. Furthermore, the departure of the Group's and, following Completion, the Enlarged Group's senior management could, in the short term, have a material adverse effect on the Group's and, following Completion, the Enlarged

Group's business. Whilst the Group has and, following Completion, the Enlarged Group will have ongoing employment agreements with its key employees, their retention cannot be guaranteed. Equally, the ability to attract new employees with the appropriate expertise and skills cannot be guaranteed. The Group and, following Completion, the Enlarged Group may experience difficulties in hiring appropriate employees and the failure to do so may have a detrimental effect upon the trading performance of the Group and, following Completion, the Enlarged Group.

Future's strong reputation as a significant content provider makes its staff potentially attractive to competitors. There is a risk that key staff will move elsewhere if offered significant increases in remuneration with which the Group and, following Completion, the Enlarged Group is unable to compete. In addition, if one or more key employees were to join a competitor or set up business in competition with the Group and, following Completion, the Enlarged Group, there can be no assurance that the loss of such employee's services would not have an adverse effect on the Group's and, following Completion, the Enlarged Group's financial condition and results of operations.

Intellectual Property

The Group's and, following Completion, the Enlarged Group's intellectual property rights may not be adequately protected and may be challenged by third parties

The Group and, following Completion, the Enlarged Group depends on using and granting licences to its licensees to use various types of third-party content including music, audio-visual material, photos, images and text. As a publisher, Future is responsible for any intellectual property or other infringement relating to the same and as licensor, Future is responsible to its licensees. Unauthorised parties may attempt to copy or otherwise obtain and use the Group's and, following Completion, the Enlarged Group's content and other intellectual property. Advances in technology have exacerbated the risk by making it easier to duplicate and disseminate content. If the Group and, following Completion, the Enlarged Group is unable to protect and enforce its intellectual property rights or is found liable for significant infringements of third party intellectual property rights through its own acts or those of its licensees, the Group and, following Completion, the Enlarged Group may not realise the full value of its intellectual property and this could have a material adverse effect on the Group's and, following Completion, the Enlarged Group's business and results of operations.

In addition, although there is now a growing amount of copyright legislation relating to digital content, in many jurisdictions such legislation remains under legislative review and/or there remains significant uncertainty as to the form which copyright law may ultimately take. These factors will create additional challenges for the Group and, following Completion, the Enlarged Group in protecting its proprietary rights to content delivered through the internet and electronic platforms, and the Group and, following Completion, the Enlarged Group will face significant challenges posed by third parties (including organisations in the new media/IT sectors) taking advantage of these legal developments to obtain the ability to host Group and, following Completion, the Enlarged Group content. Moreover, although non-copyrightable databases are protected in many circumstances by law in the European Union, there is no equivalent legal protection in the United States. Additionally, enforcement of intellectual property rights is restricted in certain jurisdictions, and the global nature of the internet makes it impossible to control the ultimate destination of content produced by the Group and, following Completion, the Enlarged Group. Developments like these may ultimately weaken demand for the Group's products, and negatively impact the underlying operations of the Group and, following Completion, the Enlarged Group.

The Group and, following Completion, the Enlarged Group may also be the subject of claims for infringement of third party rights or may be party to claims to determine the scope and validity of the intellectual property rights of others. Litigation based on these claims is common amongst companies that utilise digital intellectual property. Such claims, whether or not valid, could require the Group and, following Completion, the Enlarged Group to spend significant sums in litigation, pay damages, re-brand or re-engineer services and distract management attention from the business, which may have a material and adverse effect on its business, financial condition and results of operations.

Other

The Group and, following Completion, the Enlarged Group is subject to defamation laws in the territories in which it operates

As a magazine publisher and as an online publisher, the Group and, following Completion, the Enlarged Group is subject to the laws of defamation in the various territories in which it operates. Whilst the Group endeavours to and, following Completion, the Enlarged Group will endeavour to ensure that its publications do not contain defamatory material, there can be no assurance that the Group's and, following Completion, the Enlarged Group's financial condition and results of operations will not be materially adversely affected by claims for defamation.

The Group and, following Completion, the Enlarged Group may incur significant costs in defending any defamation legal actions which may not be fully recoverable, irrespective of whether it is successful in defending any claims, and it may be subject to adverse publicity or reputational harm as a result of such claims or similar actions. Furthermore, there can be no assurance that claimants in any litigation proceedings will not be able to devote substantially greater financial resources to any litigation proceedings or that the Group and, following Completion, the Enlarged Group will prevail in any such litigation. Any litigation, whether or not determined in the Group's and, following Completion, the Enlarged Group's favour or settled by the Group and, following Completion, the Enlarged Group, may be costly and may divert the efforts and attention of the Group's and, following Completion, the Enlarged Group's management and other personnel from normal business operations.

The Group is exposed to credit risk in respect of its magazine distributors

The Group is exposed to credit risk in respect of a portion of sales by its magazine distributor of export magazines to the US, as it is required to indemnify such distributor in the event of non-payment by the end customer. The distributor bears the first £600,000 of credit risk. In the event that there is non-payment by the end customer, the Group would suffer adverse financial consequences as revenues for copies distributed are paid to the publisher over a number of months following the on-sale period as returns are received to determine the final sales number. This element of the magazine business contributes to overall magazine profitability, but should such a risk occur, it is one of the smaller elements of the Group's revenues.

Certain covenants in the Facilities Agreement could place restrictions on the Company's future actions and failure by the Company to comply with its obligations in the Facilities Agreement may then result in it being terminated

The Facilities Agreement includes certain customary covenants in respect of the Company's financial performance (consistent with Loan Market Association standard terms) which could place restrictions on the Company's future actions as the Company continues to deliver on its strategy over the longer term. A failure to comply with these covenants could result in the Bank calling an event of default which might, ultimately, result in the facilities being cancelled (and all outstanding amounts being declared immediately payable), the Facilities Agreement being terminated and additional financial costs. If in future the Facilities Agreement is terminated and the Company is unable to refinance on similar terms, this may have a material and adverse effect on its financial position. For the avoidance of doubt, nothing in this paragraph limits or is intended to limit the working capital statement contained in paragraph 13 of Part 17 (*Additional Information*) of this document.

There is a risk that the Group, and following Completion, the Enlarged Group will be subject to goodwill impairment and may not be able to maintain or enhance its brands

As a result of the investments in subsidiaries held (directly or indirectly) by Future, there is a risk that goodwill could become impaired whereby the value in use would be less than the carrying value.

The success of the Group and of its business strategy is dependent in part on the strength of its brands, image and reputation. Consumers expect that the Group will offer a large selection of curated, high quality content and this reputation has strengthened its image and brands.

A number of factors could damage the Group's, and following Completion, the Enlarged Group's brands, making it more difficult for the Group, and following Completion, the Enlarged Group to attract and retain customers. These factors include:

- negative publicity resulting from lawsuits;
- negative media coverage, reviews (including on public social networking websites) or customer complaints;
- a decline in the quality or selection of the products and services provided by suppliers;
- the Group's inability to provide the level of customer service demanded by its customers;
- human error on the part of the Group's employees or third-party service providers;
- interruptions in service caused by failure or malfunction of the Group's technical systems; or
- damage, such as theft of personal data, resulting from hacking or infection with viruses or other malware.

Such negative developments need not actually occur to cause reputational damage; even an incorrect perception among consumers can damage the Group's, and following Completion, the Enlarged Group's image. Furthermore, the Group, and following Completion, the Enlarged Group can be adversely affected by developments over which the Group, and following Completion, the Enlarged Group has no control and with which the Group, and following Completion, the Enlarged Group is not involved. If the Group, and following Completion, the Enlarged Group is unable to maintain and enhance the strength of its brands, then its ability to retain and expand its audience as well as advertising customers and its attractiveness to existing and potential audiences and advertisers may be impaired and operating results could be adversely affected.

The Group, and following Completion, the Enlarged Group is exposed to foreign currency exchange rate fluctuations

The Group, and following Completion, the Enlarged Group markets its magazines in numerous international territories. As a result, they have financial commitments in a number of different territories which are denominated in a number of different currencies and may be adversely affected by any fluctuation between such currencies. Whilst Future prepares its financial accounts in pounds sterling, its non-UK subsidiaries conduct their businesses and prepare their financial accounts in other local currencies as appropriate. Fluctuations between the pound sterling and other local currencies may affect the pound sterling equivalent of the other local currency amounts making a period to period comparison of Future's results of operations difficult. To the extent that no hedging arrangements are implemented by Future or that such hedging is imperfect, significant volatility in the rates of exchange between the pound sterling and the US Dollar (or other currencies that the Group uses) could have a material adverse effect on the Group's, and following Completion, the Enlarged Group's financial condition and results of operations.

There is a risk that the Group, and following Completion, the Enlarged Group may be subject to a change in taxation which could have a material adverse effect on the Group's, and following Completion, the Enlarged Group's financial condition

In some of the territories in which the Group, and following Completion, the Enlarged Group operates, magazines and cover-mount products benefit from concessions, exemptions and/or reduced rates of VAT and sales tax. Any change to such concessions or exemptions, the interpretation of the laws which apply to them or the rates of tax imposed may have to be borne by the Group, and following Completion, the Enlarged Group or result in higher cover prices (which could lead to a fall in circulation volumes and consequently a fall in advertising yields) and/or a reduction in the net amount of sales revenues received by the Group, and following Completion, the Enlarged Group which, in either case, may have a material adverse effect on the Group's, and following Completion, the Enlarged Group's financial condition and results of operations.

Future has a standard listing pursuant to Chapter 14 of the Listing Rules which affords a shareholder a lower level of protection than a premium listing

The Ordinary Shares are listed on the Official List pursuant to Chapter 14 of the Listing Rules which sets out the requirements for standard listings. The standard listing regime provides shareholders with a lower

level of regulatory protection than that afforded to shareholders in companies with a premium listing on the Official List. The Company is not subject to the Premium Listing Principles in Chapter 7 of the Listing Rules or Chapters 8 to 13 of the Listing Rules and will not be required to comply with them by the UK Listing Authority.

The UK Listing Authority will not have the authority to monitor (and will not monitor) the Company's voluntary compliance with any of the Listing Rules with which the Company indicates that it intends to comply with on a voluntary basis and nor will it impose sanctions in respect of any breach of such requirements by the Company.

Future is a holding company and depends on its ability to receive funds from the Group's, and following Completion, the Enlarged Group's operating subsidiaries to meet financial obligations and for the payment of dividends on Ordinary Shares.

Future is a holding company that holds equity interests in the Group's, and following Completion, the Enlarged Group's operating subsidiaries. Future is therefore dependent on loans, dividends and other payments from subsidiaries to generate the funds necessary to meet financial obligations, including its debt service obligations, and for the payment of dividends on Ordinary Shares. Further, the payment of dividends is likely to be subject to the availability of distributable reserves.

Future's subsidiaries are legally distinct from Future and have no obligation to make funds available to Future. In addition, any payment of dividends, distributions, loans or advances to Future by its subsidiaries could be subject to legal or regulatory restrictions on dividends or restricted by the terms of their existing or future indebtedness. Payments to Future by its subsidiaries will also be contingent upon the subsidiaries' cash flows. The ability of Future's subsidiaries to generate sufficient cash flow from operations to allow them to make sufficient funds available to Future to make scheduled payments on its debt service obligations will depend on Future's financial performance, which will be affected by a range of economic, competitive and business factors. There can be no assurances that the cash flow and earnings of the Group's operating subsidiaries and the amount that they are able to distribute to Future as dividends or otherwise will be sufficient for Future to satisfy its debt service obligations or for the payment of dividends on Ordinary Shares.

RISK FACTORS RELATING TO THE ACQUISITION

The Group may experience difficulties in integrating the management and operation of the Target with the existing business carried on by the Group and the Group may not realise, or it might take the Enlarged Group longer than expected to realise, certain or all of the anticipated benefits of the Acquisition

There is a risk that the benefits of the Acquisition anticipated by the Directors fail to materialise, that they are materially lower than have been estimated, take longer or cost more to achieve, or that the Target's business will fail to perform as expected. The expected synergies and cost savings are based upon the Company's assumptions about the Group's ability to integrate the Target in a timely fashion and within certain cost parameters. The Enlarged Group's ability to achieve targeted synergies and cost savings is dependent upon a significant number of factors, some of which may be beyond the Enlarged Group's control. If one or more of the underlying assumptions regarding any integration process proves to have been incorrect, these efforts could lead to substantially higher costs than planned and the Enlarged Group may not be able to realise fully, or in the anticipated timeframe, the expected benefits of the Company's targeted synergies and cost savings. Also, synergies and cost savings may not be realised or sustained due to changes in customer needs, laws, difficulty of integrating employees or other variables.

Until the Acquisition, the Group and the Target will have operated as separate businesses. The Acquisition will require the integration of the Target with the existing head office functions of Future and the success of the Enlarged Group will depend, in part, on the effectiveness of the integration process and the ability of the Enlarged Group to realise the anticipated benefits without adding significant back office overhead or other costs.

If the Enlarged Group is unable to realise expected benefits, or these benefits take longer to achieve, this could have a significant impact on the profitability of the Enlarged Group going forward and a material adverse effect on the Enlarged Group's business, financial condition, prospects and/or results of operations.

The Group is exposed to any deterioration in trading in the Target's business between the signing of the Acquisition Agreement and Completion

The Acquisition Agreement was entered into on 17 July 2018. Due to the equity fundraising and shareholder approvals to be obtained prior to Completion, there will likely be a period during which the Group will be exposed to any adverse change in the financial position and future prospects of the Target. Any such changes could have a material adverse effect on the Group's business, financial condition, prospects and/or results of operations.

There is a risk that a claim may be made against Future under the warranties in the Acquisition Agreement

The Acquisition Agreement contains certain warranties given by Future in favour of the Seller. If Future is required to make payments in respect of any of these warranties, this may have an adverse effect on the Group's cash flow and financial condition. Further details of the Acquisition Agreement are set out in paragraph 16.11 of Part 17 (*Additional Information*) of this document.

The Acquisition Agreement includes limited protections provided to Future by the Seller, and the R&W Policy is subject to certain limitations

The liability of the Seller pursuant to the Acquisition Agreement is limited in time and amount, and there has been a limited indemnity escrow established to secure the indemnity obligations of the Seller under the Acquisition Agreement for a period of 24 months following the Acquisition with portions of such escrow subject to release six and 18 months following Completion. Accordingly, Future may not have recourse against, or otherwise be able to recover from, the Seller in respect of material losses which it may suffer in respect of a breach of warranty or other provisions in the Acquisition Agreement. Although the Seller may be contractually liable in respect of such claims, there can be no assurance that it will have sufficient funds to satisfy its obligations thereunder. Therefore, the Group may have limited redress against the Seller in respect of claims for breach of the warranties and other provisions in the Acquisition Agreement.

Recovery under the R&W Policy is also limited in time and amount and subject to certain deductibles and other limitations and exclusions. Accordingly, Future may not be able to recover (or fully recover) its losses under the R&W Policy in respect of breaches of certain representations and warranties or matters that are excluded from coverage under the R&W Policy.

If any material liabilities arose and it was not possible to make a claim under the warranties or in respect thereof, or if any losses could not be recovered in respect of claims under the warranties (whether from the Seller or under the R&W Policy), this could adversely affect the Group's business, results of operations, financial conditions and prospects. Further details of the Acquisition Agreement are set out in paragraph 16.11 of Part 17 (*Additional Information*) of this document.

Following Completion, the Enlarged Group will, for a period of time, continue to require the provision of certain services from the Seller and/or certain of its affiliates

The businesses that are currently intended to be included in the Target have historically relied on the Retained Group and/or certain of its affiliates that, as of Completion, would not be part of the Target (the "Seller's Group"), for the provision of certain corporate functions and services, including IT, finance, accounting, shared business centre, use of certain facilities and human resources. Following Completion, the Target will be integrated into the Group and so will need to replicate certain facilities, systems, infrastructure and personnel to which the Target will no longer have access and the Enlarged Group may incur associated costs with developing and implementing these functions and systems. Following Completion, and whilst the Target is being fully integrated operationally into the Group, the Seller's Group has agreed to continue to provide certain of these services to the Target pursuant to one or more transitional services agreements (the "Transitional Services Agreement"). Further details of the Transitional Services Agreement are set out in paragraph 16.12 of Part 17 (*Additional Information*) of this document. Although the Board does not consider it likely that the Seller's Group would fail to provide these services adequately or at all, there can be no assurances that the Seller's Group would provide the same level of support to the Target following Completion. Any failure to do so could have a material adverse effect on the Enlarged Group's business, prospects, financial condition and results of operations.

The consideration under the Acquisition Agreement is payable in US Dollars

The amounts to be raised by the Company in connection with the Rights Issue are payable in pounds sterling, and the amounts payable by the Company under the Acquisition Agreement are payable in US dollars. There will be a period of several weeks between the signing of the Acquisition Agreement and the closing of the Rights Issue and Completion. During this time, the Company will be exposed to the risk of a significant appreciation in the US Dollar against the pound sterling. The Company will enter into a hedging arrangement intended to manage this foreign exchange exposure.

RISKS RELATING TO THE RIGHTS ISSUE

The Rights Issue is not conditional upon Completion

It is possible that following Admission and the Rights Issue becoming wholly unconditional, the Acquisition could cease to be capable of completion. In this case, as the Rights Issue is not conditional upon Completion, the Rights Issue would still complete and the Company intends that the net proceeds of the Rights Issue that would otherwise have been used to satisfy part of the consideration payable on Completion will be applied to reducing the Company's net indebtedness on a short-term basis while the Directors evaluate alternative uses for the funds. If no such alternative uses can be found, the Directors will consider how best to return some or all of the proceeds to Shareholders.

The Company's share price may fluctuate

The market price of the New Ordinary Shares (including the Nil Paid Rights and the Fully Paid Rights) and/or the Ordinary Shares could be subject to significant fluctuations due to changes in sentiment in the market regarding these securities. The fluctuations would result from the market's perception of the likelihood of completion of the Rights Issue and the Acquisition and/or other various facts and events, including variations in the Group's and, following Completion, the Enlarged Group's operating results and business developments of the Group and, following Completion, the Enlarged Group and/or its competitors. Stock markets have, from time to time, and particularly during certain periods over the past 24 months, experienced significant price and volume fluctuations that have affected the market prices for securities. Such fluctuations may affect the Company's share price even though they may be unrelated to the Group's and, following Completion, the Enlarged Group's operating results and prospects from time to time. Any of these events could result in a decline in the market price of the New Ordinary Shares (including the Nil Paid Rights and the Fully Paid Rights) and/or the Ordinary Shares.

Shareholders who do not take up their full entitlement to New Ordinary Shares in the Rights Issue in full will experience dilution in their ownership

If Shareholders do not take up the offer of New Ordinary Shares under the Rights Issue their proportionate ownership and voting interests in the Company will be reduced and the percentage that their shares will represent of the total share capital of the Company will be reduced accordingly. Even if a Shareholder elects to sell their unexercised Nil Paid Rights, or such Nil Paid Rights are sold on their behalf, the consideration they receive may not be sufficient to compensate them fully for the dilution of their percentage ownership of the Company's share capital that may be caused as a result of the Rights Issue.

A trading market for the New Ordinary Shares, the Nil Paid Rights or the Fully Paid Rights may not develop

Application has been made to admit the Nil Paid Rights, Fully Paid Rights and New Ordinary Shares to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective at 8.00 a.m. on 6 August 2018. There can be no assurance, however, that Admission will become effective or that an active trading market in the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares will develop upon or following Admission. In addition, because the trading price of the Nil Paid Rights and Fully Paid Rights depends on the trading price of the Shares, the Nil Paid Rights and the Fully Paid Rights prices may be volatile and subject to the same risks as noted above.

Shareholders located outside the United Kingdom may not be permitted to take up their entitlements under the Rights Issue.

Securities laws of certain jurisdictions may restrict the Company's ability to allow participation by Shareholders resident in such jurisdictions in the Rights Issue. In particular, the Rights Issue will not be

registered under the US Securities Act and therefore Shareholders located in the United States may not be permitted to take up their entitlements under the Rights Issue unless an exemption from the registration requirements of the US Securities Act is available. Qualifying Shareholders with a registered address in, or who are a resident in or are citizens of, countries other than the United Kingdom should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their Nil Paid Rights or to acquire Fully Paid Rights or the New Ordinary Shares. If a Shareholder is not able to (or does not) take up their Nil Paid Rights under the Rights Issue, then it will suffer dilution, as described above, and it may not receive the economic benefit of such Nil Paid Rights because there is no assurance that the procedure in respect of Nil Paid Rights not taken up, described in Part 9 (*Terms and Conditions of the Rights Issue*) of this document, will be successful either in selling the Nil Paid Rights or in respect of the prices obtained.

PART 3

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of the Acquisition and the Rights Issue	18 July 2018
Date of publication of this document, the Notice of General Meeting and the Form of Proxy	18 July 2018
Record Date for entitlements under the Rights Issue	Close of business on 31 July 2018
General Meeting	9.00 a.m. on 3 August 2018
Despatch of Provisional Allotment Letter (to Qualifying non-CREST Shareholders only)	3 August 2018
Publication of notice in London Gazette	3 August 2018
Admission and commencement of dealings in Nil Paid Rights, on the London Stock Exchange	8.00 a.m. on 6 August 2018
Nil Paid Rights enabled in CREST	8.00 a.m. on 6 August 2018
Stock accounts credited with Nil Paid Rights (for Qualifying CREST Shareholders)	6 August 2018
Existing Ordinary Shares marked “ex-rights” by the London Stock Exchange	8.00 a.m. on 6 August 2018
Recommended latest time and date for requesting withdrawal of Nil Paid Rights or Fully Paid Rights from CREST (i.e. if your Nil Paid Rights or Fully Paid Rights are in CREST and you wish to convert them into certificated form)	4.30 p.m. on 14 August 2018
Recommended latest time and date for depositing renounced Provisional Allotment Letters, nil paid or fully paid, into CREST or for dematerialising Nil Paid Rights or Fully Paid Rights into a CREST stock account (i.e. if your Nil Paid Rights or Fully Paid Rights are represented by a Provisional Allotment Letter and you wish to convert them to uncertificated form)	3.00 p.m. on 15 August 2018
Latest time and date for splitting Provisional Allotment Letters, nil paid or fully paid	3.00 p.m. on 16 August 2018
Latest time and date for acceptance and payment in full and registration of renounced Provisional Allotment Letters	11.00 a.m. on 20 August 2018
Results of Rights Issue to be announced through a Regulatory Information Service	by 8.00 a.m. on 21 August 2018
Commencement of dealing in New Ordinary Shares fully paid, New Ordinary Shares credited to CREST stock accounts	8.00 a.m. on 21 August 2018
Despatch of definitive share certificates for New Ordinary Shares in certificated form	by 28 August 2018
Expected date of Completion	by 31 August 2018

Notes:

- (1) References to times in this document are to London time unless otherwise stated.
- (2) The dates set out in the expected timetable of principal events above and mentioned throughout this document and in the Provisional Allotment Letters may be adjusted by the Company with the agreement of the Underwriters in which event details of the new dates will be notified to the FCA, the London Stock Exchange and, where appropriate, Shareholders.

PART 4

RIGHTS ISSUE STATISTICS

Issue Price per New Ordinary Share	303 pence
Basis of Rights Issue	3 New Ordinary Shares for every 4 Existing Ordinary Shares
Number of Existing Ordinary Shares in issue at the date of this document	46,508,490
Number of New Ordinary Shares to be provisionally allotted pursuant to the Rights Issue ⁽¹⁾	up to 34,881,368
Number of Ordinary Shares in issue immediately following the Rights Issue ⁽¹⁾	81,389,858
New Ordinary Shares as a percentage of the enlarged issued share capital of the Company immediately following completion of the Rights Issue ⁽¹⁾	42.9 per cent.
Estimated gross proceeds of the Rights Issue	£105.7 million
Estimated expenses of the Rights Issue and Acquisition ⁽²⁾⁽⁴⁾	£5.4 million
Estimated proceeds of the Rights Issue to be retained by the Company (net of expenses) ⁽³⁾	£100.3 million

Notes:

- (1) On the assumption that no further Ordinary Shares are issued from the date of this document until completion of the Rights Issue other than the New Ordinary Shares. The actual number of New Ordinary Shares to be issued under the Rights Issue will be subject to rounding to eliminate fractions.
- (2) All expenses are exclusive of amounts in respect of VAT.
- (3) Based on the maximum number of New Ordinary Shares being issued under the Rights Issue.
- (4) No commissions, fees or expenses will be charged to subscribers for New Ordinary Shares by the Company.

PART 5

IMPORTANT INFORMATION

Consequences of a standard listing

Application will be made for the New Ordinary Shares to be admitted to the Official List pursuant to Chapter 14 of the Listing Rules which sets out the requirements for standard listings. The Company intends to comply with the Premium Listing Principles set out in Chapter 7 of the Listing Rules, notwithstanding that they only apply to companies with a premium listing on the Official List. The Company will not, however, be formally subject to such Listing Principles and will not be required to comply with them by the UK Listing Authority.

In addition, as a company with a standard listing, the Company is not required to comply with the provisions of, amongst other things:

- Chapter 8 of the Listing Rules regarding the appointment of a listing sponsor to guide the company in understanding and meeting its responsibilities under the Listing Rules in connection with certain matters. The Company has not appointed and does not intend to appoint such a sponsor in connection with Admission;
- certain aspects of Chapter 9 of the Listing Rules, including relating to carrying on an independent business and the requirement for a relationship agreement where there is a controlling shareholder;
- Chapter 10 of the Listing Rules relating to significant transactions;
- Chapter 11 of the Listing Rules regarding related party transactions;
- Chapter 12 of the Listing Rules regarding purchases by the Company of Ordinary Shares;
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to shareholders; and
- the UK Corporate Governance Code. However, the Company does, and intends to continue to, comply with the ‘spirit’ of the UK Corporate Governance Code.

It should be noted that the UK Listing Authority will not have the authority to monitor (and will not monitor) the Company’s voluntary compliance with any of the Listing Rules or other standards with which the Company has indicated above that it intends to comply on a voluntary basis, nor to impose sanctions in respect of any breach of such requirements by the Company.

Presentation of financial information of the Company

The Company publishes its financial statements in pounds sterling (“£” or “sterling”). The abbreviation “£m” or “£ million” represents millions of pounds sterling, and references to “pence” and “p” represent pence in the UK.

The financial and other numerical 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 sum of the numbers in a column may not conform exactly to the total figure given for that column and may vary slightly from the exact arithmetic aggregation of the figures that precede them. 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.

Presentation of financial information of the Target

The historical financial information of the Target was derived from the financial statements and accounting records, prepared in accordance with US GAAP, of Purch and subsequently adjusted to comply with International Financial Reporting Standards as adopted by the European Union (“IFRS”), except as explained in the Basis of Preparation in Section C of Part 15 (*Historical Financial Information*) of this Prospectus. The historical financial information for the years ended 31 December 2015, 2016 and 2017

has been prepared specifically for the purposes of this document and in accordance with the UK Listing Rules, and in accordance with the aforementioned basis of preparation. The accounting policies applied, as well as the format of the financial statements are consistent with those used by Future plc in its annual financial statements for the year ended 30 September 2017.

The historical financial information of the Target is prepared and presented in US dollars (“\$”). The abbreviation “\$m” or “\$ million” represents millions of Dollars.

The financial and other numerical 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 sum of the numbers in a column may not conform exactly to the total figure given for that column and may vary slightly from the exact arithmetic aggregation of the figures that precede them. 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.

International Financial Reporting Standards

As required by the Act and Article 4 of the European Union IAS Regulation, the consolidated financial statements of the Group and the Target are prepared in accordance with IFRS issued by the IASB and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB as adopted by the European Union.

Non-IFRS measures

This document contains certain non-IFRS measure relating to the Group, including “EBITDA” and “Adjusted EBITDA”. The Directors and the Group’s management use these measures to evaluate the Group’s performance and the Directors believe these measures provide investors with meaningful, additional insight as to underlying performance of the Group. These measures are “alternative performance measures” under the European Union regulations.

Prospective investors should not consider non-IFRS financial measures as alternatives to measures reflected in the consolidated financial statements of the Group, which have been prepared in accordance with IFRS. In particular, prospective investors should not consider such measures as alternatives to profit after tax, operating profit or any other performance measures derived in accordance with IFRS or as an alternative to cash flow from operating activities as a measure of the Group’s activity. Because alternative performance measures are not determined in accordance with generally accepted accounting principles and are thus susceptible to varying calculations, the Group’s non-IFRS financial measures may not be comparable with similarly titled financial measures reported by other companies. A reconciliation of non-IFRS measures to the IFRS financial statements can be found in the 2017 Annual Report under the Financial Summary and the Segmental reporting on page 60.

These measures, by themselves, do not provide a sufficient basis to compare the Group’s performance and financial position with those of other companies and should not be considered in isolation, as a substitute for revenue from properties, profit before tax, net assets or any other performance measure derived in accordance with IFRS or as an alternative to cash flow from operations as a measure of liquidity. These adjusted measures have been presented in this document because they are used by the Group in managing the Group’s business and to enable a more complete analysis of the Group’s operating performance and financial position. For more information, see Part 13 (*Selected Financial Information of the Group*) of this document.

Operating data

This document also contains presentation of key performance indicators (“KPIs”) which are used by the Directors to analyse the Group’s business and financial performance and to track the Group’s progress and help develop long-term strategic plans. The Directors regularly review the Group’s KPIs. The Directors consider that an understanding of these KPIs and the trends that may affect the Group’s performance in future periods is important to investors and analysts.

These KPIs include:

- Organic growth defined as a change in the Group financial performance excluding the impact of any acquisitions made in the current or previous financial year;
- Online users defined as monthly unique visitors to a website in a period; and
- Revenue per user defined as digital revenue² in designated territory in trailing 12-month period divided by the average number of online users in that territory.

Forward-looking statements

This document includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “anticipates”, “targets”, “aims”, “continues”, “expects”, “intends”, “may”, “will”, “would” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the Group’s and/or the Directors’ intentions, beliefs or current expectations concerning, among other things, the Group’s results, operations, financial condition, prospects, growth strategies and the markets in which the Group operates. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. A number of factors could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements, including without limitation: conditions in the markets, the market position of the Group, earnings, financial position, return on capital, anticipated investments and capital expenditure, changing business or other market conditions and general economic conditions. These and other factors could adversely affect the outcome and financial effects of the events described herein and the Group. Forward-looking statements contained in this document based on these trends or activities should not be taken as a representation that such trends or activities will continue in the future.

These forward-looking statements are further qualified by risk factors disclosed in this document that could cause actual results to differ materially from those in the forward-looking statements. See Part 2 (*Risk Factors*) of this document.

These forward-looking statements speak only as at the date of this document. Except as required by the Listing Rules, the Disclosure Guidance and Transparency Rules, the Prospectus Rules and any applicable law, the Company and/or the Directors, do not have any obligation to update or revise publicly any forward-looking statement, whether as a result of new information, further events or otherwise. Except as required by the Listing Rules, the Disclosure Guidance and Transparency Rules, the Prospectus Rules and any applicable law, the Company and the Directors expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Company’s and/or the Directors’ expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this document might not occur. Prospective investors should specifically consider the factors identified in this document which could cause actual results to differ before making an investment decision. Investors and Shareholders should note that the contents of these paragraphs relating to forward looking statements are not intended to qualify the statements made as to the sufficiency of working capital in this document.

Market, economic and industry data

Market, economic and industry data used throughout this document is derived from various industry and other independent sources. The Company and the Directors confirm that such data has been accurately reproduced and, so far as they are aware and are able to ascertain from information published from such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

2 Digital revenue includes online advertising, eCommerce, online membership/subscriptions, digital licensing, data services and downloads.

Incorporation of information by reference

Parts 13 and 15 of this document include information incorporated by reference. The information incorporated by reference comprises the whole of the following:

- Annual report and Accounts of the Company for the year ended 30 September 2015 (“2015 Annual Report”);
- Annual report and Accounts of the Company for the year ended 30 September 2016 (“2016 Annual Report”);
- Annual report and Accounts of the Company for the year ended 30 September 2017 (“2017 Annual Report”); and
- unaudited 2018 interim results of the Company for the six months ended 31 March 2018 (“2018 Interims”),

other than the following information which is itself incorporated by reference in the above documents (the “Daisy Chained Information”):

- pages 24 of the 2015 Annual Report, 2016 Annual Report and 2017 Annual Report in relation to the terms of reference for the Audit Committee, Remuneration Committee and Nomination Committee;
- page 28 of the 2015 Annual Report, 2016 Annual Report and 2017 Annual Report in relation to investor relations and announcements;
- page 22 of the 2018 Interims in relation to the list of Directors being available on the website of the Company.

All of the information incorporated by reference in this document can be found at the websites of Future (www.futureplc.com/invest-in-future/). Other than the information incorporated by reference, the contents of the websites of Future (including any materials which are hyper-linked to such websites) and the Daisy Chained Information do not form part of this document and prospective investors should not rely on them other than to the extent expressly referred to in this document. The parts of such documents not incorporated by reference are either not relevant for any prospective investor or are otherwise covered elsewhere in this document.

Exchange rates

In this document, references to:

- “sterling” or “£” or “pence” are to the currency of the United Kingdom; and
- “US Dollar(s)” or “Dollar(s)” or “US\$” are to the currency of the United States.

Unless otherwise specified, this document contains certain translations of amounts in US Dollars into British pounds sterling for the convenience of the reader based on the following exchange rate: £1 to US\$1.3241.

Latest Practicable Date

Unless otherwise indicated, the latest practicable date for the inclusion of information in this document is at the close of business on 16 July 2018.

References to defined terms

Certain terms used in this document are defined, and certain technical and other terms used in this document are explained, in Part 18 (*Definitions*) and Part 19 (*Glossary*) of this document.

General notice

Nothing contained in this document is intended to constitute investment, legal, tax, accounting or other professional advice. This document is for prospective investors’ information only and nothing in this document is intended to endorse or recommend a particular course of action. Prospective investors should consult with an appropriate professional adviser for specific advice rendered on the basis of their situation.

PART 6

DIRECTORS, COMPANY SECRETARY AND ADVISERS

Directors	Richard Huntingford Zillah Byng-Thorne Hugo Drayton Penelope Ladkin-Brand James Hanbury Alan Newman
Company Secretary	Penelope Ladkin-Brand
Registered Office	Quay House The Ambury Bath BA1 1UA
Financial Adviser, Joint Bookrunner and Underwriter to Future	Numis Securities Limited 10 Paternoster Square London EC4M 7LT
Joint Bookrunner and Underwriter to Future	Nplus1 Singer Capital Markets Limited 1 Bartholomew Lane London EC2N 2AX
Legal advisers to Future	Simmons & Simmons LLP CityPoint One Ropemaker Street London EC2Y 9SS
Reporting Accountant	PricewaterhouseCoopers LLP 2, Glass Wharf Bristol BS2 0FR
Registrars and Receiving Agents	Computershare Investor Services PLC The Pavilions, Bridgwater Road, Bristol BS99 6ZY
Legal advisers to the Financial Adviser, Joint Bookrunners and Underwriters	CMS Cameron McKenna Nabarro Olswang LLP Cannon Place, 78 Cannon Street, London, EC4N 6AF

PART 7
LETTER FROM THE CHAIRMAN

Future plc

(incorporated in and registered in England and Wales with registered number 03757874)

Directors:

Richard Huntingford
Zillah Byng-Thorne
Hugo Drayton
Penelope Ladkin-Brand
James Hanbury
Alan Newman

Registered Office:

Quay House
The Ambury
Bath, BA1 1UA

18 July 2018

To the holders of Ordinary Shares

Dear Shareholder,

Proposed 3 for 4 Rights Issue of up to 34,881,368 New Ordinary Shares at 303 pence per New Ordinary Share and Notice of General Meeting

1. Introduction

On 18 July 2018, Future announced the proposed acquisition of the Target for a consideration of US\$132.5 million (approximately £100.1 million). The consideration is to be paid in cash and funded from the proceeds of a Rights Issue.

The Target is a leading US digital media publisher operating in the consumer technology and science verticals, with both owned and operated sites as well as strategic partnerships where it acts as an advertising technology network. The key terms of the Acquisition are described in Part 10 (*The Acquisition and Information on the Target*) of this document.

Future proposes to finance the Acquisition through a Rights Issue to raise approximately £100.3 million, net of expenses. Under the Rights Issue, up to 34,881,368 New Ordinary Shares will be issued at a price of 303 pence per New Ordinary Share, which represents a discount of approximately 42.8 per cent. to the Closing Price of 530 pence on 17 July 2018, and a 30.0 per cent. discount to the theoretical ex-rights price of 432.7 pence, based on the Closing Price on 17 July 2018.

As the expected number of New Ordinary Shares exceeds the number of Ordinary Shares for which the Directors have authority to allot pursuant to s.551 of the Act, the issue of the New Ordinary Shares will therefore require the approval of Shareholders. Accordingly, a General Meeting of Shareholders, to approve the Resolution required to implement the Rights Issue has been convened at 9.00 a.m. on 3 August 2018 to be held at the offices of Future, 1-10 Praed Mews, London W2 1QY. The Notice of General Meeting is set out at the end of this document. An explanation of the Resolution is set out in paragraph 15 below.

The purpose of this document is to give Shareholders further details of the Acquisition and the Rights Issue, including the background and reasons for them, to explain why the Board considers the Acquisition and Rights Issue to be in the best interests of Future and the Shareholders as a whole, and to convene the General Meeting to seek approval by the Shareholders of the Resolution. Shareholders should read the whole of this document, including the information incorporated by reference, and not just rely on the summarised information in this letter.

2. Summary information on Future

Future is a global platform business for specialist media with diversified revenue streams, generating revenue from digital advertising, eCommerce, events, licensing, retail, subscriptions and contract publishing. It is headquartered in Bath, UK, and has operations in the UK, US and Australia. Future is the parent company of the Group and has subsidiaries in the UK, Australia, US (including, following the Acquisition), Germany, the Philippines and Guernsey.

The Media division has seen strong growth with three complementary revenue streams: eCommerce, events and digital advertising. It operates in a number of sectors including technology, games, music, creative and photography and home interest markets and has a number of brands including TechRadar, PC Gamer, GamesRadar+, The Photography Show, Homebuilding & Renovating Show, CreativeBloq, Generate, MusicRadar and Golden Joysticks.

The Magazine division focuses on publishing specialist content, with 86 publications and over 440 bookazines published per year, and a total global circulation of over one million. The Magazine portfolio spans technology, games and entertainment, music, creative and photography, field sports, knowledge, home interest, sport and outdoor leisure. Its titles include Classic Rock, Total Film, How It Works, Digital Camera, Homebuilding & Renovating and All About History. It holds market leading positions in the UK in creative and photography, music, games and home renovation.

3. Future's Strategy – a global platform business growing organically and through acquisitions

Future's strategy is to build a global platform business for specialist media with diversified revenue streams. Since the initiation of this strategy in 2016, Future has delivered strong growth in revenue and profitability, with the Media division growing both organically and through acquisitions in the UK and US. Future is focused on becoming a global specialist media business in targeted audience vertical markets, underpinned by its proprietary technology. The Company has scalable, diversified brands and targets market leadership in its niches. The Directors believe that building a platform business allows the Group to unlock and create significant new revenue streams, expanding its brands and reaching audiences in different ways. Underpinning the strategy are a number of key principles:

Diversifying revenue streams and delivering organic growth

In recent years Future has focused on developing its Media division resulting in strong organic growth in eCommerce, events and digital advertising. This growth has been driven by Future's increasing expertise in delivering eCommerce revenue across its brands (increasing to 15 per cent. of Future's revenue for the six months ended 31 March 2018 from 11 per cent. for the comparative period in 2017) and its ability to capitalise on the changes in digital advertising, with growth in programmatic advertising through its proprietary technology, as well as the use of data to optimise conversion rates.

Future's focus on diversifying its revenue streams has also resulted in innovations for its Media Division established through leveraging its technology and data. These include the recent launches of DigitalCameraWorld.com (July 2017), Realhomes.com (November 2017) and the music website Loudersound.com (March 2018), which is a re-imagination of the TeamRock.com brand which was acquired in January 2017. These launches demonstrate how Future can develop content focused products and add them to the Future infrastructure to deliver future growth. The Group continues to invest in product development and, in the first half of the financial year ended 30 September 2018, trialled a number of new monetisation concepts, principally focused on premium content online and monetising audiences that use ad blockers.

Expanding Future's global reach

The majority of the Group's revenue has historically been UK based, with 80 per cent. of revenue generated by the UK division for the financial year ended 30 September 2017. As Future operates digital media brands which are accessible by audiences internationally, the Directors have identified the US (which currently represents the largest digital audience of the Group) as a key growth market with significant potential for the Group's existing brands.

To take advantage of the US growth opportunity, the US headquarters were relocated to New York from San Francisco to improve the efficiency of global teams by increasing working hours overlap with the UK. During the six months ended 31 March 2018, US growth has been a continued focus, with investment in both the supporting infrastructure and the local US management team. The investment has delivered benefits, with US revenue per online user increasing from £0.59 to £0.80 for the 12 months ended 31 March 2018 compared to the 12 months ended 31 March 2017. US digital advertising revenue in local currency also increased by 22 per cent. over the 12 months to 31 March 2018. The Directors believe that the US market now represents one of the most significant opportunities for the Group, with higher margin Media revenues now representing 85 per cent. of total US revenues for the 12 months ended 31 March 2018. The Directors believe that a significant opportunity for growth remains in the US with audience monetisation still lagging behind the UK at £0.80 per online user versus £1.58 per online user in the UK for the 12 months ended 31 March 2018. Over time, the Directors believe that the US monetisation rate should continue to increase towards the UK rate.

The Group increased the scale of its US operations through the acquisition of NewBay Media in April 2018, described in further detail below.

Robust technology stack supporting organic growth and scalability

Future has developed a robust and efficient technology stack to facilitate the publication of its websites and magazines and that allows for the relatively quick integration of acquisitions onto Future's integrated media platforms. The principal unifying factor in the Future technology strategy has been to create a media monetisation platform that is scalable, such that as new features are developed they can be shared across all brands, or as new brands are launched, there is no or limited requirement to invest in further technology. The key components of Future's technology stack are:

- Vanilla – A fully integrated web platform that allows for content creation and content management across all Future brands, as well as dynamic content analysis. Vanilla provides a standardised approach to online content creation, enabling content to be reused which increases operating efficiency. The one platform approach means that all websites benefit from any system improvements without Future undergoing a complex implementation. In addition, the site supports multi-geography, through search algorithms globally and locally, and this has recently enabled the support of multi-language content creation allowing for effective monetisation of localised content and penetration into non-English markets. Vanilla also facilitates content tagging through its automated semantic analysis engine that allows for improved advertising segment targeting.
- Proof – A content management system ("CMS") which enables sharing of content between brands, dynamic content management and efficient editorial workflows. It also allows for content distribution across many different touch points including websites, Google AMP, Google News and syndication content feeds. Proof is underpinned by a searchable rights management database, that makes archived content easily discoverable by all editorial teams.
- Bordeaux – An advertising technology system which increases advert viewability through the identification of the optimum placement of advertising slots on a web page. Bordeaux also helps the creation of additional advertising impressions on a per user visit level through its ad refresh technology. For example, Bordeaux facilitated an additional 28.6 million advertising impressions on TechRadar in January 2018. This allows advertising on Future's sites to be sold at a premium, helping to increase revenue generated per website page.
- Hawk – Future's proprietary eCommerce platform that helps customers to find products of interest online and provides live prices through algorithms. It combines a proprietary price comparison database of a quarter of a billion product offers which pulls in product offer data feeds from 7,285 retailers and handles on average 112 million price changes every 24 hours, creating near real-time pricing information. This is then coupled with eCommerce platform templates (website pages and widgets) that have been optimised for performance in conjunction with the core Vanilla platform.

Targeting market leading positions

Future is a leading company in many of the markets in which it operates. Future aims to create loyal communities through its specialist content. The Directors believe that having market leadership or being the "go to" brand in specialist niches results in a higher likelihood of monetisation through increased

audience loyalty, increased yields and increased volume of advertising spend. Examples of the Group's existing market leadership positions are:

- Consumer Technology – 29.5 million audience reach, number one online in the UK;
- Gaming & Entertainment – 37.9 million audience reach, number one in PC Gaming in English speaking markets;
- Music – 24.2 million audience reach, number one in print in UK and the US, holds the number two and three positions online in the US;
- Creative & Photography – 4.8 million audience reach, number one online in the UK and US; and
- Home Interest – 1.3 million audience reach, number one in renovations in the UK.

Acquisitions

Targeted acquisitions are a core part of the Company's strategy and Future has acquired a number of businesses in recent years to which the Directors believed that the Company could add value.

The Company considers acquisitions from three angles: (1) Operational tactical – typically these are smaller scale opportunities to add a bolt-on brand or revenue stream to the business with little disruption, (2) Operational strategic – these are usually a little larger in size and add a new audience community, new revenue model or scale in a new market and (3) Strategically transformational – these are generally very large, typically involving a significant increase in the size and scale of the business, and would involve making a step change in the execution of the business strategy. The Company has developed a systematic approach to acquisitions comprising four phases:

Phase 1 (pre-purchase) – Identification

- Systemised identification of long list internally developed before a desktop review to understand value against strategic filters. Relationships with key staff developed (often CEO to CEO) and thorough due diligence undertaken with financial screening

Phase 2 (first four months) – Integration

- Diligence validation and meet and greet of all staff through induction workshops. Management assessment and new structure put in place resulting in cost savings being delivered. Back office systems migration carried out (Finance, IT, HR, Production, Rights Management) before a review of integration

Phase 3 (four to 12 months) – Transformation

- Implementation of new revenue streams based on Future platform model with a global audience focus. Websites refreshed and platforms migrated to Vanilla for best practice sharing. Incentives for key staff reviewed

Phase 4 (one to two years) – Optimisation

- Yield management review and new product launches with eCommerce growth from digital focus. Followed by a comprehensive review of lessons learnt

The integration of Home Interest, acquired in August 2017, is now complete. Following this acquisition, Realhomes.com was launched in November 2017. Future's scalable technology enabled the launch of Realhomes.com in just five weeks. Realhomes.com online user numbers have grown by over 150 per cent. since December 2017, after launching in November 2017, and a number of new monetisation trials are underway. This demonstrates how the Company's technology stack facilitates the integration of acquisitions and can drive further organic growth of acquired businesses.

In April 2018, the Group completed the acquisition of NewBay Media. The deal expanded Future's reach into the US market, providing further scale of operations and a platform for growth. The acquisition of NewBay Media also enhances the Group's position in the consumer music segment. The acquisition also included B2B titles in the complementary vertical markets of audio-visual, television broadcasting and educational technology, which will further increase Future's revenue diversification and bring B2B expertise to its existing titles.

On 1 May 2018, Future completed the acquisition of four brands from Haymarket Media Group. These included the technology brand What Hi-Fi?, cementing Future's position in the technology sector as well as providing an entry into the related audio-visual market. In addition, this acquisition allows the Group to diversify into new specialist markets, notably sport and outdoor leisure with soccer brand FourFourTwo and outdoor leisure brands Practical Caravan and Practical Motorhome.

4. Reasons for the proposed Acquisition

The Directors believe that both the strategic and financial rationales for the Acquisition are compelling and that the Acquisition is strongly aligned to the Group's existing strategy. The combination of Future and the Target will allow the Group to consolidate its position in the US in a highly attractive market segment.

Creates strong positions in consumer technology markets

The Directors believe the Acquisition will create a market leading position in the consumer technology market, a highly attractive niche and active marketplace, driven by the strength of Future's existing brands (notably TechRadar) and the Target's owned brands Tom's Guide, Tom's Hardware and Top Ten Reviews.

On a combined basis, the Enlarged Group's consumer technology brands are among the market leaders. While unique visitor numbers can vary on a month-to-month basis, on a pro forma basis the Enlarged Group's network of brands were number one in the US consumer technology media market on average on a quarterly basis over the period August 2017 to May 2018 with 58.7 million total unique visitors³.

The Directors believe that the Target's large customers in the US technology marketplace use the Target to deliver focused advertising and performance campaigns and believe that these customer relationships can be leveraged across Future's existing brands. Future believes that through market leadership it can gain an increase in advertising yields as a result of being the destination of choice for advertisers looking to reach technology consumers. Due to the increased scale of the Enlarged Group, the Directors believe that the business will also have sufficient online inventory to enable it to deliver large advertising campaigns in the US, which should allow it to become a key partner to a number of advertising agencies. In addition, the Enlarged Group will seek to become an employer of choice within US media businesses.

Deepens the Group's presence in the US market

The Directors have identified the US as a key market for Future and believe that the scope to increase revenue per online user is a key growth lever for the Company. The Acquisition will add significant scale to the Company's US business, following the acquisition of NewBay earlier in 2018, and, on a pro forma historical basis, the Enlarged Group's US revenue is £68.3 million, representing approximately 51 per cent. of the Enlarged Group's historical revenue. The Directors further believe that Purch's expertise in its market and relationships with customers will provide significant benefits to Future's existing US business.

The Directors believe that the Target's expertise and relationships in the US market will provide significant benefits to the Group's existing business including becoming advertising partner of choice and digital media employer of choice in New York. Future intends that the US division will continue to be managed day-to-day from New York while continuing to operate a model of insourcing activities to lowest cost location where applicable. The Directors believe that Future's nascent B2B division will also benefit from increased media awareness of Future in New York with an ability to share resources.

Increases Media as a proportion of the Enlarged Group's revenues

The Target's revenues are earned entirely online and would be reported in the Company's Media division. The Acquisition will therefore accelerate the transition of the Group's revenue stream from Magazines to Media. While Magazines will remain a core part of the Enlarged Group's business, highly complementary to the Media division and an area of ongoing potential (as demonstrated by the recent acquisition of four titles from Haymarket), this market segment does face structural challenges. In contrast the Media division has demonstrated, and the Directors believe will continue to deliver, higher rates of organic growth and higher operating margins. On a pro forma historical basis, Media revenues were £85 million representing 64 per cent. of the Enlarged Group's historical revenue.

3 Source: comScore Media Metrix, US multi-platform unique visitors per month in comScore's Technology – News category, reported on a quarterly basis between August 2017 and May 2018, Enlarged Group's network of brands includes the Target's and Future's owned and operated brands and the Target's partner websites which are part of its advertising network.

Leading and complementary technology platform

The Target has an industry award winning advertising technology platform, referred to as “RAMP”, which the Directors believe allows for high levels of monetisation across different platforms. The Target has developed a technology stack with the aim of streamlining and unifying content delivery and monetisation across platforms. While the Target has a full suite of technologies, the Directors believe that the technology solution for the Enlarged Group should be built around Vanilla, Proof, Hawk and RAMP coupled with the Purch Intelligence Platform (“PIP”), with the best elements of the other Enlarged Group technologies also being integrated to create a unique proprietary media technology stack. This should, the Directors believe, create an industry leading full-service solution, whilst also ensuring that the platform remains scalable and efficient.

The Directors believe that the key differentiator in the Target’s technology platform is RAMP, a server-to-server header bidding solution. RAMP facilitates real-time bidding across all advertising inventory (display and video) and auction models driven by machine learning. This has been in use for over four years. The Directors believe that by integrating RAMP with the Group’s existing technology systems, the Enlarged Group will further improve yield as its expertise will cover both the creation of a competitive bidding environment for online advertising and improved advertising viewability through volume and quality of content.

The Target has implemented an eCommerce solution though the Directors believe that the integration of best practice from Hawk across the Target’s brands should lead to improved yield in the Target’s eCommerce business, while also creating cost synergies across both groups. In addition, the Directors believe that PIP will enhance the existing Future approach to data by enabling real-time decision support.

B2B Publishing Services

Purch has established relationships with a number of publishers and has created a B2B publishing services network that has one of the largest audience reaches in the US consumer technology market⁴. Recognising the benefit of scale in advertising relationships over the last five years it has transformed itself from a network seller to a key partner to other publishers. Third party publishers leverage Purch’s advertising platform to improve monetisation, having Purch sell all or most of the advertising inventory on their behalf.

In keeping with its strategy of revenue diversification and global monetisation Future has, over the last two years, been pursuing a strategy of expanding its B2B publishing services businesses with partners in markets where it does not currently see an advantage in operating directly (e.g. Future has a partnership with Orgae in Norway and with Tbreak in the Gulf States). These partnerships enable the other publishers to not just license Future’s online brands, but also gives them access to Future’s technology to facilitate greater audience growth and monetisation. The Directors believe that the combination of Future and the Target’s technology would enhance Future’s B2B publishing proposition, while the existing publishing services teams in both businesses could be merged to create a more efficient sales and operations team.

Cross selling opportunities and economies of scale

Purch and Future have had similar growth strategies in the consumer technology marketplace, focusing on facilitating purchase journeys for their customers. Combining technical capabilities of Future and the Target is expected to drive new revenue opportunities across the Enlarged Group’s sites. The combined platforms should also lead to a yield growth opportunity as it should be a “must buy” for consumer technology media businesses in the US due to its projected market leading position.

The Acquisition is also expected to provide opportunities to widen the reach of the Enlarged Group’s content, reducing duplication and increasing utility. The Directors believe that Future is well placed to monetise the Target’s audiences in the UK, given existing infrastructure, bringing further upside, which has not been a core strategy for Purch historically. The Acquisition is also expected to provide an opportunity to realise cost synergies by adopting a best of breed approach to the organisation, removing duplicated overheads particularly in sales and technology, leading to a more efficient cost base.

⁴ Source: comScore Media Metrix, US multi-platform unique visitors per month in comScore’s Technology – News category, reported on a quarterly basis between August 2017 and May 2018.

The Directors believe Future will benefit from strengthening vertical reach and from the consolidation of sales opportunities in knowledge and PC gaming. The Target owns knowledge brands in the US (Space.com, and Live Science) while Future publishes popular magazines in this content genre (How it Works and All About Space). There is an opportunity to use the Future operating model to share content across the respective brand portfolios and increase the monetisation of these websites in the UK whilst also reducing overhead duplication. In addition, Tom's Hardware provides content for PC hardware enthusiasts, and there is an overlap with this audience and the Future owned PC Gamer hardware channel. It is expected that there will also be content sharing opportunities between these two brands and the potential to increase advertising opportunities.

Strong financial rationale

The Directors have carefully reviewed the prospects of the Enlarged Group, as well as the expected synergy benefits and associated costs of achieving them. In addition to meeting the Group's strategic criteria for acquisitions, the Directors believe that the financial rationale for the Acquisition is compelling for the following reasons:

- The Directors expect the Acquisition will be materially earnings enhancing in the first full financial year following Completion (based on adjusted earnings per share).
- The Directors expect the Acquisition will deliver a Return on Invested Capital in excess of Future's weighted-average cost of capital within two years following Completion.
- The Group's leverage ratio is expected to be reduced to 0.7x on a pro forma basis.

5. Summary information on Purch

Founded 15 years ago, Purch is a leading US consumer online technology media publisher, in the verticals of consumer technology and science, with a strategy that the Directors believe is closely aligned to Future where trusted brands help consumers make better buying decisions through driving review content across their portfolio of brands, while harnessing the opportunities of technology and data. Audiences are monetised through advertising and affiliate income.

Purch was formerly known as TechMediaNetwork, Inc., and since then has grown both organically and through acquisitions, including through the purchases of Live Science, Space.com and Newsarama in 2009 and the purchase of Bestofmedia Group in 2013 (the parent company of Tom's Hardware and Tom's Guide). In December 2015 Purch announced the acquisition of ShopSavvy, a mobile shopping application, further expanding its portfolio of digital brands dedicated to helping consumers make more informed buying decisions across hundreds of consumer technology categories.

The market position of this portfolio of brands and mobile applications allows the Target to serve 72.8 million unique monthly users with data driven content, in-depth product review formats, real-time deals and pricing information, retailer recommendations, and community driven how-to content to help consumers make better purchasing decisions.

Purch has over the last five years developed a proprietary advertising technology platform "RAMP", which allows it to optimise real-time advertising yields from multiple bidders. The creation of this advertising operation allows Purch to maintain a smaller sales organisation as RAMP automatically sells inventory through its technology exchange, while informing the price of the advertising inventory available for sale by sales representatives. This has created an efficient sales operating model and led to yield improvement.

The successful implementation of Purch's technology has also allowed it to extend its marketplace model to third party publishers through a Publisher Services division where advertising sales are delivered for key partner brands as a B2B proposition. This model has meant that Purch has been able to become the second largest technology media network in the US⁵, as more publishers use Purch as their sales generator. This has created a virtuous cycle where the larger the scale of the business network, the greater the opportunity to monetise the digital audiences.

In parallel, Purch has developed an affiliate eCommerce business similar to Future's by integrating eCommerce with editorial content, creating a new merchandising platform for retailers that drives

5 Source: comScore Media Metrix, US multi-platform unique visitors per month in comScore's Technology – News category, reported on a quarterly basis between August 2017 and May 2018.

consumers to purchase from such retailers and with an alternative revenue stream from performance advertising, including the application of in-store real-time price checking for consumers through the ShopSavvy brand.

6. Financial information on the Target

Adjusted Performance of Target

The revenue and adjusted EBITDA (after separation adjustments) for the financial years ended 31 December 2017, 31 December 2016 are based on the Historic Financial Information relating to the Target.

<i>Year ending 31 December</i>	<i>2016</i>	<i>2017</i>	<i>Year-on-year Variance</i>	<i>Year-on-year Variance</i>
	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>%</i>
B2C Affiliate	10.6	12.6	2.0	19%
B2C Advertising	27.6	29.0	1.4	5%
Other	3.9	4.4	0.5	13%
Total B2C Revenue	42.1	46.0	3.9	9%
Cost of Sales	3.8	4.3	0.5	13%
B2C Gross Contribution	38.3	41.7	3.4	9%
<i>Gross Contribution Margin</i>	91%	91%	0%	0%
Publisher Services Revenue	16.9	17.5	0.6	4%
Cost of Sales	13.3	13.7	0.4	3%
Publisher Services Gross Contribution	3.6	3.8	0.2	6%
<i>Gross Contribution Margin</i>	21%	22%	0%	2%
<i>Total Revenue</i>	59.0	63.5	4.5	8%
<i>Total Gross Contribution</i>	41.9	45.5	3.6	9%
<i>Total Gross Contribution Margin</i>	71%	72%	1%	1%
Overheads	32.1	32.4	0.3	1%
Net Contribution before Central Costs	9.8	13.1	3.3	34%
<i>Contribution Margin</i>	17%	21%	4%	24%
Expected Central Costs	3.0	3.0	0.0	0%
Adjusted EBITDA	6.8	10.1	3.3	49%
<i>Adjusted EBITDA Margin</i>	12%	16%	4%	38%

Reconciliation of Historic Performance to Adjusted Performance of Target

<i>Year ending</i>	<i>Notes</i>	<i>2017 \$m</i>	<i>2016 \$m</i>
Operating Profit/(Loss)	(1)	(2.1)	(2.9)
Adjusted Items	(2)	6.8	7.2
Adjusted Operating Profit/(Loss)		4.7	4.3
Depreciation and Amortisation	(3)	5.1	4.0
Other Income/(Expense)	(3)	0.3	(1.5)
Adjusted EBITDA		10.1	6.8

1. Operating profit/(loss) from the historical financial information relating to the Target
2. Adjusted items relates to capitalisation of web development costs, exclusion of non-recurring items and allocation of overhead which is not part of the transaction perimeter
3. Depreciation, amortisation and share based payments relate to the Historical Financial Information relating to the Target

7. Synergies and integration of the Target

The Group has a track record of delivering synergies from previous acquisitions and the Directors believe that there is scope for a material level of cost synergies that could be delivered as a result of (1) consolidating core commercial teams; (2) in-sourcing some functions to Future's office in Bath; (3) integrating the technology functions, adopting a best of breed approach; and (4) through a reduction in website hosting costs. The Directors expect that its US division would continue to be managed day-to-day from New York while continuing to operate a model of insourcing activities to the lowest cost location where applicable.

The Group has developed a detailed integration plan which follows the four-phase approach described above and as explained in further detail in Part 7 (*Letter from the Chairman*) of this document. The Directors believe that Future's recent experience in acquiring and integrating acquisitions will be beneficial as the two businesses are brought together.

8. Principal terms of the Acquisition

On 17 July 2018, Future US, Inc. (the "Purchaser"), BZ Holdings, Inc. (the "Seller") and Purch Group, Inc. ("Purch") entered into the Acquisition Agreement, pursuant to which the Purchaser has agreed to acquire all of the outstanding membership interests of Purch for an aggregate sum of US\$132.5 million (approximately £100.1 million) on a cash-free and debt-free basis, subject to adjustment for Seller's contribution to the cost of the R&W Policy and customary adjustments for net working capital and any debt-like items on the consolidated balance sheet of Purch as at completion, and customary indemnity escrow arrangements.

The conditions for Completion are, amongst other things:

- the R&W Policy becoming binding and effective as at Completion;
- filing a notification and report form with the United States Federal Trade Commission and the United States Department of Justice pursuant to the HSR Act and the expiration, or grant of early termination, of the waiting period pursuant to the HSR Act;
- the Shareholders having approved the Rights Issue;
- Admission becoming effective, the Underwriting Agreement becoming unconditional and not having been terminated prior to Admission and the proceeds of the Rights Issue, and pursuant to the Underwriting Agreement, having been received by the Company;
- delivery by the Seller of agreements as to non-competition, non-solicitation and confidentiality from Seller and one or more certain senior employees of Seller in favour of the Purchaser;
- completion by Purch and the Seller of a reorganisation transaction which would, among other things, segregate the "B2C" and "B2B" businesses of Purch, the Seller and their respective subsidiaries into separate companies, including Purch as the holder of its B2C business and assets and the transfer of certain employees located in France from an existing EU subsidiary of Purch to the Purchaser or an affiliate thereof; and
- no material adverse effect having occurred during the period from the date of the Acquisition Agreement to Completion.

9. Financial impact of the Acquisition and the use of proceeds

Your attention is drawn to Part 16 (*Unaudited Pro Forma Financial Information of the Group*) of this document which contains an unaudited pro forma net asset statement of the Group as at 31 March 2018, assuming that the Rights Issue and the Acquisition had occurred on 31 March 2018, and an unaudited pro forma income statement of the Group as enlarged by the Acquisition and the acquisition of Home Interest for the 12 months ended 30 September 2017, assuming that the Rights Issue and the Acquisition had taken place at the beginning of the financial year. As more fully described in Part 16 (*Unaudited Pro Forma Financial Information of the Group*) of this document, on a pro forma basis and based on the assumptions described therein, the unaudited pro forma revenues and losses before tax of the Group as adjusted for the Rights Issue and the Acquisition would be £144.0 million and £0.8 million, respectively, while the pro forma net assets of the Group as adjusted for the Rights Issue and the Acquisition would be £166.2 million. This information has been prepared for illustrative purposes only.

The Board expects the Acquisition to be materially earnings enhancing in the first full financial year following Completion.

10. Current trading and prospects

On 17 May 2018, the Group announced its interim results for the six months ended 31 March 2018. The results demonstrate another period of significant growth in the first half of the financial year with increases in both revenue and profitability, driven by the Group's strategy to develop a scalable global platform business. Highlights included:

- US revenue organic growth of 22 per cent. to £10.4 million; US headquarters were relocated to New York from San Francisco to improve the efficiency of global teams by increasing working hours overlap, with further investment in both the supporting infrastructure and the management team. The investment is yielding benefits, with US revenue per user increasing from £0.59 to £0.80 year-on-year.
- Media division growth; organic eCommerce revenue increased 76 per cent. to £7.6 million; Digital display advertising revenue up 33 per cent. to £11.3 million; driven by Future's increasing expertise in delivering eCommerce revenue across its brands and its ability to capitalise on the growth in programmatic advertising through its proprietary tech stack, as well as the use of data to optimise conversion rates.
- Integration and growth of acquisitions; integration of Home Interest in August 2017, is now complete. Following the acquisition Future's scalable tech stack enabled the launch of RealHomes.com in just five weeks. Since 1 January 2018, Future has already completed the acquisitions of NewBay Media in the US and four consumer titles from Haymarket Media Group including the leading UK hi-fi brand, What Hi-Fi?.

The US now represents one of the most exciting elements of the Group's business, with Media revenues now representing 85 per cent. of total US revenues with a gross contribution margin of 86 per cent. We believe that a significant opportunity for growth remains in the US as a result of audience monetisation still lagging behind the UK at £0.80 per user versus £1.58 per user in the UK for the 12 months to March 2018.

Media now includes Home Interest which adds considerable scale to the portfolio of events. All but two of the seven Homebuilding & Renovating Show events acquired have now been held under Future's ownership and have proved successful, with an H1 proforma revenue increase of 9 per cent. from shows being attributed to the success of Future's yield optimisation strategy.

The H1 results show continued strong momentum as the Group delivers on its strategy to build a profitable global platform business for specialist media with diversified revenue streams. The recent acquisitions of NewBay Media (April 2018) and the four specialist titles from Haymarket (May 2018) provide an opportunity for further growth once the businesses are integrated into Future's core operating model and infrastructure.

Trading for the year to date has been robust and the Board remains confident of meeting its full year expectations.

It is the Company's intention to pursue a listing on the premium listing segment of the Official List, subject to meeting all of the requirements of the UKLA, in the next 12 to 18 months.

11. Principal terms and conditions of the Rights Issue

Pursuant to the Rights Issue, the Company is proposing to offer up to 34,881,368 New Ordinary Shares to Qualifying Shareholders. The offer is to be made at 303 pence per New Ordinary Share, payable in full on acceptance by no later than 11.00 a.m. on 20 August 2018. The Rights Issue is expected to raise proceeds of approximately £100.3 million (net of expenses).

The Issue Price represents a discount of approximately:

- 42.8 per cent. to the Closing Price of 530 pence on 17 July 2018 (being the last Business Day prior to the publication of this document); and
- 30.0 per cent. discount to the theoretical ex-rights price of 432.7 pence, based on the Closing Price on 17 July 2018.

The Rights Issue will be made on the basis of:

3 New Ordinary Shares for every 4 Existing Ordinary Shares

held by Qualifying Shareholders at the Record Date.

Qualifying Shareholders with fewer than 2 Existing Ordinary Shares will not be entitled to any New Ordinary Shares. Fractions of New Ordinary Shares will not be allotted to Qualifying Shareholders and fractional entitlements will be rounded down to the nearest whole number of New Ordinary Shares. Holdings of Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Rights Issue.

The Rights Issue will result in up to 34,881,368 New Ordinary Shares being issued (representing approximately 75.0 per cent. of the existing issued share capital and 42.9 per cent. of the enlarged issued share capital immediately following completion of the Rights Issue (assuming that no Ordinary Shares other than the New Ordinary Shares are issued prior to Completion)).

The Rights Issue is fully underwritten by the Underwriters pursuant and subject to the terms of the Underwriting Agreement. The Rights Issue is conditional, *inter alia*, upon:

- the passing, without material amendment, of the Resolution;
- the Underwriting Agreement having become unconditional in all respects save for the condition relating to Admission; and
- Admission becoming effective by not later than 8.00 a.m. on 6 August 2018 (or such later time and date, being not later than 8.30 a.m. on 24 August 2018).

A Resolution authorising the allotment of the New Ordinary Shares in connection with the Rights Issue will be proposed to the Shareholders for approval at the General Meeting. This authority, if passed, will be relied upon for the purposes of the Rights Issue.

The New Ordinary Shares, when issued and fully paid, will rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive dividends or distributions made, paid or declared after the date of issue of the New Ordinary Shares. Applications will be made to the FCA and to the London Stock Exchange for the New Ordinary Shares to be admitted to the standard listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities, respectively. It is expected that Admission will become effective and that dealings on the London Stock Exchange in the New Ordinary Shares (nil paid) will commence at 8.00 a.m. on 6 August 2018.

Some questions and answers, together with details of further terms and conditions of the Rights Issue, including the procedure for acceptance and payment and the procedure in respect of rights not taken up, are set out in Parts 8 and 9 of this document and, where relevant, will also be set out in the Provisional Allotment Letter.

The Rights Issue is not conditional upon Completion. It is possible that following Admission and the Rights Issue becoming wholly unconditional, the Acquisition could cease to be capable of completion. In this case, as the Rights Issue is not conditional upon Completion, the Rights Issue would still complete and the Company intends that the net proceeds of the Rights Issue that would otherwise have been used to satisfy part of the consideration payable on Completion will be applied to reducing the Company's net indebtedness on a short-term basis while the Directors evaluate alternative uses for the funds. If no such alternative uses can be found, the Directors will consider how best to return some or all of the proceeds to Shareholders.

Overseas Shareholders should refer to paragraph 2.6 of Part 9 (*Terms and Conditions of the Rights Issue*) of this document for further information on their ability to participate in the Rights Issue.

The Remuneration Committee has decided to make adjustments to awards under the Company's Share Schemes to adjust for the dilutive effect of the Rights Issue on existing options and incentives.

12. Dividend policy

The Board understands the importance of optimising value for shareholders and believes in balancing returns to shareholders with investment in the business to support future growth. The Company's Employee Benefit Trust waives its entitlement to any dividends. The Board is considering a final dividend for the year 2018.

13. Taxation

Certain information about UK taxation in relation to the Rights Issue is set out in Part 9 (*Terms and Conditions of the Rights Issue*) of this document. If you are in any doubt as to your tax position, or you are subject to tax in a jurisdiction other than the United Kingdom, you should consult your own independent tax adviser without delay.

14. Overseas Shareholders

The ability of certain Shareholders to participate in the Rights Issue is restricted by the relevant securities laws of the jurisdictions in which they are located. The attention of Shareholders who have registered addresses outside the United Kingdom, or who are citizens or residents of or located in countries other than the United Kingdom, is drawn to the information in paragraph 2.6 of Part 9 (*Terms and Conditions of the Rights Issue*) of this document.

15. General meeting

You will find set out at the end of this document a notice convening a general meeting of Future to be held at the offices of Future, 1-10 Praed Mews, London W2 1QY at 9.00 a.m. on 3 August 2018. The General Meeting is being held for the purpose of considering and, if thought fit, passing the Resolution. As a result of the size of the Rights Issue, the Shareholder authorities granted under the resolution passed at the AGM held on 5 February 2018 are not sufficient for the Rights Issue, and accordingly further Shareholder authority for the allotment and issue of the New Ordinary Shares is required.

A summary and explanation of the Resolution is set out below, but please note that this does not contain the full text of the Resolution and you should read this section in conjunction with the Resolution in the Notice of General Meeting at the end of this document.

Resolution

The resolution to provide the Directors with the necessary authority and power to allot sufficient ordinary shares to undertake the Rights Issue, to apply until the conclusion of the AGM of the Company to be held in 2019, is to be proposed at the General Meeting as an ordinary resolution. This resolution will pass if more than 50.0 per cent. of the votes cast (either in person or by proxy) are in favour.

16. Action to be taken

General Meeting

If you are a Shareholder, you will find enclosed with this document a Form of Proxy for use at the General Meeting. Whether or not you intend to be present at the General Meeting, you are asked to complete the Form of Proxy in accordance with the instructions printed on it and to return it to Computershare, as soon as possible and, in any event, so as to arrive not later than 9.00 a.m. on 1 August 2018.

The completion and return of the Form of Proxy will not preclude you from attending the General Meeting and voting in person if you wish to do so. You may also submit your proxies electronically at www.investorcentre.co.uk using your Investor Code found on the Form of Proxy. If you hold shares in CREST, you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to the issuer's agent, ID 3RA50, so that it is received no later than 9.00 a.m. on 1 August 2018.

Rights Issue

The latest time for acceptance by Shareholders under the Rights Issue is 11.00 a.m. (London time) on 20 August 2018. The procedure for acceptance and payment is set out in Part 9 (*Terms and Conditions*

of the *Rights Issue*) of this document. Further details also appear in the Provisional Allotment Letter which will be sent to all Qualifying Non-CREST Shareholders (other than, subject to certain exceptions, those Qualifying Non-CREST Shareholders with a registered address, or who are resident in, the United States or any of the Excluded Territories).

For Qualifying non-CREST Shareholders who validly take up their rights, the New Ordinary Shares will be issued in certificated form and will be represented by definitive share certificates, which are expected to be sent to the registered address of the person(s) entitled to them by no later than 28 August 2018 (or such later date as may be notified by the Company through an announcement or publication of a supplementary prospectus).

For Qualifying CREST Shareholders who validly take up their rights, the Receiving Agent will instruct CREST to credit the stock accounts of the Qualifying CREST Shareholders with their entitlements to New Ordinary Shares. It is expected that this will take place as soon as practicable after 8.00 a.m. on 21 August 2018 (or such later date as may be notified by the Company through an announcement or publication of a supplementary prospectus).

Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsor regarding the action to be taken in connection with this document and the Rights Issue.

If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant, fund manager or other independent financial adviser authorised under FSMA if you are in the United Kingdom or, if you are not, from another appropriately authorised independent financial adviser.

17. Risk factors and further information

Shareholders should consider fully and carefully the risk factors associated with Future, as set out in Part 2 (*Risk Factors*) of this document. Your attention is also drawn in connection with the Rights Issue to the further information contained in Part 8 (*Questions and Answers on the Rights Issue*) of this document. Your attention is also drawn to the further information set out in Part 9 (*Terms and Conditions of the Rights Issue*) of this document. This letter is not, and does not purport to be, a summary of this document and therefore should not be regarded as a substitute for reading this document. You should read the whole of this document, the documents incorporated herein by reference and the Provisional Allotment Letter (if applicable) and not rely solely on the information set out in this Part 7 (*Letter from the Chairman*) of this document.

The results of the votes cast at the General Meeting will be announced as soon as possible once known through a Regulatory Information Service. It is expected that this will be on 3 August 2018.

18. Directors' intentions

Each of the Directors who holds Existing Ordinary Shares is expected to participate in the Rights Issue in full in respect of the Ordinary Shares he or she holds, except for Zillah Byng-Thorne who intends to take up approximately 75 per cent. of her rights representing an aggregate investment value of £300,000. Richard Huntingford currently does not hold any Ordinary Shares but intends to purchase a sufficient number of Ordinary Shares such that, once he has taken up the rights attaching to those shares, he will end up with an investment in aggregate of approximately £100,000.

19. Recommendation

The Board believes the Rights Issue to be in the best interests of Future and the Shareholders as a whole and, accordingly, unanimously recommends that the Shareholders vote in favour of the Resolution, as the Directors each intend to do in respect of their own legal and beneficial holdings, amounting to 326,640 Existing Ordinary Shares (representing approximately 0.7 per cent. of the Company's existing issued share capital as at the Latest Practicable Date).

Yours sincerely,

Richard Huntingford
Chairman

PART 8

QUESTIONS AND ANSWERS ON THE RIGHTS ISSUE

The questions and answers set out in this Part 8 (*Questions and Answers on the Rights Issue*) are intended to be in general terms only and, as such, you should read Part 9 (*Terms and Conditions of the Rights Issue*) of this document for full details of what action you should take. If you are in any doubt as to what action you should take, you are recommended to seek immediately your own financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser, duly authorised under the FSMA if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser. If you are an Overseas Shareholder, you should read paragraph 2.6 of Part 9 (*Terms and Conditions of the Rights Issue*) of this document and you should take professional advice as to whether you are eligible and/or you need to observe any formalities to enable you to take up your rights.

Ordinary Shares can be held in certificated form (that is, represented by a share certificate) or in uncertificated form (that is, through CREST). Accordingly, these questions and answers are split into four sections:

- Section 1 (*General*);
- Section 2 (*Ordinary Shares in certificated form*) answers questions you may have in respect of the procedures for Qualifying Shareholders who hold their Existing Ordinary Shares in certificated form;
- Section 3 (*Ordinary Shares in CREST*) answers questions you may have in respect of the equivalent procedures for Qualifying Shareholders who hold their Existing Ordinary Shares in CREST; and
- Section 4 (*Further procedures for Ordinary Shares whether in certificated form or in CREST*) answers some detailed questions about your rights and the actions you may need to take and is applicable to Ordinary Shares whether held in certificated form or in CREST.

If you do not know whether your Shares are in certificated or uncertificated form, please call Computershare Investor Services PLC on 0370 707 1443 (or +44 370 707 1443 if calling from outside the UK). The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Computershare Investor Services PLC cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Times and dates referred to in this Part 8 (*Questions and Answers on the Rights Issue*) have been included on the basis of the expected timetable for the Rights Issue set out in Part 3 (*Expected Timetable of Principal Events*) of this document.

1. GENERAL

1.1 What is a rights issue?

A rights issue is a way for companies to raise money. Companies do this by giving their existing shareholders a right to buy further shares in proportion to their existing shareholdings.

The offer under this Rights Issue is at a price of 303 pence per New Ordinary Share. If you hold Ordinary Shares on the Record Date and, subject to certain exceptions, do not have a registered address in the United States or the Excluded Territories, you will be entitled to buy New Ordinary Shares pursuant to the Rights Issue unless you have sold or otherwise transferred those Ordinary Shares (other than ex-rights) prior to 8.00 a.m. (London time) on the Ex-Rights Date. If you hold your Existing Ordinary Shares in certificated form, your entitlement will be set out in your Provisional Allotment Letter.

New ordinary shares are typically offered in a rights issue at a discount to the current share price. In this Rights Issue, the Issue Price of 303 pence per New Ordinary Share represents a 42.8 per cent. discount to the Closing Price of 530 pence per Existing Ordinary Share on 17 July 2018 (being the last Business Day prior to the publication of this document) and a 30.0 per cent. discount to the theoretical ex-rights price of 432.7 pence per Ordinary Share calculated by reference to the Closing Price on 17 July 2018. As a result of this discount and while the market value of the Existing Ordinary Shares exceeds the Issue Price, the right to buy the New Ordinary Shares is potentially valuable.

If you are a Qualifying Shareholder and you do not want to buy the New Ordinary Shares to which you are entitled (if any), you can instead sell or transfer your rights (called Nil Paid Rights) to those New Ordinary Shares and receive the net proceeds, if any, of the sale or transfer in cash. This is referred to as “dealing nil paid”.

1.2 What happens next?

The Company has called a General Meeting to be held at 9.00 a.m. on 3 August 2018 at the offices of Future, 1-10 Praed Mews, London W2 1QY. Please see the Notice of General Meeting at the end of this document. As you will see from the contents of the Notice of General Meeting, the Board is seeking shareholder approval for the allotment of the New Ordinary Shares in order to implement the rights issue in compliance with the regulatory constraints imposed by some jurisdictions. If you are not able to (or do not) take up your Nil Paid Rights under the Rights Issue, then your shareholding in the Company will be diluted as a result of the Rights Issue.

You will find enclosed with this document (unless you hold your Ordinary Shares indirectly) a Form of Proxy for use in relation to the General Meeting. Whether or not you propose to attend the General Meeting in person, you are asked to complete the Form of Proxy and return it to the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY (using the enclosed prepaid envelope), so as to arrive as soon as possible, but in any event so as to be received by no later than 9.00 a.m. on 1 August 2018.

CREST members may also choose to utilise the CREST electronic proxy appointment service in accordance with the procedures set out in the notice convening the General Meeting at the end of this document.

Completion and return of a Form of Proxy (or the electronic appointment of a proxy) will not preclude you from attending and voting at the General Meeting in person if you so wish.

If the Resolution is approved at the General Meeting, the Rights Issue will proceed (subject to certain conditions). The Provisional Allotment Letters are due to be despatched on or about 3 August 2018 to Qualifying Non-CREST Shareholders with registered addresses outside the United States and the Excluded Territories (subject to certain exceptions) and the Nil Paid Rights are due to be credited to the CREST stock accounts of Qualifying CREST Shareholders with registered addresses outside the United States and the Excluded Territories (subject to certain exceptions) as soon as practicable after 8.00 a.m. on 6 August 2018.

2. ORDINARY SHARES IN CERTIFICATED FORM

2.1 How do I know if I am eligible to participate in the Rights Issue?

If you receive a Provisional Allotment Letter then you should be eligible to participate in the Rights Issue (as long as you have not sold all of your Existing Ordinary Shares before 8.00 a.m. on 6 August 2018 (the time when the Existing Ordinary Shares are expected to be marked “ex-rights” by the London Stock Exchange), in which case you will need to follow the instructions on the front page of this document).

However, if you receive a Provisional Allotment Letter and you have a registered address in, or are a resident, citizen or national of, a country other than the United Kingdom you must satisfy yourself as to the full observance of the applicable laws of such territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. Receipt of this document or a Provisional Allotment Letter does not constitute an offer in those jurisdictions in which it would be illegal to make an offer. Overseas Shareholders should refer to paragraph 2.6 of Part 9 (*Terms and Conditions of the Rights Issue*) of this document for further details.

If you do not receive a Provisional Allotment Letter, and you do not hold your shares in CREST, this probably means you are not eligible to subscribe for any New Ordinary Shares. However, see question 2.5 below.

2.2 **How will I be informed of how many New Ordinary Shares I am entitled to buy?**

Subject to Shareholders approving the Resolution at the General Meeting to be held on 3 August 2018, if you hold your Existing Ordinary Shares in certificated form and are a Qualifying Non-CREST Shareholder with a registered address outside the United States and the Excluded Territories (subject to certain exceptions), you will be sent a Provisional Allotment Letter that shows:

- how many Existing Ordinary Shares you held at the close of business on 31 July 2018 (the Record Date for the Rights Issue);
- how many New Ordinary Shares you are entitled to buy; and
- how much you need to pay if you want to take up your right to buy all the New Ordinary Shares provisionally allotted to you in full.

Subject to certain exceptions, if you have a registered address in the United States or the Excluded Territories, you will not receive a Provisional Allotment Letter.

2.3 **I am a Qualifying Shareholder with a registered address in the United Kingdom and I hold my Existing Ordinary Shares in certificated form. What are my choices and what should I do with the Provisional Allotment Letter?**

(a) ***If you want to take up all of your rights***

If you want to take up all of your rights to acquire the New Ordinary Shares to which you are entitled, all you need to do is send the Provisional Allotment Letter, together with your cheque or banker's draft for the full amount, payable to "Computershare Investor Services PLC re: Future 2018 Rights Issue A/C" and crossed "A/C payee only", by post to Computershare at Corporate Actions Projects, Bristol, BS99 6AH, or by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE, to arrive by no later than 11.00 a.m. on 20 August 2018. Within the United Kingdom only, you can use the reply-paid envelope which will be enclosed with the Provisional Allotment Letter. Full instructions are set out in Part 9 (*Terms and Conditions of the Rights Issue*) of this document and will be set out in the Provisional Allotment Letter.

Please note third-party cheques may not be accepted other than building society cheques or banker's drafts.

If payment is made by building society cheque (not being drawn on an account of the applicant) or a banker's draft, the building society or bank must endorse on the back of the cheque or draft the applicant's name and the number of an account held in the applicant's name at the building society or bank, such endorsement being validated by a stamp and an authorised signature. The account name should be the same as that shown on the application.

A definitive share certificate will then be sent to you for the New Ordinary Shares that you take up. Your definitive share certificate for New Ordinary Shares is expected to be despatched to you by no later than 28 August 2018. You will need your Provisional Allotment Letter to be returned to you if you want to deal in your Fully Paid Rights. Your Provisional Allotment Letter will not be returned to you unless you tick the appropriate box on the Provisional Allotment Letter.

(b) ***If you do not want to take up your rights at all***

If you do not want to take up your rights, you do not need to do anything. If you do not return your Provisional Allotment Letter subscribing for the New Ordinary Shares to which you are entitled by 11.00 a.m. on 20 August 2018, we have made arrangements under which the Underwriters will try to find investors to take up your rights and the rights of others who have not taken up their rights. If the Underwriters do find investors who agree to pay a premium above the Issue Price and the related expenses of procuring those investors (including any applicable brokerage and commissions and amounts in respect of value added tax), you will be sent a cheque for your share of the amount of that premium, provided that this is £5.00 or more. Cheques will be sent to your existing address appearing on the Company's register of members (or to the first-named holder if you hold your Existing Ordinary Shares jointly). If the Underwriters

cannot find investors who agree to pay a premium over the Issue Price and related expenses so that your entitlement would be £5.00 or more, you will not receive any payment, and any amounts of less than £5.00 will be aggregated and donated to charity. Alternatively, if you do not want to take up your rights, you can sell or transfer your Nil Paid Rights (see paragraph (d) below).

(c) ***If you want to take up some but not all of your rights***

If you want to take up some but not all of your rights and wish to sell some or all of those you do not want to take up, you should first apply to have your Provisional Allotment Letter split by completing Form X on the Provisional Allotment Letter, and returning it by post to Computershare at Corporate Actions Project, Bristol, BS99 6AH or by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE, to be received by 3.00 p.m. on 16 August 2018, together with a covering letter stating the number of split Provisional Allotment Letters required and the number of Nil Paid Rights to be comprised in each split Provisional Allotment Letter. You should then deliver the split Provisional Allotment Letter representing the New Shares that you wish to accept together with your cheque or banker's draft to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE to be received by 11.00 a.m. on 20 August 2018.

Please note that your ability to sell your rights is dependent on demand for such rights and that the price for Nil Paid Rights may fluctuate. Please ensure that you allow enough time so as to enable the person acquiring your rights to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 20 August 2018.

Further details are set out in Part 9 (*Terms and Conditions of the Rights Issue*) of this document and will be set out in the Provisional Allotment Letter.

(d) ***If you want to sell all of your rights***

If you want to sell all of your rights, you should complete and sign Form X on the Provisional Allotment Letter (if it is not already marked "Original Duly Renounced") and pass the entire letter to your stockbroker, bank manager or other appropriate financial adviser or to the transferee (provided they are not in the United States or the Excluded Territories).

Please note that your ability to sell your rights is dependent on demand for such rights and that the price for Nil Paid Rights may fluctuate. Please ensure that you allow enough time so as to enable the person acquiring your rights to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 20 August 2018.

2.4 **How do I transfer my rights into the CREST system?**

If you are a Qualifying non-CREST Shareholder, but are also a CREST member ("**CREST member**") and want your New Ordinary Shares to be in uncertificated form, you should complete Form X and the CREST Deposit Form (both on page 2 of the Provisional Allotment Letter), and ensure they are delivered to the CREST courier and sorting service to be received by 3.00 p.m. on 15 August 2018 at the latest. CREST sponsored members should arrange for their CREST sponsors to do this.

If you have transferred your rights into CREST, you should refer to the paragraph titled "Procedure for acceptance and payment" of paragraph 2.2 of Part 9 (*Terms and Conditions of the Rights Issue*) of this document for details on how to pay for the New Ordinary Shares.

2.5 **What if I do not receive a Provisional Allotment Letter?**

If Shareholders approve the Resolution at the General Meeting to be held on 3 August 2018, and you do not receive a Provisional Allotment Letter but hold your Existing Ordinary Shares in certificated form, this probably means that you are not able to acquire New Ordinary Shares under the Rights Issue. Some Qualifying Non-CREST Shareholders, however, will not receive a Provisional Allotment Letter but may still be eligible to acquire New Ordinary Shares under the Rights Issue, namely:

- Qualifying CREST Shareholders who held their Existing Ordinary Shares in uncertificated form at close of business on 31 July 2018 and who have converted them to certificated form;
- Shareholders who bought Existing Ordinary Shares before 31 July 2018 and who hold such shares in certificated form but were not registered as the holders of those shares at the close of business on 31 July 2018; and
- certain Overseas Shareholders.

If you do not receive a Provisional Allotment Letter but think that you should have received one, please call Computershare Investor Services PLC on 0370 707 1443 (or +44 370 707 1443 if calling from overseas). The helpline is open between 8.30 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Computershare Investor Services PLC cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

2.6 If I buy Ordinary Shares before 8.00 a.m. on 6 August 2018 (the date the Ordinary Shares start trading ex-rights) will I be eligible to participate in the Rights Issue?

If you buy Ordinary Shares before 8.00 a.m. on 6 August 2018 (the date the Ordinary Shares start trading ex-rights (that is, without the right to participate in the Rights Issue, referred to as the Ex-Rights Date)) but are not registered as the holder of those Ordinary Shares on the Record Date you may still be eligible to participate in the Rights Issue. If you are in any doubt, please consult your stockbroker, bank or other appropriate financial adviser, or whoever arranged your share purchase, to ensure you claim your entitlement.

You will not be entitled to Nil Paid Rights in respect of any Ordinary Shares acquired on or after the Ex-Rights Date.

2.7 What should I do if I sell or have sold or transferred all or some of the Ordinary Shares shown in Box 1 of the Provisional Allotment Letter before the Ex-Rights Date?

If you sell or have sold or transferred all of your Ordinary Shares before the Ex-Rights Date but were registered as the holder of those Ordinary Shares on the Record Date, you should complete Form X on page 2 of the Provisional Allotment Letter and send the entire Provisional Allotment Letter together with this document to the stockbroker, bank or other appropriate financial adviser through whom you made the sale or transfer (provided they do not have a registered address, nor are they resident or located, in the United States or any of the Excluded Territories).

If you sell or have sold or transferred only some of your holding of Ordinary Shares before the Ex-Rights Date, you will need to complete Form X on page 2 of the Provisional Allotment Letter and consult the stockbroker, bank or other appropriate financial adviser through whom you made the sale or transfer before taking any action with regard to the balance of rights due to you.

2.8 How many New Ordinary Shares will I be entitled to subscribe for?

You will be entitled to 3 New Ordinary Shares for every 4 Existing Ordinary Shares held on the Record Date (rounding down to the nearest whole number). Box 2 on page 1 of the Provisional Allotment Letter will show the number of New Ordinary Shares you will be entitled to subscribe for. All Qualifying non-CREST Shareholders (other than certain Overseas Shareholders) will be sent a Provisional Allotment Letter after the General Meeting has approved the Resolution.

2.9 What should I do if I think my holding of Ordinary Shares (as shown in Box 1 on page 1 of the Provisional Allotment Letter) is incorrect?

If you are concerned about the figure in Box 1, please contact Computershare Investor Services PLC on 0370 707 1443. The helpline is open from 8.30 a.m. to 5.30 p.m. (London time), Monday to Friday, excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes.

Please note that the helpline cannot provide advice on the merits of the Rights Issue nor give financial, tax, investment or legal advice.

2.10 If I take up my rights, when will I receive my New Ordinary Share certificate?

If you take up your rights under the Rights Issue, share certificates for the New Ordinary Shares are expected to be posted by 28 August 2018.

3. ORDINARY SHARES IN CREST

3.1 How do I know if I am eligible to participate in the Rights Issue?

If you are a Qualifying CREST Shareholder (save as mentioned below), and on the assumption that the Rights Issue proceeds as planned, your CREST stock account will be credited with your entitlement to Nil Paid Rights on 6 August 2018. The stock account to be credited will be the account under the participant ID and member account ID that apply to your Ordinary Shares on the Record Date. The Nil Paid Rights are expected to be enabled as soon as practicable after 8.00 a.m. on 6 August 2018. If you are a CREST sponsored member, you should consult your CREST sponsor if you wish to check that your account has been credited with your entitlement to Nil Paid Rights. The CREST stock accounts of Overseas Shareholders with a registered address in the United States or any of the Excluded Territories will not be credited with Nil Paid Rights. Overseas Shareholders should refer to paragraph 2.6 of Part 9 (*Terms and Conditions of the Rights Issue*) of this document.

3.2 How do I take up my rights using CREST?

If you are a Qualifying CREST Shareholder, you should refer to paragraph 2.2 of Part 9 (*Terms and Conditions of the Rights Issue*) of this document for details on how to take up and pay for your rights.

If you are a CREST member you should ensure that a Many-to-Many ("MTM") instruction has been input and has settled by 11.00 a.m. on 20 August 2018 in order to make a valid acceptance. If your Ordinary Shares are held by a nominee or you are a CREST sponsored member you should speak directly to the agent who looks after your stock or your CREST sponsor (as appropriate) who will be able to help you. If you have further questions, please contact Computershare Investor Services PLC on 0370 707 1443 between 8.30 a.m. and 5.30 p.m. Monday to Friday.

3.3 If I buy or have bought Ordinary Shares before 8.00 a.m. on 6 August 2018 (the date that the Ordinary Shares start trading ex-rights) will I be eligible to participate in the Rights Issue?

If you buy Ordinary Shares before 8.00 a.m. on 6 August 2018, but are not registered as the holder of those Ordinary Shares on the Record Date, you may still be eligible to participate in the Rights Issue. Euroclear will raise claims in the normal manner in respect of your purchase and your Nil Paid Rights will be credited to your stock account(s) on settlement of those claims.

You will not be entitled to Nil Paid Rights in respect of any further Ordinary Shares acquired on or after the Ex-Rights Date.

3.4 What should I do if I sell or transfer all or some of my Ordinary Shares before 8.00 a.m. on 6 August 2018 (the Ex-Rights Date)?

You do not have to take any action except, where you sell or transfer all of your Ordinary Shares before the Ex-Rights Date, to send this document to the purchaser or transferee or to the stockbroker, bank or other financial adviser through whom you made the sale or transfer (provided they do not have a registered address, nor are they resident or located, in the United States or any of the Excluded Territories). A claim transaction in respect of that sale or transfer will automatically be generated by Euroclear which, on settlement, will transfer the appropriate number of Nil Paid Rights to the purchaser or transferee.

3.5 How many New Ordinary Shares am I entitled to subscribe for?

If you are a Qualifying CREST Shareholder, your stock account will be credited with Nil Paid Rights in respect of the number of New Ordinary Shares which you are entitled to subscribe for. You will be entitled to subscribe for 3 New Ordinary Shares for every 4 Existing Ordinary Shares you hold at the close of business on 31 July 2018, the Record Date (rounding down to the nearest whole number). You can also view the claim transactions in respect of purchases/sales effected after this date, but before the Ex-Rights Date. If you are a CREST sponsored member, you should consult your CREST sponsor.

3.6 What should I do if I think my holding of Ordinary Shares is incorrect?

If you buy or sell Ordinary Shares between the date of this document and 31 July 2018, your transaction may not be entered on the register of members before the Record Date and you should consult the stockbroker, bank or other appropriate financial adviser through whom you made the sale, purchase or transfer before taking any other action. If you are concerned about the number of Nil Paid Rights with which your stock account has been credited, please contact Computershare Investor Services PLC on 0370 707 1443. The helpline is open from 9.00 a.m. to 5.30 p.m. (London time), Monday to Friday, excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that the helpline cannot provide advice on the merits of the Rights Issue nor give financial, tax, investment or legal advice.

3.7 If I take up my rights, when will New Ordinary Shares be credited to my CREST stock account(s)?

If you take up your rights under the Rights Issue, it is expected that New Ordinary Shares will be credited to the CREST stock account in which you hold your Fully Paid Rights on 21 July 2018.

4. FURTHER PROCEDURES FOR ORDINARY SHARES WHETHER IN CERTIFICATED FORM OR IN CREST

4.1 Will I be taxed if I take up or sell my rights or if my rights are sold on my behalf?

If you are resident in the United Kingdom for tax purposes, you should not have to pay UK tax when you fully take up your right to receive New Ordinary Shares, although the Rights Issue may affect the amount of UK tax you may pay when you sell your Ordinary Shares. However, you may be subject to tax on chargeable gains on any proceeds you receive from the sale of your rights.

Further information for certain Qualifying Shareholders is contained in paragraph 17 of Part 17 (*Additional Information*) of this Document. **Qualifying Shareholders who are in any doubt as to their tax position, or who are subject to tax in any other jurisdiction, should consult their professional advisers as soon as possible. Please note that Computershare are unable to advise on any taxation issues.**

4.2 I understand that there is a period when there is trading in the Nil Paid Rights. What does this mean?

If you do not want to buy the New Ordinary Shares being offered to you under the Rights Issue and you are a Qualifying Shareholder, you can (provided that, subject to certain exceptions, you do not have a registered address, nor are you resident or located, in the United States or any of the Excluded Territories) instead sell or transfer your Nil Paid Rights and receive the net proceeds of the sale or transfer in cash. This is referred to as dealing "nil paid". During the nil paid trading period (between 8.00 a.m. on 6 August 2018 and 11.00 a.m. on 20 August 2018), subject to demand and market conditions, persons can buy and sell the Nil Paid Rights. Please note that your ability to sell your rights is dependent on demand for such rights and that the price of the Nil Paid Rights may fluctuate.

If you wish to sell or transfer all or some of your Nil Paid Rights and you hold your Ordinary Shares in certificated form, you will need to complete Form X, the form of renunciation, on page 2 of the

Provisional Allotment Letter and send it to the stockbroker, bank or other agent through or by whom the sale or transfer was effected, to be forwarded to the purchaser or transferee.

If you buy Nil Paid Rights, you are buying an entitlement to take up the New Ordinary Shares, subject to your paying for them in accordance with the terms of the Rights Issue. Any seller of Nil Paid Rights who holds his Ordinary Shares in certificated form will need to forward to you his Provisional Allotment Letter (with Form X completed) for you to complete and return, with your cheque, by 11.00 a.m. on 20 August 2018, in accordance with the instructions in the Provisional Allotment Letter.

If you are a CREST member or CREST sponsored member and have received a Provisional Allotment Letter and you wish to hold your Nil Paid Rights in uncertificated form in CREST, then you should send the Provisional Allotment Letter with Form X and the CREST Deposit Form on page 2 of the Provisional Allotment Letter completed (in the case of a CREST member) to the CREST courier and sorting service or (in the case of a CREST sponsored member) to your CREST sponsor by 3.00 p.m. on 15 August 2018 at the latest.

Qualifying CREST Shareholders and, subject to dematerialisation of their Nil Paid Rights as set out in the Provisional Allotment Letter, Qualifying non-CREST Shareholders who are CREST members or CREST sponsored members can transfer Nil Paid Rights, in whole or in part, by means of CREST in the same manner as any other security that is admitted to CREST. Please consult your CREST sponsor or stockbroker, bank or other appropriate financial adviser, or whoever arranged your share purchase, for details.

4.3 What if I want to sell the New Ordinary Shares for which I have paid?

If you are a Qualifying non-CREST Shareholder, provided the New Ordinary Shares have been paid for and you have requested the return of the receipted Provisional Allotment Letter, you can transfer the Fully Paid Rights by completing Form X, the form of renunciation, on page 2 of the receipted Provisional Allotment Letter in accordance with the instructions set out on pages 3 and 4 of the Provisional Allotment Letter until 11.00 a.m. on 20 August 2018.

After that time, you will be able to sell your New Ordinary Shares in the normal way. However, the share certificate relating to your New Ordinary Shares is expected to be despatched to you only by 28 August 2018. Pending despatch of such share certificate, valid instruments of transfer will be certified by Computershare Investor Services PLC against the register.

If you hold your New Ordinary Shares and/or rights in CREST, you may transfer them in the same manner as any other security that is admitted to CREST. Please consult your stockbroker, bank or other appropriate financial adviser, or whoever arranged your share purchase, for details.

4.4 What if I do nothing?

If you do not want to take up any of your rights, you do not need to do anything. If you do not take up your rights, the number of Ordinary Shares you hold in the Company will stay the same, but the proportion of the total number of Ordinary Shares that you will hold will be lower than that held currently. If you are a Qualifying Non-CREST Shareholder and do not return your Provisional Allotment Letter and payment for the New Ordinary Shares to which you are entitled, by 11.00 a.m. on 20 August 2018, the Company has made arrangements, pursuant to the terms of the Underwriting Agreement, under which the Underwriters will try to find investors to take up your rights by 5.00 p.m. on the second dealing day after the last date for acceptance of the Rights Issue. If the Underwriters find investors and are able to achieve a premium over the Issue Price and the related expenses of procuring those investors (including any applicable brokerage and commissions and amounts in respect of value added tax), you will be sent a cheque for the amount of that aggregate premium above the Issue Price less related expenses (including any applicable brokerage and commissions and amounts in respect of value added tax), so long as the amount in question is at least £5. Consequently, if the Underwriters are unable to find investors to take up your rights at premium above the Issue Price by 5.00 p.m. on the second dealing day after the last date for acceptance of the Rights Issue you will not receive any proceeds from the sale of your rights. Cheques are expected to be despatched by 28 August 2018 and will be sent to your address as it appears on the Company's register of members (or to the first named holder if you hold Existing Ordinary Shares jointly).

4.5 Do I need to comply with the Money Laundering Regulations (as set out in the paragraphs titled “Money Laundering Regulations” in paragraphs 2.1 and 2.2 respectively of Part 9 (Terms and Conditions of the Rights Issue) of this document)?

If you are a Qualifying non-CREST Shareholder, you do not need to follow these procedures if the value of the New Ordinary Shares you are subscribing for is less than €15,000 (approximately £13,000) or if you pay for them by a cheque drawn on an account in your own name and that account is one which is held with an EU or UK regulated bank or building society. If you are a Qualifying CREST Shareholder, you will not generally need to comply with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (SI 2017/692) (“Money Laundering Regulations”) unless you apply to take up all or some of your entitlement to Nil Paid Rights as agent for one or more persons and you are not an EU or UK regulated financial institution.

Qualifying non-CREST Shareholders and Qualifying CREST Shareholders should refer to the paragraphs titled “Money Laundering Regulations” in paragraphs 2.1 and 2.2 respectively of Part 9 (Terms and Conditions of the Rights Issue) of this document for a fuller description of the requirements of the Money Laundering Regulations.

4.6 What if I hold options and awards under the Share Schemes?

The options and awards granted under the Share Schemes will be adjusted by the Remuneration Committee to compensate option and award holders for any effect the Rights Issue will have on those options and awards (as permitted by the rules of the relevant Share Schemes). Participants in the Share Schemes will be contacted separately with further information on how their options and awards may be affected by the Rights Issue.

4.7 What should I do if I live outside the United Kingdom?

Your ability to take up rights to New Ordinary Shares may be affected by the laws of the country in which you live and you should take professional advice about any formalities you need to observe. Shareholders resident outside the United Kingdom, particularly those resident in the United States or the Excluded Territories should refer to paragraph 2.6 of Part 9 (Terms and Conditions of the Rights Issue) of this document.

4.8 What do I do if I have any further queries about the Rights Issue or the action I should take?

If you have any other questions, please contact Computershare Investors Services PLC on 0370 707 1443. The helpline is open from 9.00 a.m. to 5.30 p.m. (London time), Monday to Friday, excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that the helpline cannot provide advice on the merits of the Rights Issue nor give financial, tax, investment or legal advice.

Your attention is drawn to the terms and conditions of the Rights Issue in Part 9 (Terms and Conditions of the Rights Issue) of this document and (in the case of Qualifying non-CREST Shareholders) in the Provisional Allotment Letter.

PART 9

TERMS AND CONDITIONS OF THE RIGHTS ISSUE

1. Introduction

Pursuant to the Rights Issue, the Company is proposing to offer up to 34,881,368 New Ordinary Shares to Qualifying Shareholders. The offer is to be made at 303 pence per New Ordinary Share, payable in full on acceptance by no later than 11.00 a.m. on 20 August 2018. The Rights Issue is expected to raise proceeds of approximately £100.3 million (net of expenses).

The Issue Price represents a discount of approximately:

- 42.8 per cent. to the Closing Price of 530 pence on 17 July 2018 (being the last Business Day prior to the publication of this document); and
- 30.0 per cent. discount to the theoretical ex-rights price of 432.7 pence, based on the Closing Price on 17 July 2018.

The Rights Issue will be made on the basis of:

3 New Ordinary Shares for every 4 Existing Ordinary Shares

held by Qualifying Shareholders at the Record Date (and so in proportion to any other number of Existing Ordinary Shares then held) subject to the terms and conditions as set out in this document and, in the case of Qualifying non-CREST Shareholders, the Provisional Allotment Letter.

Times and dates referred to in this Part 9 (*Terms and Conditions of the Rights Issue*) have been included on the basis of the expected timetable for the Rights Issue set out in Part 3 (*Expected Timetable of Principal Events*) of this document.

Qualifying Shareholders who do not or who are not permitted to take up their entitlements to New Ordinary Shares will have their proportionate shareholdings in the Company diluted by approximately 42.9 per cent. Those Qualifying Shareholders who take up the New Ordinary Shares provisionally allotted to them in full will, subject to the rounding, retain the same proportionate voting and distribution rights as held by them at the Record Date. In each case, it is assumed that no Ordinary Shares are issued to satisfy the vesting of awards or the exercise of options under the Future Employee Share Plans between the date of this document and completion of the Rights Issue.

The Nil Paid Rights (also described as New Ordinary Shares, nil paid) are entitlements to acquire the New Ordinary Shares subject to payment of the Issue Price. The Fully Paid Rights are entitlements to receive the New Ordinary Shares, for which a subscription and payment has already been made.

Qualifying Shareholders with fewer than 2 Existing Ordinary Shares will not be entitled to any New Ordinary Shares. Fractions of New Ordinary Shares will not be allotted to Qualifying Shareholders and fractional entitlements will be rounded down to the nearest whole number of New Ordinary Shares. Holdings of Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Rights Issue.

Applications will be made to the FCA and to the London Stock Exchange for the New Ordinary Shares to be admitted to the standard listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities, respectively. It is expected that Admission will become effective and dealings on the London Stock Exchange in the New Ordinary Shares (nil paid) will commence at 8.00 a.m. on 6 August 2018.

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is required for the New Ordinary Shares and all of the New Ordinary Shares when issued and fully paid may be held and transferred by means of CREST.

Applications will be made for the Nil Paid Rights and the Fully Paid Rights to be admitted to CREST. Euroclear requires the Company to confirm to it that certain conditions (imposed by the CREST Manual) have been satisfied before Euroclear will admit any security to CREST. It is expected that these conditions will be satisfied, in respect of the Nil Paid Rights and the Fully Paid Rights, on Admission. As soon as practicable after satisfaction of the conditions, the Company will confirm this to Euroclear.

The ISIN for the New Ordinary Shares will be the same as that of the Existing Ordinary Shares, being GB00BYZN9041. The ISIN for the Nil Paid Rights will be GB00BF2S5L22 and the ISIN for the Fully Paid Rights will be GB00BF2S5M39.

The Rights Issue is fully underwritten by the Underwriters, pursuant to the terms of the Underwriting Agreement. The principal terms of the Underwriting Agreement are summarised in Part 17 (*Additional Information*) of this document.

The Rights Issue is conditional, *inter alia*, upon:

- (i) the passing, without material amendment, of the Resolution;
- (ii) the Underwriting Agreement having become unconditional in all respects save for the condition relating to Admission; and
- (iii) Admission becoming effective by not later than 8.00 a.m. on 6 August 2018 (or such later time and date, being not later than 8.30 a.m. on 24 August 2018).

The Underwriting Agreement is conditional upon certain matters being satisfied or not breached prior to the Admission and may be terminated by the Underwriters prior to Admission becoming effective upon the occurrence of certain specified events, in which case the Rights Issue will not proceed. The Underwriting Agreement is not capable of termination following Admission. The Underwriters may arrange sub-underwriting for some, all or none of the New Ordinary Shares. A summary of certain terms and conditions of the Underwriting Agreement is contained in paragraph 16.13 of Part 17 (*Additional Information*) of this document.

In connection with the Rights Issue, the Underwriters and any of their affiliates may take up a portion of the Nil Paid Rights, the Fully Paid Rights and the New Ordinary Shares as a principal position and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for their own account in securities of the Company and related or other securities and instruments (including Shares, Nil Paid Rights and Fully Paid Rights) and may offer or sell such security otherwise than in connection with the Rights Issue. Accordingly, references in this document to Nil Paid Rights, Fully Paid Rights or New Ordinary Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by, the Underwriters and any of their affiliates acting as investors for their own account. In addition, certain of the Underwriters or their affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which the Underwriters (or their affiliates) may from time to time acquire, hold or dispose of Shares. Except as required by applicable law or regulation, the Underwriters do not propose to make any public disclosure in relation to such transactions.

In addition, the Company reserves the right to decide not to proceed with the Rights Issue if the Underwriting Agreement is terminated at any time prior to Admission and commencement of dealings in the New Ordinary Shares (nil paid).

New Ordinary Shares will be provisionally allotted (nil paid) to all Shareholders on the register at the Record Date, including Overseas Shareholders. If a Shareholder is not able to (or does not) take up his or her Nil Paid Rights under the Rights Issue, then his or her shareholding in the Company will be diluted as a result of the Rights Issue.

Subject, *inter alia*, to the conditions referred to above being satisfied (other than the condition relating to Admission) and save as provided in paragraph 2.6 of this Part 9 (*Terms and Conditions of the Rights Issue*) below, it is intended that:

- (a) Provisional Allotment Letters will be despatched to Qualifying non-CREST Shareholders (other than, subject to certain exceptions, Qualifying Shareholders with a registered address, or who are resident

or located, in the United States or any of the Excluded Territories, or any agent or intermediary of those Qualifying Shareholders) on 3 August 2018;

- (b) Admission of the New Ordinary Shares, nil paid, will become effective at 8.00 a.m. on 6 August 2018;
- (c) the Receiving Agent will instruct Euroclear to credit the appropriate stock accounts of Qualifying CREST Shareholders (other than, subject to certain exceptions, Qualifying Shareholders with a registered address, or who are resident or located, in the United States or any of the Excluded Territories, or any agent or intermediary of those Qualifying Shareholders) with such Shareholders' entitlements to Nil Paid Rights with effect as soon as practicable after 8.00 a.m. on 6 August 2018;
- (d) the Nil Paid Rights and the Fully Paid Rights will be enabled for settlement in CREST by Euroclear as soon as practicable after 8.00 a.m. on 21 August 2018;
- (e) New Ordinary Shares will be credited to the appropriate stock accounts of the relevant Qualifying CREST Shareholders (or their renounees) who validly take up their rights as soon as practicable after 8.00 a.m. on 21 August 2018; and
- (f) share certificates for the New Ordinary Shares will be despatched to Qualifying non-CREST Shareholders (or their renounees) who validly take up their rights by no later than 28 August 2018.

The attention of Overseas Shareholders or any person (including, without limitation, custodians, nominees and trustees) who has a contractual or other legal obligation to forward this document or any Provisional Allotment Letter (duly renounced), if and when received, or other document into a jurisdiction other than the United Kingdom is drawn to paragraph 2.6 below.

Subject to certain exceptions, the offer of New Ordinary Shares will not be made into the United States or any of the Excluded Territories. Subject to the provisions of paragraph 2.6 below, Shareholders with a registered address, or who are resident or located, in the United States or any Excluded Territory are not being sent the Provisional Allotment Letter and will not have their CREST accounts credited with Nil Paid Rights.

This document constitutes the offer of New Ordinary Shares to all Qualifying Shareholders (other than, subject to certain exceptions, Qualifying Shareholders with registered addresses, or who are resident or located, in the United States or any of the Excluded Territories). This offer is being made to such Qualifying Shareholders on the terms and conditions set out in this document (and, in the case of Qualifying non-CREST Shareholders, the Provisional Allotment Letter) at the time when, in the case of Qualifying non-CREST Shareholders, the Provisional Allotment Letters are despatched as described in paragraph (i) above, and in the case of Qualifying-CREST Shareholders, the Nil Paid Rights are enabled for settlement as described in paragraph (iv) above (such Shareholders' stock accounts having been credited as described in paragraph (iii) above).

The offer of New Ordinary Shares and the Rights Issue are not being made by means of this document into the United States or any of the Excluded Territories.

Pursuant to the Companies Act, the offer of New Ordinary Shares to Qualifying Shareholders who have no registered address in an EEA State and who have not given to the Company an address in an EEA State for the serving of notices will also be made to such Qualifying Shareholders through a notice in the London Gazette, details of which are provided in paragraph 2.6 below under the heading "*Notice in the London Gazette*" of this Part 9 (*Terms and Conditions of the Rights Issue*). Qualifying Shareholders taking up their Rights by completing a Provisional Allotment Letter or by sending a MTM instruction to Euroclear will be deemed to have given the representations and warranties set out in the paragraph 2.6 below under the heading titled "*Representations and warranties relating to Overseas Shareholders*" of this Part 9 (*Terms and Conditions of the Rights Issue*), unless such requirement is waived by the Company.

The New Ordinary Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends or other distributions made, paid or declared after the date of issue of the New Ordinary Shares. There will be no restrictions on the free transferability of the New Ordinary Shares save as provided in the Articles. The rights attaching to the New Ordinary Shares are governed by the Articles, a summary of which is set out in paragraph 4 of Part 17 (*Additional Information*) of this document.

All documents, including Provisional Allotment Letters (which constitute temporary documents of title) and cheques and certificates posted to, by or from Qualifying Shareholders and/or their transferees or renouncees (or their agents, as appropriate) will be posted at their own risk.

2. Action to be taken

The action to be taken in respect of the New Ordinary Shares depends on whether, at the relevant time, the Nil Paid Rights or the Fully Paid Rights in respect of which action is to be taken are in certificated form (that is, are represented by Provisional Allotment Letters) or are in uncertificated form (that is, are in CREST).

If you are a Qualifying Non-CREST Shareholder and do not have a registered address, nor are you resident or located in the United States or any of the Excluded Territories (subject to certain exceptions), please refer to paragraph 2.1 and paragraphs 2.3 to 2.9 below.

If you are a Qualifying CREST and do not have a registered address, nor are you resident or located in the United States or any of the Excluded Territories (subject to certain exceptions), please refer to paragraphs 2.2 to 2.9 below and to the CREST Manual for further information on the CREST procedures referred to below.

If you are a Qualifying Shareholder and have a registered address in, or are resident or located in, the United States or any of the Excluded Territories, please refer to paragraph 2.5 below.

CREST sponsored members should refer to their CREST sponsors, as only their CREST sponsors will be able to take the necessary actions specified below to take up the entitlements or otherwise to deal with the Nil Paid Rights or Fully Paid Rights of CREST sponsored members.

If you have any questions relating to the Rights Issue, and the completion and return of the Provisional Allotment Letter, please contact Computershare Investor Services PLC on 0370 707 1443. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Computershare cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

2.1 Action to be taken by Qualifying Non-CREST Shareholders in relation to the Nil Paid Rights represented by Provisional Allotment Letters

General

Provisional Allotment Letters are expected to be despatched to Qualifying non-CREST Shareholders (other than, subject to certain limited exceptions, Qualifying Shareholders with registered addresses, or who are resident or located, in the United States or any of the Excluded Territories) on 3 August 2018. Each Provisional Allotment Letter will set out:

- (a) in Box 1, the holding at the close of business on the Record Date of Existing Ordinary Shares on which a Qualifying non-CREST Shareholder's entitlement to New Ordinary Shares has been based;
- (b) in Box 2, the aggregate number of New Ordinary Shares which have been provisionally allotted to that Qualifying non-CREST Shareholder;
- (c) in Box 3, the amount payable by a Qualifying non-CREST Shareholder at the Issue Price to take up his entitlement in full;
- (d) the procedures to be followed if a Qualifying non-CREST Shareholder wishes to dispose of all or part of his entitlement or a Qualifying non-CREST Shareholder wishes to convert all or part of his entitlement into uncertificated form; and
- (e) any instructions regarding acceptance, instruction and payment, consolidation, splitting and registration of renunciation (where applicable).

Assuming that Provisional Allotment Letters are posted on or about 3 August 2018, and that dealings in Nil Paid Rights commence on 6 August 2018, the latest time and date for:

- (a) acceptance, instruction and payment by completion and return of a Provisional Allotment Letter will be 11.00 a.m. on 20 August 2018; and
- (b) acceptance and payment by settlement of an MTM instruction in CREST will be 11.00 a.m. on 20 August 2018.

If the Provisional Allotment Letters are not despatched on 3 August 2018 or if the timetable for the Rights Issue is otherwise amended, the expected timetable set out in Part 3 (*Expected Timetable of Principal Events*) of this document will be adjusted accordingly and the revised dates will be announced through a Regulatory Information Service. All references to times and/or dates in this Part 9 (*Terms and Conditions of the Rights Issue*) should be read as being adjusted accordingly.

Procedure for acceptance, instruction and payment

- (a) Qualifying non-CREST Shareholders who wish to take up their entitlement in full
Qualifying non-CREST Shareholders who wish to take up all of their entitlement must complete (as appropriate) and return the Provisional Allotment Letter, together with a cheque or banker's draft in pound sterling, made payable to "Computershare Investor Services PLC re: Future 2018 Rights Issue A/C" and crossed "A/C payee only", for the full amount payable on acceptance, in accordance with the instructions printed on the Provisional Allotment Letter, by post to Computershare, Corporate Actions Projects, Bristol, BS99 6AH or by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE, so as to arrive as soon as possible and in any event so as to be received by not later than 11.00 a.m. on 20 August 2018. A reply-paid envelope (for use in the UK) will be enclosed with the Provisional Allotment Letter for this purpose. If you post your Provisional Allotment Letter within the UK by first-class post, it is recommended that you allow at least four days for delivery. Payments via CHAPS, BACS or electronic transfer will not be accepted.
- (b) Qualifying non-CREST Shareholders who wish to take up some (but not all) of their entitlement
Qualifying non-CREST Shareholders who wish to take up some (but not all) of their entitlement, with or without selling or transferring the remainder, should return by post to Computershare, Corporate Actions Projects, Bristol, BS99 6AH or by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE so as to arrive as soon as possible and in any event so as to be received by not later than 3.00 p.m. on 16 August 2018 (the last date and time for splitting the Provisional Allotment Letters), the following:
 - (i) the Provisional Allotment Letter duly completed, including by signing and dating Form X, in accordance with the instructions printed thereon;
 - (ii) a cheque or banker's draft in pound sterling, made payable to "Computershare Investor Services PLC re: Future 2018 Rights Issue A/C" and crossed "A/C payee only", for the amount payable for the number of Nil Paid Rights such Qualifying non-CREST Shareholder wishes to take up; and
 - (iii) a covering letter, signed by the Qualifying non-CREST Shareholder(s), stating the number of New Ordinary Shares to be taken up (and, if such Shareholder wishes to sell or transfer the remaining, the number of split Provisional Allotment Letters required for the Nil Paid Rights not being taken up and the number of Nil Paid Rights to be comprised in each such split Provisional Allotment Letter).

In this case, the split Provisional Allotment Letters (representing the Nil Paid Rights the Qualifying non-CREST Shareholder does not wish to take up) will be required in order to sell those rights not being taken up.

- (c) Company's discretion as to validity of acceptances and instructions
If payment is not received in full by 11.00 a.m. on 20 August 2018, the provisional allotment will (unless the Company has exercised its right to treat as valid an acceptance or instruction as set out below) be deemed to have been declined and will lapse. The Company (in its absolute discretion) may elect, but shall not be obliged, to treat as valid any Provisional Allotment Letter

and accompanying remittance for the full amount due which is not received prior to 11.00 a.m. on 20 August 2018.

The Company (in its absolute discretion) may elect, but shall not be obliged to treat as a valid acceptance or instruction, the receipt of appropriate remittance by 11.00 a.m. on 20 August 2018, from an authorised person (as defined in FSMA) specifying the number of New Ordinary Shares to be subscribed for and containing an undertaking by that person to lodge the Provisional Allotment Letter, duly completed, in due course.

The Company may (in its absolute discretion) also treat a Provisional Allotment Letter as valid and binding on the person(s) by whom or on whose behalf it is lodged even if it is not completed in accordance with the relevant instructions or is not accompanied by a valid power of attorney where required.

The Company reserves the right to treat a Provisional Allotment Letter as invalid if the Company determines (in its sole discretion) that the Provisional Allotment Letter: (i) is illegible, incomplete, or unexecuted; (ii) has not been completed in accordance with the relevant instructions; or (iii) is not accompanied by a valid power of attorney where required. The Company's decision shall be final and binding in all respects.

The Company reserves the right to treat as invalid any acceptance or instruction or purported acceptance or instruction in relation to the New Ordinary Shares that appears to the Company (having consulted with the Underwriters) to have been executed in, despatched from, or that provided an address in, the United States or any Excluded Territory.

The provisions of this paragraph (c) and any other terms of the Rights Issue relating to Qualifying non-CREST Shareholders may be waived, varied or modified as regards specific Qualifying non-CREST Shareholder(s) or on a general basis by the Company.

A Qualifying non-CREST Shareholder who makes a valid acceptance or instruction (as applicable) and payment in accordance with this paragraph 2.1 is deemed to request that the New Ordinary Shares to which they will become entitled be issued to them (if they are a Qualifying non-CREST Shareholder) on the terms and conditions set out in this document and subject to the Articles of Association.

(d) Payments

All payments must be in pound sterling and made by cheque or banker's draft made payable to "Computershare Investor Services PLC re: Future 2018 Rights Issue A/C" and crossed "A/C payee only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the UK or Channel Islands or Isle of Man which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner. Payments via CHAPS, BACS or electronic transfer will not be accepted.

Cheques must be drawn on the personal account to which the Qualifying non-CREST Shareholder (or his nominee) has sole or joint title to the funds. Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has inserted details of the name of the account holder and the building society cheque or banker's draft has been stamped with the building society or bank branch stamp. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted. Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow value to be obtained for remittances at the earliest opportunity. No interest will be paid on payments made before they are due. It is a term of the Rights Issue that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. Return of a completed Provisional Allotment Letter will constitute a warranty that the cheque will be

honoured on first presentation. All documents, cheques and banker's drafts sent through the post will be sent at the risk of the sender.

If the New Ordinary Shares have already been allotted to a Qualifying non-CREST Shareholder prior to any payment not being so honoured upon first presentation or such acceptance or instruction (as applicable) being treated as invalid, the Company may (in its absolute discretion as to manner, timing and terms) make arrangements for the sale of such New Ordinary Shares on behalf of such Qualifying non-CREST Shareholder and hold the proceeds of sale (net of the Company's reasonable estimate of any loss it has suffered as a result of the same and of the expenses of the sale, including, without limitation, any stamp duty or SDRT payable on the transfer of such New Ordinary Shares, and of all amounts payable by such Qualifying non-CREST Shareholder pursuant to the terms of the Rights Issue in respect of the subscription of such New Ordinary Shares) on behalf of such Qualifying non-CREST Shareholder. None of the Company, the Underwriters or any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying non-CREST Shareholder as a result.

Money Laundering Regulations

It is a term of the Rights Issue that, to ensure compliance with the Money Laundering Regulations, the Receiving Agent may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf a Provisional Allotment Letter is lodged with payment (which requirements are referred to below as the "verification of identity requirements"). If an application is made by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Receiving Agent. In such case, the lodging agent's stamp should be inserted on the Provisional Allotment Letter. The person(s) who, by lodging a Provisional Allotment Letter with payment and in accordance with the other terms as described above (the "acceptor"), accept(s) directly or indirectly, such number of New Ordinary Shares as referred therein (for the purposes of this paragraph "*Money Laundering Regulations*" the "relevant shares") (being the provisional allottee or, in the case of renunciation, the person named in such Provisional Allotment Letter) shall thereby be deemed to agree to provide the Receiving Agent and/or the Company with such information and other evidence as they or either of them may require to satisfy the verification of identity requirements and agree for the Receiving Agent to make a search using a credit reference agency for the purpose of confirming such identity where deemed necessary. A record of the search will be retained.

If the Receiving Agent determines that the verification of identity requirements applies to an acceptor, and acceptance or an instruction and the verification of identity requirements have not been satisfied (which the Receiving Agent shall in its absolute discretion determine) by 11.00 a.m. on 20 August 2018, the Company may, in its absolute discretion, and without prejudice to any other rights of the Company, treat the acceptance or instruction as invalid, in which event the application monies will be returned (at the applicant's risk) without interest to the account of the bank or building society on which the relevant cheque or banker's draft was drawn, or may confirm the allotment of the relevant shares but (notwithstanding any other term of the Rights Issue) such shares will not be issued to the relevant acceptor or registered in his name until the verification of identity requirements have been satisfied (which the Receiving Agent shall in its absolute discretion determine). If the acceptance or instruction is not treated as invalid and the verification of identity requirements are not satisfied within such period, being not less than seven days after a request for evidence of identity is despatched to the acceptor, as the Company may in its absolute discretion allow, the Company will be entitled to make arrangements (in its absolute discretion as to manner, timing and terms) to sell the relevant shares. Any proceeds of sale (net of expenses) of the relevant shares which shall be issued to and registered in the name of the purchaser(s) or an amount equivalent to the original payment, whichever is the lower, will be held by the Company on trust for the acceptor, subject to the requirements of the Money Laundering Regulations. The Receiving Agent is entitled in its absolute discretion to determine whether the verification of identity requirements apply to any acceptor and whether such requirements have been satisfied. None of the Company, the Underwriters or the Receiving Agent will be liable to any person for any loss suffered or incurred as a result of the exercise of any such discretion or as a result of any sale of relevant shares.

Return of a Provisional Allotment Letter with the appropriate remittance will constitute a warranty from the acceptor that the Money Laundering Regulations will not be breached by

acceptance of such remittance and an undertaking to provide promptly to the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purpose of the Money Laundering Regulations. If the verification of identity requirements applies, failure to provide the necessary evidence of identity may result in your acceptance or instruction (as applicable) being treated as invalid or in delays in the despatch of share certificates and other documents relating to the Rights Issue (as applicable).

The verification of identity requirements will not usually apply:

- (a) if the acceptor is an organisation required to comply with the Money Laundering Directive 2005/60/EC of the European Parliament and of the EC Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing; or
- (b) if the acceptor is a regulated UK broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations; or
- (c) if the acceptor (not being an acceptor who delivers his acceptance in person) makes payment by way of a cheque drawn on an account in the name of such acceptor; or
- (d) if the aggregate subscription price is less than €15,000 (approximately £13,000).

Where the verification of identity requirements applies, please note the following as this will assist in satisfying the requirements. Satisfaction of the verification of identity requirements may be facilitated in the following ways:

- (a) if payment is made by cheque or banker's draft in pound sterling drawn on a branch in the UK of a bank or building society and bears a UK bank sort code number in the top right-hand corner, the following applies. Cheques should be made payable to "Computershare Investor Services PLC re: Future 2018 Rights Issue A/C" and crossed "A/C payee only". Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has inserted details of the name of the account holder and the building society cheque or banker's draft has been stamped with the building society or bank branch stamp. The account name should be the same as that shown on the application;
- (b) if the Provisional Allotment Letter is lodged with payment by an agent which is an organisation of the kind referred to in (i) above or which is subject to AML regulation in a country which is a member of the Financial Action Task Force (the non-EU members of which are Argentina, Australia, Brazil, Canada, China, Hong Kong, Iceland, India, Japan, the Republic of Korea, Mexico, New Zealand, Norway, the Russian Federation, Singapore, South Africa, Switzerland, Turkey, the United States of America and, by virtue of their membership of the Gulf Co-operation Council, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE), the agent should provide written confirmation with the Provisional Allotment Letter that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the persons for whom it acts and that it will on demand make such evidence available to the Receiving Agent or the relevant authority; or
- (c) if a Provisional Allotment Letter is lodged by hand by the acceptor in person, he should ensure that he has with him evidence of identity bearing his photograph (for example, his passport) and evidence of his address (for example, a recent bank statement).

In order to confirm the acceptability of any written assurance referred to in (iii) above or any other case, the acceptor should contact Computershare Investor Services PLC on 0370 707 1443 (or +44 370 707 1443 if calling from outside the United Kingdom). The helpline is open from 9.00 a.m. to 5.30 p.m. (London time), Monday to Friday, excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that the helpline cannot provide advice on the merits of the Rights Issue nor give financial, tax, investment or legal advice.

Dealings in Nil Paid Rights

Dealings in the Nil Paid Rights on the London Stock Exchange are expected to commence at 8.00 a.m. on 6 August 2018.

A transfer of Nil Paid Rights can be made by renunciation of the Provisional Allotment Letter in accordance with the instructions printed thereon and delivery of the letter to the transferee or to a stockbroker, bank or other appropriate financial adviser. The latest time and date for registration of renunciation of Provisional Allotment Letters, nil paid, is expected to be 11.00 a.m. on 20 August 2018.

Dealings in Fully Paid Rights

After acceptance and payment in full in accordance with the provisions set out in this document and the Provisional Allotment Letter, the Fully Paid Rights may be transferred by renunciation of the relevant Provisional Allotment Letter and delivering it, by post to Computershare, Corporate Actions Projects, Bristol, BS99 6AH or by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE, by not later than 11.00 a.m. on 20 August 2018. To do this, Qualifying non-CREST Shareholders will need to have their fully paid Provisional Allotment Letters returned to them after acceptance has been effected by the Receiving Agent. Fully paid Provisional Allotment Letters will only be returned to Shareholders if their return is requested by ticking Box 4 on the Provisional Allotment Letter. From 21 August 2018, the New Ordinary Shares will be in registered form and transferable in the usual way (see the paragraph below titled “*Issue of New Ordinary Shares in definitive form*” of this Part 9 (*Terms and Conditions of the Rights Issue*) below).

Renunciation and splitting of Provisional Allotment Letters

Qualifying non-CREST Shareholders who wish to transfer all of their Nil Paid Rights or, after acceptance of the provisional allotment and payment in full, Fully Paid Rights comprised in a Provisional Allotment Letter may (save as required by the laws of certain overseas jurisdictions) renounce such allotment by completing and signing Form X on the Provisional Allotment Letter (if it is not already marked “Original Duly Renounced”) and passing the entire Provisional Allotment Letter to their stockbroker or bank or other appropriate financial adviser or to the transferee. Once a Provisional Allotment Letter has been renounced, the letter will become a negotiable instrument in bearer form and the Nil Paid Rights or Fully Paid Rights (as appropriate) comprised in the Provisional Allotment Letter may be transferred by delivery of the Provisional Allotment Letter to the transferee.

The latest time and date for registration of renunciation of Provisional Allotment Letters, fully paid, is 11.00 a.m. on 20 August 2018.

If a holder of a Provisional Allotment Letter wishes to take up some (but not all) of his entitlement and wishes to sell or transfer the remainder, or wishes to transfer all the Nil Paid Rights or (if appropriate) Fully Paid Rights but to different persons, he must have the Provisional Allotment Letter split. To split a Provisional Allotment Letter, it must be delivered by post to Computershare, Corporate Actions Projects, Bristol, BS99 6AH or by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE, by not later than 3.00 p.m. on 16 August 2018, with Form X on page 2 of the Provisional Allotment Letter duly completed and signed and (if applicable) a cheque for the entitlements he wishes to take up.

The number of split Provisional Allotment Letters required and the number of Nil Paid Rights or (as appropriate) Fully Paid Rights to be comprised in each split Provisional Allotment Letter should be stated in an accompanying letter. Form X on split Provisional Allotment Letters will be marked “Original Duly Renounced” before issue. The aggregate number of Nil Paid Rights or (as appropriate) Fully Paid Rights comprised in the split Provisional Allotment Letters must equal the number of New Ordinary Shares set out in Box 2 of the original Provisional Allotment Letter (less the number of New Ordinary Shares representing rights that the holder wishes to take up if taking up his entitlement in part). The original Provisional Allotment Letter would then be split and cancelled for split Provisional Allotment Letters. The split Provisional Allotment Letter(s) (representing the New Ordinary Shares the Shareholder does not wish to take up) will be required in order to sell those rights not being taken up.

Alternatively, Qualifying Non-CREST Shareholders who wish to take up some of their rights, without selling or transferring the remainder, should refer to sub-paragraph (b) of the paragraph titled “*Procedure for acceptance, instruction and payment*” of this Part 9 (*Terms and Conditions of the Rights Issue*).

The Company reserves the right to refuse to register any renunciation in favour of any person in respect of which the Company believes such renunciation may violate applicable legal or regulatory requirements, including (without limitation) any renunciation in the name of any person with an address outside the United Kingdom.

Registration in names of Qualifying non-CREST Shareholders

A Qualifying non-CREST Shareholder who wishes to have all the New Ordinary Shares to which he is entitled registered in his name must accept and make payment for such allotment in accordance with the provisions set out in this document and the Provisional Allotment Letter but need take no further action. A share certificate in respect of the New Ordinary Shares subscribed for is expected to be sent to such Qualifying non-CREST Shareholder by no later than 28 August 2018.

Registration in names of persons other than Qualifying non-CREST Shareholders originally entitled

In order to register Fully Paid Rights in certificated form in the name of someone other than the Qualifying non-CREST Shareholder(s) originally entitled, the renouncee or his agent(s) must complete Form Y on the Provisional Allotment Letter (unless the renouncee is a CREST member who wishes to hold such New Ordinary Shares in uncertificated form, in which case Form X and the CREST Deposit Form must be completed (see the paragraph below titled “*Deposit of Nil Paid Rights or Fully Paid Rights into CREST*” of this Part 9 (*Terms and Conditions of the Rights Issue*) below)) and deliver the Provisional Allotment Letter, when fully paid, by post to Computershare, Corporate Actions Projects, Bristol, BS99 6AH or by hand (during normal business hours) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE, by not later than the latest time for registration of renunciations, which is 11.00 a.m. on 20 August 2018. Registration cannot be effected unless and until the New Ordinary Shares comprised in a Provisional Allotment Letter are fully paid.

The New Ordinary Shares comprised in several renounced Provisional Allotment Letters may be registered in the name of one holder (or joint holders) if Form Y on the Provisional Allotment Letter is completed on one Provisional Allotment Letter (the “Principal Letter”) and all the Provisional Allotment Letters are delivered in one batch. Details of each Provisional Allotment Letter (including the Principal Letter), the number of New Ordinary Shares represented by each Provisional Allotment Letter, the allotment number of Provisional Allotment Letters to be consolidated and the total number of New Ordinary Shares represented by all the Provisional Allotment Letters to be consolidated should be listed in a covering letter accompanying the Provisional Allotment Letter and the allotment number of the Principal Letter should be entered in the space provided on each of the other Provisional Allotment Letters.

Deposit of Nil Paid Rights or Fully Paid Rights into CREST

The Nil Paid Rights or Fully Paid Rights represented by the Provisional Allotment Letter may be converted into uncertificated form, that is, deposited into CREST (whether such conversion arises as a result of a renunciation of those rights or otherwise). Similarly, Nil Paid Rights or Fully Paid Rights held in CREST may be converted into certificated form, that is, withdrawn from CREST. Subject as provided in the next following paragraph or in the Provisional Allotment Letter, normal CREST procedures and timings apply in relation to any such conversion. You are recommended to refer to the CREST Manual for details of such procedures.

The procedure for depositing the Nil Paid Rights represented by the Provisional Allotment Letter into CREST, whether such rights are to be converted into uncertificated form in the name(s) of the person(s) whose name(s) and address appear(s) on page 1 of the Provisional Allotment Letter or in the name of a person or persons to whom the Provisional Allotment Letter has been renounced, is as follows: Form X and the CREST Deposit Form (both on the Provisional Allotment Letter) will need to be completed and the Provisional Allotment Letter deposited with the CREST courier and sorting service (“CCSS”). In addition, the normal CREST Stock Deposit procedures will need to be carried out, except that (a) it will not be necessary to complete and lodge a separate CREST Transfer Form (prescribed under the Stock Transfer Act 1963) with the CCSS and (b) only the whole of the Nil Paid Rights or the Fully Paid Rights represented by the Provisional Allotment Letter may be deposited into CREST. If you wish to deposit some only of the Nil Paid Rights or the Fully Paid Rights represented by the Provisional Allotment Letter into CREST, you must apply for split Provisional Allotment Letters by following the instructions in the paragraph above titled “*Renunciation and splitting of Provisional*”.

Allotment Letters” of this Part 9 (*Terms and Conditions of the Rights Issue*). If the rights represented by more than one Provisional Allotment Letter are to be deposited, the CREST Deposit Form on each Provisional Allotment Letter must be completed and deposited. The Consolidation Listing Form (as defined in the CREST Regulations) must not be used.

A holder of Nil Paid Rights (or, if appropriate, the Fully Paid Rights) represented by a Provisional Allotment Letter who is proposing to convert those rights into uncertificated form (whether following a renunciation of such rights or otherwise) is recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the Nil Paid Rights (or, if appropriate, the Fully Paid Rights) in CREST following the conversion to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 20 August 2018. **In particular, having regard to processing times in CREST and on the part of the Receiving Agent, the latest recommended time for depositing a renounced Provisional Allotment Letter (with Form X and the CREST Deposit Form on the Provisional Allotment Letter duly completed) with the CCSS in order to enable the person acquiring the Nil Paid Rights (or, if appropriate, the Fully Paid Rights) in CREST as a result of the conversion to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 20 August 2018 is 3.00 p.m. on 15 August 2018.**

When Form X and the CREST Deposit Form (on the Provisional Allotment Letter) have been completed, the title to the Nil Paid Rights or the Fully Paid Rights represented by the Provisional Allotment Letters will cease to be renounceable or transferable by delivery, and for the avoidance of doubt any entries in Form Y will not subsequently be recognised or acted upon by the Receiving Agent. All renunciations or transfers of Nil Paid Rights or Fully Paid Rights must be effected through the CREST system once such Nil Paid Rights or Fully Paid Rights have been deposited into CREST.

CREST sponsored members should contact their CREST sponsor as only their CREST sponsor will be able to take the necessary action to take up the entitlement or otherwise to deal with the Nil Paid Rights or Fully Paid Rights of the CREST sponsored member.

Issue of New Ordinary Shares in definitive form

Definitive share certificates in respect of the New Ordinary Shares to be held in certificated form are expected to be despatched by post by 28 August 2018 at the risk of the persons entitled thereto to Qualifying non-CREST Shareholders (or their transferees who hold Fully Paid Rights in certificated form), or in the case of joint holdings, to the first-named Shareholders, at their registered address (unless valid address details have been completed on the Provisional Allotment Letter). After despatch of the definitive share certificates, Provisional Allotment Letters will cease to be valid for any purpose whatsoever. Pending despatch of definitive share certificates, instruments of transfer of the New Ordinary Shares will be certified by the Registrar against the register.

2.2 Action to be taken by Qualifying CREST Shareholders in relation to Nil Paid Rights and Fully Paid Rights in CREST

General

It is expected that each Qualifying CREST Shareholder (other than, subject to certain limited exceptions, Qualifying Shareholders with registered addresses, or who are resident or located, in the United States or any of the Excluded Territories) will receive a credit to his stock account in CREST of his entitlement to Nil Paid Rights on 6 August 2018. It is expected that such rights will be enabled as soon as practicable after 8.00 a.m. on 6 August 2018. The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Ordinary Shares in uncertificated form held at the close of business on the Record Date by the Qualifying CREST Shareholder in respect of which the Nil Paid Rights are provisionally allotted.

The maximum number of New Ordinary Shares that a Qualifying CREST Shareholder may take up is that which has been provisionally allotted to that Qualifying CREST Shareholder and for which he receives a credit of entitlement into his stock account in CREST. The minimum number of New Ordinary Shares a Qualifying CREST Shareholder may take up is one.

The Nil Paid Rights will constitute a separate security for the purposes of CREST and can accordingly be transferred, in whole or in part, by means of CREST in the same manner as any other security that is admitted to CREST.

If, for any reason, it is impracticable to credit the stock accounts of Qualifying CREST Shareholders, or to enable the Nil Paid Rights by 8.00 a.m. on 6 August 2018, Provisional Allotment Letters shall, unless the Company and the Underwriters determine otherwise, be sent out in substitution for the Nil Paid Rights which have not been so credited or enabled and the expected timetable as set out in this document may, with the consent of the Underwriters, be adjusted as appropriate. **References to dates and times in this document should be read as subject to any such adjustment.** The Company will make an appropriate announcement to a Regulatory Information Service giving details of any revised dates, but Qualifying CREST Shareholders may not receive any further written communication.

CREST members who wish to take up their entitlements in respect of or otherwise to transfer Nil Paid Rights or Fully Paid Rights held by them in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below. If you are a CREST sponsored member, you should consult your CREST sponsor if you wish to take up your entitlement as only your CREST sponsor will be able to take the necessary action to take up your entitlements or otherwise to deal with your Nil Paid Rights or Fully Paid Rights.

Procedure for acceptance and payment

(a) MTM instructions

CREST members who wish to take up all or some of their entitlement in respect of Nil Paid Rights in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) an MTM instruction to Euroclear that, on its settlement, will have the following effect:

- (i) the crediting of a stock account of the Receiving Agent under the participant ID and member account ID specified below, with the number of Nil Paid Rights to be taken up;
- (ii) the creation of a settlement bank payment obligation (as this term is defined in the CREST Manual), in accordance with the RTGS payment mechanism (as this term is defined in the CREST Manual), in favour of the RTGS settlement bank (as this term is defined in the CREST Manual) of the Receiving Agent in pound sterling in respect of the full amount payable on acceptance in respect of the Nil Paid Rights referred to in paragraph 2.2(a)(i) above; and
- (iii) the crediting of a stock account of the accepting CREST member (being an account under the same participant ID and member account ID as the account from which the Nil Paid Rights are to be debited on settlement of the MTM instruction) of the corresponding number of Fully Paid Rights to which the CREST member is entitled on taking up his Nil Paid Rights referred to in paragraph 2.2(a)(i) above.

(b) Contents of MTM instructions

The MTM instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Nil Paid Rights to which the acceptance relates;
- (ii) the participant ID of the accepting CREST member;
- (iii) the member account ID of the accepting CREST member from which the Nil Paid Rights are to be debited;
- (iv) the participant ID of the Receiving Agent, in its capacity as a CREST receiving agent. This is 3RA27;
- (v) the member account ID of the Receiving Agent, in its capacity as a CREST receiving agent. This is Future;

- (vi) the number of Fully Paid Rights that the CREST member is expecting to receive on settlement of the MTM instruction. This must be the same as the number of Nil Paid Rights to which the acceptance relates;
 - (vii) the amount payable by means of the CREST assured payment arrangements on settlement of the MTM instruction. This must be the full amount payable on acceptance in respect of the number of Nil Paid Rights referred to in paragraph 2.2(b)(i) above;
 - (viii) the intended settlement date, which must be on or before 11.00 a.m. on 20 August 2018;
 - (ix) the Nil Paid Rights ISIN number which is GB00BF2S5L22;
 - (x) the Fully Paid Rights ISIN number which is GB00BF2S5M39;
 - (xi) the Corporate Action Number for the Rights Issue. This will be available by viewing the relevant corporate action details in CREST;
 - (xii) contact name and telephone number in the shared note field; and
 - (xiii) a priority of at least 80.
- (c) Valid acceptance
- An MTM instruction complying with each of the requirements as to authentication and contents set out in paragraph 2.2(b) above will constitute a valid acceptance where either:
- (i) the MTM instruction settles by not later than 11.00 a.m. on 20 August 2018; or
 - (ii) at the discretion of the Company and the Underwriters:
 - (A) the MTM instruction is received by Euroclear by not later than 11.00 a.m. on 20 August 2018;
 - (B) a number of Nil Paid Rights at least equal to the number of Nil Paid Rights inserted in the MTM instruction is credited to the CREST stock member account of the accepting CREST member specified in the MTM instruction at 11.00 a.m. on 20 August 2018; and
 - (C) the relevant MTM instruction settles by 10.00 a.m. on 21 August 2018 (or such later time and/or date as the Company may determine).

An MTM instruction will be treated as having been received by Euroclear for these purposes at the time at which the instruction is processed by the Network Providers' Communications Host (as this term is defined in the CREST Manual) at Euroclear of the network provider used by the CREST member (or by the CREST sponsored member's CREST sponsor). This will be conclusively determined by the input time stamp applied to the MTM instruction by the Network Providers' Communications Host.

The provisions of this paragraph 2.2(c) and any other terms of the Rights Issue relating to Qualifying CREST Shareholders may be waived, varied or modified as regards specific Qualifying CREST Shareholder(s) or on a general basis by the Company.

- (d) Representations, warranties and undertakings of CREST members
- A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the paragraph titled "*Procedure for acceptance and payment*" of this paragraph 2.2 of this Part 9 (*Terms and Conditions of the Rights Issue*) represents, warrants and undertakes to the Company and the Underwriters that he has taken (or procured to be taken), and will take (or will procure to be taken), whatever action is required to be taken by him or by his CREST sponsor (as appropriate) to ensure that the MTM instruction concerned is capable of settlement by 11.00 a.m. on 20 August 2018 and remains capable of settlement at all times until 11.00 a.m. on 20 August 2018 (or such later time and/or date as the Company may determine). In particular, the CREST member or CREST sponsored member represents, warrants and undertakes that, at 11.00 a.m. on 20 August 2018 and at all times thereafter until 11.00 a.m. on 20 August 2018 (or until such later time and date as the Company may determine), there will be sufficient Headroom within the Cap (as those terms are defined in the CREST Manual) in respect of the cash memorandum account to be debited with the amount payable on

acceptance to permit the MTM instruction to settle. CREST sponsored members should contact their CREST sponsor if they are in any doubt. In addition, such CREST sponsored member taking up entitlements makes the representations and gives the warranties set out in the paragraph titled "*Procedure for acceptance and payment*" of this paragraph 2.2 of this Part 9 (*Terms and Conditions of the Rights Issue*).

If there is insufficient Headroom within the Cap (as those terms are defined in the CREST Manual) in respect of the cash memorandum account of a CREST member or CREST sponsored member for such amount to be debited or the CREST member's or CREST sponsored member's acceptance is otherwise treated as invalid and New Ordinary Shares have already been allotted to such CREST member or CREST sponsored member, the Company and the Underwriters may (in their absolute discretion as to the manner, timing and terms) make arrangements for the sale of such New Ordinary Shares on behalf of that CREST member or CREST sponsored member and hold the proceeds of sale (net of the Company's and/or the Underwriters' reasonable estimate of any loss that has been suffered as a result of the acceptance being treated as invalid and of the expenses of sale, including, without limitation, any stamp duty or SDRT payable on the transfer of such New Ordinary Shares, and of all amounts payable by the CREST member or CREST sponsored member pursuant to the Rights Issue in respect of the subscription of such New Ordinary Shares) on behalf of such CREST member or CREST sponsored member. None of the Company, the Underwriters, or any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by such CREST member or CREST sponsored member as a result.

(e) CREST procedures and timings

CREST members and CREST sponsors (on behalf of CREST sponsored members) should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of an MTM instruction and its settlement in connection with the Rights Issue. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) the action necessary to ensure that a valid acceptance is received as stated above by 11.00 a.m. on 20 August 2018. In connection with this, CREST members and (where applicable) CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(f) CREST member's undertaking to pay

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in the paragraph titled "*Procedure for acceptance and payment*" of this paragraph 2.2 undertakes to pay to the Receiving Agent, or procure the payment to the Receiving Agent of, the amount payable in pound sterling on acceptance in accordance with the above procedures or in such other manner as the Receiving Agent may require (it being acknowledged that, where payment is made by means of the CREST RTGS payment mechanism (as defined in the CREST Manual), the creation of an RTGS payment obligation in pound sterling in favour of the Receiving Agent's RTGS settlement bank (as defined in the CREST Manual) in accordance with the RTGS payment mechanism shall, to the extent of the obligation so created, discharge in full the obligation of the CREST member (or CREST sponsored member) to pay the amount payable on acceptance) and (b) requests that the Fully Paid Rights and/or New Ordinary Shares to which he will become entitled be issued to him on the terms set out in this document and subject to the Articles of Association.

If the payment obligations of the relevant CREST member or CREST sponsored member in relation to such New Ordinary Shares are not discharged in full and such New Ordinary Shares have already been allotted to the CREST member or CREST sponsored member, the Company may (in its absolute discretion as to manner, timing and terms) make arrangements for the sale of such New Ordinary Shares on behalf of the CREST member or CREST sponsored member and hold the proceeds of sale (net of the Company's reasonable estimate of any loss that has been suffered as a result of the same and of the expenses of the sale, including, without limitation, any stamp duty or SDRT payable on the transfer of such New Ordinary Shares, and

of all amounts payable by such CREST member or CREST sponsored member pursuant to the terms of the Rights Issue in respect of the subscription of such New Ordinary Shares) or an amount equal to the original payment of the CREST member or CREST sponsored member. None of the Company or the Underwriters or any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by the CREST member or CREST sponsored member as a result.

(g) Company's discretion as to rejection and validity of acceptances

The Company may agree in its absolute sole discretion to:

- (i) reject any acceptance constituted by an MTM instruction, which is otherwise valid, in the event of breach of any of the representations, warranties and undertakings set out or referred to in the paragraph titled "Procedure for acceptance and payment" of this paragraph 2.2. Where an acceptance is made as described in the paragraph titled "Procedure for acceptance and payment" of this paragraph 2.2, which is otherwise valid, and the MTM instruction concerned fails to settle by 11.00 a.m. on 20 August 2018 (or by such later time and date as the Company has determined), the Company shall be entitled to assume, for the purposes of its right to reject an acceptance contained in the paragraph titled "Procedure for acceptance and payment" of this paragraph 2.2, that there has been a breach of the representations, warranties and undertakings set out or referred to in the paragraph titled "Procedure for acceptance and payment" of this paragraph 2.2 unless the Company is aware of any reason outside the control of the CREST member or CREST sponsor (as appropriate) for the failure to settle;
- (ii) treat as valid (and binding on the CREST member or CREST sponsored member concerned) an acceptance which does not comply in all respects with the requirements as to validity set out or referred to in the paragraph titled "*Procedure for acceptance and payment*" of this paragraph 2.2;
- (iii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid acceptance in substitution for, or in addition to, an MTM instruction and subject to such further terms and conditions as the Company and the Underwriters may determine;
- (iv) treat a properly authenticated dematerialised instruction (in this paragraph 2.2(g)(iv), the "first instruction") as not constituting a valid acceptance if, at the time at which the Receiving Agent receives a properly authenticated dematerialised instruction giving details of the first instruction, either the Company or the Receiving Agent has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations ("CREST Regulations") in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction
- (v) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for acceptance and/or settlement of an MTM instruction or any alternative instruction or notification, if, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to take up all or part of his Nil Paid Rights by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of facilities and/or systems operated by the Registrar in connection with CREST.

Money Laundering Regulations

If you hold your Nil Paid Rights in CREST and apply to take up all or part of your entitlement as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, the Receiving Agent is entitled to take reasonable measures to establish the identity of the person or persons (or the ultimate controller of such person or persons) on whose behalf you are making the application and any submission of an MTM instruction is agreement for the Receiving Agent to make a search via a credit reference agency

where deemed necessary. A record of search results will be retained. You must therefore contact the Receiving Agent before sending any MTM instruction or other instruction so that appropriate measures may be taken.

Submission of an MTM instruction which constitutes, or which may on its settlement constitute, a valid acceptance as described above constitutes a warranty and undertaking by the applicant to provide promptly to the Receiving Agent any information the Receiving Agent may specify as being required for the purposes of the verification of the identity requirements in the Money Laundering Regulations or FSMA. Pending the provision of such information and other evidence as the Receiving Agent may require to satisfy the verification of identity requirements, the Receiving Agent, having consulted with the Company, may take, or omit to take, such action as it may determine to prevent or delay settlement of the MTM instruction. If such information and other evidence of identity has not been provided within a reasonable time, then the Receiving Agent will not permit the MTM instruction concerned to proceed to settlement but without prejudice to the right of the Company and/or the Underwriters to take proceedings to recover any loss suffered by any of them as a result of failure by the applicant to provide such information and other evidence.

Dealings in Nil Paid Rights in CREST

Assuming the Rights Issue becomes unconditional, dealings in the Nil Paid Rights on the London Stock Exchange are expected to commence as soon as practicable after 8.00 a.m. on 6 August 2018. A transfer (in whole or in part) of Nil Paid Rights can be made by means of CREST in the same manner as any other security that is admitted to CREST. The Nil Paid Rights are expected to be disabled in CREST after the close of CREST business on 20 August 2018.

Dealings in Fully Paid Rights in CREST

After acceptance of the provisional allotment and payment in full in accordance with the provisions set out in this document, the Fully Paid Rights may be transferred by means of CREST in the same manner as any other security that is admitted to CREST. The last time for settlement of any transfer of Fully Paid Rights in CREST is expected to be 11.00 a.m. on 20 August 2018. The Fully Paid Rights are expected to be disabled in CREST after the close of CREST business on 20 August 2018. From 21 August 2018, the New Ordinary Shares will be registered in the name(s) of the person(s) entitled to them in the Company's register of members and will be transferable in the usual way.

Withdrawal of Nil Paid Rights or Fully Paid Rights from CREST

Nil Paid Rights or Fully Paid Rights held in CREST may be converted into certificated form, that is, withdrawn from CREST. Normal CREST procedures (including timings) apply in relation to any such conversion.

The recommended latest time for receipt by Euroclear of a properly authenticated dematerialised instruction requesting withdrawal of Nil Paid Rights or, if appropriate, Fully Paid Rights from CREST is 4.30 p.m. on 14 August 2018, so as to enable the person acquiring or (as appropriate) holding the Nil Paid Rights or, if appropriate, Fully Paid Rights following the conversion to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 20 August 2018. You are recommended to refer to the CREST Manual for details of such procedures.

Issue of New Ordinary Shares in CREST

Fully Paid Rights in CREST are expected to be disabled in CREST after the close of CREST business on 20 August 2018 (the latest date for settlement of transfers of Fully Paid Rights in CREST). New Ordinary Shares (in definitive form) will be issued in uncertificated form to those persons registered as holding Fully Paid Rights in CREST no later than close of business, the Business Day after the date on which the Fully Paid Rights are disabled. The Registrar will instruct Euroclear to credit the appropriate stock accounts of those persons (under the same participant ID and member account ID that applied to the Fully Paid Rights held by those persons) with their entitlements to New Ordinary Shares to take effect as soon as practicable after 8.00 a.m. on 21 August 2018.

Right to allot/issue in certificated form

Despite any other provision of this document, the Company reserves the right to allot and/or issue any Nil Paid Rights, Fully Paid Rights or New Ordinary Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of an interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by the Registrar in connection with CREST or otherwise if it has first obtained the Underwriters' consent.

2.3 *Procedure in respect of rights not taken up and withdrawal Procedure in respect of rights not taken up*

If rights to New Ordinary Shares are not validly taken up, in accordance with the procedure laid down in this document for acceptance, instruction and payment, then that provisional allotment will be deemed to have been declined and will lapse. The Underwriters will use reasonable endeavours to procure, by not later than 5.00 p.m. on the second dealing day after the last date of acceptance of the Rights Issue, subscribers for all (or as many as possible) of those New Ordinary Shares not taken up at a price per New Ordinary Share which is at least equal to the aggregate of the Issue Price and the expenses of procuring such subscribers (including any applicable brokerage and commissions and amounts in respect of value added tax).

Notwithstanding the above, the Underwriters may cease to endeavour to procure any such subscribers if, in their opinion, it is unlikely that any such subscribers can be procured at such a price and by such a time. If and to the extent that subscribers for New Ordinary Shares cannot be procured on the basis outlined above, the Underwriters will subscribe for the relevant New Ordinary Shares as principals under the terms of the Underwriting Agreement or procure that they are subscribed for by sub-underwriters procured by the Underwriters, in each case at the Issue Price.

Any premium over the aggregate of the Issue Price and the expenses of procuring subscribers (including any applicable brokerage and commissions and amounts in respect of value added tax) shall be paid (subject as provided in the paragraph titled "*Procedure in respect of rights not taken up*" in this paragraph 2.3):

- (a) where the Nil Paid Rights were, at the time they lapsed, represented by a Provisional Allotment Letter, to the person whose name and address appeared on the Provisional Allotment Letter;
- (b) where the Nil Paid Rights were, at the time they lapsed, in uncertificated form, to the person registered as the holder of those Nil Paid Rights at the time of their disablement in CREST; and
- (c) to the extent not provided for above, where an entitlement to New Ordinary Shares was not taken up by an Overseas Shareholder with an address in the United States or any Excluded Territory, to that Overseas Shareholder.

New Ordinary Shares for which subscribers are procured on this basis will be re-allotted to the subscribers and the aggregate of any premiums (being the amount paid by the subscribers after deducting the Issue Price and the expenses of procuring the subscribers, including any applicable brokerage and commissions and amounts in respect of value added tax), if any, will be paid (without interest) to those persons entitled (as referred to in paragraphs (a) to (c) above) *pro rata* to the relevant lapsed provisional allotments, save that amounts of less than £5.00 per holding will not be so paid but will be aggregated and will ultimately accrue for the benefit of the Company. Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for these purposes. Cheques for the amounts due (if any) will be sent by post, at the risk of the person(s) entitled, to their registered addresses (the registered address of the first-named holder in the case of joint holders), provided that, where any entitlement concerned was held in CREST, the amount due will, unless the Company (in its absolute discretion) otherwise determines, be satisfied by the creation of an assured payment obligation in favour of the relevant CREST member's (or CREST sponsored member's) RTGS settlement bank in respect of the cash amount concerned in accordance with the RTGS payment mechanism.

Any transactions undertaken pursuant to the paragraph titled "*Procedure in respect of rights not taken up*" in this paragraph 2.3 or paragraph 2.6. below shall be deemed to have been undertaken at the request of the persons entitled to the lapsed provisional allotments or other entitlements and

none of the Company or the Underwriters or any other person procuring subscribers shall be responsible, or have any liability whatsoever for any loss or damage (whether actual or alleged) arising from the terms or timing of any such subscription, any decision not to endeavour to procure subscribers or the failure to procure subscribers on the basis so described.

The Underwriters will be entitled to retain any brokerage fees, commissions or other benefits received in connection with these arrangements.

It is a term of the Rights Issue that all New Ordinary Shares validly taken up by subscribers under the Rights Issue may be allotted to such subscribers in the event that not all of the New Ordinary Shares offered for subscription under the Rights Issue are taken up.

Withdrawal rights

Persons who have the right to withdraw their acceptances under section 87Q(4) of FSMA after a supplementary prospectus (if any) has been published and who wish to exercise such right of withdrawal must do so by lodging a written notice of withdrawal (which shall not include a notice sent by facsimile or any other form of electronic communication), which must include the full name and address of the person wishing to exercise such statutory withdrawal rights and, if such person is a CREST member, the participant ID and the member account ID of such CREST member, with the Receiving Agent at Computershare Investor Services PLC, The Pavillion, Bridgwater Road, Bristol BS13 8AE so as to be received no later than two Business Days after the date on which the supplementary prospectus was published, withdrawal being effective upon receipt of the written notice of withdrawal. Notice of withdrawal given by any other means or which is deposited with or received by the Receiving Agent after the expiry of such period will not constitute a valid withdrawal. Furthermore, the Company will not permit the exercise of withdrawal rights after payment by the relevant Shareholder of its subscription amount in full and the allotment of the New Ordinary Shares to such Shareholder becoming unconditional. In such circumstances, Shareholders are advised to consult their professional advisers.

Provisional allotments of entitlements to New Ordinary Shares which are the subject of a valid withdrawal notice will be deemed to be declined. Such entitlements to New Ordinary Shares will be subject to the provisions of the paragraph titled “*Procedure in respect of rights not taken up*” above in this paragraph 2.3 as if the entitlement had not been validly taken up.

2.4 Share Schemes

The options and awards granted under the Share Schemes will be adjusted in such a way as the Remuneration Committee considers appropriate to compensate option and award holders for any effect the Rights Issue will have on those options and awards (as permitted by the rules of the relevant Share Schemes). Participants in the Share Schemes will be contacted separately with further information on how their options and awards may be affected by the Rights Issue.

2.5 Taxation

Information on taxation in the United Kingdom with regard to the Rights Issue is set out in Part 17 (*Additional Information*) of this document. The information contained in Part 17 (*Additional Information*) of this document is intended only as a general guide to the current tax position in the United Kingdom and Qualifying Shareholders should consult their own tax advisers regarding the tax treatment of the Rights Issue in light of their own circumstances. Shareholders who are in any doubt as to their tax position or who are subject to tax in any other jurisdiction should consult an appropriate professional adviser immediately.

2.6 Overseas Shareholders

Provisional Allotment Letters will be posted to Qualifying non-CREST Shareholders (other than, subject to certain limited exceptions, Qualifying Shareholders with registered addresses, or who are resident or located, in the United States or any of the Excluded Territories) and Nil Paid Rights will be credited to the CREST stock accounts of Qualifying CREST Shareholders with registered addresses in any country other than the United States or an Excluded Territory. No offer of or invitation to subscribe for New Ordinary Shares is being made by virtue of this document or the Provisional

Allotment Letters into the United States or any of the Excluded Territories. Qualifying Shareholders in jurisdictions other than the United States or the Excluded Territories may, subject to the laws of their relevant jurisdiction, accept their rights under the Rights Issue in accordance with the instructions set out in this document and, in the case of Qualifying non-CREST Shareholders only, the Provisional Allotment Letters.

Qualifying Shareholders who have registered addresses in or who are resident in, or who are citizens of, countries other than the United Kingdom should consult their appropriate professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their Nil Paid Rights or to acquire Fully Paid Rights or New Ordinary Shares. If you are in any doubt as to your eligibility to accept the offer of New Ordinary Shares or to deal with Nil Paid Rights or Fully Paid Rights, you should contact your appropriate professional adviser immediately.

General

The making or acceptance of the proposed offer of Nil Paid Rights, Fully Paid Rights and/or New Ordinary Shares to persons who have registered addresses in, or who are resident in, or citizens of, countries other than the UK may be affected by the laws of the relevant jurisdiction. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their entitlement.

It is the responsibility of any person (including, without limitation, custodians, nominees and trustees) outside the UK wishing to take up rights to New Ordinary Shares or otherwise participate in the Rights Issue to satisfy himself as to the full observance of the laws of any relevant territory in connection therewith, including the obtaining of any governmental or other consents which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such territories. The comments set out in this paragraph 2.6 are intended as a general guide only and any Overseas Shareholder who is in doubt as to his position should consult his professional adviser without delay.

Having considered the circumstances, the Directors have formed the view that it is necessary or expedient to restrict the ability of persons with registered addresses, or who are resident or located, in the United States and the Excluded Territories to take up rights to New Ordinary Shares or otherwise participate in the Rights Issue due to the time and costs involved in the registration of this document and/or compliance with the relevant local legal or regulatory requirements in those jurisdictions.

Receipt of this document and/or a Provisional Allotment Letter or the crediting of Nil Paid Rights to a stock account in CREST will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this document and/or a Provisional Allotment Letter must be treated as sent for information only and should not be copied or redistributed.

New Ordinary Shares will be provisionally allotted (nil paid) to all Shareholders on the register at the close of business on the Record Date. However, Provisional Allotment Letters will not be sent to, and Nil Paid Rights will not be credited to CREST accounts of, Shareholders with registered addresses, or who are resident or located, in the United States or any of the Excluded Territories or their agents or intermediaries, except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

No person receiving a copy of this document and/or a Provisional Allotment Letter and/or receiving a credit of Nil Paid Rights to a stock account in CREST in any territory other than the UK may treat the same as constituting an invitation or offer to him nor should he in any event use the Provisional Allotment Letter or deal with Nil Paid Rights or Fully Paid Rights in CREST unless, in the relevant territory, such an invitation or offer could lawfully be made to him or the Provisional Allotment Letter could lawfully be used or dealt with without contravention of any registration or other legal requirements. In such circumstances, this document and the Provisional Allotment Letter are to be treated as sent for information only and should not be copied or redistributed.

Accordingly, persons (including, without limitation, custodians, nominees and trustees) receiving a copy of this document and/or a Provisional Allotment Letter or whose CREST stock account is credited with Nil Paid Rights or Fully Paid Rights should not, in connection with the Rights Issue, distribute or send the same or transfer Nil Paid Rights or Fully Paid Rights in or into any jurisdiction where to do so would or might contravene local security laws or regulations. If a Provisional Allotment Letter or a credit of Nil Paid Rights or Fully Paid Rights is received by any person in any such territory, or by his agent or nominee, he must not seek to take up the rights referred to in the Provisional Allotment Letter or in this document or renounce the Provisional Allotment Letter or transfer the Nil Paid Rights or Fully Paid Rights unless the Company and the Underwriters determine that such actions would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, nominees and trustees) who does forward this document or a Provisional Allotment Letter, or transfer, Nil Paid Rights or Fully Paid Rights into any such territories (whether pursuant to a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this paragraph 2.6.

The Company reserves the right to treat as invalid and will not be bound to allot or issue any New Ordinary Shares in respect of any acceptance or instruction or purported acceptance or instruction which:

- (i) appears to the Company (having consulted with the Underwriters) or its agents to have been executed, effected or despatched from the United States or an Excluded Territory;
- (ii) in the case of a Provisional Allotment Letter, provides an address for delivery of the share certificates or other statements of entitlement or advice in the United States or an Excluded Territory or any other jurisdiction outside the UK in which it would be unlawful to deliver such certificates, statements or advice or if the Company (having consulted with the Underwriters) or its agents believe that the same may violate applicable legal or regulatory requirements; or
- (iii) in the case of a credit in CREST, to a CREST member or CREST sponsored member whose registered address is in the United States or an Excluded Territory or any other jurisdiction outside the UK in which it would be unlawful to make such a credit or if the Company or its agents believe that making such credit may violate applicable legal or regulatory requirements.

Save as provided in this paragraph 2.6, rights to New Ordinary Shares to which Shareholders with registered addresses, or who are resident or located, in the United States or any of the Excluded Territories would otherwise be entitled will be aggregated with entitlements to Nil Paid Rights which have not been taken up by other Shareholders and, if possible, sold as described in paragraph 2.3 above. The net premium realised from such sales (after deduction of the Issue Price and expenses) will be paid to the relevant Shareholders pro-rated to their holdings of Existing Ordinary Shares at the close of business on the Record Date as soon as practicable after receipt, except that individual amounts of less than £5.00 per holding will not be distributed but will ultimately accrue for the benefit of the Company. Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for these purposes. None of the Company, the Underwriters or any other person shall be responsible or have any liability whatsoever for any loss, damage, liability or cost (actual or alleged) arising from the terms or the timing of the acquisition or the procuring of it or any failure to procure subscribers.

Despite any other provision of this document or a Provisional Allotment Letter, the Company reserves the right to permit any Shareholder to participate in the Rights Issue on the terms and conditions set out in this document as if it were a Qualifying Shareholder if the Company in its sole and absolute discretion is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question. If the Company and the Underwriters are so satisfied, the Company will arrange for the relevant Overseas Shareholder to be sent a Provisional Allotment Letter if it is a Qualifying non-CREST Shareholder or, if it is a Qualifying CREST Shareholder, arrange for Nil Paid Rights to be credited to the relevant CREST stock account.

These Shareholders who wish, and are permitted, to take up their entitlement should note that payments must be made as described in paragraphs 2.1 (in the case of Qualifying non-CREST Shareholders) and 2.2 (in the case of Qualifying CREST Shareholders) above.

The attention of Overseas Shareholders with registered addresses, or who are resident or located, in the United States or any of the Excluded Territories is also drawn to the paragraphs titled "*Offering restrictions relating to the United States*" to "*Excluded Territories*" below of this paragraph 2.6.

Overseas Shareholders (other than Qualifying CREST Shareholders) should note that all subscription monies must be paid in pound sterling by cheque or banker's draft and should be drawn on a bank in the UK, made payable to "Computershare Investor Services PLC re: Future 2018 Rights Issue A/C" and crossed "A/C payee only".

Offering restrictions relating to the United States

This document and the Provisional Allotment Letters are intended for use only in connection with offers and sales of New Ordinary Shares outside the United States and, subject to certain exceptions are not to be sent or given to any person with a registered address, or who is resident or located, in the United States.

The New Ordinary Shares, the Nil Paid Rights, the Fully Paid Rights and the Provisional Allotment Letters have not been and will not be registered under the US Securities Act or under any relevant securities laws of any state or other jurisdiction of the United States and may not be offered, sold, pledged, taken up, exercised, resold, renounced, transferred or delivered, 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. The Nil Paid Rights, the Fully Paid Rights and the New Ordinary Shares being offered outside the United States are being offered in reliance on Regulation S.

The offer by way of Rights will be made to Qualifying Shareholders by means of the notice in the London Gazette, details of which are provided in the below paragraph titled "*Notice in the London Gazette*" in this paragraph 2.6 of this Part 9 (*Terms and Conditions of the Rights Issue*). The notice in the London Gazette will state where a Provisional Allotment Letter may be inspected or obtained. Any person with a registered address, or who is resident or located, in the United States who obtains a copy of this document or a Provisional Allotment Letter is required to disregard them, except with the consent of the Company.

Subject to certain exceptions, the offer of New Ordinary Shares is not being made in the United States and neither this document nor the Provisional Allotment Letters constitutes or will constitute an offer, or an invitation to apply for, or an offer or an invitation to subscribe for or acquire any New Ordinary Shares, Nil Paid Rights or Fully Paid Rights in the United States. Subject to certain limited exceptions, Provisional Allotment Letters have not been, and will not be, sent to, and Nil Paid Rights have not been, and will not be, credited to the CREST account of, any Qualifying Shareholder with a registered address in or that is known to be resident or located in the United States.

The New Ordinary Shares, the Nil Paid Rights, the Fully Paid Rights and the Provisional Allotment Letters have not been approved or disapproved by the SEC, any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the New Ordinary Shares, the Nil Paid Rights, the Fully Paid Rights and the Provisional Allotment Letters or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

Subject to certain limited exceptions, envelopes containing Provisional Allotment Letters should not be postmarked in the United States or otherwise despatched from the United States, and all persons subscribing for or acquiring New Ordinary Shares and wishing to hold such shares in certificated form must provide an address for registration of the New Ordinary Shares issued upon exercise thereof outside the United States.

Subject to certain limited exceptions, any person who subscribes for or acquires New Ordinary Shares, Nil Paid Rights or Fully Paid Rights will be deemed to have declared, warranted and agreed, by accessing this document or accepting delivery of the Provisional Allotment Letter and delivery of the New Ordinary Shares, Nil Paid Rights or Fully Paid Rights, that it is not, and that at the time of subscribing for or acquiring the New Ordinary Shares, Nil Paid Rights or Fully Paid Rights it will not

be, in the United States or acting on behalf of, or for the account or benefit of a person on a non-discretionary basis in the United States or any state of the United States.

The Company and the Underwriters reserve the right to treat as invalid any Provisional Allotment Letter: (i) that appears to the Company, the Underwriters or their respective agents to have been executed in or despatched from the United States, (ii) that does not include the relevant warranty set out in the Provisional Allotment Letter headed “*Overseas Shareholders*” to the effect that the person accepting and/or renouncing the Provisional Allotment Letter does not have a registered address and is not resident or located in the United States and is not subscribing for or acquiring Nil Paid Rights, Fully Paid Rights or New Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Nil Paid Rights, Fully Paid Rights or New Ordinary Shares in the United States, or (iii) where the Company and the Underwriters believe acceptance of such Provisional Allotment Letter may infringe applicable legal or regulatory requirements, and the Company and the Underwriters shall not be bound to allot (on a non-provisional basis) or issue any New Ordinary Shares, Nil Paid Rights or Fully Paid Rights in respect of any such Provisional Allotment Letter. In addition, the Company and the Underwriters reserve the right to reject any MTM instruction in respect of Nil Paid Rights sent by or on behalf of any CREST member with a registered address in or resident or located in the United States.

Excluded Territories

Due to restrictions under the securities laws of the Excluded Territories, and subject to certain exceptions, no Provisional Allotment Letters will be sent to, and no Nil Paid Rights or Fully Paid Rights will be credited to a stock account in CREST of, persons with registered addresses, or who are resident or located, in the Excluded Territories and the Nil Paid Rights to which they are entitled will be sold if possible in accordance with the provisions of paragraph 2.3 above. Subject to certain exceptions, the Provisional Allotment Letters, the Nil Paid Rights, the Fully Paid Rights and the New Ordinary Shares may not be transferred or sold to, or renounced or delivered in, the Excluded Territories. No offer of New Ordinary Shares is being made by virtue of this document or the Provisional Allotment Letters into the Excluded Territories. The offer by way of Rights will be made to such Shareholders by means of the notice in the London Gazette, details of which are provided in the below paragraph titled “*Notice in the London Gazette*” in this paragraph 2.6 of this Part 9 (*Terms and Conditions of the Rights Issue*).

The notice in the London Gazette will state where a Provisional Allotment Letter may be inspected or obtained. Any person with a registered address, or who is resident or located, in any of the Excluded Territories who obtains a copy of this document or a Provisional Allotment Letter is required to disregard them, except with the consent of the Company.

Switzerland

Neither the New Ordinary Shares nor the entitlement to subscribe for New Ordinary Shares or the Nil Paid Rights and Fully Paid Rights may be offered or sold directly or indirectly in or into Switzerland, except in circumstances which will not result in the offer of the New Ordinary Shares and/or the Nil Paid Rights and Fully Paid Rights being a public offering in or into Switzerland within the meaning of art. 652a of the Swiss Code of Obligations (“CO”). This document is personal to each recipient thereof and does not constitute an offer to any other person. This document may only be used by the persons to whom it has been handed out in connection with the Rights Issue and may not be distributed (directly or indirectly) or made available to other persons without the express consent of the Company. It may not be used in connection with any other offer and shall in particular not be copied, distributed and/or otherwise made available to other persons in Switzerland.

Neither the New Shares nor the Nil Paid Rights nor the Fully Paid Rights will be listed on the SIX Swiss Exchange (“SIX”) or on any other trading venue in Switzerland. Neither this document nor any other offering or marketing material relating to the New Ordinary Shares, the Nil Paid Rights or the Fully Paid Rights or the Rights Issue have been prepared with regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 CO or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or similar rules of any other trading venue in Switzerland, and therefore do not constitute a prospectus within the meaning of the CO, the SIX Listing Rules or similar rules of any other trading venue in Switzerland.

Overseas territories other than the United States and the Excluded Territories

Other than, subject to certain exceptions, Qualifying Shareholders with registered addresses, or who are resident or located, in the United States or any of the Excluded Territories, Provisional Allotment Letters will be posted to Qualifying non-CREST Shareholders and Nil Paid Rights will be credited to the CREST stock accounts of Qualifying CREST Shareholders. Such Qualifying Shareholders may, subject to the laws of the relevant jurisdictions, participate in the Rights Issue in accordance with the instructions set out in this document and, if relevant, the applicable Provisional Allotment Letter. In cases where Overseas Shareholders do not take up Nil Paid Rights, their entitlements will be sold if possible in accordance with the provisions of paragraph 2.3 above.

Qualifying Shareholders who have registered addresses in or who are resident in, or who are citizens of, countries other than the UK should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their entitlement.

Persons to whom this document is delivered are required to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver the New Ordinary Shares and/or the Rights or have in their possession or distribute this document, in all cases at their own expense.

Notice in the London Gazette

In accordance with section 562(3) of the Companies Act, the offer by way of the Rights Issue to Qualifying Shareholders who have no registered address in an EEA State and who have not given to the Company an address in an EEA State for the serving of notices, will (subject to the other conditions of the Rights Issue) be made by the Company causing a notice to be published in the London Gazette on 3 August 2018 stating where copies of this document and the Provisional Allotment Letters may be obtained or inspected on personal application by or on behalf of such Qualifying Shareholders. Any person with a registered address, or who is resident or located, in the United States or any of the Excluded Territories who obtains a copy of this document or a Provisional Allotment Letter is required to disregard them, except with the consent of the Company.

However, in order to facilitate acceptance of the offer made to such Qualifying Shareholders by virtue of such publication, Provisional Allotment Letters will also be posted to Qualifying Shareholders who are Overseas Shareholders (other than, subject to certain exceptions, to those with registered addresses in, or who are resident in, the United States or any of the Excluded Territories). Such Shareholders, if it is lawful to do so, may accept the offer by way of Rights either by returning the Provisional Allotment Letter posted to them in accordance with the instructions set out therein or, subject to surrendering the original Provisional Allotment Letter posted to them, by obtaining a copy thereof from the place stated in the notice and returning it in accordance with the instructions set out therein. Similarly, Nil Paid Rights are expected to be credited to stock accounts in CREST of Qualifying CREST Shareholders who are Overseas Shareholders (other than, subject to certain exceptions, those with registered addresses, or who are resident in, the United States or any of the Excluded Territories).

Representations and warranties relating to Overseas Shareholders

(a) Qualifying non-CREST Shareholders

Any person accepting and/or renouncing a Provisional Allotment Letter or requesting registration of the New Ordinary Shares comprised therein represents and warrants to the Company and the Underwriters that, except where proof has been provided to the Company's satisfaction that such person's use of the Provisional Allotment Letter or the effecting of the instruction will not result in the contravention of any applicable legal or regulatory requirement in any jurisdiction, (i) such person is not accepting and/or renouncing the Provisional Allotment Letter, requesting registration of the relevant New Ordinary Shares or giving such instruction, from within the United States or any of the Excluded Territories; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to subscribe for New Ordinary Shares or to use the Provisional Allotment Letter in any manner in which such person has used or will use it or to give such instructions; (iii) such person is not acting on a non-discretionary basis for, or on behalf of, or for the account or benefit of, a person resident or located within the United States or any

Excluded Territory or any territory referred to in (ii) above at the time the instruction to accept, renounce or deal was given; and (iv) such person is not acquiring Nil Paid Rights, Fully Paid Rights or New Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Nil Paid Rights, Fully Paid Rights or New Ordinary Shares into the United States or any Excluded Territory or any territory referred to in (ii) above. The Company may treat as invalid any acceptance or purported acceptance of the allotment of New Ordinary Shares comprised in, or renunciation or purported renunciation of, a Provisional Allotment Letter if it (x) appears to the Company to have been executed in or despatched from the United States or any Excluded Territory or otherwise in a manner which may involve a breach of the laws of any jurisdiction or if it believes the same may violate any applicable legal or regulatory requirement; (y) provides an address in the United States or any Excluded Territory (or any jurisdiction outside the UK in which it would be unlawful to deliver share certificates or sales advice); or (z) purports to exclude the warranty required by this sub-paragraph (a) of the paragraph titled “*Representations and warranties relating to Overseas Shareholders*” of this paragraph 2.6.

(b) Qualifying CREST Shareholders

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this Part 9 (*Terms and Conditions of the Rights Issue*) represents and warrants to the Company and the Underwriters that, except where proof has been provided to the Company’s satisfaction that such person’s acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction, (i) he is not within the United States or any of the Excluded Territories; (ii) he is not in any territory in which it is unlawful to make or accept an offer to subscribe for New Ordinary Shares; (iii) he is not accepting on a non-discretionary basis for, or on behalf of, or for the account or benefit of, a person resident or located within the United States or any Excluded Territory or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) he is not acquiring Nil Paid Rights, Fully Paid Rights or New Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Nil Paid Rights, Fully Paid Rights or New Ordinary Shares into the United States or any Excluded Territory.

The provisions of this paragraph – “*Representations and warranties relating to Overseas Shareholders*” – of this paragraph 2.6 and any other terms of the Rights Issue relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders(s) or on a general basis by the Company and the Underwriters in their absolute discretion. Subject to this, the provisions of this paragraph – “*Representations and warranties relating to Overseas Shareholders*” – of this paragraph 2.6 supersede any terms of the Rights Issue inconsistent herewith. References in this paragraph – “*Representations and warranties relating to Overseas Shareholders*” – of this paragraph 2.6 to Shareholders shall include references to the person or persons executing a Provisional Allotment Letter and, in the event of more than one person executing a Provisional Allotment Letter, the provisions of this paragraph – “*Representations and warranties relating to Overseas Shareholders*” – of this paragraph 2.6 shall apply to them jointly and to each of them.

2.7 **Times and dates**

The Company shall (in its discretion and after consultation with its financial and legal advisers (and with the agreement of the Underwriters)) be entitled to amend the dates that the Provisional Allotment Letters are despatched or dealings in Nil Paid Rights commence or amend or extend the latest date for acceptance or instruction under the Rights Issue and all related dates set out in this document and in such circumstances shall notify the UKLA, and make an announcement on a Regulatory Information Service approved by the UKLA. **In the event that such an announcement is made, Qualifying Shareholders may not receive any further written communication in respect of such amendment or extension of the dates included in this document.**

If a supplementary prospectus is issued by the Company two or fewer Business Days prior to the latest time and date for acceptance and payment in full under the Rights Issue specified in this document (or such later date as may be agreed between the Company and the Underwriters), the latest date for acceptance or instruction under the Rights Issue shall be extended to the date that is three Business Days after the date of issue of the supplementary prospectus (and the dates and times of principal events due to take place following such date shall be extended accordingly).

2.9 **Governing law**

The terms and conditions of the Rights Issue as set out in this document and the Provisional Allotment Letters and any non-contractual obligations arising out of or in relation to the Rights Issue shall be governed by, and construed in accordance with, English law.

2.10 ***Jurisdiction***

The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Rights Issue, this document or the Provisional Allotment Letters (including any dispute relating to any non-contractual obligations arising out of or in connection with them). By accepting rights under the Rights Issue in accordance with the instructions set out in this document and (in the case of Qualifying non-CREST Shareholders only) the Provisional Allotment Letter, Shareholders and any other person who participates in the Rights Issue irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

PART 10

THE ACQUISITION AND INFORMATION ON THE TARGET

1. INTRODUCTION

On 17 July 2018, Future US entered into the Acquisition Agreement to acquire Purch which is conditional on (amongst other things) Admission having occurred.

The conditions to completion of the Acquisition Agreement are, amongst other things:

- the R&W Policy becoming binding and effective as at completion;
- filing a notification and report form with the United States Federal Trade Commission and the United States Department of Justice pursuant to the HSR Act and the expiration, or grant of early termination, of the waiting period pursuant to the HSR Act;
- Shareholders having approved the Rights Issue (the “Rights Issue Approval Condition”);
- Admission becoming effective, the Underwriting Agreement becoming unconditional and not having been terminated prior to Admission and the proceeds of the Rights Issue, and pursuant to the Underwriting Agreement, having been received by the Company (the “Rights Issue Completion Condition”);
- delivery by the Seller of agreements as to non-competition, non-solicitation and confidentiality from Seller and one or more certain senior employees of Purch in favour of the Purchaser (the “Non-Competition Agreements”);
- completion by Purch and the Seller of a reorganisation transaction which would, among other things, segregate the “B2C” and “B2B” businesses of Purch, the Seller and their respective subsidiaries into separate companies, including Purch as the holder of its B2C business and assets and the transfer of certain employees located in France from an existing EU subsidiary of Purch to the Purchaser or an affiliate thereof (the “Reorganisation”); and
- no material adverse effect having occurred during the period from the date of the Acquisition Agreement to Completion.

If the Acquisition Agreement is terminated by the Seller because the Purchaser fails to, or determines not to, by September 30, 2018, satisfy the Rights Issue Approval Condition or the Rights Issue Completion Condition, in either case other than as a result of certain issues relating to the business of the Target, including a diligence issue the full impact of which the Purchaser was not aware on the signing date, at a time when each of the other conditions to closing have been satisfied, then the Purchaser would be responsible for paying a termination fee equal to US\$1.4 million (approximately £1.1 million) to the Seller as the sole and exclusive remedies of the Seller and Purch.

The Seller has undertaken to the Purchaser to observe, and procure the observance of, certain restrictions during the period between signing of the Acquisition Agreement and Completion. These include a requirement to conduct the business of the Target in the ordinary course. In addition, prior to Completion, the Seller has agreed to complete the Reorganisation. In connection with the Reorganisation, among other things, Purch would become a wholly owned subsidiary of the Seller and would convert from a corporation to a limited liability company, and certain contracts, assets and liabilities related to Purch’s “B2B” business would be transferred to Seller and/or a separate direct or indirect subsidiary of Seller that would not be part of the Target to be acquired at Completion.

Representations and warranties in relation to various aspects of the Target and its business have been given by the Seller to the Purchaser. The liability of the Seller in respect of these representations and warranties is subject to certain limitations, including time and financial limitations. Save in the event of actual fraud, the Seller’s liability for breach of representations and warranties is limited to the then-remaining indemnity escrow funds (initially US\$2 million (approximately £1.5 million)), with the Purchaser’s recourse for such a breach of a representation or warranty being limited to the R&W Policy after such indemnity escrow funds are depleted. The Directors intend to obtain representation and warranty insurance through the R&W Policy in respect of the representations and warranties and tax indemnities contained in the Acquisition Agreement, subject to certain specified limitations and exclusions with the insurers.

At Completion, Seller and one or more certain current senior employees of Purch would deliver Non-Compete Agreements in favour of the Purchaser. Such Non-Compete Agreements would relate to the business of the Target as conducted as at and prior to Completion, and the duration of such Non-Compete Agreements would be two years from the date of Completion, in the case of Seller, and one year from the date of Completion, in the case of such senior employees.

The consideration of US\$132.5 million (approximately £100.1 million) for the Acquisition, which is subject to adjustment for Seller's contribution to the cost of the R&W Policy and customary adjustments for net working capital and any debt-like items on the consolidated balance sheet of Purch, will be funded through the proceeds of the Rights Issue.

The Directors intend to integrate the Target into the Company's existing U.S. operations. As part of this, it is anticipated that the Target will continue to operate as a standalone business retaining and actively marketing the Target and other acquired brand names. Future intends to retain certain current B2C management and B2C business unit leaders of Purch. In addition, at Completion, the Seller and Purch would enter into certain customary transitional service arrangements.

The Acquisition is expected to complete by the end of August 2018.

Strategy

The Directors believe that the Acquisition fits with the Group's strategy with the key benefits of the Acquisition being to:

- create a stronger position in consumer technology markets to consolidate the sales opportunities and improve yields;
- deepen the Group's presence in the US market with the acquisition of a business in the US media industry;
- increase Media as a proportion of the Enlarged Group's revenues, and increase the diversification of Future both geographically and across a number of different digital brands;
- add leading and complementary technology platforms so that the technology solution for the Enlarged Group can be built around the best elements;
- create opportunities in B2B publishing services through the acquisition of RAMP, which together with Future's existing technology creates a full-service monetisation platform for digital media businesses;
- create cross selling opportunities and economies of scale and make significant savings in the cost base through the removal of duplicated overheads and the effective sharing of content; and
- achieve the strong financial rationale from strengthening the digital platform core of the business, increasing the growth trajectory of the Group and the financial attractiveness of the business.

It is expected that the Acquisition will be earnings enhancing in the first full year of ownership.

Financing the Acquisition

As outlined in the section below, the Rights Issue will finance the total consideration for the Acquisition and all associated transaction costs. The net cash consideration for the Acquisition totals approximately £100.1 million, subject to certain working capital-related and other purchase price adjustments.

Costs and expenses of the Transaction

The total costs and expenses of, and incidental to, the Transaction payable by the Group are estimated to amount to £5.4 million (excluding VAT, stamp duty and other taxes).

2. INFORMATION ON PURCH

Purch is a leading US consumer online technology media publisher, with both owned and operated sites and strategic partnerships where it acts as an advertising technology provider to a network of publishers. It has grown organically and through acquisitions, building up a portfolio of digital brands dedicated to

helping consumers make more informed buying decisions across hundreds of consumer technology categories. Through a portfolio of brands and mobile applications with strong market positions⁶ the Target serves 72.8 million monthly online users with product review formats, real-time deals and pricing information, retailer recommendations, and community driven “how-to” content to better inform shoppers about their purchasing decisions.

In parallel, Purch has developed an affiliate deals (eCommerce) business very similar to Future’s, by integrating affiliate deals with editorial content, creating a new merchandising platform for retailers and driving consumers to purchase. In parallel to its revenue stream from performance advertising, Purch has developed what the Directors believe to be industry leading advertising technology, which allows it to generate best prices in real-time through trading exchanges. The implementation of Purch’s technology has also allowed it to extend its advertising marketplace model to third-party publishers looking to leverage the power of the technology platform to deliver higher advertising monetisation.

History and Development

Purch, formerly known as TechMediaNetwork, Inc. was founded in 2003 and engages in the online publishing and marketing business. In 2009, TechMediaNetwork, Inc. as it was called, acquired Live Science, Space.com and Newsarama from Imaginova.

Two years later, Purch acquired the print and online assets of LAPTOP Magazine (now, exclusively a website publication known as Laptop Mag) from Bedford Communications.

In July 2013, Purch acquired Bestofmedia Group, publisher of Tom’s Hardware, Tom’s Guide, and a variety of sister websites across Europe.

In April 2014, Purch announced an exclusive partnership with Mobile Nations, a portfolio of mobile-focused online publications and communities. In December 2014, it announced the acquisition of AnandTech and in March 2015 the parent of Purch announced the acquisition of mobile shopping application Consumr, which was rebranded in 2015 as Purchx. Included in the rebrand was the launch of the Purch Marketplace, where shoppers were able to browse and buy technology products and services online. Both of Purchx and Purch Marketplace have now been discontinued.

In September 2015, Purch acquired Active Junky, a loyalty programme and online shopping site for outdoor gear. This was followed by the December 2015 acquisition of ShopSavvy, a mobile shopping application.

Operations and principal activities

Purch is a digital publisher that aims to help consumers make more informed buying decisions across hundreds of consumer technology categories through a portfolio of brands and mobile applications with strong market positions. The portfolio of brands drives audience diversification and reduces the risk of Purch’s reliance on an individual platform or brand. The owned brands deliver 72.8 million monthly users with a further 39.7 million US and UK users through partner websites⁷. Users are served with product review formats, real-time deals and pricing information, retailer recommendations, and community driven how-to content to help shoppers’ purchase decisions.

Principal Markets

Consumer Technology

The Target’s technology brands include: Laptop Mag which was acquired in 2011, and the acquired brands from Bestofmedia, Tom’s Guide (formerly Gear Digest) and Tom’s Hardware. The portfolio focuses on helping consumers decide which technology products to buy. The websites are easily accessible and traffic flows between the sites to help enhance time spent by audiences on portfolio sites. In the year ended

6 Source: comScore Media Metrix, US multi-platform unique visitors per month in comScore’s Technology – News category, reported on a quarterly basis between August 2017 and May 2018

7 Source: comScore Media Metrix, US + UK multi-platform unique visitors per month to partner websites in comScore’s Technology – News category, reported on a quarterly basis between August 2017 and May 2018

31 December 2017 sales in this segment represented 30 per cent. of the Target's revenue. Of this, two-thirds came from advertising and the other one-third came from performance revenues discussed in full in the next section.

Tom's Guide was founded by Bestofmedia Group and originally named Gear Digest. In 2007 it was rebranded as Tom's Guide to connect it to the strong brand of Tom's Hardware. Where Tom's Hardware serves PC enthusiasts and gamers, Tom's Guide was developed as a broader tech lifestyle brand with a primary editorial focus on consumer electronics and software, through news, product reviews, features, buying guides, and tutorials. The site also hosts an engaged community of tech enthusiasts who complement in-house product recommendations by providing experiential advice to key consumer questions around product purchase decisions.

Tom's Guide is a destination for consumer tech, taking visitors from research to purchase. From smartphones, to TVs, to gaming headsets, Tom's Guide offers readers a comprehensive look at recent technology. Best Picks, Buyer's Guides, and in-depth reviews provide the information needed to make more informed buying decisions. The Editors' Choice Awards steer visitors to the products recommended for their technology needs and marketers seek out these badges for their websites, marketing materials, and even product packaging.

Tom's Hardware, launched in 1996, was acquired by Purch in July 2013. There are also several foreign language versions, including Italian, French, and German that have historically operated based on franchise agreements, but which have since been sold.

Science

In 2009, Purch acquired Live Science, Space.com and Newsarama from Imaginova. These sites form the core of its science category and provide content regarding the natural and technological world, delivering comprehensive and compelling news and analysis. For the year ended 31 December 2017 sales in this segment represented 15 per cent. of the Target's revenue, with 92 per cent. of these revenues coming from advertising.

Shopping

Purch's shopping brands include the original website Top Ten Reviews, as well as Active Junky and ShopSavvy, both of which were acquired in 2015. These websites focus on purchase intent and for the year ended 31 December 2017 sales in this segment represented 27 per cent. of Purch's revenue, with 87 per cent. of these revenues coming from performance channels.

Launched in 2003, Top Ten Reviews ("TTR") is a comprehensive source of editorial product reviews. The long-time tagline, "we do the research so you don't have to" was evident in the format and design. TTR presented a matrix of product data which allowed readers to research and determine the best product for them from the top ten products across a wide range of category niches. TTR's growth was fuelled by the prevalence of Google as the starting point of the consumer shopping journey. TTR has served tens of millions of consumers as they researched and purchased products over a wide range of purchase categories.

Between 2015 and 2018, Purch has rationalised a large number of categories on TTR, through broadening some categories, eliminating some ultra-niche categories and moving some categories onto other parts of the technology portfolio. Deeper content has also been key to traffic stabilisation and growth and in turn moving the content strategy of each brand towards driving and fulfilling purchase intent.

Publisher Services

The Target's model seeks to deliver customers on their purchase journeys to its marketing partners, rather than simply website traffic. This success has also allowed the Target to extend its advertising marketplace model to third party publishers seeking to improve their overall businesses through higher advertising monetisation. In the year ended 31 December 2017, sales in this segment represented 28 per cent. of the Target's revenue, with 96 per cent. of these revenues coming from advertising.

Breakdown of Revenues 2017

	2017 \$m
B2C Affiliate	12.6
B2C Premium Advertising	12.5
B2C Programmatic Advertising	16.6
Publishing Services Revenue	17.5
Other Revenue	4.3
Total Revenue	63.5

Competitive Position

The Directors believe that the Target's success has been achieved through its content model aimed at driving audience scale and commerce activation, comprising:

- Content Model – Focused on intent and decision making
- Commerce Engine – Delivering selected offers to drive product sales
- Community Engagement – User generated content from engaged community members
- Data and Business Information – Data informed production process focuses on decision enablement content which drives commerce-oriented search engine optimisation
- Centralised product testing (test once publish multiple extracts) – In-house team produce proprietary data across hundreds of categories in Purch testing labs
- Leading Brands – Tom's Guide ranked eight in comScore US, growing audience at 40 per cent. year on year; Space.com number one space site in US
- Leading Audience Partnership – owned brands and partner brands together combine to be the number two technology media network in the US, with a global audience in excess of 112 million

Owned Brands

serves 72.8 million monthly online users

Top Ten Reviews
Tom's Guide
Tom's Hardware
AnandTech
Laptop Mag
Space.com
Live Science
Newsarama
Active Junky
Shop Savvy

Partner Brands

serves further 39.7 million monthly online users

Mobile Nations
iMore
Android central
Windows central
Mod My
The Daily Dot
Gadget Hacks
Wonder How To
How to Geek

Diversified Revenues

The Target's revenues are split into two revenue streams, advertising and performance. In the year ended 31 December 2017, the Target's revenues from the advertising and performance streams represented 64 per cent. and 36 per cent., respectively, of the total Target's revenue. The products and services that make up each revenue stream are summarised below.

Advertising

- **Direct IAB Premium Advertising ("Premium"):** Larger advertising campaigns or with custom requirements. Revenue is derived from managing standard advertising formats as defined by The Interactive Advertising Bureau ("IAB") throughout Purch's owned and operated websites and also across its Network Partners. The Target also delivers flat fee sponsorship and video advertisement campaigns through the Premium revenue line. Advertising agreements are governed by an Insertion Order ("IO") and a Master Services Agreement ("MSA"). Terms are fixed for both pricing and volume.

- **Private Marketplace Programmatic (“PMP”):** Revenue is derived from an invite only marketplace where Purch’s sales team offers advertising inventory to a selected group of buyers. PMP allows tighter controls on which kinds of buyers, advertisers and creatives will be displayed on websites while avoiding the need to manage individual advertisers by selling to them directly.
- **Programmatic:** Revenue is derived from selling digital advertising run on IAB Standard and Non-Standard Ad Placements throughout Purch’s owned and operated websites and its Network Partner websites. Revenue is driven by bidding from advertisers through advertisement exchanges or tags setup within DoubleClick for Publishers, the Google hosted advertising platform, that runs on a revenue share basis. Purch pays a percentage remit of total gross advertising revenue generated across Network Partner websites back to its partners. Terms for pricing and volume vary based on the bidding from advertisers through the exchange platforms. Advertisements are delivered using RAMP avoiding the need to manage individual advertisers.
- **Pay per acquisition (“PPA”):** Revenue is derived from advertisers paying Purch for each specified consumer acquisition or action resulting from the consumer clicking on the advertisement. The range of acquisitions or actions can include the acquisition of the goods or services to which the advertisement relates or simply clicking on the advertisement itself. Revenue is driven by the desired acquisition or action determined by each advertiser, the price for which is determined by the IO or MSA. The volume of actions can have limits determined by the IO or terms of service. Actions are tracked through online affiliate portals which are able to monitor affiliate actions (such as a click on an affiliate link) or are tracked by the advertiser.

Performance

- **Sponsorship:** Revenue is derived from insertion orders with advertisers that specify the duration and total price of each campaign. Sponsorship advertising differs from display advertising because an entire section or the entire website is dedicated to one advertiser. Revenue is recognised over the duration of the specified contract period.
- **Membership:** Pay per Acquisition revenue (as above) but derived from the registered Active Junky members. Active Junky is Purch’s online shopping community that rewards and incentivises users for their passion for gear and the outdoors.
- **Licensing:** Advertisers pay to use original content created by Purch, usually in the form of a product review (video, online or print) or special recognition awards for products on their own sites or other advertising material. The revenue is driven by contracts. The contracts state a specific length of time and monthly rate. The contracts are negotiated by a third party, EnVeritas Group, Inc., who is the exclusive representative for Purch for content licensing deals. Revenue is recognised on a net basis over the length of contract.
- **Data:** Revenue is derived from agreements between partners and Purch for provided certain internet advertising tracking data to these “partners” according to the terms of the contract.

Content Model

Purch seeks to produce content that is focused on intent and decision making in order to trigger purchase conversations. This includes input from a dedicated testing lab and user generated content. The data informed production process focuses on decision enablement content which drives commerce-oriented search engine optimisation.

Purch’s dedicated testing lab in Ogden, Utah, provides a rigorous basis for product reviews. Products are put through a series of side by side instrument tests to measure different aspects of performance including, among other things, colour accuracy, brightness, sound quality and more. The results include an objective measure to supplement reviewers’ subjective impressions.

Proprietary Technology

The underlying technology platform features a suite of publishing services which are meant to streamline and unify content delivery and monetisation across platforms.

Specialised monetisation services include: RAMP, an advertising server to server header bidding technology platform that provides real-time bidding across advertising inventory, real-time optimisation across the product portfolio and the full revenue stack, and commercial services that deliver real-time pricing, deal and sales data.

Membership services form the technology base behind ShopSavvy (formerly branded Perks), the strategic evolution of the company's 2015 acquisitions of Active Junky and ShopSavvy. The membership program is built on top of the Active Junky platform and is available through the ShopSavvy App, as well as each of the other decision enablement focused websites. The membership program provides scalable and personalised member engagement by brand, allowing Purch to build repeat users.

Through the creation of PIP, Purch has created a suite of data and analytics services that provides insights into event tracking, user engagement, advertising bidding and inventory value. These services help drive continuous improvement of Purch's business model.

3. KEY FINANCIAL INFORMATION ON THE TARGET

The selected financial information set out below has been extracted from the historical financial information of the Target for the financial years ended 31 December 2017, 2016 and 2015. The financial information of the Target has been prepared in accordance with IFRS and Future's accounting policies.

Analysis of Revenue

	2017 \$m	2016 \$m	2015 \$m
Advertising	40.3	36.0	41.5
Performance	23.2	23.0	17.7
Total revenue	63.5	59.0	59.2

Trend Information

For the six months ended 31 March 2018 the Target has delivered year on year revenue growth of 10.2 per cent.⁸.

4. INTEGRATION PLAN

The approach that Future is taking to the wider integration project is clearly defined and based on the following factors:

- the commitment of extensive US integration experience and appropriate resources;
- the involvement of an experienced team from Future who have delivered multiple recent integrations and with input on the transition from senior Purch management with key personnel coming across with the Target;
- a focus on migrating to Future's back office systems promptly whilst ensuring key local business processes remain intact;
- establishing a clear contact framework and integration planning teams;
- focusing early integration on removing uncertainty from the teams through heavy emphasis on communication and keeping the teams updated;
- that support required from the Seller is covered in the Transition Services Agreement agreed between the parties to ensure continuity; and
- that the US division will continue to be managed day-to-day from New York while continuing to operate model of insourcing activities to lowest cost location where applicable.

There is inherent complexity in the Acquisition and the establishment of a new enlarged business, as it will involve bringing together teams from different cultures, systems environments and *modus operandi*. The

8 Source: Management accounts (unaudited)

integration will be governed by a steering committee to promote compliance with the business plan and will be delivered through a project management team comprising workstream leads and subject matter experts.

Workstream teams are functionally oriented to support the integration of the following business areas; Finance, Technology – website services, Technology – Systems, Facilities, People, Sales, and Sales Operations.

In terms of technology and systems migration, Future has developed processes for transferring data and migrating systems, having done so for five acquisitions of various sizes in the past two years. The workstream teams have experience from previous integrations which can be applied to this acquisition and expect this integration to be achievable without significant disruption to the business and whilst maintaining a strong control environment. The technology team has also completed a migration from Salesforce to Netsuite CRM in recent years with a clearly defined project plan and risk mitigation procedures in place.

PART 11

INFORMATION ON THE GROUP

1. Introduction

Future is a global platform business for specialist media with diversified revenue streams, generating revenue from digital advertising, eCommerce, events, licensing, retail, subscriptions and contract publishing. It is headquartered in Bath, UK and has operations in the UK, US and Australia. Future is the parent company of the Group and has subsidiaries in the UK, Australia, US (including, following the Acquisition), Germany, the Philippines and Guernsey.

2. History

The Group

Future was founded by Chris Anderson in 1985 publishing one magazine, “Amstrad Action”. Following a number of magazine launches in the gaming, technology, sports and craft sectors, by 1992, Future had 21 magazines and employed 300 staff. In 1994, Future was sold to Pearson New Entertainment for £52.5 million, but was subsequently bought back by Chris Anderson in 1998 for £142 million. Chris Anderson combined Future with his US games publisher Imagine Media (later renamed Future US), giving Future presence in both the UK and the US. The following year, Future listed on the London Stock Exchange with a market capitalisation of approximately £1 billion.

In 2000, Future launched its flagship gaming website, GamesRadar.com and in 2007 its technology website, TechRadar.com was established. In 2008, Future expanded its global presence with the opening of its office in Australia.

In 2014 Future expanded its event business by launching the award-winning photography event, The Photography Show, which has been the foundation for strong growth in its events business.

Recent Acquisition and Funding History

In July 2015, Future acquired Net Communities, a B2B technology media publisher and first party UK advertising sales business selling advertising space on third party websites.

In November 2015, Future raised approximately £3.1 million through an equity placing to accelerate its growth and profit generation, particularly in the Media division.

In April 2016, Future acquired Noble House Media, a multi-platform publisher in the technology sector, particularly the mobile and wireless sectors. At the time of the acquisition, Noble House Media published consumer and trade magazines, and developed websites to complement the printed content.

In May 2016, Future acquired certain assets from Blaze, a magazine publisher and event organiser. The acquired assets included magazines and events in the music and field sports sectors.

In June 2016, Future acquired Miura (Holdings) Ltd, an English publisher of special interest consumer magazines, bookazines, websites and applications/digital editions, predominately in the knowledge, history, games, technology, science and photography sectors. The acquisition of Miura Holdings (Limited) completed in October 2016 for total consideration of 11,971,189 new shares in the Company which, at the closing price of 129p on 21 October 2016, represented consideration of £15.4 million.

In July 2016, Future acquired a ten per cent. interest in National Game Fair Limited, in the business of providing an annual public event relating to countryside pursuits.

In August 2016, Future acquired Next Commerce, an Australian product comparison shopping network, which includes Getprice.com.au in Australia and Pricepanda in nine countries across South East Asia and other emerging markets. The acquisition was intended to build on the success of Future's price comparison technology, Hawk, expanding its reach in Australia and South East Asia. A summary of the

agreement relating to this acquisition is set out in paragraph 16.1 of Part 17 (*Additional Information*) of this document.

In January 2017, Future acquired certain assets from Team Rock (in administration). The acquired assets included magazines, a website and an event in the music listening sector, in particular relating to rock music and heavy metal. A summary of the agreement relating to this acquisition is set out in paragraph 16.2 of Part 17 of this document.

In August 2017, the Group acquired Home Interest from Centaur Communications Limited. The business consisted of three key brands: Homebuilding & Renovating, Period Living and Real Homes, and comprised seven exhibitions, print and digital assets. A summary of the agreements relating to this acquisition is set out in paragraphs 16.5 of Part 17 (*Additional Information*) of this document.

In April 2018, the Group announced the acquisition of NewBay Media for an initial net consideration of \$12.25 million (£8.62 million) cash and \$1.55 million (£1.09 million) shares, with a further potential deferred consideration of up to \$5.60 million (£3.94 million) payable in January 2019, depending on the future performance of the acquired business. An information and events business based in New York and London, NewBay Media has a substantial B2B portfolio operating in complementary verticals including technology, games, music, TV, audio, electronics and education and the complementary verticals of audio-visual, television broadcasting and educational technology, which will further increase Future's revenue diversification model. NewBay Media's brands include Music Week, TWICE and Broadcasting & Cable. NewBay Media generated EBITDA of \$4.2 million for the year ended 31 December 2017. A summary of the agreement relating to this acquisition is set out in paragraph 16.8 of Part 17 (*Additional Information*) of this document.

On 1 May 2018, Future completed the acquisition of four brands from Haymarket Media Group for consideration up to £13 million, including the issuance of 370,708 shares which are subject to lock-up restrictions for three months from the date of issue. These included the technology brand What Hi-Fi?, cementing Future's position in the technology sector as well as providing an entry into the adjacent audio-visual market. In addition, the acquisition allows the Group to diversify into new specialist markets, notably sport and outdoor leisure with soccer brand FourFourTwo along with Practical Caravan and Practical Motorhome. Prior to their acquisition, the four acquired titles generated revenue of £9.6 million in the last financial year ended June 2017. A summary of the agreement relating to this acquisition is set out in paragraph 16.10 of Part 17 (*Additional Information*) of this document.

The Group continues to consider and explore further investment opportunities.

Recent Launches

The Group has launched a number of new activities including photography website DigitalCameraWorld.com in July 2017, TheRadar.com in October 2017, an eCommerce-led website aimed at allowing users to find, review and buy products across a number of categories, home interest website Realhomes.com in November 2017 and the online music platform Loudersound.com in March 2018, which is a re-imagination of the TeamRock.com brand acquired in January 2017.

3. The Group's business and principal activities

Operations and principal activities

The Group is a global specialist multi-media platform business organised into two divisions:

Media division

The Group's Media division hosts a number of global B2C and B2B websites upon which it sells advertising space and collects affiliate marketing (eCommerce) income, notably in the technology, games and entertainment sectors. The Group's Media division also hosts events in the areas in which it has expertise.

Website advertising includes both first party advertising sales (which are sold directly to a client or agency) and third-party advertising sales, such as a type of digital advertising called 'programmatic' (which are sold through advertising exchange networks).

The Group generates affiliate marketing (eCommerce) revenue through third-party merchants and affiliate partner links provided on Future's websites in relation to products relevant to the content. Future receives a commission from any sales that the merchant receives as a result of users clicking on the affiliate link to make a purchase on the merchant website.

The Group also generates direct eCommerce revenue from selling products directly on its websites, including merchandise and gift packs.

The Group generates revenues from online subscription services through the PC Gamer Club and Plotfinder.net. These online subscriptions provide subscribers with access to exclusive content and offers.

The Group also generates revenue from sharing its platform proposition with third-parties through a licensing and franchise model. The Group has franchise partnerships in India, the Middle East and Norway for TechRadar.com. Future's digital licensing and franchises enable its global partners to optimise their local offering by accessing trusted brands and authoritative content and leveraging a unique commercial model developed by Future.

The Group also hosts events for which it sells tickets, advertising and sponsorship and stand sales.

Magazine division

The Magazine division publishes a number of special interest magazines and bookazines in both print and digital format in the B2C and B2B technology, games and entertainment, music, creative and photography, hobbies (which includes outdoor leisure, knowledge and field sports) and home interest sectors. It sells advertising space in its magazines and sells opportunities to license the content of its magazines to overseas publishers and through websites which aggregate content on the same topic from multiple sources. It also produces bookazines and offers contract publishing to produce magazines, websites and social media posts on behalf of third parties.

Revenue is generated through print and digital copy sales of the magazines and bookazines. Single print copies are purchased in the UK on newsstands, in WH Smith, high street and travel stores, supermarkets and independent newsagents, as well as being exported to be sold on newsstands outside of the UK. Print single issues including back issues can be purchased on the Group's own website Myfavouritemagazines.co.uk. Digital single copies and subscriptions are purchased through digital newsstands such as Apple, Google Play, Zinio, Readly and Amazon. Print subscriptions can be purchased through Myfavouritemagazines.co.uk or by phone or mail order.

The Group sells advertising space in its magazines which includes display advertising, classified advertising and inserts.

The Group generates licensing revenue by licensing its brands and/or the content of its magazines to overseas publishers and through websites which aggregate content on the same topic from multiple sources.

The Group operates a contract publishing business. This generates revenue by charging contract publishing fees to third party companies to produce magazines, websites and social media posts on the third-party company's behalf.

The Group has a digital magazine and application service business called FutureFolio Limited. This generates revenue by charging contract fees to third party companies to create digital magazines and applications on their behalf using Future's proprietary digital publishing software, 'FutureFolio'.

New products and services

As well as the acquisitions of Net Communities, Noble House Media, Blaze, Imagine Publishing Group, Team Rock, Home Interest, NewBay Media and four titles from Haymarket, detailed in paragraph 2 of this Part 11 (*Information on the Group*), the Group has launched a number of new activities including photography website DigitalCameraWorld.com in July 2017, eCommerce-led website TheRadar.com in October 2017, home interest website Realhomes.com in November 2017, and the online music platform Loudersound.com in March 2018, which is a re-imagination of the TeamRock.com brand acquired in January 2017.

Over the last four years the Group has established a material revenue stream from eCommerce, which is mainly from affiliate marketing revenue. The majority of this revenue comes from its consumer technology website TechRadar.com, but there is also fast-growing eCommerce revenue from Future's other websites, such as T3.com and PCGamer.com.

Although Future has run events for a number of years the last four years has seen events develop into a significant revenue stream, particularly with the launch of The Photography Show, expanding its creative design event Generate to New York and the event acquisitions of Home Interest, NewBay Media, Blaze, Noble House Media and Team Rock.

Future has digital licensing franchise partnerships in India, the Middle East and most recently Norway for TechRadar.com.

Principal markets

The Group competes in the B2C and B2B website publishing market, magazine and bookazine publishing markets and the events market.

The Group publishes magazines and bookazines in the B2C and B2B technology, games and entertainment, creative and photography, music, home interest, and hobbies sectors.

The Group operates in the United States and in Australia and publishes local magazines, bookazines and websites and hosts events in the technology and games sectors. The Group exports and licences its magazines and bookazines for sale in a number of countries outside the UK.

The Group's technology portfolio (i.e. magazines, bookazines and websites) covers topics ranging from broader consumer technology and gadgets to specialist subjects like Linux and Mac, to B2B technology and IT products. Following the acquisition of NewBay Media Future has expanded its B2B technology portfolio to cover broadcasting and audio-visual technology. The games and entertainment portfolio covers all major game platforms, including PlayStation, Xbox and PC games, as well as film and television. The design portfolio covers website design, graphic design and three-dimensional arts. The photography portfolio covers general camera content and brand specific content like Nikon and Canon. The music portfolio covers musical instrument playing (guitars, drums and computer music) and, following the acquisition of Team Rock, a portfolio of magazines and a website in the rock, heavy metal and progressive rock music listening sectors. Following the acquisition of NewBay Media Future expanded its music portfolio to include B2B music brands covering the music production industry. Future acquired from Blaze a portfolio of magazines in the field sports sector which covers shooting and archery. Future also acquired a portfolio of magazines, bookazines and websites in the knowledge, history and science sectors as a result of its acquisition of the Imagine Publishing Group. Future acquired from Haymarket three specialist titles in the outdoor leisure sector, covering soccer, caravans and motorhomes. Future also has a portfolio of home building, DIY and home design brands following the Home Interest acquisition. Further information on each of these acquisitions is referred to in paragraph 2 of this Part 11 (*Information on the Group*).

Future continuing operations

The table below shows Future's continuing revenue by segment, type and geography for each of the three financial years ended 30 September 2017, 30 September 2016 and 30 September 2015.

<i>Year ending 30 September</i>	<i>2017 £m</i>	<i>2016 £m</i>	<i>2015 £m</i>
<i>Revenue by business segment</i>			
Media	35.8	24.5	21.5
Magazine	50.5	35.4	39.2
Revenue between segments	(1.9)	(0.9)	(0.9)
	84.4	59.0	59.8
<i>Revenue by geography</i>			
UK	67.2	44.7	47.3
US	19.1	15.2	13.4
Revenue between segments	(1.9)	(0.9)	(0.9)
Total continuing operations	84.4	59.0	59.8

Exceptional factors

The Group underwent a major restructuring programme in the second half of 2014 during which it rationalised overheads, reduced headcount and sold the Sport and Crafts portfolios to Immediate Media, and the Automotive portfolio to Kelsey Media.

At the start of the 2016 financial year Future reorganised its business into two new divisions, Media and Magazine, to enable a more efficient operating model to be employed in each division, reflecting their different market dynamics.

Competitive position

The Group is a significant player in the digital media market, with a substantial online presence in the technology, games and entertainment and creative and design sectors. The Group's online technology network is the largest in the UK⁹, with its leading technology website, TechRadar.com, attracting over 25 million unique users a month. In the games and entertainment sector, GamesRadar.com and PCGamer.com are global brands and PCgamer.com is the number one English language PC gaming website in the world¹⁰. Future's creative and design website, CreativeBloq.com, is the number one design content website in the UK and US¹¹. The Group successfully tailors its content by using data to ensure it best suits the needs of the consumer. The Group has its own proprietary price comparison technology which gives it a strong position in the UK online technology market compared to many other large consumer technology websites.

The Group is one of the significant specialist magazine and bookazine publishers in the UK with a portfolio covering ten different verticals and titles available in print and digital formats. Future is one of the market leaders for bookazines in the UK¹² and holds market leading positions in music, gaming, home DIY and creative and design.

The Group operates a highly successful events business and its award-winning photography event, The Photography Show, is the UK's largest event for enthusiast and professional photographers. Future also builds on its global PC gaming brands with PC gaming events, hosting the PC Gaming Show at E3 in the US and the PC Gamer Weekender in London, launched in 2016. The Homebuilding & Renovating Show is the largest in the UK, attracting over 95,000 people across seven events held nationally throughout the year.

Intellectual Property

The Company is not dependent on any patent or licence, industrial, commercial or financial contract or new manufacturing process which is material to the Company's business, other than as set out below. Future publishes certain magazines and websites under license. These licences are material to the business of the Group, although within the ordinary course of business. Publication of these titles is dependent on the grant of licences by the rights owner:

- (A) Future US is Microsoft's official and exclusive licensee of the official US Xbox magazine in accordance with the terms of a publication agreement dated 12 December 2004 and as amended by subsequent amendments. The licence was extended in August 2015 and will remain in effect until 31 December 2020. Future US are liable to pay royalties to Microsoft in consideration of the licence.
- (B) FPL is Sony's official and exclusive licensee of the official PlayStation magazine brand in the UK. The licence was officially granted on 1 November 2006 for an initial period of 29 months. The licence has since expired, although the parties continued to operate pursuant to these terms in the ordinary course of their businesses. FPL is liable to pay royalties to Sony in consideration of the licence.
- (C) FPL and Gawker Media LLC entered into a content licence agreement, effective 1 January 2016 for an initial term of one year, which has been extended until 31 December 2017. Following Gawker's bankruptcy in 2016, FPL's agreement was assigned to Univision Communications, Inc. and subsequently, following a group reorganisation, to a new company, Gizmodo Media Group LLC. Pursuant to the licence, Gizmodo grants FPL an exclusive non-sublicensable licence to reproduce, translate, display, distribute and use Gizmodo's licensed content in the UK through its Gizmodo,

9 comScore, based on monthly UK unique visitors

10 comScore, based on monthly UK and US unique visitors

11 comScore and SimilarWeb, based on monthly global unique visitors

12 Based on UK newsstand copy sales in 2017

Kotaku and Lifehacker websites. FPL is liable to pay a licensing fee in four equal instalments over the year, as well as an annual percentage-based revenue share of annual net revenue.

5. Current trading and prospects

On 17 May 2018, the Group announced its interim results for the six months ended 31 March 2018. The results demonstrate another period of significant growth in the first half of the financial year with increases in both revenue and profitability, driven by the Group's strategy to develop a scalable global platform business. Highlights included:

- US revenue organic growth of 22 per cent. to £10.4 million; US headquarters were relocated to New York from San Francisco to improve the efficiency of global teams by increasing working hours overlap, with further investment in both the supporting infrastructure and the management team. The investment is yielding benefits, with US revenue per user increasing from £0.59 to £0.80 year-on-year.
- Media division growth; organic eCommerce revenue increased 76 per cent. to £7.6 million; Digital display advertising revenue up 33 per cent. to £11.3 million; driven by Future's increasing expertise in delivering eCommerce revenue across its brands and its ability to capitalise on the growth in programmatic advertising through its proprietary tech stack, as well as the use of data to optimise conversion rates.
- Integration and growth of acquisitions; integration of Home Interest, acquired from Centaur Communications Limited (a subsidiary of Centaur Media plc) in August 2017, is now complete. Following the acquisition Future's scalable tech stack enabled the launch of Realhomes.com in just five weeks. This year Future has already completed the acquisitions of NewBay Media in the US and four consumer titles from Haymarket including the leading UK hi-fi brand, What Hi-Fi?.

The Directors believe that the US now represents one of the most exciting elements of the Group's business, with Media revenues now representing 85 per cent. of total US revenues with a gross contribution margin of 86 per cent. We believe that a significant opportunity for growth remains in the US as a result of audience monetisation still lagging behind the UK at £0.80 per user versus £1.58 per user in the UK for the 12 months to March 2018.

Media now includes Home Interest which adds considerable scale to the portfolio of events. All but two of the seven Homebuilding & Renovating Show events acquired have now been held under Future's ownership and have proved successful, with an H1 proforma revenue increase of 9 per cent. from shows demonstrating the success of Future's yield optimisation strategy.

The Interim results show continued strong momentum as the Group delivers on its strategy to build a profitable global platform business for specialist media with diversified revenue streams. The recent acquisitions of NewBay Media (April 2018) and the four specialist titles from Haymarket (May 2018) provide an opportunity for further growth once the businesses are integrated into Future's core operating model and infrastructure.

Trading for the year to date has been robust and the Board remains confident of meeting its full year expectations.

6. Dividend policy

The Board understands the importance of optimising value for shareholders and believes in balancing returns to shareholders with investment in the business to support future growth. The Company's Employee Benefit Trust waives its entitlement to any dividends. The Board is considering a final dividend for the year 2018.

PART 12

SELECTED FINANCIAL INFORMATION ON THE GROUP

Selected historical financial information regarding Future which summarises the results of operations and financial condition of the Group for the three financial years ended 30 September 2017, 30 September 2016 and 30 September 2015 as well as the interim periods for the six months ended 31 March 2018 and 31 March 2017, prepared using International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee's (IFRIC) interpretations as adopted by the European Union, applicable as at each accounts date is set out below.

Future plc Consolidated Income Statement

The results for the years ended 30 September 2015, 2016 and 2017 are audited. The results for the periods ended 31 March 2017 and 2018 are unaudited.

	12 Months to 30 September (Audited)			6 months to 31 March (Unaudited)	
	2017 £m	2016 £m	2015 £m	2018 £m	2017 £m
Continuing operations					
Revenue	84.4	59.0	59.8	51.1	40.9
Adjusted EBITDA*	11.0	5.2	3.7	8.8	4.8
Share-based payments	(2.1)	(0.5)	(0.1)	(1.4)	(0.4)
Depreciation	(0.3)	(0.4)	(0.5)	(0.3)	(0.2)
Amortisation	(4.1)	(2.0)	(2.3)	(3.0)	(1.8)
Exceptional items	(3.7)	(3.5)	(2.5)	(0.3)	(1.1)
Impairment of intangible assets	–	(13.0)	–	–	–
Operating profit/loss	0.8	(14.2)	(1.7)	3.8	1.3
Finance income	–	–	–	–	–
Finance costs	(0.6)	(0.7)	(0.6)	(0.5)	(0.4)
Net finance costs	(0.6)	(0.7)	(0.6)	(0.5)	(0.4)
Profit/Loss before tax	0.2	(14.9)	(2.3)	3.3	0.9
Tax on loss	1.4	0.5	0.3	0.1	0.1
Loss for the year from continuing operations	1.6	(14.4)	(2.0)	3.4	1.0
Discontinued operations					
Profit for the year from discontinued operations	–	0.2	0.7	–	–
Profit/Loss for the year attributable to owners of the parent	1.6	(14.2)	(1.3)	3.4	1.0

* Adjusted EBITDA means earnings before share based payments and associated social security costs, interest, tax, depreciation, amortisation, impairment of intangible assets and exceptional items

Future plc Consolidated Balance Sheet

The balance sheet as at each of the years ended 30 September 2017, 2016 and 2015 is audited. The balance sheet as at each of the six months ended 31 March 2018 and 2017 is unaudited.

	30 September (Audited)			31 March (Unaudited)	
	2017	2016	2015	2018	2017
	£m	£m	£m	£m	£m
Assets					
Non-current assets					
Property, plant and equipment	1.0	0.5	0.6	1.1	0.9
Intangible assets – goodwill	65.8	29.5	40.9	65.7	46.4
Intangible assets – other	26.4	3.7	2.9	24.1	12.4
Investments	0.2	–	–	0.2	–
Deferred tax	4.4	2.4	0.5	4.7	1.7
Total non-current assets	97.9	36.1	44.9	95.7	61.4
Current assets					
Inventories	0.7	0.4	0.5	0.8	0.6
Financial assets – derivatives	–	–	–	–	–
Corporation tax recoverable	0.1	0.1	1.2	0.2	0.2
Trade and other receivables	13.6	12.4	15.3	16.2	13.2
Cash and cash equivalents	10.1	2.9	2.5	17.5	4.8
Non-current assets classified as held for sale	–	–	–	–	–
Total current assets	24.5	15.8	19.5	34.7	18.8
Total assets	122.4	51.9	64.4	130.5	80.2
Equity and liabilities					
Equity					
Issued share capital	6.8	3.7	3.3	6.8	5.5
Share premium account	47.4	27.6	24.8	47.4	41.1
Merger reserve	122.5	109.0	109.0	122.5	109.0
Treasury reserve	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
Cash flow hedge reserve	–	–	–	–	–
Accumulated losses	(115.1)	(118.8)	(105.4)	(110.4)	(117.3)
Total equity	61.3	21.2	31.4	66.0	38.0
Non-current liabilities					
Financial liabilities – interest bearing loans and borrowings	16.9	0.1	–	17.0	9.4
Financial liabilities – derivatives	–	–	–	–	0.1
Corporation tax payable	–	2.6	3.5	–	2.1
Deferred tax	4.6	0.9	0.7	4.4	1.5
Provisions	2.6	1.5	2.1	2.3	1.4
Other non-current liabilities	0.6	0.5	0.8	0.5	0.6
Total non-current liabilities	24.7	5.6	7.1	24.2	15.1
Current liabilities					
Financial liabilities – interest-bearing loans and borrowings	3.2	2.3	4.3	2.5	0.6
Financial liabilities – derivatives	0.1	–	–	0.1	0.1
Trade and other payables	29.9	21.4	20.7	35.2	25.0
Corporation tax payable	3.2	1.4	0.9	2.5	1.4
Total current liabilities	36.4	25.1	25.9	40.3	27.1
Total liabilities	61.1	30.7	33.0	64.5	42.2
Total equity and liabilities	122.4	51.9	64.4	130.5	80.2

Future plc Consolidated Cash Flow Statement

The cash flows for the years ended 30 September 2017, 2016 and 2015 are audited. The results for the periods ended 31 March 2018 and 2017 are unaudited.

	12 Months to 30 September (Audited)			6 months to 31 March (Unaudited)	
	2017 £m	2016 £m	2015 £m	2018 £m	2017 £m
<i>Cash flows from operating activities</i>					
Cash used in operations	12.0	3.1	(7.5)	10.4	3.2
Tax received	–	0.1	0.5	–	–
Interest paid	(0.6)	(0.4)	(0.6)	(0.4)	(0.3)
Tax paid	(1.4)	(0.8)	(1.0)	(0.9)	(0.8)
Net cash used in operating activities	10.0	2.0	(8.6)	9.1	2.1
<i>Cash flows from investing activities</i>					
Purchase of property, plant and equipment	(0.6)	(0.2)	(0.2)	(0.4)	(0.5)
Purchase of computer software and website development	(1.2)	(1.7)	(1.8)	(0.6)	(0.6)
Purchase of magazine titles and events	(0.8)	(0.6)	–	–	(0.8)
Purchase of subsidiary undertakings, net of cash acquired	(31.8)	(0.3)	–	0.3	1.0
Purchase of share in associate	–	–	–	–	–
Disposal of property, plant and equipment	–	–	1.2	–	–
Disposal of magazine titles and trademarks	0.2	–	0.1	–	0.2
Costs of business disposals	–	–	–	–	–
Net cash (used in)/generated from investing activities	(34.2)	(2.8)	(0.7)	(0.7)	(0.7)
<i>Cash flows from financing activities</i>					
Proceeds from ordinary share issue	22.0	3.3	–	–	–
Costs of share issue	(1.0)	(0.2)	–	–	(0.1)
Draw down of bank loans	23.2	4.6	3.5	–	11.3
Repayment of bank loans	(12.0)	(5.7)	–	(0.6)	(10.3)
Bank arrangement fees	(0.7)	–	(0.2)	–	–
Repayment of finance leases	(0.1)	(0.1)	–	–	–
Equity dividends paid	–	–	–	–	–
Net cash generated from/(used in) financing activities	31.5	1.9	3.3	(0.6)	0.5
Net (decrease)/increase in cash and cash equivalents	7.3	1.1	(6.0)	7.8	1.9
Cash and cash equivalents at beginning of year	2.9	1.6	7.5	10.1	2.9
Exchange adjustments	(0.1)	0.2	0.1	(0.4)	–
Cash and cash equivalents at end of year	10.1	2.9	1.6	17.5	4.8
Amount attributable to continuing operations	10.1	2.9	1.6	17.5	4.8

Further information in respect of the results, cash flows and financial position in respect of the above periods is set out below:

Revenue for interim results

Group revenue in the six months ended 31 March 2018 was £51.1 million (2017: £40.9 million, 2016: £30.2 million) as Future continues to manage the decline in print whilst taking advantage of digital opportunities to increase Media revenues.

UK revenue was £42.0 million in the six months ended 31 March 2018 (2017: £33.0 million, 2016: £23.6 million) and US revenue was £10.4 million (2017: £8.5 million, 2016: £7.2 million). In 2016 the Group re-organised into two divisions, Media and Magazine and longer reported the split between digital, diversified and print as it had previously.

Media

Media revenue has increased by 62 per cent. to £26.2 million (2017: £16.2 million), driven by the Group's fast-growing revenue streams; eCommerce and events. Media revenues now make up 51 per cent. of total revenue.

In the UK, revenues increased by 77 per cent. to £18.6 million (2017: £10.5 million), driven by the new revenue streams, with eCommerce growing 56 per cent. and events revenue increasing by 142 per cent.

The US also experienced strong growth in revenues, which were up 42 per cent. year-on-year to £8.8 million (2017: £6.2 million), with revenue from affiliates being the biggest driver of this growth.

In the UK in the six months ended 31 March 2018, the Media business had strong growth in events. Just under 30,000 consumers and professionals attended The Photography Show at Birmingham's NEC, generating £2.1 million in revenue.

Magazine

Magazine revenue increased to £24.9 million (2017: £24.7 million), reflecting the acquisition of Imagine. The Group's focus is on building recurring revenue streams, which have annuity like qualities. These encompass eCommerce and subscriptions, which now represents 28 per cent. of the Group's total revenue (2017: 27 per cent.).

Revenue for annual results

Group revenue was £84.4 million for the year ended 30 September 2017 (2016: £59.0 million, 2015: £59.8 million) reflecting the growing new revenue streams and continued tight management of print. In the year ended 30 September 2017 UK revenue was £67.2 million (2016: £44.7 million, 2015: £47.3 million) and in the US £19.1 million (2016: £15.2 million, 2015: £13.4 million).

Media

Media revenue has increased by 43 per cent. to £34.1 million (2016: £23.9 million), driven by the Group's fast-growing revenue streams; eCommerce and events.

In the UK, revenues increased by 50 per cent. to £21.1 million (2016: £14.1 million), driven by the new revenue streams. In only its third year, The Photography Show at Birmingham's NEC generated revenue growth of 12 per cent. year-on-year.

The US also delivered exceptional growth, up 41 per cent. year-on-year to £14.7 million (2016: £10.4 million), with eCommerce revenue being the biggest driver of this growth. Digital advertising in the US represented 90 per cent. (2016: 88 per cent.) of US advertising revenues.

Magazine

Magazine revenue increased by 43 per cent. to £50.3 million (2015: £35.1 million), reflecting the market's overall structural decline. On an underlying basis, excluding the impact of 2017 acquisitions, Magazine revenues declined 9 per cent. to 31.9 million.

Adjusted EBITDA

The Group's Adjusted EBITDA profit was £11.0 million for the year ended 30 September 2017 (2016: 5.2 million, 2015: £4.3 million). The UK Adjusted EBITDA profit was £6.9 million for the year ended 30 September 2017 (2016: £3.2 million, 2015: £3.4 million) and the US made an Adjusted EBITDA profit of £4.1 million for the year ended 30 September 2016 (2016: £2.0 million 2015: £0.3 million). The increase in Adjusted EBITDA profit for the year ended 30 September 2017 reflects the introduction of global

functions for operational teams. In the year ended 30 September 2017 the Group's headcount increased to 634 employees, following a reduction from 521 to 449 in 2016.

In the six months ended 31 March 2018 the Group's Adjusted EBITDA was £8.8 million (2016: £4.8 million), reflecting the growth of the Media business and the shift towards higher margin activities.

Exceptional items

Exceptional costs were £3.7 million for the year ended 30 September 2017 (2016: £3.5 million, 2015: £2.5 million). Restructuring costs of £1.1 million for the year ended 30 September 2017 (2016: £1.8 million, 2015: £2.8 million) included headcount reduction and the rationalisation of the property portfolio. The balance of exceptional costs principally comprised acquisition and integration costs relating to Imagine, and vacant property provision movements relating to surplus office space in the UK and US.

The exceptional costs incurred in the six months ended 31 March 2018 totalled £0.3 million (2017: £1.1 million). These costs primarily relate to restructuring and redundancy.

Net finance costs

Net finance costs reduced to £0.6 million (2016: £0.7 million) for the year ended September 2017 as strong cash conversion allowed the Group to repay additional debt facilities arranged to fund acquisitions and lower interest on the legacy HMRC settlement agreement which will be repaid fully in June 2018.

Cash flows and net debt – annual results

Net debt at 30 September 2017 was £10 million (2016: net cash £0.5 million, 2015: net debt £1.8 million), which reflects the additional debt taken on to fund the Imagine and Home interest acquisitions.

During the year, there was a cash inflow from operations before exceptional items of £17.1 million (2016: £6.5 million inflow, 2.3 million outflow).

This was offset by £5.1 million (2016: £5.1 million) of exceptional restructuring payments made in the year, £1.8 million (2016: £1.9 million) of capital expenditure, net proceeds from a share placing of £21.0 million and payments of £32.6 million to fund acquisitions (net of cash acquired). Foreign exchange and other movements accounted for the balance of cash flows.

Cash flow and net debt – interim results

Net debt at 31 March 2018 was £2.0 million (2017: net debt £5.2 million,).

In 2018 there was a cash inflow from operations before exceptional items of £11.1 million (2017: £6.2 million). Exceptional cashflows of £0.7 million represented vacant property lease costs and restructuring and redundancy costs.

PART 13

OPERATING AND FINANCIAL REVIEW

The Annual Reports (including the audited financial statements together with the independent audit reports in respect of those financial statements) and the unaudited 2018 interim results for the six month period ended 31 March 2018 (including the independent review report) are available on the Group's website at www.futureplc.com/invest-in-future/ and the entirety of these documents are incorporated by reference (other than the Daisy Chained Information described in Part 5 (*Important Information*) of this document). The parts of such documents not incorporated by reference are either not relevant for any prospective investor or are otherwise covered elsewhere in this document.

For detailed information relating to the Group's operating results (including information regarding significant factors affecting the same and any material changes in net sales or revenues) and cash flows (including the sources and amounts), see the Financial Review section of the Annual Reports (for the financial year ended 30 September 2017 see pages 13-16, for the financial year ended 30 September 2016 see pages 13-16 and for the financial year ended 30 September 2015 see pages 13-16).

For information regarding economic factors that have materially affected, or could materially affect the Group's operations, see the sections of the Annual Reports referred to above and the risk factors set out in Part 2 (*Risk Factors*) of this document.

PART 14

CAPITALISATION AND INDEBTEDNESS

The following tables show the capitalisation of the Group as at 31 May 2018 and the indebtedness of the Group as at 31 May 2018:

	£000's
Capitalisation and indebtedness ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	
Total current debt	
Secured	(2,654)
	<u>(2,654)</u>
Total non-current debt (excluding current portion of the long term debt)	
Secured	(24,574)
	<u>(24,574)</u>
Shareholders' equity	
Share capital	6,976
Share premium	50,035
Other reserves	122,319
	<u>122,319</u>

The following table sets out the net consolidated financial funds of the Group as at 31 May 2018.

	£000's
Net indebtedness	
Cash	10,612
Total liquidity	<u>10,612</u>
Current bank debt	(2,600)
Current portion of non-current debt	(54)
Current financial debt	<u>(2,654)</u>
Net current financial indebtedness	<u>7,958</u>
Non-current bank debt	(24,561)
Other non-current financial debt	(13)
Non current financial indebtedness	<u>(24,574)</u>
Net financial funds	<u>(16,616)</u>

- 1 Shareholders' equity does not include the profit and loss account reserve.
- 2 This statement of indebtedness has been prepared under IFRS using policies which are consistent with those used in preparing the Group's financial statements for the year ended 30 September 2017.
- 3 The information is unaudited.
- 4 The Group has no indirect or contingent indebtedness as at 31 May 2018.

PART 15

HISTORICAL FINANCIAL INFORMATION

Section A: The Group

The Annual Reports (including the audited financial statements together with the independent audit reports in respect of those financial statements and independent accountants reports set out in the Annual Reports) and the unaudited 2018 interim results for the six month period ended 31 March 2018 are available on the Group's website at www.futureplc.com/invest-in-future/ and the entirety of these documents are hereby incorporated by reference into this document (other than the Daisy Chained Information described in Part 5 (*Additional Information*) of this document). The parts of such documents not incorporated by reference are either not relevant for any prospective investor or are otherwise covered elsewhere in this document.

Cross-reference list

The following list is intended to enable investors to locate specific items of information which have been incorporated by reference into this document (although the list below is not an exhaustive list of the information incorporated by reference).

2015 Annual Report

The page numbers below refer to the relevant pages of the annual report and accounts of the Company for the year ended 30 September 2015:

- Independent auditors report – page 41 – 42
- Consolidated Income statement – page 44
- Consolidated statement of comprehensive income – page 44
- Consolidated statement of changes in equity – page 45
- Consolidated balance sheet– page 46 – 47
- Consolidated cash flow statement– page 48 – 49
- Accounting policies – page 50 – 53
- Notes to the consolidated financial statements – page 54 – 79

2016 Annual Report

The page numbers below refer to the relevant pages of the annual report and accounts of the Company for the year ended 30 September 2016:

- Independent auditors report – page 41 – 42
- Consolidated Income statement – page 44
- Consolidated statement of comprehensive income – page 44
- Consolidated statement of changes in equity – page 45
- Consolidated balance sheet – page 46 – 47
- Consolidated cash flow statement – page 48 – 49
- Accounting policies – page 50 – 53
- Notes to the consolidated financial statements – page 54 – 78

2017 Annual Report

The page numbers below refer to the relevant pages of the annual report and accounts of the Company for the year ended 30 September 2017:

- Independent auditors report – page 41 – 42

- Consolidated Income statement – page 44
- Consolidated statement of comprehensive income – page 44
- Consolidated statement of changes in equity – page 45
- Consolidated balance sheet – page 46 – 47
- Consolidated cash flow statement – page 48 – 49
- Accounting policies – page 50 – 53
- Notes to the consolidated financial statements – page 54 – 78

2018 Interims

The page numbers below refer to the relevant pages of the interim results for the period ended 31 March 2018. The financial information referred to in this sub-section has not been audited.

- Consolidated income statement – page 9
- Consolidated statement of comprehensive income – page 9
- Consolidated statement of changes in equity – page 10
- Consolidated balance sheet – page 11
- Consolidated cash flow statement – page 12
- Basis of preparation – page 14
- Notes to the consolidated financial statements – page 13
- Independent review report – page 23 – 24

Section B: Accountant's Report on the combined historical financial information of the Target



The Directors
Future plc
Quay House
The Ambury
Bath, BA1 1UA

18 July 2018

Historical Financial Information of the Target

We report on the financial information for the three years ended 31 December 2017 set out in section C of Part 15 below (the “Financial Information Table”). The Financial Information Table has been prepared for inclusion in the prospectus dated 18 July 2018 (the “Prospectus”) of Future plc (the “Company”) on the basis of the accounting policies set out in note I. to the Financial Information Table. This report is required by item 20.1 of Annex I to the PD Regulation and is given for the purpose of complying with that item and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the Financial Information Table in accordance with the basis of preparation set out in note I.A to the Financial Information Table.

It is our responsibility to form an opinion as to whether the Financial Information Table gives a true and fair view, for the purposes of the Prospectus and to report our opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and for any responsibility arising under item 5.5.3R(2)(f) of the Prospectus Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 23.1 of Annex I to the PD Regulation, consenting to its inclusion in the Prospectus.

Basis of opinion

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

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the Financial Information Table gives, for the purposes of the Prospectus dated 18 July 2018, a true and fair view of the state of affairs of the Target as at the dates stated and of its losses

and profits, cash flows and statement of changes in invested capital for the years then ended in accordance with the basis of preparation set out in note I.A to the Financial Information Table.

Declaration

For the purposes of Prospectus Rule 5.5.3R(2)(f) we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex I to the PD Regulation.

Yours faithfully

PricewaterhouseCoopers LLP

Chartered Accountants

Section C: Historical financial information of the Target

Income statement

for the years ended 31 December 2015, 2016 and 2017

	Note	Years ended 31 December		
		2017 \$m	2016 \$m	2015 \$m
Revenue	1	63.5	59.0	59.2
Net operating expenses	2	(65.9)	(64.3)	(59.0)
Other income		0.3	2.4	0.3
Operating (loss)/profit		(2.1)	(2.9)	0.5
Net finance costs		—	—	—
(Loss)/profit before tax		(2.1)	(2.9)	0.5
Tax on profit/(loss)		0.7	0.4	0.1
(Loss)/profit for the year attributable to the Shareholders of Purch		(1.4)	(2.5)	0.6

A statement of comprehensive (loss)/income has not been presented as there are no other items of comprehensive income other than the (loss)/profit on ordinary activities after tax for the period.

Statement of changes in invested capital

for the years ended 31 December 2015, 2016 and 2017

	Note	Total invested capital \$m
Balance at 1 January 2015		13.2
Profit for the year		0.6
Share based compensation		0.6
Net transfer from the Retained Group	16	11.5
Balance at 31 December 2015		25.9
Total comprehensive loss for the year		(2.5)
Net transfer from the Retained Group	16	4.5
Share based compensation		0.7
Issuance of Purch common stock as settlement of acquisition-related contingent consideration		0.3
Balance at 31 December 2016		28.9
Loss for the year		(1.4)
Share based payments		0.6
Net transfer from the Retained Group	16	3.1
Balance at 31 December 2017		31.2

Balance sheet

as at 31 December 2015, 2016 and 2017 and 1 January 2015

	<i>Note</i>	<i>31 December 2017 \$m</i>	<i>31 December 2016 \$m</i>	<i>31 December 2015 \$m</i>	<i>1 January 2015 \$m</i>
Assets					
Non-current assets					
Property, plant and equipment	6	1.2	1.2	1.3	1.5
Intangible assets – other	7	21.3	23.0	23.7	6.8
Total non-current assets		<u>22.5</u>	<u>24.2</u>	<u>25.0</u>	<u>8.3</u>
Current assets					
Trade and other receivables	9	18.3	16.0	15.0	11.6
Cash and cash equivalents	10	1.0	0.3	0.9	0.2
Total current assets		<u>19.3</u>	<u>16.3</u>	<u>15.9</u>	<u>11.8</u>
Total assets		<u>41.8</u>	<u>40.5</u>	<u>40.9</u>	<u>20.1</u>
Capital and reserves and liabilities					
Capital and reserves					
Invested capital		31.2	28.9	25.9	13.2
Total invested capital		<u>31.2</u>	<u>29.9</u>	<u>25.9</u>	<u>13.2</u>
Non-current liabilities					
Deferred tax	8	0.3	1.0	1.4	–
Other non-current liabilities		0.3	0.2	1.0	0.2
Total non-current liabilities		<u>0.6</u>	<u>1.2</u>	<u>2.4</u>	<u>0.2</u>
Current liabilities					
Trade and other payables	11	10.0	10.4	12.6	6.7
Corporation tax payable		–	–	–	–
Total current liabilities		<u>10.0</u>	<u>10.4</u>	<u>12.6</u>	<u>6.7</u>
Total liabilities		<u>10.6</u>	<u>11.6</u>	<u>15.0</u>	<u>6.9</u>
Total equity and liabilities		<u>41.8</u>	<u>40.5</u>	<u>40.9</u>	<u>20.1</u>

Cash flow statements

for the years ended 31 December 2015, 2016 and 2017

	Years ended 31 December		
	2017	2016	2015
	\$m	\$m	\$m
Cash flows from operating activities			
Cash generated from/(used in) operations (A)	0.9	(1.3)	3.8
Tax paid	—	—	—
Net cash generated from/(used in) operating activities	<u>0.9</u>	<u>(1.3)</u>	<u>3.8</u>
Cash flows from investing activities			
Cash inflow/(outflow) from escrow account	1.3	—	(1.3)
Acquisition of businesses, net of cash acquired	—	—	(9.7)
Payment of acquisition related contingent consideration	(0.5)	(0.6)	(0.8)
Payment of acquisition related holdback liability	(0.7)	—	—
Purchase of property, plant and equipment	(0.4)	(0.4)	(0.4)
Internally generated intangible asset additions	(3.0)	(2.8)	(2.4)
Net cash (used in)/generated from investing activities	<u>(3.3)</u>	<u>(3.8)</u>	<u>(14.6)</u>
Cash flows from financing activities			
Net transfers from the Retained Group	3.1	4.5	11.5
Net cash generated from financing activities	<u>3.1</u>	<u>4.5</u>	<u>11.5</u>
Net increase/(decrease) in cash and cash equivalents	0.7	(0.6)	0.7
Cash and cash equivalents at beginning of period	0.3	0.9	0.2
Cash and cash equivalents at end of period	<u>1.0</u>	<u>0.3</u>	<u>0.9</u>
Non-cash investing and financing activities			
	2017	2016	2015
	\$m	\$m	\$m
Issuance of Purch common stock upon settlement of acquisition-related contingent consideration payable	—	0.3	—
Acquisition of business included as trade and other payables	—	—	4.2

Notes to the Cash flow statements

for the years ended 31 December 2015, 2016 and 2017

A. Cash used in operations

The reconciliation of (loss)/profit for the period to cash generated from/(used in) operations is set out below:

	<i>Years ended 31 December</i>		
	<i>2017</i>	<i>2016</i>	<i>2015</i>
	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
(Loss)/profit for the period	(1.4)	(2.5)	0.6
Adjustments for:			
Depreciation charge	0.4	0.5	0.5
Amortisation of intangible assets	4.6	3.5	1.1
Impairment of trade receivables	(0.1)	0.3	0.3
Share based payments	0.6	0.7	0.6
Gain on re-measurement of contingent consideration payable	–	(2.1)	–
Deferred tax	(0.7)	(0.4)	(0.1)
	3.4	–	3.0
Decrease/(increase) in trade and other receivables	(3.5)	(1.3)	(2.0)
Decrease/(increase) in related party receivables	(0.5)	(0.4)	1.3
(Decrease)/increase in trade and other payables	1.5	0.4	1.5
Cash generated from/(used in) operations	0.9	(1.3)	3.8

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General information

The business of the Target is to operate several websites and includes publishing original content. The content focuses primarily on technology, science, and outdoor leisure and provides original videos, news, reviews and reference articles daily on the internet. The Target also operates online marketplaces for buyers and sellers of small and medium sized business products. The Target monetises these websites through the sales of online advertising and performance marketing (lead generation). Purch is domiciled in the United States of America, and its principal place of business is 11 West 42nd Street, 15th Floor, New York, NY 10036, USA.

I. The Target's accounting policies

A *Basis of preparation*

This historical financial information of the Target was derived from the financial statements and accounting records, prepared in accordance with US GAAP, of Purch and subsequently adjusted to comply with International Financial Reporting Standards as adopted by the European Union ("IFRS"), except as noted below. The historical financial information for the years ended 31 December 2015, 2016 and 2017 has been prepared specifically for the purposes of this document and in accordance with the UK Listing Rules, and in accordance with this basis of preparation. The accounting policies applied and disclosed below, as well as the format of the financial statements are consistent with those used by Future plc in its annual financial statements for the year ended 30 September 2017 and these policies have been applied consistently to all periods presented.

This is the first time that the Target has prepared financial information. Therefore, although an opening balance sheet at 1 January 2015 has been presented in accordance with IFRS 1, it is not possible to provide the other disclosures required by paragraphs 23-27A of IFRS 1.

The historical financial information has been prepared on a going concern basis under the historical cost convention. The business of the Target is planned to continue operating as previously after acquisition and with appropriate levels of funding available to be able to operate at adequate levels of both liquidity and capital for the foreseeable future.

This historical financial information does not constitute statutory accounts within the meaning of section 434(3) of the Companies Act 2006.

This basis of preparation describes how the historical financial information has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"), except as noted below.

IFRS does not provide for the preparation of "carve-out" historical financial information, or for the specific accounting treatments set out below. Accordingly, in preparing the historical financial information, certain accounting conventions commonly used for the preparation of "carve-out" historical financial information for inclusion in investment circulars as described in the Annexure to SIR 2000 (Investment Reporting Standards applicable to public reporting engagements on historical financial information) issued by the UK Auditing Practices Board have been applied.

The following summarises the accounting and other principles applied in preparing the historical financial information:

- The business of the Target did not comprise a separate legal entity during the three years ended 31 December 2017 and therefore it is not meaningful to present share capital or an analysis of reserves. The invested capital represents a combination of the overall receivables and payables with the Retained Group, funding balances with the Retained Group and equity investment by the Retained Group in the Target, which cannot be separately identified or allocated throughout the period from 1 January 2015 through to 31 December 2017.
- The income statement of the Target reflects allocations of general corporate expenses from the Retained Group including, but not limited to, employee, technology, facilities, professional services, offices, human resources, sales and marketing costs. These allocations were made on

a direct usage basis when identifiable, with the remainder allocated on the basis of revenue, headcount or other relevant measures. These allocations have been considered to be a reasonable reflection of the utilisation of services by, or the benefits provided to, the Target. These allocations may not, however, reflect the expenses the business of the Target would have incurred as a standalone company for the periods presented. Actual costs that may have been incurred if the business of the Target had been a standalone company would depend on a number of factors, including the chosen organisational structure, what functions were outsourced or performed by employees and strategic decisions made in areas such as information technology and infrastructure.

- The balance sheet of the Target includes Purch's assets and liabilities that are specifically identifiable or otherwise attributable to the Target. The cash balance recognised in the balance sheet represents cash held by the legal entities within the Target. The Retained Group's cash has not been allocated to the Target for any of the periods presented. The Target reflects transfers of cash to and from the Retained Group as a component of invested capital.
- The Retained Group's long-term debt has not been attributed to the Target for any of the periods presented because the Retained Group's borrowings are not the legal obligation of the Target nor will they be transferred to the Target pursuant to the Acquisition Agreement.
- The Retained Group maintains various benefit and share based compensation plans. The Target's employees participate in those programs and a portion of the cost of those plans is included in the Target's historical financial statements. The credit entry is shown as a component of invested capital.
- The historical financial information includes the Target's net assets and results of operations as described above. All intercompany transactions and accounts within the business of the Target have been eliminated.
- Intercompany transactions between the Target and the Retained Group are considered to be effectively settled as if the Target and the Retained Group were not part of a group in the combined historical financial information at the time the transaction is recorded. It has been assumed that all the transactions have been settled at the balance sheet date on a usual third party arms' length basis with commercial payment terms. The total net effect of the settlement of these intercompany transactions is reflected in the statement of cash flows within financing activities and on the balance sheet within invested capital.
- The Target has historically been included in the tax returns filed by the respective legal entity. Income tax expense and other income tax information contained in the historical financial information is presented based on the effective tax rate of Purch as applied to the Target's profits and losses. Tax balances relating to separate legal entities with the Target have been recognised based on the tax returns for those legal entities. Deferred tax balances arising on assets acquired through a business combination have been directly allocated to the Target if the underlying assets or liabilities relate to the Target's business.
- The share-based payment charge has been calculated for Purch and allocated to the Target as part of general corporate expenses. It is not therefore practical or appropriate to provide information on the number of share options granted, exercised and outstanding as required by IFRS.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying these accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the combined historical financial information are disclosed below in II, "Critical accounting estimates and assumptions."

B **Accounting policies**

Segment reporting

Operating segments are defined as components of an enterprise for which separate financial information is available and evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The Target is organised and managed as a single reportable segment although revenue information is split between Advertising and Performance.

Revenue recognition

The Target generates revenue through multiple channels including affiliate commissions, lead generation, direct advertising, and programmatic advertising.

The Target provides informational reviews and ranking of technology and outdoor products. The Target earns commissions when purchases of these products are made through the featured links. Revenues related to these commissions are recognised at the time of the related product sale.

Lead generation revenue is generated from the sale of prospective consumer interest or inquiry into a third-party business' products or services. Leads are primarily generated through search engine marketing results and then sold to third-party businesses. Revenues related to the sale of leads is recognised when leads are delivered to the customers.

Direct advertising revenue is generated through the sale of advertising space on the Target-owned or network websites. Advertising is sold on either a fixed-fee basis or cost-per-impression basis. Revenue related to fixed-fee advertising is recognised rateably over the contractual period, while revenues related to advertising sold on a cost-per-impression basis are recognised each time an ad is displayed.

Revenues from programmatic advertising are generated on a cost-per-impression basis each time an ad is displayed or on a cost-per-click basis each time a user clicks on a text link within the body of an article hosted on a Target website. The Target recognises these revenues as the impressions are delivered or as the click-based activity occurs.

Employee benefits

(a) Pension obligations

Purch has a defined contribution plan pension scheme for the benefit of employees. Purch pays contributions into a privately administered pension plan, which is held separately to the Target. The Target has no further payment obligations once the contributions have been paid. Contributions are charged to the income statement when employer contributions become payable.

(b) Bonus plans

The Target recognises a liability and an expense for bonuses taking into consideration targeted trading performance.

(c) Share based payments

The fair value of employee services received in exchange for the grant of share based payment awards in the shares of Purch is recognised as an expense. The amount to be expensed over the service period is based on the grant-date fair value. The fair value of each option granted is estimated using the Black-Scholes option valuation model and is recognised on a straight-line basis over the requisite service period, if the awards contain a service vesting feature.

The calculation of fair value includes assumptions regarding the number of cancellations and excludes the impact of any non-market vesting conditions. Non market vesting conditions are included in the assumptions about the number of awards that are expected to vest. At each balance sheet date, the estimate of the number of awards expected to vest is reassessed and, to the extent that the expected levels of achievement change, share based compensation is adjusted in the period of change and recorded in the income statement, with a corresponding adjustment to invested capital.

Leases

Leases in which the Target assume substantially all the risks and rewards of ownership of the leased assets are classified as finance leases. All other leases are classed as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Tax

Tax on the profit or loss for the year comprises current tax and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity in which case it is recognised in equity.

Current tax is payable based on taxable profits for the year, using tax rates that have been enacted or substantively enacted at the balance sheet date, along with any adjustment relating to tax payable in previous years. Management periodically evaluates items detailed in tax returns where the tax treatment is subject to interpretation. Taxable profit differs from net profit in the income statement in that income or expense items that are taxable or deductible in other years are excluded – as are items that are never taxable or deductible. Current tax assets relate to payments on account not offset against current tax liabilities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the combined financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled in the appropriate territory.

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

Deferred tax assets and liabilities are offset against each other where they relate to the same jurisdiction and there is a legally enforceable right to offset.

Property, plant and equipment

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

Depreciation

Depreciation is calculated using the straight-line method to allocate the cost of property, plant and equipment less residual value over estimated useful lives, as follows:

- Leasehold improvements – ten years or period of the lease if shorter.
- Equipment, fixtures and fittings – between one and five years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the income statement.

Intangible assets

- (a) Business Combinations — the Target includes the results of operations of the businesses that it acquires as of the respective dates of acquisition. The Target allocates the fair value of the purchase price of acquisitions to the assets acquired and liabilities assumed based on their estimated fair values. The excess of the fair value of purchase price over the fair values of these identifiable assets and liabilities is recorded as goodwill. Contingent consideration is initially recognised at fair value, and subsequent changes to the estimate of deferred consideration are recognised in the income statement.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to appropriate cash generating units and it is not subject to amortisation but is tested annually for impairment.

(b) Other intangible assets

Other intangible assets which include; customer lists, media content, domain names and developed technology, are shown at historical cost. Amortisation is calculated using the straight-line method to allocate the cost of these intangible assets over their estimated useful lives (between three and ten years). Intangible assets are tested for impairment only where there is an indication that an impairment may have occurred.

(c) Internally developed software and website development

Non-integral computer software purchases are stated at cost less accumulated amortisation. Costs incurred in the development of new websites and unique software are capitalised only where the cost can be directly attributed to developing the website or software products to operate in the manner intended by management and only to the extent of the future economic benefits expected from its use. These costs are amortised on a straight-line basis over their estimated useful lives (between one and three years). Costs associated with maintaining websites or computer software include internally generated salary costs and are recognised as an expense as incurred.

Impairment tests and Cash-Generating Units (CGUs)

A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Goodwill is not amortised but tested for impairment at least once a year or more frequently when there is an indication that it may be impaired. Therefore, the evolution of general economic and financial trends as well as actual economic performance compared to market expectations represent external indicators that are analysed by the Target, together with internal performance indicators, in order to assess whether an impairment test should be performed more than once a year.

IAS 36 'Impairment of Assets' requires these tests to be performed at the level of each CGU or group of CGUs likely to benefit from acquisition-related synergies, within an operating segment.

Any impairment of goodwill is recorded in the income statement as a deduction from operating profit and is never reversed subsequently.

Other intangible assets with a finite life are amortised and are tested for impairment only where there is an indication that an impairment may have occurred

Inventories

Inventories are stated at the lower of cost and net realisable value. For raw materials, cost is taken to be the purchase price on a first in, first out basis. For work in progress and finished goods, cost is calculated as the direct cost of production. It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less a provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the Target will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through

the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income within net operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against net operating expenses in the statement of comprehensive income.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits repayable on demand or maturing within three months of the balance sheet date.

Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Invested capital

Net transfers to and from the Retained Group are included within invested capital. The components of net transfers to the Retained Group are included within the statement of changes in invested capital.

Invested capital in the balance sheet and statement of changes in invested capital represents the Retained Group's historical investment in the Target, the net effect of transactions with and allocations from the Retained Group and the Target's accumulated earnings. See note 15 for further information about transactions between the Target and the Retained Group.

New or revised accounting standards and interpretations

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after the dates shown below which the Target has chosen not to adopt early. These include the following standards which are relevant to the Target:

- IFRS 9 Financial instruments (effective 1 January 2018).
- IFRS 15 Revenue from contracts with customers (effective 1 January 2018).
- IFRS 16 Leases (effective 1 January 2019).

It is anticipated that the adoption of these standards and interpretations in future periods, particularly IFRS 15 and IFRS 16, will impact on the financial statements of the Target. The Target has not yet assessed the full impact of these standards, which will only become effective for Future Group's financial year commencing 1 October 2018.

The Target does not expect that the other standards and amendments issued but not yet effective will have a material impact on results or net assets.

C. Critical accounting estimates and assumptions

The preparation of the financial statements under IFRS requires the use of certain critical accounting assumptions and requires management to exercise its judgement and to make estimates in the process of applying the Target's accounting policies. The areas requiring a higher degree of judgment are as follows:

- (i) Allocation of central costs – the nature of this historical financial information is such that it includes a significant level of general corporate expenses of Purch that have been allocated to the Target. This allocation requires a significant level of judgment to be applied as to the level of costs relating to the Target, and has been done on the basis of various metrics, including headcount.
- (ii) Deferred tax asset recognition – Purch has not recognised a deferred tax asset for losses carried forward as there is insufficient certainty about their recoverability. Accordingly, such deferred tax assets have not been allocated to the Target, in accordance with the Basis of Preparation.

- (iii) Internally generated intangible assets – management are required to assess the point from which it is appropriate to capitalise internal development costs relating to websites and other software.
- (iv) Level of CGU for impairment testing – Goodwill recognised on the balance sheet at 31 December 2017, 2016 and 2015 relates to the acquisitions of Active Junky, Inc and the ShopSavvy.com business. These acquisitions were fully integrated into the Target, Inc during 2016. Although certain performance metrics relating to Active Junky, Inc continued to be measured for the purposes of calculating the contingent consideration discussed in note 16, the level of integration was such that management determined the cash generating unit (CGU) level for the purpose of impairment testing to be the Target as a whole.

Management bases its estimates on historical experience and on various other assumptions that management believes to be reasonable in the circumstances. The key estimates used in the preparation of this historical financial information that could result in a material change in the carrying value of assets or liabilities within the next twelve months:

- (i) Contingent consideration – the estimate of the contingent consideration payable for the acquisition of Active Junky, Inc as disclosed in note 16 required management to make assumptions about the future performance of that business. This liability was subsequently reassessed at each balance sheet date, resulting in a material reduction to the liability in 2016 which was reflected as a gain in the income statement.
- (ii) Impairment of trade receivables – management have made provision for the impairment of trade receivables based on the aging of receivables, historical collection experience and various other factors. Actual recovery of receivables has, and will continue, to differ from the amount provided. The historical movements in the provision, which show the amounts charged each year and amounts subsequently released when balances are collected, are shown in note 12.

Notes to the financial statements

1. Segmental information

1. Segmental reporting

The Board of Directors of Purch has been identified as the chief operating decision maker, reviewing the Target's internal reporting on a monthly basis in order to assess performance and allocate resources. The Target is organised and managed as a single reportable segment, although revenue is analysed between Advertising and Performance revenue:

- Advertising: Advertising revenue is generated through the sale of advertising space on Target-owned or network websites. Advertising is sold on an either fixed-fee basis or a cost-per-impression basis.
- Performance: Performance revenue is generated from the sale of prospective consumer interest, inquiry into a 3rd party business or a sales commission.

Revenue is defined as per the accounting policies. There are no intersegment revenues. The impact of individually significant customers is disclosed in note 13.

Operating expenses are managed across the Purch business as a whole and have been allocated to the Target as explained in the Basis of Preparation. Similarly, assets and liabilities are managed in aggregate and hence there is only one operating segment.

Analysis of Revenue

	2017 \$m	2016 \$m	2015 \$m
Advertising	40.3	36.0	41.5
Performance	23.2	23.0	17.7
Total revenue	63.5	59.0	59.2

2. Net Operating expenses

	2017 \$m	2016 \$m	2015 \$m
Cost of sales	(30.7)	(28.2)	(27.6)
Personnel costs (note 4)	(15.5)	(17.2)	(16.5)
Technology	(5.8)	(5.6)	(4.8)
Amortisation	(4.6)	(3.5)	(1.1)
Share based payments	(0.6)	(0.7)	(0.6)
Depreciation	(0.4)	(0.5)	(0.5)
Other	(8.3)	(8.6)	(7.9)
Net operating expenses	(65.9)	(64.3)	(59.0)

3. Other income

	2017 \$m	2016 \$m	2015 \$m
Change in fair value of Active Junky, Inc. earnout liability	–	2.1	–
Other	0.3	0.3	0.3
Total other income	0.3	2.4	0.3

4. Employees

The aggregate remuneration of employees comprised

	2017 \$m	2016 \$m	2015 \$m
Wages and salaries	19.8	19.5	17.3
Fringe benefits	4.3	4.1	3.9
Bonus and commissions	3.5	3.5	4.8
Intercompany allocations	1.8	2.0	3.2
	<u>29.4</u>	<u>29.1</u>	<u>29.2</u>
Less: amounts included in cost of sales	11.2	10.1	11.3
Less: amounts capitalised	2.7	1.8	1.4
Total	<u><u>15.5</u></u>	<u><u>17.2</u></u>	<u><u>16.5</u></u>

Average annual number of people

The average annual number of employees was

	2017	2016	2015
Business intelligence	6	7	4
Content	80	82	84
Development	44	37	32
Product	29	36	30
Fulfilment	2	2	3
Sales and marketing	29	30	29
Finance	8	8	10
Total	<u><u>198</u></u>	<u><u>202</u></u>	<u><u>192</u></u>

Key management compensation

	2017 \$m	2016 \$m	2015 \$m
Wages and salaries	0.9	1.1	1.4
Fringe benefits	0.1	0.1	0.1
Bonus and commissions	1.3	0.6	0.9
Share-based compensation	0.3	0.4	0.3
Total	<u><u>2.6</u></u>	<u><u>2.2</u></u>	<u><u>2.7</u></u>

Key management is defined as those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any directors (whether executive or otherwise) of the entity. This comprises 100 per cent. of the costs of two individuals, and an apportionment of the costs of five individuals in 2017 and 2016, and 100 per cent. of the costs of one individual, with an apportionment of the costs of four individuals, in 2015.

5. Tax

The tax credited in the consolidated income statement for continuing operations is analysed below:

	2017 \$m	2016 \$m	2015 \$m
UK corporation tax			
Current tax at 24% (2016: 39%) (2015: 39%) on the profit for the year	—	—	—
Adjustments in respect of previous years	—	—	—
Current tax	—	—	—
Deferred tax origination and reversal of temporary differences			
Current year (credit)/charge (note 7)	(0.7)	(0.4)	(0.1)
Deferred tax	(0.7)	(0.4)	(0.1)
Total tax credit on continuing operations	(0.7)	(0.4)	(0.1)

The tax assessed in each year differs from the standard rate of corporation tax in the US for the relevant year. The differences are explained below:

	2017 \$m	2016 \$m	2015 \$m
(Loss)/Profit before tax	(2.1)	(2.9)	0.5
(Loss)/profit before tax at the standard US tax rate of 24% (2016: 39%) (2015: 39%)	(0.5)	(1.1)	0.2
Deferred tax not recognised	(0.2)	0.7	(0.3)
Total tax credit on continuing operations	(0.7)	(0.4)	(0.1)

Factors affecting future tax charges:

The Target has historically been part of Purch and therefore the tax charge above reflects an allocation of the total group tax position as described in the basis of preparation. Following completion of the Acquisition Agreement, the Target will operate as a separate business and therefore will be subject to their own tax charge on a stand-alone basis. This may differ from the effective rate shown above.

6. Property and equipment

	<i>Equipment \$m</i>	<i>Furniture & fixtures \$m</i>	<i>Purchased software \$m</i>	<i>Leasehold improvements \$m</i>	<i>Construction in process \$m</i>	<i>Total \$m</i>
Cost						
At 1 January 2015	1.9	0.6	0.1	0.4	0.1	3.1
Acquisitions through business combination	–	–	–	–	–	–
Additions	0.2	0.2	–	–	–	0.4
At 31 December 2015	2.1	0.8	0.1	0.4	0.1	3.5
Additions	0.3	0.2	–	–	(0.1)	0.4
Disposals	(0.1)	–	–	–	–	(0.1)
At 31 December 2016	2.3	1.0	0.1	0.4	–	3.8
Additions	0.2	0.2	–	–	0.1	0.3
Disposals	–	–	–	–	–	–
At 31 December 2017	2.5	1.2	0.1	0.4	0.1	4.1
Accumulated depreciation						
At 1 January 2015	(1.4)	(0.1)	(0.1)	(0.1)	–	(1.7)
Charge for the year	(0.3)	(0.1)	–	(0.1)	–	(0.5)
At 31 December 2015	(1.7)	(0.2)	(0.1)	(0.2)	–	(2.2)
Charge for the year	(0.2)	(0.1)	–	(0.1)	–	(0.5)
Disposals	–	–	–	–	–	–
At 31 December 2016	(1.9)	(0.3)	(0.1)	(0.3)	–	(2.6)
Charge for the year	(0.2)	(0.1)	–	(0.1)	–	(0.4)
Disposals	–	–	–	–	–	–
At 31 December 2017	(2.1)	(0.5)	(0.1)	(0.4)	–	(3.1)
Net book value at 31 December 2017	0.4	0.7	–	–	0.1	1.2
Net book value at 31 December 2016	0.4	0.7	–	0.1	–	1.2
Net book value at 31 December 2015	0.4	0.6	–	0.2	0.1	1.3
Net book value at 1 January 2015	0.6	0.5	0.1	0.2	0.1	1.5

7. Intangible assets

	<i>Goodwill</i> \$m	<i>Customer list</i> \$m	<i>Media content</i> \$m	<i>Domain names</i> \$m	<i>Developed technology</i> \$m	<i>Internally developed software</i> \$m	<i>Total</i> \$m
Cost							
At 1 January 2015	3.3	1.4	0.6	2.0	–	0.9	8.2
Acquisitions through business combinations	8.5	0.6	0.3	1.0	5.1	–	15.5
Additions	–	–	–	–	–	2.5	2.5
At 31 December 2015	11.8	2.0	0.9	3.0	5.1	3.4	26.2
Additions	–	–	–	–	–	2.8	2.8
At 31 December 2016	11.8	2.0	0.9	3.0	5.1	6.2	29.0
Additions	–	–	–	–	–	2.9	2.9
At 31 December 2017	11.8	2.0	0.9	3.0	5.1	9.1	31.9
Accumulated amortisation							
At 1 January 2015	–	(0.6)	(0.5)	(0.3)	–	–	(1.4)
Charge for the year	–	(0.2)	(0.1)	(0.2)	(0.2)	(0.4)	(1.1)
At 31 December 2015	–	(0.8)	(0.6)	(0.5)	(0.2)	(0.4)	(2.5)
Charge for the year	–	(0.4)	(0.1)	(0.3)	(1.0)	(1.7)	(3.5)
At 31 December 2016	–	(1.2)	(0.7)	(0.8)	(1.2)	(2.1)	(6.0)
Charge for the year	–	(0.3)	(0.2)	(0.3)	(1.0)	(2.8)	(4.6)
At 31 December 2017	–	(1.5)	(0.9)	(1.1)	(2.2)	(4.9)	(10.6)
Net book value at 31 December 2017	11.8	0.5	–	1.9	2.9	4.2	21.3
Net book value at 31 December 2016	11.8	0.8	0.2	2.2	3.9	4.1	23.0
Net book value at 31 December 2015	11.8	1.2	0.3	2.5	4.9	3.0	23.7
Net book value at 1 January 2015	3.3	0.8	–	1.8	–	1.0	6.8

Goodwill impairment assessment

Goodwill recognised on the balance sheet at 31 December 2017, 2016 and 2015 relates to the acquisitions of Active Junky, Inc and the ShopSavvy.com business. These acquisitions were fully integrated into the Target during 2016. Although certain performance metrics relating to Active Junky, Inc continued to be measured for the purposes of calculating the contingent consideration discussed in note 16, the level of integration was such that management determined the cash generating unit (CGU) level for the purpose of impairment testing to be the B2C business as a whole.

Management performed a value in use calculation at both 31 December 2016 and 2017 to support the recoverable amount of the business using the following information and assumptions:

- Basis of calculation – discounted cash flows, based on the 10 year business plan approved by the Board of Directors, plus terminal value calculation.
- Post tax discount rate – based on the weighted average cost of capital of Purch of 15.5 per cent. in 2017 and 16.8 per cent. in 2016.
- Long term growth rate – 2017: 4 per cent. 2016: 4 per cent.

The key assumption in these calculations is the level of revenue growth that the business will experience. The budgets assume growth of between 9 and 16 per cent. in each of the first 5 years of the budget period, declining to 4 per cent. by year 9 and 10. Management based its expectation of high growth rates based on increased readership and engagement (volume) and the increased pricing power (price) due to the following reasons:

- The scalable technology infrastructure which allows for rapid increases in reach and monetisation of its sites
- The implementation of internal operational tracking allowing nearly real-time adjustment of publishing and monetisation tactics
- Increased engagement levels with our readers based on increased utility and a strong value proposition for the sites and content
- The continued maturation of the company's advertising sales force, allowing the company additional access to higher cpm advertising revenue, thereby increasing overall monetisation
- The roll out of the server to server advertising platform as a SAAS service to 3rd party publishers, allowing for a profitable and scalable platform for continued growth

Based on these assumptions, the value in use of the B2C business significantly exceeded the carrying value of the assets, including goodwill. Even if this growth beyond year five had been reduced to zero, no impairment would have resulted.

In 2015, the impairment review was performed shortly after the acquisitions of the individual businesses. Since there was no evidence of any significant changes in the assumptions on which the businesses had been acquired, no impairment was identified.

8. Deferred tax assets and liabilities

The major deferred tax liabilities recognised by the Target are in relation to intangible assets acquired in a business combination, amounting to \$0.3 million at 31 December 2017, \$1.0 million at 31 December 2016 and \$1.4 million at 31 December 2015. Deferred tax assets relating to losses carried forward by Purch have not been recognised due to insufficient certainty over when they could be utilised and hence have not been allocated to the Target.

9. Trade and other receivables

	2017 \$m	2016 \$m	2015 \$m	2014 \$m
Trade receivables	17.7	14.4	13.2	10.8
Provision for impairment of trade receivables	(0.4)	(0.7)	(0.4)	(0.2)
Trade receivables, net	17.3	13.7	12.8	10.6
Prepaid expenses	0.9	1.0	0.9	0.7
Intercompany receivable	—	—	—	0.3
Other receivables	0.1	1.3	1.3	—
Total	18.3	16.0	15.0	11.6

10. Cash and cash equivalents

	2017 \$m	2016 \$m	2015 \$m	2014 \$m
Cash at bank and in hand	1.0	0.3	0.9	0.2
Total	1.0	0.3	0.9	0.2

11. Trade and other payables

	2017 \$m	2016 \$m	2015 \$m	2014 \$m
Trade payables	2.7	1.9	2.6	2.7
Payroll and benefit related expenses	2.9	3.1	2.7	2.5
Accruals	4.1	3.2	2.5	0.4
Deferred revenue	0.2	0.3	0.3	0.3
Intercompany payables	0.1	0.6	1.0	–
Other Payables	–	1.3	3.5	0.8
Total	10.0	10.4	12.6	6.7

Other payables include contingent consideration related to the acquisition of Active Junky, Inc as described in note 15. With the exception of this contingent consideration, the carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature. The contingent consideration is measured at fair value as described in note 12.

12. Recognised fair value measurements

The following table presents the liabilities at December 31, 2016, 2015 and 2014, which are recognised and measured at fair value in the financial statements. There were no liabilities at December 31, 2017 recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

<i>Fair value measurements at December 31, 2016 (\$m)</i>				
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Active Junky, Inc. contingent consideration payable	–	–	0.5	0.5
Total	–	–	0.5	0.5

<i>Fair value measurements at December 31, 2015 (\$m)</i>				
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Active Junky, Inc. contingent consideration payable	–	–	3.5	3.5
Total	–	–	3.5	3.5

<i>Fair value measurements at December 31, 2014 (\$m)</i>				
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
ANandTech.com earnout liability	–	–	0.8	0.8
Total	–	–	0.8	0.8

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

The earnout liabilities were recognised at the completion date for each acquisition equal to the estimated fair value of the acquisition-related contingent consideration based on the probability of achievement of certain performance targets. Changes in the fair value of such contingent earnout liabilities subsequent to the acquisition completion date are recognised as other income in the income statement in the periods the estimated fair value changes until the amount of such contingent obligation becomes fixed and determinable. In developing these fair value estimates at the date of acquisition and at each reporting period, Purch considers revenue projections, historical results, general macroeconomic environment, industry trends, and the probability of the achievement of the performance targets.

These fair value measurements are based on significant inputs not observed in the market and reflect management's assumptions. There were no significant inter-relationships between unobservable inputs that materially affect fair values.

The following table indicates the change in the Level 3 financial instrument for the years ended December 31, 2017, 2016 and 2015:

	2017 \$m	2016 \$m	2015 \$m
Balance at 1 January	0.5	3.5	0.8
Active Junky, Inc. contingent consideration earnout liability	–	–	3.5
Active Junky, Inc. contingent consideration earnout payment	(0.5)	(0.9)	–
AnandTech.com contingent consideration earnout payment	–	–	(0.8)
Change in fair value of Active Junky, Inc. earnout liability	–	(2.1)	–
Balance at 31 December	–	0.5	3.5

13. Financial Instruments

Financial risk management

The determination of financial risk management policies and the treasury function is managed by Purch. Policies are set to reduce risk as far as possible without unduly affecting the operating effectiveness of the Target.

The Target's activities expose it to a variety of financial risks, the most significant being credit risk as discussed below.

The Target does not have any derivative financial instruments.

Categories of financial instruments

The Target has the below categories of financial instruments.

	Note	2017 \$m	2016 \$m	2015 \$m	2014 \$m
Cash and bank balances	8	1.0	0.3	0.9	0.2
Trade Receivables – net	7	17.3	13.7	12.9	10.6
Total financial assets		18.3	14.0	13.8	10.8
Trade payables	9	2.7	1.9	2.6	2.7
Accruals	9	4.1	3.2	2.5	0.4
Other payables	9	–	1.3	3.5	0.8
Total financial liabilities		6.8	6.4	8.6	3.9

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss for the Target. Financial instruments, which potentially subject the Target to concentration of credit risk,

consist primarily of cash and cash equivalents and trade accounts receivable. The Target places its cash and cash equivalents with major financial institutions, which management assesses to be of high-credit quality, to limit the exposure of each investment.

Trade receivables

Trade accounts receivable are derived primarily from the sale of advertising and generally have 30-day terms. With the exception of two customers as noted below, credit risk with respect to accounts receivable is dispersed due to the large number of customers. In addition, Purch's credit risk is mitigated by a relatively short collection period. Collateral is not required for accounts receivable. The credit quality of trade receivables not yet due nor impaired has been assessed as acceptable.

As of December 31, 2017, two customers individually accounted for 21 per cent. and 14 per cent. of the Target's accounts receivable, respectively. As of December 31, 2016, one customer individually accounted for 11 per cent. of the Target's accounts receivable. As of December 31, 2015, one customer individually accounted for 12.5 per cent. of the Target's accounts receivable. For the years ended December 31, 2017, 2016 and 2015, one customer individually accounted for 26 per cent., 25 per cent. and 31 per cent. of net revenues, respectively.

The gross aging of trade receivables according to their original due date is detailed below:

	2017	2016	2015	2014
	\$m	\$m	\$m	\$m
<i>Past due</i>				
0-30 days	13.7	11.5	11.5	9.1
31-60 days	2.3	1.5	1.2	0.4
61-90 days	0.8	0.6	0.3	0.8
91+ days	0.9	0.8	0.3	0.5
Total	<u>17.7</u>	<u>14.4</u>	<u>13.3</u>	<u>10.8</u>

The movement in provision for trade receivables during the year is as follows:

	2017	2016	2015
	\$m	\$m	\$m
At 1 January	(0.7)	(0.4)	(0.2)
Provision for receivables impaired	(0.4)	(0.4)	(0.4)
Collection of previously provisioned receivables	0.6	—	—
Receivables written off during the year	0.1	0.1	0.2
At 31 December	<u>(0.4)</u>	<u>(0.7)</u>	<u>(0.4)</u>

Liquidity risk and Interest rate risk

The Target has no debt and hence is not exposed to significant liquidity or interest rate risk.

Currency risk

The Target operates predominantly in the US and has minimal exposure to foreign currency risk. There are no assets and liabilities denominated in foreign currencies.

14. Share-based payments

The income statement charge for share-based payments was \$0.6 million for the year ended 31 December 2017, \$0.7 million for the year ended 31 December 2016, and \$0.6 million for the year ended 31 December 2015. This charge has been included within net operating expenses.

These charges arise when employees are granted awards under Purch's 2008 Plan and 2012 Plan. The charge equates to the fair value of the award and has been calculated using the Black-Scholes model.

Assumptions have been made in this model for expected volatility, risk-free rates, expected life, and dividend yield.

The weighted average fair value for grants made during each year, and the weighted average assumptions used in the calculation are as follows:

	2017	2016	2015
Share price	\$2.14	\$1.69	\$2.18
Exercise price	\$2.14	\$2.14	\$2.18
Expected volatility	43.70%	46.70%	45.00%
Expected life (years)	5.49	5.49	5.14
Risk-free rate	1.44%	1.52%	1.76%
Dividend yield	0.00%	0.00%	0.00%
Fair Value	\$0.70	\$0.87	\$1.08

The share based payment charge has been calculated for Purch and allocated to the Target as part of general corporate expenses as described in the Basis of Preparation. It is not therefore practicable or appropriate to provide information on the number of share options granted, exercised and outstanding.

15. Commitments and contingent liabilities

Operating lease commitments

The Target leases its various office facilities under operating lease agreements. The terms of certain lease agreements provide for rental payments on a graduated basis. The Target recognises rent expense on a straight-line basis over the lease period and records a deferred rent liability for the difference. Rent expense under operating leases is recognised, net of the amortisation of any deferred rent, on a straight-line basis over the terms of the leases.

At the balance sheet date, the Target had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017 \$m	2016 \$m	2015 \$m
Within one year	1.9	1.6	1.6
Between one and five years	3.4	1.6	2.6
After five years	—	—	—
Total	5.3	3.2	4.2

Operating lease payments represent rentals payable by the Target on its office properties.

Legal Matters

The Target is at times involved in various claims and legal actions that arise in the normal course of business. In the opinion of management, the ultimate disposition of these matters is not expected to have a material adverse effect on the Target's financial position or results of operations.

16. Related party transactions

Transactions and balances between Active Junky, Inc. and ShopSavvy, Inc. have been eliminated. The remuneration of key management personnel and directors is set out in note 4.

The income statement of the Target reflects allocations of general corporate expenses from Purch including, but not limited to, employee, technology, facilities, professional services, office, human resources, sales and marketing costs. These allocations were made on a direct usage basis when identifiable, with the remainder allocated on the basis of revenue, headcount or other relevant measures. These allocations have been considered to be a reasonable reflection of the utilisation of services by, or the benefits provided to, the Target. These allocations were as follows:

<i>Operating Expense Type</i>	<i>2017 \$m</i>	<i>2016 \$m</i>	<i>2015 \$m</i>
Employees cost	10.1	9.2	9.5
Technology	3.3	3.1	2.5
Facilities	1.7	1.5	1.5
Professional services	0.7	1.0	1.0
Human resources	0.4	0.4	0.4
Office expenses	0.3	0.7	0.7
Sales and marketing	0.2	0.3	0.3
Total General Corporate Allocations	16.7	16.2	15.9

These allocations may not, however, reflect the expenses the Target would have incurred as a standalone company for the periods presented. Actual costs that may have been incurred if the Target had been a standalone company would depend on a number of factors, including the chosen organisational structure, what functions were outsourced or performed by employees and strategic decisions made in areas such as information technology and infrastructure.

Invested capital on the balance sheet and in the statement of changes in invested capital represents Purch's historical investment in the Target, the net effect of transactions with and allocations to the Retained Group and the Target's accumulated earnings.

During 2017, 2016 and 2015, the Target was charged \$2.2 million, \$2.5 million and \$3.2 million respectively by the Retained Group in relation to general corporate expenses. Intercompany transactions between the Target and the Retained Group are considered to be effectively settled as if Purch and the Retained Group were not part of a group in the historical financial information at the time the transaction is recorded. It has been assumed that all the transactions have been settled at the balance sheet date on a usual third party arms' length basis with commercial payment terms. The total net effect of the settlement of these intercompany transactions is reflected in the statement of cash flows within financing activities and on the balance sheet within invested capital. Net transfers from the Retained Group are included within invested capital. The components of net transfers from the Retained Group in the statement of changes in equity for all periods presented were as follows:

	<i>2017 \$m</i>	<i>2016 \$m</i>	<i>2015 \$m</i>
Cash pooling and general financing activities	(13.6)	(11.7)	(4.5)
Corporate allocations	16.7	16.2	16.0
Total net transfers from the Retained Group per statement of changes in invested capital	3.1	4.5	11.5

The balance sheet of the Target reflects balances with third parties which are held and managed by Purch but pertain to the Target. These balances were as follows:

	<i>2017 \$m</i>	<i>2016 \$m</i>	<i>2015 \$m</i>
Trade receivables – net	16.2	12.9	12.1
Prepaid expenses	0.9	1.0	0.8
Other current assets	0.3	–	–
Related party payables	(0.1)	(0.6)	(1.1)
Trade payables	(2.2)	(1.7)	(2.0)
Accruals & other liabilities	(6.5)	(6.3)	(4.6)
Deferred rent	(0.3)	(0.1)	(0.2)
Total net assets held by Purch per combined balance sheet	8.3	5.2	5.0

17. Acquisitions

ShopSavvy, Inc. – Purch acquired the website ShopSavvy.com and the related mobile application in December 2015. ShopSavvy.com provides a simple, personalised shopping experience for consumers with reliable product pricing and information. The Target accounted for the acquisition as a business combination and the \$3.0 million purchase price was paid in cash.

The impact of the acquisition on the combined balance sheet was:

	<i>Provisional fair value \$m</i>
Intangible assets:	
– Developed technology	1.6
– Domain names/trade names	0.3
Accounts payable	–
Net assets acquired	<u>1.9</u>
Goodwill	<u>1.1</u>
	<u>3.0</u>
Consideration:	
Cash	<u>3.0</u>
Total consideration	<u><u>3.0</u></u>

Active Junky, Inc. – Purch acquired all of the outstanding shares of Active Junky, Inc. in September 2015. Active Junky, Inc. partners with outdoor gear retailers to offer its members cashback rewards and other deals. The Target accounted for the acquisition as a business combination. The \$11.2 million purchase price included a contingent consideration liability of \$3.5 million based on the achievement of certain performance targets of Active Junky, Inc., a holdback liability of \$0.7 million to be issued in cash eighteen months after the acquisition date and a cash payment of \$7.0 million.

The impact of the acquisition on the combined balance sheet was:

	<i>Fair value \$m</i>
Cash and cash equivalents, net of cash paid	0.3
Accounts receivable	0.6
Prepaid expenses and other assets	–
Property and equipment	–
Intangible assets:	
– Customer lists	0.6
– Media content	0.3
– Developed technology	3.5
– Domain names/trade names	0.7
Accounts payable	(0.1)
Accrued liabilities	(0.5)
Deferred tax liabilities	(1.6)
Net assets acquired	<u>3.8</u>
Goodwill	<u>7.4</u>
Consideration:	
Contingent consideration	3.5
Holdback liability	0.7
Cash	<u>7.0</u>
Total consideration	<u><u>11.2</u></u>

The goodwill arising from the acquisitions discussed above consisted largely of the synergies and economies of scale Purch expected to achieve from combining the acquired assets and operations with its historical operations.

Active Junky, Inc. Earnout

The earnout liability valued at the time of acquisition totalling \$3.5 million reflected the amount due to the former owners in accordance with the terms of the purchase agreement. In accordance with the purchase agreement, Purch paid \$1.3 million to an escrow agent to be held and used for payment upon achievement of performance targets related to the earnout liability. The escrow deposit was included as a component of trade and other receivables in the balance sheet as of December 31, 2016 and 2015.

In accordance with the purchase agreement, the first anniversary payment for the earnout liability was settled in October 2016 in the amount of \$912k by issuing 66,708 shares of Purch's common stock and approximately \$611k in cash. For the year ended December 31, 2016, the probability of achieving the performance targets for the second anniversary payment was revised and the difference of \$2.1 million between the earnout liability at the time of acquisition and the estimate as of December 31, 2016, was recorded as other income in the income statement for the year ended December 31, 2016.

In accordance with the purchase agreement, the second and final anniversary payment for the earnout liability was settled in May 2017 with a \$500k cash payment. Upon this final payment, the escrow deposit was released to Purch and, as such, the escrow deposit has no remaining balance as of December 31, 2017.

Results of Active Junky, Inc.

The results of Active Junky included in the historical financial information of the Target for the four month period from acquisition to 31 December 2015 were as follows:

	<i>\$m</i>
Revenue	1.2
Loss before tax	(0.5)

It is not possible to provide the same information for Shop Savvy, as the assets were immediately integrated into the Target. However the acquisition did not have material revenues at the point it was acquired.

18. Principal subsidiaries

The combined historical financial information of the Target represents the assets, liabilities, results and cash flows of the Target carved out from the parent company, Purch. The historical information of Purch includes the specific legal entities listed below, as well as assets, liabilities, results and cash flows pertaining to the Target carved-out from other Purch legal entities.

Details of principal subsidiaries are provided below:

<i>Company name and registered number</i>	<i>Country of incorporation</i>	<i>Nature of business</i>
Active Junky	United States	Affiliate advertising for outdoor gear retailers
Shop Savvy	United States	Mobile application – online pricing comparison

19. Post balance sheet event

No material events have occurred after the reporting period.

PART 16

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

Section A: Accountant's Report on the Unaudited Pro Forma Financial Information



The Directors
Future plc
Quay House
The Ambury
Bath, BA1 1UA

18 July 2018

Dear Sirs

Future plc (the “Company”)

We report on the pro forma financial information (the “Pro Forma Financial Information”) set out in Section B of Part 16 of the Company’s prospectus dated 18 July 2018 (the “Prospectus”) which has been prepared on the basis described in the notes to the Pro Forma Financial Information, for illustrative purposes only, to provide information about how the proposed rights issue and acquisition of the Target might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing the consolidated historical financial information for the period ended 30 September 2017 and the unaudited consolidated interim financial information for the period ended 31 March 2018. This report is required by item 7 of Annex II to the PD Regulation and item 20.2 of Annex I to the PD Regulation and is given for the purpose of complying with that PD Regulation and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company to prepare the Pro Forma Financial Information in accordance with item 20.2 of Annex I to the PD Regulation.

It is our responsibility to form an opinion, as required by item 7 of Annex II to the PD Regulation and item 20.2 of Annex I to the PD Regulation as to the proper compilation of the Pro Forma Financial Information and to report our opinion to you.

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

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and for any responsibility arising under item 5.5.3R(2)(f) of the Prospectus Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 23.1 of Annex I to the PD Regulation, consenting to its inclusion in the Prospectus.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted

primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the directors of the Company.

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

Opinion

In our opinion:

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

Declaration

For the purposes of Prospectus Rule 5.5.3 R(2)(f), we are responsible for this report as part of the document and we 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 item 1.2 of Annex I to the PD Regulation.

Yours faithfully

PricewaterhouseCoopers LLP

Chartered Accountants

Section B: Unaudited Pro Forma Financial Information

The unaudited pro forma statement of net assets set out below has been prepared on the basis set out in the notes below and to illustrate the impact of the Rights Issue and the Acquisition on the consolidated net assets of the Group. The pro forma statement of net assets is based on the consolidated net assets of the Group as at 31 March 2018 and the net assets of the Target as at 31 December 2017 and has been prepared on the basis that the Rights Issue and the Acquisition had taken place on 31 March 2018.

The unaudited pro forma income statement set out below has been prepared on the basis set out in the notes below and to illustrate the effect of the acquisition of Home Interest, the Rights Issue and the Acquisition on the income statement of the Group for the financial year ended 30 September 2017 as if they had taken place at the beginning of that financial year. In respect of the acquisition of Home Interest the unaudited pro forma income statement removes the financial results of Home Interest for the period from 7 July 2017 to 30 September 2017, which are included in the income statement of the Group for the financial year ended 30 September 2017, and then adds the financial results of Home Interest for the year ended 31 December 2016.

The unaudited pro forma income statement and unaudited pro forma net assets statement (together the “Unaudited Pro Forma Financial Information”) have been prepared in a manner consistent with the accounting policies adopted by the Group for the year ended 30 September 2017 and the six months ended 31 March 2018 respectively, and in accordance with Annex II of the Prospectus Directive.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only, and because of its nature, addresses a hypothetical situation. It does not purport to represent what the Group’s financial position or results of operations actually would have been if the Rights Issue or Acquisition had been completed on the dates indicated, nor does it purport to represent the results of operations for any future period or financial position at any future date. It does not reflect the results of any purchase price allocation exercise as this will be conducted following the Acquisition. The adjustments in the Unaudited Pro Forma Financial Information are expected to have a continuing impact on the Group, unless otherwise stated.

The Unaudited Pro Forma Financial Information does not constitute financial statements within the meaning of Section 434 of the Act. Shareholders should read the whole of this document and not rely solely on the summarised financial information contained in this Part 16. PricewaterhouseCoopers LLP’s report on the Unaudited Pro Forma Financial Information is set out in Section B of this III 10.3 Part 16.

1. Unaudited pro forma statement of net assets

	Adjustments for the Rights Issue and related Acquisition					
	Consolidated net assets of the Group as at 31 March 2018 Note 1 £'m	Rights Issue adjustments Note 2 £'m	Subtotal £'m	Net assets of the Target as at 31 December 2017 Note 3 £'m	Acquisition costs and related adjustments Note 4 £'m	Total £'m
Assets						
Non-current assets						
Property, plant and equipment	1.1	–	1.1	0.8	–	1.9
Intangible assets – goodwill	65.7	–	65.7	8.7	76.9	151.3
Intangible assets – other	24.1	–	24.1	7.1	–	31.2
Investments	0.2	–	0.2	–	–	0.2
Deferred tax	4.7	–	4.7	–	–	4.7
Total non-current assets	95.8	–	95.8	16.6	76.9	189.3
Current assets						
Inventories	0.8	–	0.8	–	–	0.8
Corporation tax recoverable	0.2	–	0.2	–	–	0.2
Trade and other receivables	16.2	–	16.2	13.6	–	29.8
Cash and cash equivalents	17.5	105.7	123.2	0.7	(105.5)	18.4
Total current assets	34.7	105.7	140.4	14.3	(105.5)	49.2
Total assets	130.5	105.7	236.2	30.9	(28.6)	238.5
Non-current liabilities						
Financial liabilities – interest-bearing loans and borrowings	(17.0)	–	(17.0)	–	–	(17.0)
Deferred tax	(4.4)	–	(4.4)	(0.2)	–	(4.6)
Provisions	(2.3)	–	(2.3)	–	–	(2.3)
Other non-current liabilities	(0.5)	–	(0.5)	(0.2)	–	(0.7)
Total non-current liabilities	(24.2)	–	(24.2)	(0.4)	–	(24.6)
Current liabilities						
Financial liabilities – interest-bearing loans and borrowings	(2.5)	–	(2.5)	–	–	(2.5)
Financial liabilities – derivatives	(0.1)	–	(0.1)	–	–	(0.1)
Trade and other payables	(35.2)	–	(35.2)	(7.4)	–	(42.6)
Corporation tax payable	(2.5)	–	(2.5)	–	–	(2.5)
Total current liabilities	(40.3)	–	(40.3)	(7.4)	–	(47.7)
Total liabilities	(64.5)	–	(64.5)	(7.8)	–	(72.3)
Net Assets	66.0	105.7	171.7	23.1	(28.6)	166.2

Notes to the pro forma net assets statement

- The Group's net assets as at 31 March 2018 has been extracted, without material adjustment, from the consolidated balance sheet of the Group included in the 31 March 2018 Interims, which have been incorporated by reference in Part 15 of this document.
- The Acquisition will be funded through the Rights Issue of £105.7 million which will be used to settle the consideration of £100.1 million and transaction costs of £5.4 million.

3. The Target's net assets as at 31 December 2017 has been extracted, without material adjustment, from the balance sheet of the Target as at 31 December 2017, which is set out in Part 15 of this document, and translated at an exchange rate of \$1.35:£1, this being the rate prevailing as at 31 December 2017, as follows:

	Net assets of the Target as at 31 March 2018 (\$'m)	Net assets of the Target as at 31 March 2018 (£'m)
Non-current assets		
Property, plant and equipment	1.2	0.8
Intangible assets – goodwill	11.8	8.7
Intangible assets – other	9.5	7.1
Total non-current assets	22.5	16.6
Current assets		
Trade and other receivables	18.3	13.6
Cash and cash equivalents	1.0	0.7
Total current assets	19.3	14.3
Total assets	41.8	30.9
Non-current liabilities		
Deferred tax	(0.3)	(0.2)
Other non-current liabilities	(0.3)	(0.2)
Total non-current liabilities	(0.6)	(0.4)
Current liabilities		
Trade and other payables	(10.0)	(7.4)
Total current liabilities	(10.0)	(7.4)
Total liabilities	(10.6)	(7.8)
Net Assets	31.2	23.1

4. Acquisition costs and related adjustments comprise the following:

- As outlined in paragraph 1 of Part 10 (*The Acquisition and Information on the Target*) of this document, the amount of consideration is subject to customary post-Completion adjustments based on the amounts of cash and working capital in the Target at Completion. The transaction is on a debt-free, cash free basis. A working capital adjustment is made as part of Completion and is therefore included in (c) below.
- The cash outflow of £105.5 million reflects total consideration of £100.1 million as per (c) below plus £5.4 million of transaction costs.
- The Group will account for the Acquisition as an acquisition under IFRS by applying the purchase method. Under this method the cost of the Acquisition is the aggregate of the fair values, at the Acquisition date, of the assets and liabilities acquired. The identifiable assets and liabilities of the Acquisition will be measured initially at fair value at the Acquisition date. The excess of the cost of the Acquisition over the net fair value of the identifiable assets and liabilities is recognised as goodwill. A fair value exercise to allocate the purchase price will be completed following completion of the Acquisition; therefore, no account has been taken in the pro forma of any fair value adjustment that may arise on the Acquisition.

The consideration of £100.1 million will be payable in cash and will be funded through a rights issue. This is subject to further deduction for customary post-Completion adjustment based on the amounts of debt, cash and working capital in the Target at Completion.

The total consideration payable and the calculation of the adjustment to goodwill is set out below:

	£'m
Total enterprise value	100.1
Working capital adjustment (i)	(0.1)
Total consideration (ii)	100.0
Net assets of the Target as at 31 December 2017	(23.1)
Pro forma goodwill	76.9

- As outlined in (a) above a working capital adjustment is made at Completion to true up final working capital to an agreed normalised position. The adjustment included in this pro forma is based on the working capital position at 31 December 2017.
 - The purchase consideration is US\$132.5 million at a hedged rate of US\$1.3241: £1.
5. In preparing the unaudited pro forma net assets statement no account has been taken of the trading or transactions of the Target or the Company since 31 December 2017 and 31 March 2018 respectively.

2. Unaudited pro forma income statement

	<i>Adjustments for the Home Interest Acquisition</i>					<i>Adjustments for the Acquisition</i>			
	<i>Income statement of the Group for the year ended 30 September 2017</i>	<i>Less Home Interest results from 1 August 2017 to 30 September 2017</i>	<i>Combined income statement of Home Interest for the year ended 31 December 2016</i>	<i>Adjustments</i>	<i>Subtotal</i>	<i>Combined income statement of the Target for the year ended 31 December 2017</i>	<i>Acquisition costs and related adjustments</i>	<i>Total</i>	
	<i>Note 6</i>	<i>Note 7</i>	<i>Note 8</i>	<i>Note 9</i>		<i>Note 10</i>	<i>Note 11</i>		
	<i>£'m</i>	<i>£'m</i>	<i>£'m</i>	<i>£'m</i>	<i>£'m</i>	<i>£'m</i>	<i>£'m</i>	<i>£'m</i>	<i>£'m</i>
Continued operations:									
Revenue	84.4	(2.5)	12.8	–	94.7	49.3	–	144.0	
Other income	–	–	–	–	–	0.2	–	0.2	
Net operating expenses	(83.6)	3.1	(9.7)	(1.1)	(91.3)	(51.1)	(1.8)	(144.2)	
<i>Adjusted net operating expenses</i>	(75.5)	1.7	(9.7)	–	(83.5)	(49.2)	–	(132.7)	
<i>Other net operating expenses</i>	(8.1)	1.4	–	(1.1)	(7.8)	(1.9)	(1.8)	(11.5)	
Operating profit/(loss)	0.8	0.6	3.1	(1.1)	3.4	(1.6)	(1.8)	–	
Finance income	0.1	–	–	–	0.1	–	–	0.1	
Finance costs	(0.7)	0.1	–	(0.3)	(0.9)	–	–	(0.9)	
Net finance costs	(0.6)	0.1	–	(0.3)	(0.8)	–	–	(0.8)	
Profit/(loss) before tax	0.2	0.7	3.1	(1.4)	2.6	(1.6)	(1.8)	(0.8)	
Tax on profit/(loss)	1.4	(0.1)	(0.6)	0.1	0.8	0.5	–	1.3	
<i>Adjusted tax on profit/(loss)</i>	1.1	–	–	0.1	1.2	–	–	1.2	
<i>Other tax on profit/(loss)</i>	0.3	(0.1)	(0.6)	–	(0.4)	0.5	–	0.1	
Profit/(loss) for the year attributable to owners of the parent	1.6	0.6	2.5	(1.3)	3.4	(1.1)	(1.8)	0.5	

Notes to the pro forma income statement:

- The Group's income statement has been extracted, without material adjustment, from the Group's audited, consolidated income statement for the year ended 30 September 2017, which is incorporated by reference in Part 16 of this document.
- The Group completed the acquisition of Home Interest on 1 August 2017. The financial information of Home Interest for the period from 1 August 2017 to 30 September 2017 that is included within the consolidated income statement of the Group for the year ended 30 September 2017, has been extracted without material adjustment from the Group consolidation schedules.
- The financial information of Home Interest for the year ended 31 December 2016 has been extracted without material adjustment from the: Combined historical financial information of the Home Interest business included in Section C of Part 9 of the Prospectus of Future plc dated 7 July 2017.
- Adjustments have been made to reflect the Home Interest transaction as follows:
 - Financing costs of £0.3 million represent interest costs on the additional debt finance, as discussed in note 2 above. Interest rates range from 2 per cent. to 2.5 per cent. (plus LIBOR) depending on the amount of the Group's total overall leverage. The tax effect of this adjustment is £0.1 million credit to the income statement.
 - Total transaction costs of £0.9 million were incurred related to the Placing which were directly associated with the issuance of shares and will be recorded against equity. These costs are not expected to be incurred on an ongoing basis in the Group. No tax benefit has been assumed for the transaction costs.
 - Total transaction costs of circa £1.1 million were incurred in relation to the acquisition. The adjustment to the income statement is related to the advisor fees of circa £0.9 million and circa £0.2 million of stamp duty costs. These costs are not expected to be incurred on an ongoing basis in the Group. No tax benefit has been assumed for the transaction costs.
- The Target's income statement for the year ended 31 December 2017 has been extracted, without material adjustment, from the Combined income statement of the Target for the year ended 31 December 2017, which is set out in Part 15 of this document, transferred at an exchange rate of \$1.29:£1, this being the average rate for the year ended 31 December 2017, as follows:

	<i>Income statement of the Target for the year ended 31 December 2017</i>	<i>Income statement of the Target for the year ended 31 December 2017</i>
	<i>(\$'m)</i>	<i>(£'m)</i>
Continued operations:		
Revenue	63.5	49.3
Net operating expenses	(65.9)	(51.1)
Other income	0.3	0.2
Operating profit/(loss)	(2.1)	(1.6)
Loss before tax	(2.1)	(1.6)
Tax on loss	0.7	0.5
Loss for the year attributable to owners of the parent	(1.4)	(1.1)

11. Total transaction costs of circa £1.8 million are expected to be incurred in relation to the Acquisition. These costs are not expected to be incurred on an ongoing basis in the Group. No tax benefit has been assumed for the transaction costs. Following the Acquisition, as set out in note 4 above, the Group will perform an exercise to allocate the purchase price to identified assets and liabilities, which will include any identified intangible assets subject to amortisation. The related annual amortisation charge of those assets will result in a reduction to operating profit and earnings per share in future periods. As this fair value exercise has not yet been undertaken, no account has been taken in the pro forma of any additional amortisation charges that may arise following the Acquisition.
12. In preparing the unaudited pro forma income statement no account has been taken of the trading or transactions of Purch since 31 December 2017 and the Group since 30 September 2017.

PART 17

ADDITIONAL INFORMATION

1. RESPONSIBILITY STATEMENT

The Company, the Directors, whose names appear in Part 6 (*Directors, Company Secretary and Advisers*) of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and those Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. THE COMPANY

- 2.1 The Company was incorporated and registered in England and Wales on 22 April 1999 under the Companies Act 1985 as a private company limited by shares with the name Arenabeam Limited and registered number 03757874.
- 2.2 On 21 May 1999, the Company changed its name to The Future Network Limited and on 14 June 1999 the Company was re-registered as a public company with the name The Future Network plc. On 26 January 2005, the Company changed its name to Future plc.
- 2.3 The registered office of the Company is at Quay House, The Ambury, Bath BA1 1UA with telephone number +44 122 544 2244.
- 2.4 The principal places of business of the Company are at Quay House, The Ambury, Bath BA1 1UA, and 1-10 Praed Mews, Paddington, London W2 1QY and Richmond House, 33 Richmond Hill, Bournemouth, BH2 6EZ.
- 2.5 The principal laws and legislation under which the Company operates and under which the Existing Ordinary Shares were created and pursuant to which the New Ordinary Shares will be created, are the laws of England and Wales, including the Act and regulations made thereunder.
- 2.6 The principal trading market for the Existing Ordinary Shares is the London Stock Exchange
- 2.7 The principal activity of the Group is the publishing of special interest consumer magazines, applications and websites, and the operations of events notably in the areas of technology, games and entertainment, photography and creative.
- 2.8 Details of Future's recent acquisition and disposal history are set out in paragraph 2 of Part 11 (*Information on the Group*) of this document.

3. SHARE CAPITAL

- 3.1 Immediately prior to the publication of this document, the issued and fully paid share capital of the Company consists of:

<u>Class of share capital</u>	<u>Number of issued shares</u>	<u>Nominal value of shares issued</u>
Ordinary Shares of 15p each	46,508,490	£6,976,273.50

- 3.2 The issued share capital of the Company, all of which will be fully paid up on issue as it is expected to be immediately following Admission (which includes the New Ordinary Shares which are to be issued on Admission), is as follows:

<i>Class of share capital</i>	<i>Number of issued shares</i>	<i>Nominal value of shares issued</i>
Ordinary Shares of 15p each	81,389,858	£12,208,478.70

- 3.3 In the historical financial period preceding the date of this document there have been the following changes in the share capital of the Company:

- (A) During the year ended September 2015, the issued share capital of the Company increased to 334,441,247 Ordinary Shares by the allotment of 659,774 Ordinary Shares.
- (B) During the year ended September 2016, the issued share capital of the Company increased to 368,758,587 Ordinary Shares by the allotment of 33,879,842 Ordinary Shares.
- (C) During the year ended September 2017 the Company performed a share consolidation with effect from the 2 February 2017
 - To the period ended 1 February 2017 the issued share capital of the Company increased to 548,463,450 Ordinary Shares by the allotment of 179,704,863 Ordinary Shares. At this point issued share capital consolidated 36,564,230 new ordinary shares
 - To the period ended September 2017 the issue shared capital of the company increased to 45,392,814 Ordinary Shares by the allotment of 8,828,584 Ordinary Shares.

- 3.4 On 21 October 2016 the Company completed the acquisition of 100 per cent. of the share capital of Miura (Holdings) Limited, the holding company and ultimate parent company of Imagine Publishing Limited, for total consideration of 179,567,841 new Ordinary shares in the Company which, at the closing price of 8.5p on 20 October 2016, represents consideration of £15.3 million. Immediately following completion, the Company's issued share capital consisted of 548,408,719 Ordinary Shares with a nominal value of one pence carrying one vote each.

- 3.5 With effect from 2 February 2017, the Company's 548,463,450 ordinary shares of 1p each in the capital of the Company then in issue were consolidated into 36,564,230 new Ordinary Shares. Such Ordinary Shares have the same rights and are subject to the same restrictions as ordinary shares in issue prior to the consolidation.

- 3.6 On 1 August 2017 Future completed the acquisition of Home Interest from Centaur Communications Limited (a subsidiary of Centaur Media plc). Following completion, the Company's issued share capital consisted of 45,385,397 Ordinary shares with a nominal value of fifteen pence carrying one vote each.

- 3.7 On 3 April 2018 Future completed the acquisition of NewBay Media, the US based information and events business, for an initial net consideration of £8.6 million cash and £1.1 million shares, with a further potential deferred consideration of up to £3.9 million payable in January 2019, depending on the future performance of the acquired business. Following completion, the Company's issued share capital consisted of 46,067,863 Ordinary shares with a nominal value of fifteen pence carrying one vote each.

- 3.8 On 1 May 2018 Future completed the acquisition of the specialist consumer titles of What Hi-Fi?, FourFourTwo, Practical Caravan and Practical Motorhome from Haymarket Media Group for consideration of up to £13 million, including the issuance of 370,708 shares. Following completion, the Company's issued share capital consisted of 46,438,571 Ordinary shares with a nominal value of fifteen pence carrying one vote each.

- 3.9 On 29 May 2018, the Company announced its proposal to undertake a reduction of capital approved by the Court to create additional distributable reserves by cancelling the balance standing to the credit of the share premium account of the Company. The capital reduction, was approved by

Shareholders and confirmed by the Court and has increased the distributable reserves of the Company by approximately £47,385,898.

- 3.10 The major Shareholders in the Company, along with the number of Ordinary Shares each Shareholder holds and their percentage shareholdings based on their current shareholding as at the Latest Practicable Date are set out below. None of these major Shareholders have different voting rights to other holders of the Ordinary Shares.

<i>Shareholder</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of the share capital prior to Admission</i>
Aberforth Partners	7,512,592	16.15%
Canaccord Genuity Wealth Management (Inst)	4,950,000	10.64%
Disruptive Capital Investments	4,561,412	9.81%
Invesco Perpetual	3,965,848	8.53%
Slater Investments	3,868,000	8.32%
AXA Framlington Investment Managers	3,399,782	7.31%
River and Mercantile Asset Management	2,576,948	5.54%
Herald Investment Management	1,734,333	3.73%

- 3.11 Subject to Admission, pursuant to the Rights Issue up to 34,881,368 New Ordinary Shares will be issued at a price of 303 pence per New Ordinary Share. This will result in the issued share capital of the Company increasing by approximately 75.0 per cent. Qualifying Shareholders who take up their *pro rata* entitlement in full will, subject to fractions, suffer no dilution to their interests in the Company. Qualifying Shareholders who do not take up any of their rights to subscribe for the New Ordinary Shares will suffer an immediate dilution of approximately 42.9 per cent. in their interests in the Company.
- 3.12 Details of the Resolution to be passed in connection with the Rights Issue are set out in the General Meeting Notice. The authority given to the Directors to allot up to 34,881,368 New Ordinary Shares will enable the Directors to allot sufficient Ordinary Shares to satisfy the Company's obligations in connection with the Rights Issue. The authority granted under the Resolution is in addition to the authority granted to the Directors at the Company's 2018 AGM, which the Directors have no present intention of exercising.
- 3.13 The Company remains subject to the provisions of section 561 of the Companies Act 2006 (which confers on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash) apply to the unissued share capital of the Company which is not subject to an existing disapplication.
- 3.14 The Existing Ordinary Shares are in registered form and are capable of being held in either certificated or uncertificated form, and title to such shares may be transferred by means of a relevant system (as defined in the CREST Regulations). Existing Ordinary Shares are listed on the standard listing segment of the Official List and admitted to trading on the London Stock Exchange's main market for listed securities. The ISIN of the Existing Ordinary Shares is GB00BYZN9041 and the SEDOL number is BYZN9041.
- 3.15 The New Ordinary Shares will be in registered form and will be capable of being held in either certificated or uncertificated form and title to such shares may be transferred by means of a relevant system (as defined in the CREST Regulations). Where New Ordinary Shares are held in certificated form, share certificates will be sent to the registered members by first class post. Where the New Ordinary Shares are held in CREST, the relevant CREST stock account of the registered members will be credited. The ISIN for the New Ordinary Shares will be the same as that of the Existing Ordinary Shares, being GB00BYZN9041. The ISIN for the Nil Paid Rights will be GB00BF2S5L22 and the ISIN for the Fully Paid Rights will be GB00BF2S5M39.
- 3.16 The Existing Ordinary Shares are denominated in pounds sterling.

3.17 Save as disclosed in this Part 17 (*Additional Information*), as at the date of this document:

- (A) the Company does not hold any treasury shares and no Ordinary Shares were held by, or on behalf of, any member of the Group;
- (B) no shares have been issued otherwise than as fully paid;
- (C) no share or loan capital of the Company has, within three years of the date of this document been issued or agreed to be issued or is now proposed to be issued, for a consideration other than cash, to any persons;
- (D) no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any shares or loan capital of the Company; and
- (E) no share or loan capital of any member of the Group is under option or is agreed, conditionally or unconditionally, to be put under option.

3.18 The expected issue date of the New Ordinary Shares, nil paid, is 6 August 2018.

4. ARTICLES OF ASSOCIATION

The Articles contain provisions, *inter alia*, to the following effect:

4.1 Voting rights

Subject to the rights or restrictions referred to in paragraph 4.2 below, and subject to any special rights or restrictions as to voting for the time being attached to any shares in the Company, on a show of hands every member and duly appointed proxy shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every share which he or she holds. On a poll votes may be given in person or by proxy and a member entitled to more than one vote need not cast all his or her votes in the same way.

4.2 Restrictions on voting

A member of the Company shall not, if the Directors determine, be entitled to attend general meetings and vote, or to exercise rights of membership, if he or she or another person appearing to be interested in the relevant shares has failed to comply with a notice given under section 793 of the Act within 14 days. The restrictions will continue until there is:

- (A) due compliance to the satisfaction of the Board with the section 793 notice; or
- (B) receipt by the Company of notice that the shareholding has been sold to a third party pursuant to an arm's length transfer.

4.3 Dividends

The Company may at a general meeting declare a dividend to be paid to the members, according to their respective rights and priorities, but no dividend shall exceed the amount recommended by the Directors. The Directors may, pursuant to the provisions of the Articles relating to disclosure of interests, withhold a dividend or other sums payable in respect of shares which are subject of a notice under section 793 of the Act and which represent 0.25 per cent. or more in the nominal value of the issued shares of their class and in respect of which the required information has not been received by the Company within 14 days of that notice.

A dividend unclaimed for a period of 12 years from the date when it became due for payment shall be forfeited and cease to remain owing by the Company.

4.4 Variation of rights

If the share capital of the Company is divided into different classes of shares, the rights attached to a class may be varied whether the Company is a going concern or during contemplation of it being

wound up. All or any of the rights attaching to a class of shares in the Company may be varied with the written consent of the holders of not less than three-quarters in nominal value of the issued shares of the class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the relevant class. The quorum of the separate general meeting shall be two persons holding, or represented by proxy, not less than third in nominal value of the issued shares of the relevant class.

4.5 Transfer of shares

All transfers of shares in the Company shall be in writing in the usual common form or in any other form permitted by the Board. The transferor is deemed to remain the holder of the shares concerned until the name of the transferee is entered in the register of members in respect of those shares.

The Directors may decline to register a transfer of shares in the Company unless:

- (A) the instrument of transfer is deposited at the office of the Company or such other place as the Board may appoint, accompanied by the certificate for the shares to which it relates if it has been issued and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (B) the instrument of transfer is in respect of only one class of share and in favour of no more than four transferees. The Directors may also refuse to register a transfer if, in their opinion (and with the agreement of the London Stock Exchange), exceptional circumstances warrant.

4.6 Alteration of capital and purchase of own shares

The Company may alter its share capital in accordance with the Articles, including determining that certain shares in the Company have special rights or are subject to restrictions as compared to other shares in the Company, in any manner permitted by the Act.

4.7 General Meetings

Annual general meetings

The Board shall convene and the Company shall hold annual general meetings in accordance with the requirements of the Statutes.

Convening of general meetings

All meetings other than annual general meetings shall be called general meetings. The Board may convene a general meeting whenever it thinks fit. A general meeting shall also be convened by the Board on the requisition of members pursuant to the provisions of the Statutes or, in default, may be convened by such requisitions, as provided by the Statutes.

Security and orderly conduct of meetings

The chairman of the Board may make such arrangements and take any actions as he or she considers appropriate to ensure the security and/or the orderly conduct of any general meeting. This may include, without limitation, searching and restrictions on items of personal property which may be taken into any such meeting, and any person (whether or not a member of the Company) who refuses to comply with any such arrangements or restrictions may be refused entry to or excluded from any such meeting.

Notice of general meetings

Subject to the provisions of the Act, an annual general meeting and all other general meetings of the Company shall be called by at least such minimum period of notice as prescribed under the Act for the type of meeting concerned.

The notice shall specify the place, day and time of the meeting and the general nature of the business to be transacted.

Notice of every general meeting shall be given to all members other than any who, under the provisions of the Articles or the terms of issue of the shares which they hold, are not entitled to receive such notices from the Company, and also to the auditors (or, if more than one, each of them) and to each Director.

Every notice of meeting shall state with reasonable prominence that a member entitled to attend, speak and vote at the meeting may appoint one or more proxies to attend, speak and vote at that meeting instead of him or her and that a proxy need not be a member of the Company.

Quorum

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the choice or appointment of a chairman of the meeting which shall not be treated as part of the business of the meeting.

Except as otherwise provided by the Articles two persons entitled to attend and to vote on the business to be transacted, each being a member present in person or by proxy or a duly authorised representative of a corporation which is a member shall be a quorum. If within fifteen minutes from the time appointed for the commencement of the general meeting a quorum is not present, or if during the meeting, a quorum ceases to be present, the meeting, if convened by or on the requisition of members, shall be dissolved. In any other case, it shall stand adjourned to such other day (not being less than seven days later, excluding the day on which the meeting is adjourned and the day for which it is reconvened) and at such other time and place, as the chairman of the meeting may decide. If at an adjourned meeting a quorum is not present within 15 minutes from the time fixed for holding the meeting or if during the meeting a quorum ceases to be present, the adjourned meeting shall be dissolved.

Chairman

The chairman of the Board or, in his or her absence the deputy chairman, shall preside as chairman at every general meeting. If there is no chairman or deputy chairman, or if at any meeting neither the chairman nor the deputy chairman is present within five minutes after the time appointed for the commencement of the meeting, or if neither the chairman nor the deputy chairman is willing to act as chairman, the Directors present shall choose one of their number to act. If no Director is present, or if each of the Directors present declines to take the chair, the persons present and entitled to vote shall appoint one of their number to be chairman of the meeting.

Adjournment

With the consent of any meeting at which a quorum is present the chairman of the meeting may (and if so directed by the meeting shall) adjourn the meeting either indefinitely or to another time or place.

In addition, the chairman of the meeting may at any time without the consent of the meeting adjourn the meeting (whether or not it has commenced or a quorum is present) either indefinitely or to another time or place if, in his or her opinion, it would facilitate the conduct of the business of the meeting to do so, notwithstanding that by reason of such adjournment some members may be unable to be present at the adjourned meeting.

Method of voting and demand for poll

At a general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless (before or immediately after the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by:

- (A) the chairman of the meeting; or
- (B) not less than five members present in person or by proxy having the right to vote on the resolution; or
- (C) a member of the members present in person or by proxy representing in aggregate not less than 10 per cent. of the total voting rights of all the members having the right to vote on the

resolution (excluding any voting rights attached to any shares in the Company held as treasury shares); or

- (D) a member or members present in person or by proxy holding shares conferring the right to vote on the resolution on which an aggregate sum has been paid up equal to not less than 10 per cent. of the total sum paid up on all the shares conferring that right (excluding any shares in the Company conferring a right to vote at the meeting which are held as treasury shares),

and a demand for a poll by a person as proxy for a member shall be as valid as if the demand were made by the member himself or herself.

Taking a poll

If a poll is demanded (and the demand is not withdrawn), it shall be taken in such manner as the chairman of the meeting shall direct and he or she may appoint scrutineers (who need not be members).

Proxies

A proxy need not be a member of the Company and a member may appoint more than one proxy in relation to a meeting to attend and to speak and to vote on the same occasion provided that each proxy is appointed to exercise the rights attached to a different share or shares held by a member.

Form of proxy

An appointment of a proxy shall be in any usual or common form or in any other form (in writing or otherwise) which the Board may approve in its discretion, which may include electronic means. The appointment of a proxy shall be made by the appointor or his or her duly authorised agent, or, if the appointor is a corporation, shall either be executed under its common seal or on behalf of its duly authorised officer.

Receipt of proxy

The appointment of a proxy shall:

- (A) be received at a proxy notification address not less than 48 hours before the time appointed for holding the meeting at which the appointee proposes to vote; or
- (B) in the case of a poll which is taken more than 48 hours after it is demanded, or in the case of an adjourned meeting to be held more than 48 hours after the original meeting, be received at a proxy notification address not less than 24 hours before the time appointed for the taking of the poll or the time of the adjourned meeting (as the case may be); or
- (C) in the case of a poll which is not taken at the meeting at which it is demanded but is taken 48 hours or less after it was demanded, or in the case of an adjourned meeting held less than 48 hours after the original date, be received either (i) at a proxy notification address in accordance with (A) above; or (ii) in hard copy form at the meeting at which the poll was demanded or at the original meeting (as the case may be) by the chairman or by the secretary or any Director; or (iii) at a proxy notification address by such time as the chairman of the meeting may direct when the poll is demanded.

The Board may at its discretion determine that in calculating the periods above, no account shall be taken of any part of a day that is not a working day, as deemed by the Act.

Validity of proxy

No appointment of proxy shall be valid after the expiry of twelve months from the date of its execution, except on a poll demanded at a meeting or an adjourned meeting in cases where the original meeting was held within twelve months of the date of execution.

4.8 **Number of Directors**

Unless otherwise determined by ordinary resolution of the Company, the Directors shall not be less than two and not more than fifteen.

4.9 **Appointment of Directors**

Subject to the provisions of the Articles, any person who is willing to act as a Director, either to fill a vacancy or as an additional Director may be appointed by:

- (A) the Company by ordinary resolution; or
- (B) the Board.

Any Director so appointed shall retire at the next annual general meeting and shall then be eligible for reappointment.

No person (other than a Director retiring in accordance with the Articles) shall be appointed or re-appointed a Director at any general meeting unless:

- (A) he is recommended by the Board; or
- (B) not less than seven nor more than 42 clear days before the date appointed for the meeting notice in writing by a member qualified to vote at the meeting (other than the person to be proposed) has been given to the Company of the intention to propose that person for appointment or re-appointment together with confirmation in writing by that person of his or her willingness to be appointed or re-appointed and the particulars which would, if he or she were so appointed or re-appointed, be required to be included in the Company's register of Directors.

4.10 **Remuneration**

Each of the Non-Executive Directors shall be paid fees not exceeding in aggregate £200,000 per annum, or such higher sum as may be determined by ordinary resolution. Any Non-Executive Director who serves on any committee, or who devotes special attention to the business or otherwise performs services outside the scope of the ordinary duties of a Director (in the opinion of the Directors), may be paid extra remuneration as determined by the Directors. The Non-Executive Director shall be entitled to be paid all travelling hotel and other expenses properly incurred by them in connection with the business of the Company, including expenses incurred in travelling to and from meetings of the Board, committee meetings, general meetings and separate meetings of the holders of any class of securities of the Company.

4.11 **Retirement of Directors**

At every annual general meeting, a Director shall retire if:

- (A) he has been appointed by the Board since the previous annual general meeting;
- (B) it is the third annual general meeting following the annual general meeting at which he or she was elected (or re-elected).

A Director retiring at a meeting shall, if he or she is not re-elected remain in office until the meeting elects someone in his or her place or, if not, until the end of the meeting.

Subject to the provisions of the Statutes, the Directors to retire by rotation shall include any Director who wishes to retire and who does not wish to be re-elected. In addition, Directors shall retire by rotation if they are the longest serving Directors or if they have been in office for more than three years since their election or re-election. Subject to the provisions of the Articles, any such Director shall be eligible for re-election.

4.12 **Removal of Directors**

Without prejudice to the provisions of the Act, the Company may by ordinary resolution remove any Director before the expiration of this term of office notwithstanding anything in the Articles or in any agreement between him or her and the Company.

4.13 **Vacation of office of Director**

Without prejudice to the provisions of the Articles for retirement or removal, the office of a Director shall be vacated:

- (A) if he or she ceases to be a Director by virtue of any provision of the Statutes or is removed from office pursuant to the Articles; or
- (B) if he or she is prohibited by law from being a Director; or
- (C) if he or she becomes bankrupt or he or she makes any arrangement or composition with his or her creditors generally; or
- (D) if a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a Director and may remain so for more than three months; or
- (E) if he or she is absent from meetings for six successive months without special leave of absence, and his or her alternate has not attended in his or her place, and the Board resolves that his or her office be vacated; or
- (F) if he or she serves on the Company notice of his or her wish to resign, in which event he or she shall vacate office on the service of that notice on the Company or at such later time as is specified in the notice.

4.14 **Executive Directors**

The Board may from time to time appoint one or more Directors to hold any employment or executive office with the Company and on such terms as the Board determine. The Board may also at any time remove a person from such office.

A Director appointed to any executive office or employment shall automatically cease to hold that office if he or she ceases to be a Director.

4.15 **Power to appoint alternate Directors**

Each Director may appoint another Director or any other person who is willing to act as his or her alternate and may remove him or her from that office. The appointment as an alternate Director of any person who is not himself or herself a Director shall be subject to the approval of a majority of the Director or a resolution of the Board.

An alternate Director shall be entitled to receive notice of all meetings of the Board and of all meetings of committees of which the Director appointing him or her is a member, to attend and vote at any such meeting at which the Director appointing him or her is not personally present and at the meeting to exercise and discharge all the functions, powers and duties of his or her appointer as a Director and for the purposes of the proceedings at the meeting the provisions of the Articles shall apply as if he or she were a Director.

Every person acting as an alternate Director shall have one vote for each Director for whom he or she acts as alternate, in addition to his or her own vote if he or she is also a Director.

4.16 **Quorum and voting requirements**

A Director shall not vote on (or be counted in the quorum) in relation to any resolution of the Board concerning his or her own appointment (including fixing or varying its terms), or the termination of his or her own appointment, as the holder of any office or place of profit with the Company or any other company in which the Company is interested but, where proposals are under

consideration concerning the appointment (including fixing or varying its terms), or the termination of the appointment, or two or more Directors to offices or places of profit with the Company or any other company in which the Company is interested, those proposals may be divided and a special resolution may be put in relation to each Director and in that case each of the Directors concerned (if not otherwise debarred from voting under this Article) shall be entitled to vote (and be counted in the quorum) in respect of each resolution unless it concerns his or her own appointment or the termination of his or her own appointment.

A Director shall not be entitled to vote on a resolution (or attend or count in the quorum at those parts of a meeting regarding such resolution) relating to a transaction or arrangement with the Company in which he or she is interested, save:

- (A) any contract in which the Director is interested by virtue of his or her interest in shares, debentures or other securities of the Company or otherwise in or through the Company;
- (B) the giving of any guarantee, security or indemnity in respect of money lent or obligations incurred by the Director at the request of the Company or its subsidiary undertakings;
- (C) the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which the Director has himself or herself assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- (D) indemnification by the Company in relation to the performance of the Director's duties on behalf of the Company or its subsidiaries;
- (E) any contract concerning any other company in which the Director does not hold, directly or indirectly, voting rights representing one per cent. or more of any class of shares in that company;
- (F) any contract relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him or her any privilege or benefit not generally awarded to the employees to whom such arrangement relates; and
- (G) any contract concerning the purchase or maintenance of insurance against any liability, for the benefit of persons including the Directors.

4.17 Other conflicts of Interest

If a Director is in any way, directly or indirectly, interested in a proposed contract with the Company or a contract that has been entered into by the Company, he or she must declare the nature and extent of that interest to the Directors in accordance with the Statutes.

Provided he or she has declared his or her interest, a Director may:

- (A) be party to, or otherwise interested in, any contract with the Company or in which the Company has a direct or indirect interest;
- (B) hold any other office or place of profit with the Company (except that of auditor) in conjunction with his or her office of Director for such period and upon such terms, including as to remuneration, as the Board may decide, either in addition to or in lieu of any remuneration under any other provision of the Articles;
- (C) act by himself or herself or through a firm with which he or she is associated in a professional capacity for the Company or any other company in which the Company may be interested (otherwise than as auditor);
- (D) be or become a Director or other officer of, or employed by or otherwise be interested in any holding company or subsidiary company of the Company or any other company in which the Company may be interested; and
- (E) be or become a Director of any other company in which the Company does not have an interest and which cannot reasonably be regarded as giving rise to a conflict of interest at the time of his or her appointment as a Director of that other company.

4.18 Conflicts of Interest requiring Board authorisation

The Board may, subject to the quorum and voting requirements set out in the Articles, authorise any matter which would otherwise involve a Director breaching his or her duty under the Statutes to avoid conflicts of interest.

A Director seeking authorisation in respect of a Conflict of Interest shall declare to the Board the nature and extent of his or her interest in a Conflict of Interest as soon as is reasonably practicable. The Director shall provide the Board with such details of the relevant matter as are necessary for the Board to decide how to address the Conflict of Interest together with such additional information as may be requested by the Board.

Any Director (including the relevant Director) may propose that the relevant Director be authorised in relation to any matter the subject of Conflict of Interest. Such proposal and any authority given by the Board shall be effected in the same way that any other matter may be proposed to and resolved upon by the Board under the provisions of the Articles save that:

- (A) the relevant Director and any other Director with a similar interest shall not count towards the quorum nor vote on any resolution giving such authority; and
- (B) the relevant Director and any other Director with a similar interest may, if the other members of the Board so decide, be excluded from any Board meeting while the Conflict of Interest is under consideration.

Where the Board gives authority in relation to a Conflict of Interest or where any of the situations described in the Articles applies in relation to a Director (a "Relevant Situation"):

- (A) the Board may (whether at the relevant time or subsequently):
 - (i) require that the relevant Director is excluded from the receipt of information, the participation in discussion and/or the making of decisions (whether at meetings of the Board or otherwise related to the Conflict of Interest or Relevant Situation; and
 - (ii) impose upon the relevant Director such other terms for the purpose of dealing with the Conflict of Interest or Relevant Situation as it may determine;
- (B) the relevant Director will be obliged to conduct himself or herself in accordance with any terms imposed by the Board in relation to the Conflict of Interest or Relevant Situation;
- (C) the Board may provide that where the relevant Director obtains (otherwise than through his or her position as a Director of the Company) information that is confidential to a third party, the Director will not be obliged to disclose that information to the Company, or to use or apply the information in relation to the Company's affairs, where to do so would amount to a breach of that confidence;
- (D) the terms of the authority shall be recorded in writing (but the authority shall be effective whether or not the terms are so recorded); and
- (E) the Board may revoke or vary such authority at any time, but this will not affect anything done by the relevant Director prior to such revocation in accordance with the terms of such authority.

The Directors may authorise a matter which may give rise to a conflict of interest on the part of a person who is proposed to be appointed as a Director to the Board and any authorisation of such matter by the Directors shall promptly be communicated to such person and shall apply to him or her on his or her appointment as Director.

4.19 Benefits

Subject to the provisions of the Statutes a Director shall not be disqualified by his or her office from entering into any contract with the Company. Subject to the interest of the Director being duly declared, a contract entered into by or on behalf of the Company in which any Director is in any way interested shall not be liable to be avoided; nor shall any Director so interested be liable to account to the Company for any benefit resulting from the contract by reason of the Director holding that office or the fiduciary relationship established by his or her holding that office.

4.20 **Powers of the Board**

The business and affairs of the Company shall be managed by the Board which may exercise all the powers of the Company, subject to the provisions of the Statutes and the Articles. No alteration of the Articles shall invalidate any prior act of the Board which would have been valid if the alteration had not been made.

4.21 **Borrowing powers**

Subject to the provisions of the Statutes, the Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the Company's undertaking, property, assets (present and future) and uncalled capital and to issue debentures and other securities and to give security either outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

4.22 **Indemnity of officers**

Subject to the provisions of and so far as may be permitted and consistent with the Statutes each current or former Director or other officer of the Company may be indemnified out of the assets of the Company against (i) all liabilities incurred by a Director in connection with his or her actual or purported execution of office, discharge of duties and/or exercise of powers in relation to the Company or an associated company (including any company that is a trustee for the occupational pension scheme for employees of the Company); and (ii) any liability incurred by a Director in disputing or defending any actual or threatened proceedings under section 661(3) or (4) or section 1157 of the Act.

The Board may purchase and maintain for the benefit of any person who holds or has at any time held a relevant office (as defined in the Articles), insurance against any liability or expense incurred by him or her in relation to the Company or any subsidiary undertaking or any third party in respect of any act or omission in the actual or purported discharge of his or her duties or otherwise in connection with holding his or her office.

4.23 **Delegation to individual Directors**

The Board may entrust to and confer upon and a Director any of its powers, authorities and discretions on such terms and conditions as it thinks fit and may revoke or vary all or any of them.

4.24 **Committees**

The Board may delegate any of its powers, authorities and discretions to one or more committees provided that the majority of the members of the committee are Directors and that no meeting of the committee shall be quorate for the purpose of exercising any of its powers, authorities or discretions unless a majority of those present are Directors. The terms of reference of the committees of the Company are summarised at paragraph 8 of this Part 17 (*Additional Information*).

4.25 **Quorum**

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. Any Director who attends a meeting by telephone or any other means (whether electronic or otherwise) shall be deemed to be personally present for the purposes of the Articles and shall be counted in the quorum accordingly.

4.26 **Voting**

Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes the chairman of the meeting shall be entitled to a casting vote (regardless of how he or she has already voted).

4.27 **Resolutions in writing**

A resolution in writing signed by all the Directors who are entitled to notice of a meeting of the Board, to attend such meeting and to vote on such resolution shall be as valid and effective as if it has been passed at a meeting of the Board duly called and constituted. The resolution may be contained in one document or in several documents in like form, each signed or approved by one or more of the Director concerned.

4.28 **Power to change the name of the Company**

The Directors may change the name of the Company.

5. INFORMATION ON THE DIRECTORS

5.1 **Directors**

Zillah Byng-Thorne and Penelope Ladkin-Brand, being the executive members of the Board, are responsible for the key strategic decisions of the Company.

On Admission, the Directors, their profiles and their functions will comprise the following (for all of whom the business address is Quay House, The Ambury, Bath BA1 1UA):

Richard Huntingford (Age 62) – Chairman

Richard was appointed to the Board on 1 December 2017 and took over as Chairman on 1 February 2018. Richard had a 20-year career at Chrysalis plc and was CEO from 2000 to 2007, following which he was Chairman of Virgin Radio until its sale in 2008. More recently, he has been non-executive Chairman of Wireless Group plc (formerly UTV Media plc) from 2012 to 2016 and non-executive Director/Chairman of Creston plc from 2011 to 2016. He is currently Chairman of Crown Place VCT plc and non-executive Director of JP Morgan Investment Trust plc. He is a chartered accountant, having qualified with KPMG.

Zillah Byng-Thorne (Age 43) – Chief Executive

Zillah was appointed as Chief Executive on 1 April 2014. She joined Future in November 2013 as Chief Financial Officer and Company Secretary. Prior to her appointment to the Board, she was Chief Financial Officer of Trader Media Group (owner of Auto Trader), from 2009 to 2012, and interim Chief Executive Officer of Trader Media from 2012 to 2013. Before this, Zillah was Commercial Director and Chief Financial Officer at Fitness First Limited and Chief Financial Officer of the Thresher Group. Zillah is currently a non-executive director of Gocompare.com Group plc and PaddyPowerBetfair PLC.

Penelope Ladkin-Brand (Age 40) – Chief Financial Officer and Company Secretary

Penelope was appointed as Chief Financial Officer and Company Secretary on 3 August 2015, having joined the business as interim Chief Financial Officer in June 2015. Prior to this she was Commercial Director at AutoTrader Group plc. Penelope is a chartered accountant with a background in digital media and expertise in digital monetisation models. Penelope is currently a non-executive director of Next Fifteen Communications Group plc.

Hugo Drayton (Age 58) – Independent non-executive

Hugo joined Future on 1 December 2014. He is Chief Executive Officer of the advertising technology business, Inskin Media. Prior to Inskin, he spent two years as Chief Executive Officer of behavioural targeting specialist, Phorm, following two years as European Managing Director of Advertising.com. He spent 10 years at The Telegraph Group, as Group Managing Director, and previously as Marketing & New Media Director. Hugo is a trustee of the British Skin Foundation, chaired the British Internet Publishers' Alliance, and is a regular contributor to trade press and publishing conferences.

James Hanbury (Age 54) – Non-executive Deputy Chairman

James was appointed Deputy Chairman in October 2016 as the representative of Disruptive Capital Investments Limited. Prior to his appointment he was Chairman of Imagine Publishing Group, which

was acquired by Future in October 2016. James joined the Board of Imagine in March 2014 soon after leaving Incisive Media, a publishing business he co-founded in 1994. He has also previously chaired the Business Media Council of the PPA. James also acts as an adviser to a number of VC backed businesses, is a trustee for a charitable trust and has set up and chairs WARpaint, a fundraising organisation for several armed forces charities.

Alan Newman (Age 61) – Independent non-executive

Alan was appointed a non-executive director and chair of the audit committee of Future plc on 6 February 2018. Alan was Chief Financial Officer of YouGov plc from June 2008 to 2017 and before that was a Partner at Ernst & Young Business Advisory Services and at KPMG Consulting, where he worked mainly with clients in the media, telecommunications and technology sectors. He previously held corporate management roles at Pearson plc and MAI plc (now United Business Media). Alan is Chair of the Freud Museum London. He is a chartered accountant and has an MA in Modern Languages (French and Spanish) from Cambridge University.

5.2 Other Directorships

Set out below are the current and former directorships of the Directors:

Richard Huntingford

Current directorships

Future Plc
J.P. Morgan Mid Cap Investment Trust Plc
CP1 Vct Plc
Crown Place Vct Plc
Prince's Trust Trading Limited
Beatlounge Limited
RNLH Consulting Limited

Past directorships (within last five years)

CP2 Vct Plc
Wireless Group Limited
Digital Unlimited Group Ltd (formerly Creston plc)

Zillah Byng-Thorne

Current directorships

Etihad Topco Limited
Professional Publishers Association Ltd
Future Holdings 2002 Limited
Future Publishing Holdings Limited
Future Verlag GmbH****
Future plc
Sarracenia Limited
A&S Publishing Company Limited
Future Publishing Limited
Future Publishing (Overseas) Limited
FutureFolio Limited
Byng & McKenzie Consultants Ltd
MAXZA Enterprises Limited
PaddyPowerBetfair PLC
Next Commerce Pty Ltd
GoCompare.com Group plc
Future US, Inc
Ascent Publishing Limited
Centaur Consumer Exhibitions Limited
NewBay Media LLC
NewBay Media UK Holdco Limited
NewBay Media Europe Limited
Future New1 Limited
Mobile Entertainment Limited****
MCV Media UK Limited****
CTW Media Limited****

Past directorships (within last five years)

One Rebel Ltd
Betfair Group Limited
Trainline Investments Holdings Limited
Delta Point Associates Limited**
CSL Media Limited*
Hope Lodge (Management) Limited
Music Maker Publications (Holdings) Limited*
Music Maker Limited*
Future (Business Entertainment) Publishing Limited*
Chester Square Limited*
Future (Motoring) Publishing Limited*
FutureFolio IP Limited*
Auto Trader National Sales Limited
Auto Trader Limited
Auto Trader Holding Limited
Auto Trader Publications (GMG) Limited
Trader Media (Earls Court) Group Limited
Irish Auto Trader Limited
Auto Trade – Mail Limited
Trademail Holdings Limited
Trade Data Systems Limited
Midland Auto Trader Limited
Future IP Limited*
Beach Magazines and Publishing Limited*
Miura (Holdings) Limited
Fascination (Holdings) Limited

Current directorships

The Surelight Project Limited
Rho Holdings Limited
Next Commerce Pty Ltd
PricePanda GMBH
Next Commerce Philippines Inc

James Hanbury

Current directorships

Future plc
Jach Management Ltd
Downe House Foundation

Past directorships (within last five years)

Skaro (Holdings) Limited
Imagine Publishing Group Limited
Imagine Publishing Limited
Future Network Limited*
FXM International Limited*

Past directorships (within last five years)

Mujo Mechanics Limited
Incisive Media Investments Limited
Buckley Publishing Company Limited**
XGTF Limited
Learned Information (Europe) Limited**
Web Recruitment Services Limited**
Breakthrough Publishing Limited**
MSM International Limited
VNU Business Publications Ltd**
Incisive Photographic Limited**
Conjecture Limited**
Global Professional Media Limited
Central Banking Publications Limited**
CIFT Limited**
Top Furbco Limited**
IMARK Communications Limited**
Incisive Services Limited**
Matching Hat Limited
Buckpill Limited**
DWT Conferences Limited**
Incisive RWG Limited
Initiative Europe Consulting Limited
Incisive Media Services Limited
Buckley Press Limited**
Incisive Media Limited
Initiative Europe Limited**
Incisive TBP Group Limited**
Timothy Benn Publishing Limited**
Initiative Europe Holdings Limited**
City Financial Communications Limited**
Incisive Financial Publishing Limited**
Incisive Media (Bidco) Limited
APAX Summer (Holdco) Limited**
APAX Summer (Topco) Limited**
APAX Summer LLP**
Imagine Publishing Limited
Miura (Holdings) Ltd
Incisive Media Holdings Limited***

Alan Newman

Current directorships

Future plc
The Quoted Companies Alliance
Freud Museum Publications Limited
The Freud Museum London
Newlawns Limited

Past directorships (within last five years)

YGV Finance Limited
Anyada Limited
Coeditor Ltd
Yougov Services Limited
Doughty Media 2 Ltd
YouGovStone Limited
YouGov Plc

Current directorships

Past directorships (within last five years)

Portent. io Limited
YouGov America Inc
YouGov Deutschland GmbH
YouGov France SASU
YouGov Malaysia Sdn Bhd
YouGov M.E. Egypt LLC
YouGov M.E. FZ-LLC
YouGov Nordic & Baltic A/S
YouGov Research Pty Limited
YouGov Thailand Company Limited
PT YouGov Consulting Indonesia Consilium Limited

Penelope Ladkin-Brand

Current directorships

Future plc
FutureFolio Limited
Future Publishing Holdings Limited
Future Holdings 2002 Limited
A&S Publishing Company Limited
Sarracenia Limited
Future Publishing (Overseas) Limited
Future Publishing Limited
Brand and Brand Consulting Limited
Ascent Publishing Limited
Mobile Entertainment Limited
Centaur Consumer Exhibitions Limited
NewBay Media LLC
NewBay Media UK Holdco Limited
NewBay Media Europe Limited
Future New1 Limited
Next Fifteen Communications Group plc
CTW Media Limited****
MCV Media UK Limited****
Mobile Entertainment Limited****
Rho Holdings Limited
Next Commerce Pty Ltd
PricePanda GMBH
Next Commerce Philippines Inc

Past directorships (within last five years)

Music Maker Publications (Holdings) Limited*
CSL Media Limited*
Music Maker Limited*
Future (Business Entertainment) Publishing Limited*
Chester Square Limited*
Future (Motoring) Publishing Limited*
FXM International Limited*
Future IP Limited*
Beach Magazines and Publishing Limited*
Noble House Media Limited*
Miura (Holdings) Limited
Fascination (Holdings) Limited
Skaro (Holdings) Limited
Imagine Publishing Group Limited
Imagine Publishing Limited

Hugo Drayton

Current directorships

Inskin Media Ltd
Manufactura Limited
Future plc

Notes

- * Dissolved by voluntary strike-off
- ** Members voluntary liquidation
- *** Converted/closed entity of UK establishment of an overseas company
- **** In liquidation
- ***** Voluntary creditor's liquidation

5.3 Other than as set out in paragraph 5.2 above, and paragraph 5.4 below, as at the date of this document:

- (A) none of the Directors have had any convictions in relation to fraudulent offences for at least the previous five years;

- (B) none of the Directors is or was a director of a company, a member of an administrative, management or supervisory body or a senior manager of a company within the previous five years which has entered into any bankruptcy, receivership or insolvent liquidation proceedings;
- (C) none of the Directors have been subject to an official public incrimination and/or sanction by a statutory or regulatory body nor have such persons been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct affairs of any company, in the last five years;
- (D) none of the Directors are aware of any contract or arrangement subsisting in which they are materially interested and which is significant to the business of the Company which is not otherwise set out below; and
- (E) none of the Directors have any conflict of interest or potential conflict of interest between their respective duties to the Company and their private interests and/or other duties.

5.4 Certain of the Directors is or was a director of a company within the previous five years which has entered into liquidation proceedings. These companies are identified in paragraph 5.2 above.

6. DIRECTORS' SHARE INTERESTS AND OPTIONS

6.1 The interests of the Directors, their immediate families and any persons connected with them (within the meaning of section 252 of the Act) (all of which, unless otherwise stated, are beneficial) in the issued share capital of the Company as at the Latest Practicable Date are, and immediately following the Rights Issue will be, as follows:

<i>Director</i>	<i>Number of Ordinary Shares as at the Latest Practicable Date</i>	<i>Percentage of issued Ordinary Shares as at the Latest Practicable Date</i>	<i>Number of Ordinary Shares following the Rights Issue*</i>	<i>Percentage of issued Ordinary Shares following the Rights Issue*</i>
Richard Huntingford	0	0%	0	0%
Zillah Byng-Thorne**	172,394	0.37%	301,689	0.37%
James Hanbury	45,436	0.10%	79,513	0.10%
Alan Newman	0	0%	0	0%
Penelope Ladkin-Brand**	108,810	0.23%	190,417	0.23%
Hugo Drayton	0	0%	0	0%

Note:

* Assumes that each Director takes up their full entitlement to their rights in the New Ordinary Shares pursuant to the Rights Issue.

** Zillah Byng-Thorne total includes 29,689 bonus shares, and Penelope Ladkin-Brand total includes 38,515 bonus shares which are subject to a time restriction on their sale.

6.2 Details of options and other share incentives held by the Directors are set out below:

<u>Director</u>	<u>Date of grant</u>	<u>Price paid for grant</u>	<u>Earliest exercise date</u>	<u>Expiry date</u>	<u>Exercise price per share (p)</u>	<u>Balance at the Latest Practicable Date</u>
PSP						
Zillah Byng-Thorne	30 Nov 2015	Nil	30 Nov 2018	N/A	Nil	166,666
	23 Nov 2016	Nil	23 Nov 2019	N/A	Nil	529,702
	2 Feb 2017	Nil	23 Nov 2019	N/A	Nil	529,702
	23 Nov 2017	Nil	23 Nov 2020	N/A	Nil	114,286
Penelope Ladkin-Brand	3 Aug 2015	Nil	3 Aug 2018	N/A	Nil	109,856
	30 Nov 2015	Nil	30 Nov 2018	N/A	Nil	83,334
	23 Nov 2016	Nil	23 Nov 2019	N/A	Nil	378,358
	2 Feb 2017	Nil	23 Nov 2019	N/A	Nil	378,358
	23 Nov 2017	Nil	23 Nov 2020	N/A	Nil	78,572

6.3 Further information on the share option and incentive schemes of the Company is included in paragraph 9 of this Part 17 (*Additional Information*). The Remuneration Committee has decided to make adjustments to awards under the Company's Share Schemes to adjust for the dilutive effect of the Rights Issue on existing options and incentives.

7 DIRECTORS' REMUNERATION AND TERMS AND CONDITIONS

- 7.1 In the financial year ended 30 September 2017, the aggregate remuneration (including pension fund contributions, bonus payments and benefits in kind) of the Directors was £1,874,000. The aggregate remuneration (including pension fund contributions and benefits in kind but excluding bonuses and long-term incentives) of the Directors in respect of the current financial year (under the arrangements in force at the date of this document) is expected to be £1,100,662. In the financial year ended 30 September 2017, no Director accrued contingent or deferred compensation payable at a later date.
- 7.2 The remuneration of the Directors (excluding long-term incentive awards), during the financial year ended 30 September 2017 is set out below:

<u>Director</u>	<u>Annual salary/£</u>	<u>Bonus and benefits/£</u>	<u>Pension contribution/£</u>
Richard Huntingford*	—	—	—
Zillah Byng-Thorne	350,000	650,000	44,000
Hugo Drayton	40,000	—	—
James Hanbury*****	60,000	—	—
Penelope Ladkin-Brand	250,000	324,000	—
Alan Newman**	—	—	—
Peter Allen***	95,000	—	—
Manjit Wolstenholme****	50,000	—	—

Notes

* Appointed to the Board on 1 December 2017 as Non-Executive Director on fee of £40,000 per annum, appointed as Chairman to the Board on 1 February with fee of £120,000 per annum

** Appointed to the Board on 6 February 2018

*** Resigned from Board 31 January 2018

**** Passed away on 24 November 2017

***** Appointed to the Board on 21 October 2016

7.3 The length of service of the Directors and expiry of the term of such office is set out below:

<u>Director</u>	<u>Start date</u>	<u>Length of service as at the date of this document</u>	<u>Expiry</u>
Penelope Ladkin-Brand	3 August 2015	2 years 11 months	Continuous*
Zillah Byng-Thorne	18 November 2013	4 years 8 months	Continuous*
Richard Huntingford	1 December 2017	7 months	Initial term of three years from 30 November 2017**
Hugo Drayton	1 December 2014	3 years 7 months	Initial term extended to further term of three years from 31 January 2018**
Alan Newman	6 February 2018	5 months	Initial term of three years from 1 February 2018**
James Hanbury	21 October 2016	1 year 8 months	Initial term of three years from 21 October 2016***

Notes

- * Subject to six months' notice, removal under the Articles or in accordance with law and re-election by rotation.
- ** Subject to three months' notice, removal by the remaining Directors, removal under the Articles or in accordance with the law and re-election by rotation.
- *** Subject to three months' notice, removal under the Articles or by law and re-election by rotation or in the event that he ceases to be approved by the FCA, Disruptive Capital's shareholding in the Company being less than 10 per cent. of the entire issued share capital of the Company or Disruptive Capital notifies the Company that it wishes to elect an alternative appointed representative of Disruptive Capital to the Board.

7.4 Details of the service contracts of the Directors are set out below.

- (A) Penelope Ladkin-Brand entered into a service agreement with the Company dated 30 July 2015. Under the terms of the agreement, Penelope was appointed as chief financial officer on 3 August 2015 for a continuous period subject to termination by either party on not less than six months' notice in writing. She now also acts as Company secretary for the Group. Penelope is entitled to a fixed salary of £275,000 per annum subject to annual review. She was paid a salary of £250,000 in the financial year ended 30 September 2017. Penelope is entitled to participate in the Company's discretionary bonus scheme up to an amount equal to 95 per cent. of salary, of which 50 per cent. is payable in shares which must be held for at least 12 months post award and the Company's discretionary senior management share incentive plan. She will be reimbursed for all proper and reasonable expenses incurred in performing her duties. The Company makes annual contributions to Penelope's pension arrangements up to 15 per cent. of her annual salary. Penelope is also entitled to participate, at the Company's expense, in such medical insurance scheme and Group permanent health insurance scheme as may be operated by the Company from time to time and has the benefit of a car allowance of £15,000 per annum. The Company also maintains executive Director and officers' insurance in respect of those liabilities which she may incur as a Director.
- (B) Zillah Byng-Thorne entered into a service agreement with the Company dated 2 October 2013. Under the terms of the agreement, Zillah was appointed as chief financial officer on 18 November 2013 for an indefinite period subject to termination by either party on not less than six months' notice in writing. Zillah's terms were amended by letter on 2 April 2014, on 3 February 2015 and subsequently on 12 March 2015. Zillah now acts as the chief executive officer. Zillah is entitled to a fixed salary of £400,000 and was paid a salary of £350,000 in the financial year ended 30 September 2017. Her notice period was increased which now means this is subject to termination by either party of not less than 12 months' notice. Zillah is entitled to participate in the Company's discretionary bonus scheme up to an amount equal to 95 per cent. of salary of which 50 per cent. is payable in shares which must be held for a least 12 months post award and the Company's discretionary senior management share incentive plan. She will be reimbursed for all proper and reasonable expenses incurred in performing her duties. The Company makes annual contributions to Zillah's pension arrangements of 15 per cent. of her annual salary. Zillah is also entitled to participate, at the Company's expense,

in such medical insurance scheme and Group permanent health insurance scheme as may be operated by the Company from time to time and has the benefit of a car allowance of £17,500 per annum. The Company also maintains executive Director and officers' insurance in respect of those liabilities which she may incur as a Director.

- (C) Richard Huntingford entered into an appointment letter with the Company dated 1 December 2017. Under the terms of the agreement, Richard was appointed as a non-executive Director of the Company on 1 December 2017 and as Chairman on 1 February 2018 for a continuous period subject to termination by either party on not less than three months' notice in writing. Richard is entitled to an annual fee of £120,000. He will be reimbursed for all proper and reasonable expenses incurred in performing his duties. He is not entitled to pension contributions or to participate in any of the Company's benefit arrangements.
- (D) Hugo Drayton entered into an appointment letter with the Company dated 19 November 2014. Under the terms of his appointment letter, Hugo was appointed as a non-executive Director of the Company on 1 December 2014 for an initial term extended to further term of three years from 31 January 2018. The appointment is subject to termination by Hugo on not less than three months' notice. The appointment may also be terminated by the Company serving notice in writing, signed by or on behalf of each of the remaining Directors. Hugo was paid an annual fee of £40,000 in the financial year ended 30 September 2016. He will be reimbursed for all proper and reasonable expenses incurred in performing his duties. He is not entitled to pension contributions or to participate in any of the Company's benefit arrangements.
- (E) Alan Newman entered into an appointment letter with the Company dated 6 February 2018. Under the terms of the agreement, Alan was appointed as a non-executive director of the Company on 6 February 2018 for a continuous period subject to termination by either party on not less than three months' notice in writing. Alan is entitled to an annual fee of £50,000. He will be reimbursed for all proper and reasonable expenses incurred in performing his duties. He is not entitled to pension contributions or to participate in any of the Company's benefit arrangements.
- (F) James Hanbury entered into an appointment letter with the Company dated 16 October 2016, following the acquisition of Imagine. Under the terms of his appointment letter, James was appointed as a non-executive director of the Company (as a representative to the Board from Disruptive Capital) for an initial term of three years which is capable of being extended upon mutual consent by the parties in writing (subject to election by the Company's shareholders at each annual general meeting at which all continuing Directors are proposed for re-election). The appointment is subject to termination by James on not less than three months' notice. The Company reserves the right to terminate the appointment with immediate effect in certain events, such as Disruptive Capital's shareholding in the Company falling below 10 per cent. or if Disruptive Capital notifies the Company that it wishes to elect an alternative representative to the Board. James is entitled to an annual fee of £65,000. He will be reimbursed for all proper and reasonable expenses incurred in performing his duties. He is not entitled to pension contributions or to participate in any of the Company's benefit arrangements.

8. BOARD PRACTICES

8.1 Corporate governance

As an entity listed on the standard listing segment of the Official List, the Group is not required to comply with the requirements of the UK Corporate Governance Code and therefore the Group has not adopted the Code. However, the Directors continue to comply with the spirit of the Code.

8.2 Audit Committee

The Audit Committee meets before the interim and annual results announcements and reviews the relevant financial results with the executive management team and the external auditors. The Audit Committee also meets separately for the purposes of planning the audit process, monitoring its effectiveness, reviewing the Group's relationship with the external auditors and undertaking a detailed review of the Group's internal controls and risk management systems. It also considers whether the

annual reports of the Company are fair, balanced and understandable and advises the Board accordingly.

Pursuant to the terms of reference, the Audit Committee shall consist of at least two independent Directors and the company secretary of the Company (or their nominee) is appointed as the secretary of the Audit Committee. Appointment to the Audit Committee shall be for a period of up to three years, which may be extended for further periods of up to three years, in each case at the discretion of (and subject to the removal by) the Board. Meetings of the Audit Committee shall be convened as required, but no less than three times in each year to coincide with key dates within the Company's financial reporting and audit cycle.

The Audit Committee comprises Hugo Drayton, Richard Huntingford and Alan Newman (as Chair).

8.3 Nomination Committee

The Nomination Committee leads the process of board appointments and/or recommendations and reviews and monitors the constitution and balance of skill of the members of the Board.

Pursuant to the terms of reference, the Nomination Committee shall consist of at least two Directors, the majority of whom shall be independent non-executive Directors. Appointment to the Remuneration Committee shall be for a period of up to three years, which may be extended for further periods of up to three years, in each case at the discretion of (and subject to the removal by) the Board. Meetings of the Nomination Committee shall be convened as required, but no less than once per financial year of the Company. The terms of reference have been reviewed annually and reapproved since incorporation of the Company.

The Nomination Committee comprises Hugo Drayton, James Hanbury and Richard Huntingford (as Chairman).

8.4 Remuneration Committee

The Remuneration Committee determines the remuneration packages of executive Directors, including performance related awards and share based incentives, remuneration policy, which includes the individual bonus targets for executive Directors and performance criteria attached to share-based incentives, the remuneration of the Chairman, recommendations of remuneration levels for non-executive Directors and senior management in line with industry remuneration packages and the implementation of any new share-based incentive scheme proposed to be implemented.

Pursuant to the terms of reference, the Remuneration Committee shall consist of at least two independent non-executive Directors and the company secretary of the Company is appointed as the secretary of the Remuneration Committee. Appointment to the Remuneration Committee shall be for a period of up to three years, which may be extended for further periods of up to three years, in each case at the discretion of (and subject to the removal by) the Board. Meetings of the Remuneration Committee shall be convened as required, but no less than three times in each year. The terms of reference have been reviewed annually and reapproved since incorporation of the Company.

As at the date of this document, the Remuneration Committee comprises Richard Huntingford, Hugo Drayton (as Chair) and Alan Newman.

8.5 Securities Transactions Code

The Company has established and intends to continue to comply with a securities transactions code in accordance with the Market Abuse Regulations. The code applies to the Directors and relevant employees of the Group. All employees who are privy to price sensitive information are required to sign up to the rules established pursuant to the Company's securities transaction code.

9. OPTIONS AND INCENTIVE PLANS

Future plc Performance Share Plan

9.1 The PSP is a share-based incentive scheme open to the executive Directors and certain other employees, usually based on a percentage of the participant's salary. Awards under this scheme are subject to stretching performance criteria measured against a combination of EPS and net cash flow or Adjusted EBITDA and share price performance, depending on the date of grant of the award. Unless the Remuneration Committee decides otherwise at the date of the award, awards will vest three years after the date of grant, subject to the participant's continued employment within the Group, assuming that the following performance criteria are achieved.

Performance criteria in respect of awards granted on 30 November 2015:

- a maximum of 50 per cent. of an award will vest if the Group's adjusted EPS for the year ended 30 September 2018 (the last financial year of the performance period) is 22.5p, 12.5 per cent. will vest if the Group's EPS is 18.0p, and vesting will be on a *pro rata* straight-line basis between the two. If the Group's adjusted EPS is below 18.0p none of that 50 per cent. of the award will vest; and
- the remaining 50 per cent. of the award will vest if the Group's Net Cash Flow for the year ended 30 September 2018 (the last financial year of the performance period) is £0.75 million, 12.5 per cent. will vest if the Group's Net Cash Flow is £(0.25) million, and vesting will be on a *pro rata* straight-line basis between the two. If the Group's Net Cash Flow is below £(0.25) million none of that 50 per cent. of the award will vest.

Performance criteria in respect of awards granted on 23 November 2016 and 2 February 2017:

- a maximum of 25 per cent. of an award will vest if the Group's Adjusted EBITDA for the year ended 30 September 2017 is at or above target. If the Group's Adjusted EBITDA is below target none of that 25 per cent. of the award will vest;
- a maximum of 25 per cent. of an award will vest if the Group's Adjusted EBITDA for the year ended 30 September 2018 is at or above target. If the Group's Adjusted EBITDA is below target none of that 25 per cent. of the award will vest;
- a maximum of 25 per cent. of an award will vest if the Group's share price performance in the period up to and including 30 September 2018 is above target. If the Group's share price performance is below target none of that 25 per cent. of the award will vest; and
- a maximum of 25 per cent. of an award will vest if the Group's share price performance in the period up to and including 30 September 2019 is above target. If the Group's share price performance is below target none of that 25 per cent. of the award will vest.

Performance criteria in respect of awards granted on 20 November 2017:

- a maximum of 50 per cent. of an award will vest if the Group's adjusted EPS for the year ended 30 September 2020 (the last financial year of the performance period) is above target, 12.5 per cent. will vest if the Group's EPS is above threshold, and vesting will be on a *pro rata* straight-line basis between the two. If the Group's adjusted EPS is below threshold none of that 50 per cent. of the award will vest; and
- the remaining 50 per cent. of the award will vest if the if the Group's share price performance in the period up to and including 30 September 2020 is above target. If the Group's share price performance is below threshold none of that 50 per cent. of the award will vest, the award will vest *pro rata* between threshold and target.

Performance criteria in respect of awards granted in 2018:

- a maximum of 50 per cent. of an award will vest if the Group's adjusted EPS for the year ended 30 September 2020 (the last financial year of the performance period) is above target, 12.5 per cent. will vest if the Group's EPS is above threshold, and vesting will be on a *pro rata* straight-line basis between the two. If the Group's adjusted EPS is below threshold none of that 50 per cent. of the award will vest; and

- the remaining 50 per cent. of the award will vest if the Group's share price performance in the period up to and including 30 September 2020 is above target. If the Group's share price performance is below threshold none of that 50 per cent. of the award will vest, the award will vest *pro rata* between threshold and target.

9.2 At the Latest Practicable Date, the total number of options to subscribe for Ordinary Shares that were outstanding under this scheme was 4,566,830.

Future plc Deferred Annual Bonus Plan

9.3 DABS is a share-based incentive scheme open to employees across the Group. The value of any shares granted under the DABS to any one participant will be an amount which is equal to a fixed percentage or amount of that eligible participant's annual bonus and the Remuneration Committee determines what percentage of the annual bonus will be paid in cash and what percentage will be delivered in the form of an award under the DABS. The number of shares over which an award is to be granted to each participant will be calculated by reference to the market value of an Ordinary Share in the Company on the date of the award. Unless the Remuneration Committee decides otherwise at the date of the award, the shares awarded under the DABS will vest six months after the date of the award, subject only to the employee remaining in the employment of the Group throughout the vesting period.

9.4 At the Latest Practicable Date, the total number of options to subscribe for Ordinary Shares that were outstanding under this scheme was 11,255.

Future plc Share Incentive Plan

9.5 The SIP is open to all UK employees including the executive Directors. The scheme is a tax efficient incentive plan pursuant to which employees are eligible to acquire up to £150 (or 10 per cent. of salary, if less) worth of Ordinary Shares in the Company per month or £1,800 per annum. Under the SIP employees are invited to subscribe for partnership shares through salary deductions. If an employee agrees to buy partnership shares the Company currently matches the number of partnership shares bought with an award of matching shares on the basis of one matching share for every four partnership shares. Matching share awards to date have been met by the issue of Ordinary Shares to Yorkshire Building Society as Trustee of the SIP.

9.6 At the Latest Practicable Date, the balance of matching share awards under this scheme was 2,175.

10. EMPLOYEES

10.1 As at 30 September 2015, the actual number of people employed by the Group was 521 (2014 continuing: 577). Of those, in respect of the Group's reportable segments 448 (2014 continuing: 486) were employed in the UK and 73 (2014 continuing: 91) were employed in the US. In 2015, there were 436 production staff and 94 administration staff.

10.2 As at 30 September 2016, the actual number of people employed by the Group was 449 (2015 continuing: 521). Of those, in respect of the Group's reportable segments 390 (2015 continuing: 448) were employed in the UK and 59 (2015 continuing: 73) were employed in the US. In 2016, there were 399 production staff and 89 administration staff.

10.3 As at 30 September 2017, the actual number of people employed by the Group was 634 (2016 continuing: 449). Of those, in respect of the Group's reportable segments 592 (2016 continuing: 390) were employed in the UK and 42 (2016 continuing: 59) were employed in the US. In 2017, there were 471 production staff and 111 administration staff.

10.4 As at the Latest Practicable Date, the actual number of people employed by the Group was 887.

11. PROPERTIES

Material properties owned by the Group

The material properties owned by the Group, all of which are leasehold, are as follows:

<u>Location</u>	<u>Description</u>	<u>Term</u>	<u>Use</u>	<u>Building/site use area</u>
Richmond House, Richmond Hill, Bournemouth	Suite Lower Ground Floor, Suite 1,2,3 & 4 Second Floor, Suite 5 & 6 Second Floor,	2 June 2015 – 1 June 2025	General office and administrative use	Approximately 12,500 square feet (total square footage of property is approximately 56,242)
1-10 Praed Mews, London W2 1QY	Headlease Property known as 1-10 Praed Mews, London, W2 1QY	Term: 17 November 2015 – 23 June 2025	General office and administrative use	Approximately 7,767 square feet
	Underlease Part of Ground Floor, 1-10 Praed Mews, London, W2 1QY	28 April 2016 – 27 April 2020	General office and administrative use	Approximately 2,361 square feet
Quay House, The Ambury, Bath	Headlease All those premises known as Quay House, The Ambury Bath registered under title numbers AV15337, AV15338 and ST179897	25 years from and including the 20 September 2002	Headquarters of the Group	Approximately 38,798 square feet
Sugar Brook Court, Aston Road, Bromsgrove, B60 3EX	Units 1 & 2 Unit 3	8 February 2018 – 7 February 2023	General office and administrative use	Approximately 9,300 square feet
4-8 Emerson Street, London, SE1 9DU	Fourth Floor	24 February 2016 – 24 June 2021	General office and administrative use	Approximately 2,960 square feet
28 East 28 th Street, New York, NY 10016	12 th Floor and Concourse	1 April 2010 – 29 June 2019	General office and administrative use	Approximately 25,000 square feet

Material properties owned by Purch

The material properties owned by Purch, all of which are leasehold, are as follows:

<u>Location</u>	<u>Description</u>	<u>Term</u>	<u>Use</u>	<u>Building/site use area</u>
11 West 42 nd Street, New York NY 10036	15 th Floor	27 June 2017 – 27 February 2021	General office and administrative use	22,511 square feet
Building B 251 20 th Street, Odgen, UTAH	2 nd Floor and Basement (3 rd Floor surrendered)	1 March 2014 – 30 June 2019	General office and administrative use	21,237 square feet
Building B 251 20 th Street, Odgen, UTAH	1 st Floor (West)	30 December 2015 – 30 June 2019	Test lab	5,024 square feet

<u>Location</u>	<u>Description</u>	<u>Term</u>	<u>Use</u>	<u>Building/site use area</u>
525 Brannan Street. San Francisco, California	Suite 410	1 December 2016 – 30 November 2018	General office and administrative use – Shop Savvy	1,554 square feet
1875 Lawrence Street, Denver Colorado	Suite 300	25 August 2016 – 30 January 2020	General office and administrative use – Active Junky	4,380 square feet
2600 West Executive Parkway, Lehi, Utah	Suite 360	1 July 2015 – 31 July 2020	General office and administrative use	5,424 square feet
Le Calypso, Parc Sud Galaxie, Echirolles, Grenoble	Second Floor, Building A	1 October 2015 – 30 September 2024	General office and administrative use	240 square feet

12. SIGNIFICANT SUBSIDIARIES

12.1 Future is the holding company of the Group and has subsidiaries in the UK, California, US, Guernsey and Germany and a branch in Australia. Below is a list of the subsidiary undertakings of the Company that are significant in terms of the Group's assets and liabilities, financial position or profits and losses. Each of these companies is directly or indirectly wholly owned by the Company or another subsidiary within the Group and incorporated in England and Wales, unless otherwise specified. The issued share capital of each company is fully paid.

<u>Name</u>	<u>Holding company</u>	<u>Percentage of issued share capital held by the holding company and voting power</u>
Future Holdings 2002 Limited	Future plc	100%
Future Publishing Limited	Future Holdings 2002 Limited	100%
Future Publishing (Overseas) Limited *	Future Publishing Limited	100%
A&S Publishing Company Limited †	Future Publishing Limited	100%
FutureFolio Limited	Future Publishing Limited	100%
Future US Inc **	Future Holdings 2002 Limited	100%
Rho Holdings Limited ***	Future plc	99.998%
	Future Holdings 2002 Limited	0.002%
Sarracenia Limited †	Future plc	100%
Future Publishing Holdings Limited	Future plc	87.5%
	Alocasia Limited	12.5%
Future Verlag GmbH ****	Future Publishing Holdings Limited	100%
Next Commerce Pty Ltd	Future Publishing (Overseas) Limited	100%
PricePanda GmbH	Next Commerce Pty Ltd	100%
Next Commerce Philippines Inc ††	Next Commerce Pty Ltd	100%
National Game Fair Limited	Future Publishing Limited	10%
Ascent Publishing Limited	Future Publishing Limited	100%
Centaur Consumer Exhibitions Limited	Future Publishing Limited	100%
Future New1 Limited	Future Publishing Limited	100%
NewBay Media LLC	Future US Inc	100%
NewBay Media UK Holdco Limited	Future Holdings 2002 Limited	100%
NewBay Media Europe Limited	NewBay Media UK Holdco Limited	100%
Mobile Entertainment Limited	NewBay Media Europe Limited	100%
CTW Media Limited	NewBay Media Europe Limited	100%
MCV Media UK Limited	NewBay Media Europe Limited	100%

Notes:

* Future Publishing (Overseas) Limited is incorporated in England and Wales but has an operating branch in Australia.

** Future US Inc is incorporated in California, US.

- *** Rho Holdings Limited is incorporated in Guernsey. The company is currently in the process of being voluntarily struck off.
- **** Future Verlag GmbH is incorporated in Germany. The company is currently in liquidation pending the resolution of certain routine tax matters.
- † Dormant or non-trading entities.
- †† Non-trading entities in respect of which an application has been made to strike the company from the applicable register.

12.2 The financial statements of the above companies are consolidated in the annual financial statements of Future for the year ended 30 September 2017, other than National Game Fair Limited (due to the 10 per cent. shareholding), Alocasia Limited (which is not a subsidiary of Future) and Future New1 Limited, NewBay Media, NewBay Media UK Holdco Limited and its subsidiaries; NewBay Media Europe Limited, Mobile Entertainment Limited, CTW Media Limited and MCV Media UK Limited (which were not subsidiaries of Future as at this date).

13. WORKING CAPITAL

The Company is of the opinion that, after taking into account available bank facilities and the net proceeds of the Rights Issue, the working capital available to the Group and the Enlarged Group, is sufficient for its present requirements, that is, for at least the next 12 months from the date of this document.

14. SIGNIFICANT CHANGE

Other than the acquisitions of NewBay Media and the four specialist titles from Haymarket which resulted in the Group increasing its debt facilities by a further £5 million, there has been no significant change in the trading or financial position of the Group since 31 March 2018, the date to which Future's last unaudited interim financial statements were issued.

15. LITIGATION

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Group is aware), which during the 12 month period prior to the publication of this document may have, or have had in the recent past, a significant effect on the Group's financial position or profitability.

16. MATERIAL CONTRACTS

Material contracts of the Group

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

16.1 *Next Commerce SPA*

On 11 August 2016, Future Publishing (Overseas) Limited entered into the Next Commerce SPA, pursuant to which Future Publishing (Overseas) Limited agreed to purchase the entire issued share capital of Next Commerce.

The consideration for the acquisition of Next Commerce comprised (i) a cash element of AUD\$ 500,006 (approximately £286,000) which included the discharge of certain shareholder loans as well as for the purchase of the shares, and (ii) a non-cash element which could have included the issuance of earn out shares up to a value of £550,000 in Future to certain Next Commerce Sellers if certain revenue targets were met (with the relevant earn out period ending on 31 December 2016). In January 2017, Future Publishing (Overseas) Limited agreed with the sellers to pay deferred consideration of £0.7 million in cash instead of shares in Future.

The Next Commerce SPA contains customary warranties relating to Next Commerce which are given by each of the Next Commerce Sellers. Future Publishing (Overseas) Limited has given customary

warranties to the Next Commerce Sellers relating to its solvency, shares and compliance with UK laws and regulatory requirements.

Claims against either party by the Next Commerce Sellers or Future Publishing (Overseas) Limited, including for breach of warranty, are subject to certain financial, time and other limitations. The aggregate liability of the Next Commerce Sellers and Future Publishing (Overseas) Limited for any such claims is linked to the value of the earn out shares.

As part of the transaction, Future and the Next Commerce Sellers entered into a parent guarantee, pursuant to which Future guarantees certain of Future Publishing (Overseas) Limited's obligations, representations and warranties under the Next Commerce SPA.

16.2 Team Rock Asset Purchase Agreement

On 6 January 2017, Team Rock (in administration and acting by its administrators) and FPL entered into an asset purchase agreement, pursuant to which FPL agreed to purchase the assets from Team Rock. Completion of this transaction occurred on 6 January 2017.

The consideration for the transfer of the assets was the sum of £800,000 (which was paid in cash on completion of the transaction) and, in addition, FPL assumed the subscription liabilities of Team Rock. Substantially all of the assets were previously owned by FPL and were sold to Team Rock in 2013 for a consideration of £10.2 million.

Given that the assets were purchased from the administrators, the asset purchase agreement does not contain customary warranties. Any claim in respect of the agreement must be brought as an unsecured claim against Team Rock.

16.3 Facilities Agreement

On 20 October 2016 the Company entered into the Facilities Agreement with the Bank. The facilities made available under the Facilities Agreement were used to refinance existing debt of the Company and fund costs associated with the acquisition of Imagine, and to fund the working capital of the Group. In addition to the committed Facilities Agreement, the Company also has a £2 million overdraft facility with the Bank as part of its on-going working capital requirements. The overdraft facility, which benefits from the same security and guarantees as the Facilities Agreement, is an on-demand facility and is not provided on a committed basis.

The Facilities Agreement originally comprised two revolving facilities: (i) a £8.5 million sterling revolving credit facility which can be utilised by the Company (Facility A) and (ii) a £3.5 million multicurrency revolving credit facility which can be utilised by the Company and the Borrowers (Facility B). The scheduled final maturity date for both facilities is June 2021. In addition, the amount drawn (and commitment available) under Facility A is required to reduce over time prior to its final maturity in accordance with a schedule of reduction instalments which commences in September 2017. The Facilities Agreement has been amended and restated twice since originally entered into as further described in paragraphs 16.4 and 16.9 below.

The Facilities Agreement incorporates a guarantee from the Company and from the other Guarantors. There is a requirement under the Facilities Agreement that certain material companies within the Group accede as guarantors to the Facilities Agreement coupled with a market standard guarantor coverage test set at 85 per cent. of turnover, assets and EBITDA¹⁵ (i.e. entities within the Group constituting 85 per cent. or more of turnover, assets and EBITDA must be Guarantors under the Facilities Agreement). If the Borrowers do not fulfil their obligations under the Facilities Agreement, the Bank may demand payment from the Guarantors under the terms of the guarantee.

The Company and certain members of the Group, which are deemed to be material companies, are also required to grant security to the Bank in the form of a fixed charge over certain identifiable assets and a floating charge over the business of each security provider. If the Borrowers do not fulfil their repayment obligations under the Facilities Agreement, the Bank may choose to enforce the security and apply any proceeds from the enforcement of that security in repayment of the facilities.

¹⁵ The definition of EBITDA in the Facilities Agreement also includes (amongst other things) exceptional items.

The Facilities Agreement includes certain customary representations and undertakings and certain customary covenants in respect of the Company's financial performance (such representations, undertakings and covenants consistent with Loan Market Association standard terms). A breach of any representation or undertaking will confer on the Bank a right to call an event of default, following which any outstanding amounts under the Facilities Agreement may become immediately due and payable. The occurrence of an event of default would, in the event that the amounts demanded for repayment as a result of such event of default were not repaid, also give the Bank a right to claim on the guarantee and/or enforce its security.

16.4 *The amended Facilities Agreement*

On 7 July 2017, the Group entered into an amendment of the Facilities Agreement to borrow (by way of term debt) a further £12 million in order to partly fund the acquisition of Home Interest. The scheduled final maturity date for this additional facility is June 2021. In addition, the amount drawn under this additional facility is required to reduce over time prior to its final maturity in accordance with a schedule of reduction instalments which commences in September 2018. The amended Facilities Agreement incorporated a guarantee from the Company and the other Guarantors.

16.5 *Centaur SPA*

On 7 July 2017, the Company (in its capacity as guarantor for FPL's obligations) and FPL entered into the Centaur SPA with Centaur Communications Limited to acquire Home Interest for an enterprise value of £32 million less £1.75 million (representing the net amount of cash based deferred income and associated costs and other debt like items, resulting in a net cash consideration of approximately £30.25 million, which is subject to further adjustment for customary post-Completion adjustments based on the amounts of debt, cash and working capital in the Centaur Business at completion of the transaction.

The Centaur SPA contains a set of warranties given by Centaur Communications Limited which are customary for a transaction of this nature. The warranties relate to, amongst other things, title and capacity, authority and solvency matters, accounting and financial matters, trading, intellectual property, litigation, and compliance with law and taxation in relation to the Centaur Business. Certain financial and time limitations apply to the ability of FPL to claim under the warranties, as is customary for a transaction of this nature.

16.6 *Centaur Tax Deed*

Pursuant to the Centaur SPA, FPL and Centaur Communications Limited entered into the Centaur Tax Deed pursuant to which Centaur Communications Limited agreed to indemnify FPL for any tax liabilities of the Centaur Business relating to the time period on or before completion of the transaction. The indemnity provided is subject to certain exclusions and financial limits.

16.7 *Centaur Placing Agreement*

On 7 July 2017, the Company and the Joint Brokers entered into a placing agreement pursuant to which, on the terms and subject to certain conditions contained therein, each of the Joint Brokers procured subscribers for 8,800,000 shares issued to the Joint Brokers. Pursuant to the Centaur Placing Agreement, the Joint Brokers procured that the net proceeds of the placing were paid to Centaur Communications Limited. The Centaur Placing Agreement contained a set of warranties given by Future which were customary for a transaction of this nature

16.8 *NewBay Media SPA*

On 3 April 2018, the Company (in its capacity as issuer of consideration shares) and FPL entered into the NewBay Media SPA with NBM Holdings III LLC to acquire NewBay Media for an initial net consideration of \$12.25 million (£8.62 million) cash and \$1.55 million (£1.09 million) shares, with a further potential deferred consideration of up to \$5.60 million (£3.94 million) in January 2019, depending on the future performance of the acquired business.

The NewBay Media SPA contains a set of warranties given by NBM Holdings III LLC, the Company and FPL, which are customary for a transaction of this nature. The warranties relate to, amongst

other things, title and capacity, authority and solvency matters, accounting and financial matters, trading, intellectual property, litigation, and compliance with law and taxation in relation to the target business and are covered by a warranty and indemnity insurance.

16.9 Further amended Facilities Agreement

On 3 April 2018, the Group entered into a further amendment of the Facilities Agreement in order to borrow (by way of term debt) a further US\$7 million in order to partly fund the acquisition of NewBay Media. This additional facility is repayable in full in June 2019. The Amended Facilities Agreement incorporated a guarantee from the Company and the other Guarantors.

16.10 Haymarket SPA

On 1 May 2018, the Company (in its capacity as issuer of consideration shares) and FPL entered into the Haymarket SPA with Haymarket Media Group Limited to acquire the specialist consumer titles of What Hi-Fi?, FourFourTwo, Practical Caravan and Practical Motorhome for up to £13 million, including the issuance of 370,708 shares which are subject to lock-up restrictions for three months from the date of issue and potential deferred consideration shares.

The Haymarket SPA contains a set of warranties given by Haymarket Media Group Limited, the Company and FPL, which are customary for a transaction of this nature. The warranties relate to, amongst other things, title and capacity, authority and solvency matters, accounting and financial matters, trading, intellectual property, litigation, and compliance with law and taxation in relation to the target business. Certain financial and time limitations apply to the ability of FPL to claim under the warranties, as is customary for a transaction of this nature.

16.11 Acquisition Agreement

On 17 July 2018, Future US entered into the Acquisition Agreement to acquire Purch which is conditional on (amongst other things) Admission having occurred. A summary of the Acquisition Agreement is set out in paragraph 1 of Part 10 of this document.

16.12 Transitional Services Agreement

As part of the Acquisition, the Seller and Future US will enter into the Transitional Services Agreement at Completion relating to the provision of transitional services by the Seller to Future and/or the Target for an initial period of three months following Completion. The term of the Transitional Services Agreement may be extended to a period of up to six months upon the agreement of the parties.

Pursuant to the Transitional Services Agreement, the Seller will provide back-office services, and assist with migration of the Target's business to Future, for a maximum term of six months to a value of up to US\$746,940 (approximately £564,111). These services will include IT and technology services, HR and payroll support, finance services (including credit control and accounts payable) and certain other head-office services. The services offered by the Seller to Future and/or the Target will utilise existing technology, resources and employees currently within Purch.

The sums payable under the Transitional Services Agreement will be in addition to and separate from the consideration payable under the Acquisition Agreement.

16.13 Underwriting Agreement

On 18 July 2018, the Company and the Underwriters entered into the Underwriting Agreement pursuant to which Numis and N+1 Singer were appointed to act as Underwriters in relation to the Rights Issue. Pursuant to the terms and conditions of the Underwriting Agreement, the Underwriters (as agents for and on behalf of the Company) have severally agreed, subject to certain conditions, to use reasonable endeavours to procure subscribers for all the New Ordinary Shares. If and to the extent that the Underwriters are unable to procure, on behalf of the Company, subscribers on the basis outlined above, the Underwriters have agreed in their due proportions, to severally subscribe for the New Ordinary Shares not taken up or will procure sub-underwriters to do so, in each case, at the Issue Price.

In connection with the Rights Issue, the Company has agreed to pay the Underwriters an underwriting commission of 2.3 per cent. of the value of the New Ordinary Shares at the Issue Price, payable to the Underwriters in their due proportions. The base fee is not payable if the Underwriting Agreement is terminated.

The Company has given customary representations, warranties and undertakings to the Underwriters as to the accuracy of the information contained in this document and other relevant documents, and in other matters relating to the Company and the Target. In addition, the Company has given customary indemnities to the Underwriters and to certain indemnified persons connected with each of them. These indemnities do not apply to certain losses or claims if, and then to the extent only that, such losses or claims are finally judicially determined by a court of competent jurisdiction to have been caused by the fraud, gross negligence or wilful default of the Underwriters and/or those indemnified persons.

The obligations of the Underwriters under the Underwriting Agreement are subject to certain conditions, including, among others:

- (a) the passing of the Resolution at the General Meeting without amendment;
- (b) the Underwriting Agreement becoming unconditional in all respects save for the condition relating to Admission); and
- (c) Admission becoming effective by no later than 8.00 a.m. on 6 August 2018 (or such later time and/or date, being not later than 8.30 a.m. on 24 August 2018).

If any of the conditions in the Underwriting Agreement is not satisfied (or waived by the Underwriters), or becomes incapable of being satisfied by the required time then, save for certain exceptions, the obligations of the parties under the Underwriting Agreement shall cease and terminate. In addition, the Underwriters are entitled to terminate the Underwriting Agreement in certain circumstances including where there has been a development or event which will or is likely to have a material adverse effect on the Company and force majeure.

Material contracts of Purch

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into in the two years preceding the date of this document by Purch and are, or may be, material to Purch at the date of this document:

16.14 Reorganisation Plan

On 17 July 2018, Purch entered into the Reorganisation Plan pursuant to which Purch and its subsidiaries have agreed to undertake a series of pre-Completion internal reorganisation transactions to separate out Purch's B2C business from its B2B business. Purch has formed Seller and caused Seller to form Merger Sub. As part of the reorganisation transactions, Merger Sub will merge with and into Purch with Purch surviving the merger and becoming a wholly owned subsidiary of Seller. Further, as part of the reorganisation transactions, Purch will convert from a Delaware C-corporation to a Delaware limited liability company. The Reorganisation Plan also provides for, among other things, (i) an assignment by Purch to BuyerZone.com, Inc. ("B2B Sub") of certain assets and contracts relating to the B2B business, and the assumption by B2B Sub of certain related liabilities, (ii) an assignment and/or transfer to Purch of certain intellectual property rights currently held by certain EU subsidiaries within the Purch Group prior to Completion, (iii) a distribution by Purch to Seller of the capital shares of B2B Sub and certain EU subsidiaries within the Purch Group prior to Completion, (iv) a distribution by Purch to the Seller of certain inter-company indebtedness such that immediately prior to Completion Purch would be released of responsibility for such inter-company indebtedness; (v) the assumption by the Seller of each of Purch's employee benefit plans including its 401(k) plan, stock option plans and welfare benefit plans, (vi) the liquidation by the Seller of ShopSavvy, Inc., a Delaware corporation and (vii) the transfer of certain employees located in France from an existing EU subsidiary of Seller to a French SARL which would be a subsidiary of Purch as of Completion. It is a condition to Completion that the reorganisation transactions shall have been consummated as contemplated by the Reorganisation Plan. Future US, Inc. is a third party beneficiary of the Reorganisation Plan.

17. TAXATION

The following statements are intended as a general guide only, based on current UK tax legislation and HMRC practice, to the UK tax position of UK residents who are the absolute beneficial owner of their shares and who are holding their shares as investments and not as trading stock. Any person who is in any doubt as to his or her tax position, or who is or may be subject to a tax in a jurisdiction other than the UK, should consult an appropriate professional adviser.

Dividends

Under current UK tax legislation, no tax will be withheld from any dividend paid by the Company.

An individual shareholder who is resident for tax purposes in the United Kingdom is entitled to an annual dividend allowance which exempts from tax his or her first £2,000 of dividend income. Dividend income in excess of the dividend allowance will be taxed at 7.5 per cent., 32.5 per cent. or 38.1 per cent. to the extent that income falls within the basic rate income tax band, the higher rate income tax band or the additional rate income tax band, respectively. Individual shareholders should note that dividend income forms the top slice of an individual's income and that all dividend income (including that income exempted from tax by virtue of the dividend allowance) is counted when determining which income tax rate band is applicable.

A UK resident shareholder who holds Ordinary Shares in an ISA will be exempt from income tax on dividends in respect of such shares.

Subject to certain exceptions for some insurance companies, a UK resident corporate shareholder should not (unless carrying on a trade of dealing in shares) be liable to UK corporation tax on any dividend received from the Company.

A non-UK resident shareholder may be subject to foreign tax on the dividend received. Such a shareholder should consult his or her own tax adviser on the incidence of taxation in the country in which he is resident, whether he is entitled to the benefit of any tax credit and the procedure for claiming double tax relief.

Chargeable gains

A shareholder resident for tax purposes in the UK who sells or otherwise disposes of his or her Ordinary Shares may incur a liability to tax on any capital gain which is realised. Special rules apply to individuals at a time when they are temporarily not resident in the UK.

A shareholder who is not resident for tax purposes in the UK who sells or otherwise disposes of his or her Ordinary Shares will not normally be liable to capital gains tax on the gain which is realised. A liability to tax may arise in respect of a gain if such shareholder carries on a trade in the UK through a branch or agency and such Ordinary Shares are or have been used, held or acquired for the purposes of a trade carried on by the branch or agency.

A UK resident shareholder who holds Ordinary Shares in an ISA will be exempt from capital gains tax on gains accruing to him or her on a disposal or deemed disposal of Ordinary Shares.

Stamp duty and stamp duty reserve tax

The subscription for the New Ordinary Shares will be free of stamp duty and SDRT unless the New Ordinary Shares are acquired for the purposes of an arrangement for the provision of clearance services or the issue of depositary receipts. The Company will not be responsible for the payment of stamp duty or stamp duty reserve tax in any such case. New Ordinary Shares issued directly to a clearance service or depositary receipts arrangement should not attract a stamp duty reserve tax charge on the basis that HMRC has acknowledged that the imposition such a charge on a fresh issue of shares is not compatible with EU law.

Agreements to transfer Ordinary Shares within CREST (where there is a change in the beneficial ownership of Ordinary Shares) will attract SDRT normally at the rate of 0.5 per cent. of the amount or value of the consideration. The charge to SDRT arises, in the case of an unconditional agreement to transfer such

shares within CREST, on the date of the agreement, and in the case of a conditional agreement, on the date the agreement becomes unconditional.

There is no additional stamp duty or SDRT liability where Ordinary Shares are taken out of CREST (otherwise than pursuant to a transfer on sale), and there is no additional stamp duty or SDRT liability if Ordinary Shares are deposited into CREST for conversion into uncertified form (otherwise than pursuant to a transfer on sale or in contemplation of such sale).

Transfers on sale of existing Ordinary Shares outside CREST will be liable to ad valorem stamp duty normally at the rate of 0.5 per cent. of the amount or value of the chargeable consideration. A charge to SDRT, normally at the rate of 0.5 per cent. of the consideration, arises, in the case of an unconditional agreement to transfer shares outside CREST, on the date the agreement becomes unconditional. However, where an instrument of transfer is executed and duly stamped before the expiry of a period of six years beginning with the date of that agreement (or, if the agreement is conditional, the date on which the condition is satisfied), the SDRT charge is cancelled to the extent that the SDRT has not been paid and, if any of the SDRT has been paid, a claim may be made for its repayment, generally with interest.

SDRT and stamp duty are normally the liability of the purchaser. Liabilities to stamp duty will be rounded up to the nearest multiple of £5.

18. CONSENTS AND RELATED MATTERS

18.1 PwC is a member firm of the Institute of Chartered Accountants in England and Wales and has given and has not withdrawn its written consent to the inclusion of its report concerning the financial information relating to Purch as included in Section B of Part 15 (*Historical Financial Information*) of this document and its report concerning the pro forma financial information as included in Section A of Part 16 (*Unaudited Pro Forma Financial Information of the Group*) of this document, in the form and context in which they appear, and has authorised the contents of these reports for the purposes of Rule 5.5.3R(2)(f) of the Prospectus Rules.

18.2 The information sourced from any third party in this document has been accurately reproduced and as far as the Company is aware and has been able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where third party information has been used in this document the source of such information has been identified.

19. FEES AND EXPENSES

The total costs and expenses of and incidental to the Transaction, including the FCA fee and the fees of the London Stock Exchange and the costs of printing and distribution of documents, are estimated to amount to approximately £5.4 million (exclusive of VAT, stamp duty or other taxes).

20. MANDATORY TAKEOVER BIDS AND SQUEEZE OUT AND SELL-OUT RULES

20.1 Mandatory bid

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

20.2 Squeeze-out

Under the Act, if an offeror has, by virtue of acceptances of the offer, acquired or unconditionally contracted to acquire not less than 90 per cent. of the Ordinary Shares, the offeror is entitled to compulsorily acquire the remaining 10 per cent. It would do so by sending a notice to outstanding Shareholders telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for outstanding shareholders. The consideration offered to the Shareholders whose shares are compulsorily acquired under the Act must, in general, be the same as the consideration that was available under the takeover offer.

20.3 Sell-out

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

20.4 Takeover bids

No public takeover bid has been made in relation to the Company during the last financial year or the current financial year.

21. RELATED PARTY TRANSACTIONS

Save as otherwise disclosed below, the Group had no material transactions with related parties in the financial years ended 30 September 2017, 2016 or 2015, nor in the six months ended 31 March 2018.

22. GENERAL

22.1 The auditors of the Company for the three years ended 30 September 2017, 2016 and 2015 are PwC, chartered accountants, registered auditors and members of the Institute of Chartered Accountants of England and Wales, whose registered office is 2, Glass Wharf, Bristol BS2 0FR.

22.2 The registrar of the Company is Computershare who will in relation to Ordinary Shares in certificated form be responsible for keeping the Company's share records.

23. DOCUMENTS ON DISPLAY

Copies of the following documents may be physically inspected at the offices of Future at Quay House, The Ambury, Bath BA1 1UA and 1-10 Praed Mews, London W2 1QY during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for a period of 12 months following Admission:

- (A) the Articles;
- (B) the historical financial information relating to the Group included in the Annual Reports (together with the audit report thereon);
- (C) written consent of PwC; and
- (D) a copy of this document.

This document is dated 18 July 2018.

PART 18

DEFINITIONS

In this document the following expressions have the following meanings, unless the context requires otherwise:

“Acquisition”	the acquisition of Purch by Future on the terms and conditions set out in the Acquisition Agreement
“Acquisition Agreement”	the purchase agreement dated 17 July 2018 between Future US and the Seller, details of which are set out in paragraph 16.11 of Part 17 (<i>Additional Information</i>) of this document
“Act”	the Companies Act 2006
“Adjusted EBITDA”	earnings before share based payments, interest, tax, depreciation, amortisation, impairment of intangible assets and exceptional items
“Admission”	the admission of the New Ordinary Shares (nil paid) to trading on the London Stock Exchange’s main market for listed securities becoming effective in accordance with paragraph 2.1 of the London Stock Exchange Admission Standards and admission of the New Ordinary Shares (nil paid) to listing on the standard segment of the Official List becoming effective in accordance with LR 3.2.7G of the Listing Rules
“AGM”	Annual General Meeting
“Annual Reports”	the Group’s annual report and accounts for the financial years ended 30 September 2017, 30 September 2016 and 30 September 2015
“Articles”	the articles of association of the Company
“Audit Committee”	the audit committee of Future
“Bank”	HSBC Bank plc
“Blaze”	Blaze Publishing Limited
“Board” or “Directors”	the directors of the Company as at the date of this document whose names are set out in Part 6 (<i>Directors, Company Secretary and Advisers</i>) of this document and/or the directors of the Company from time to time (as the context so requires)
“Borrowers”	those members of the Group which have acceded to the Facilities Agreement as borrowers (together with the Company)
“Business Day”	a day (other than Saturday or Sunday or a bank holiday) on which banks are generally open for normal banking business in the City of London
“B2B”	business to business
“B2C”	business to consumer
“Centaur Business”	Ascent Publishing Limited and Centaur Consumer Exhibitions Limited

“Centaur Placing Agreement”	the placing agreement dated 7 July 2017 between (1) the Company; (2) Numis; and (3) N+1 Singer relating to the placing of 8,800,000 Ordinary Shares
“Centaur SPA”	the share purchase agreement dated 7 July 2017 between FPL, Centaur Communications Limited and the Company, details of which are set out in paragraph 16.6 of Part 17 (<i>Additional Information</i>) of this document
“Centaur Tax Deed”	the tax deed dated 7 July 2017 between FPL and Centaur Communications Limited, details of which are set out in paragraph 16.7 of Part 17 (<i>Additional Information</i>) of this document
“certificated” or “in certificated form”	an Ordinary Share which is not in uncertificated form
“City Code”	the City Code on Takeovers and Mergers
“Closing Price”	530 pence per Existing Ordinary Share
“Company” or “Future”	Future plc (incorporated in England and Wales with registered number 03757874)
“Completion”	completion of the Acquisition pursuant to the terms of the Acquisition Agreement
“Computershare”	Computershare Investor Services PLC
“Conflict of Interest”	means in relation to any person, an interest or duty which that person has which directly or indirectly conflicts or may conflict with the interests of the Company or the duties owed by that person to the Company but excludes a conflict of interest arising in relation to a transaction or arrangement with the Company.
“CREST”	the relevant system (as defined in the Regulations) in respect of which Euroclear is the operator (as defined in the Regulations)
“DABS”	the deferred annual bonus scheme open to employees across the Group
“Daisy Chained Information”	has the meaning given to it in Part 5 (<i>Important Information</i>) of this document
“Disclosure Guidance and Transparency Rules”	the rules relating to the disclosure of information made in accordance with section 73A(3) of FSMA
“Disruptive Capital”	Disruptive Capital Investments Limited
“document”	this document
“EBITDA”	earnings before interest, tax, depreciation and amortisation
“EBITDAE”	earnings before interest, tax, depreciation, amortisation and exceptional items
“EEA”	the European Economic Area
“EEA State”	a member of the EEA
“Enlarged Group”	the Group as enlarged by the Acquisition

“EPS”	earnings per share
“Euroclear”	Euroclear UK & Ireland Limited (incorporated in England and Wales under registered number 2878738), the operator of Crest
“Excluded Territories”	Australia, Canada, Japan, South Africa and any other jurisdiction where the extension or availability of the Rights Issue (and any other transaction contemplated thereby) would breach any applicable law or regulation, and Excluded Territory shall be construed accordingly
“Existing Ordinary Shares”	the 46,508,490 Ordinary Shares currently in issue
“Ex-Rights Date”	the date on which the New Ordinary Shares are expected to commence trading ex-rights, being 8.00 a.m. on 6 August 2018
“Facilities Agreement”	the committed facilities agreement originally entered into between the Company and the Bank on 23 June 2016 as amended and restated from time to time
“FCA” or “Financial Conduct Authority”	the Financial Conduct Authority of the UK in its capacity as the competent authority for the purposes of Part VI of FSMA and in the exercise of its functions in respect of Admission to the Official List otherwise than in accordance with Part VI of FSMA
“Form of Proxy”	the form of proxy accompanying this document for use in relation to the General Meeting
“FPL”	Future Publishing Limited
“French SARL”	Purch Technologies SARL, a wholly owned indirect subsidiary of the Seller
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“Fully Paid Rights”	rights to acquire New Ordinary Shares, fully paid
“Future US”	Future US, Inc.
“General Meeting”	the general meeting of the Company proposed to be held at 1-10 Praed Mews, London W2 1QY
“Guarantors”	the Company and those other members of the Group which have acceded to the Facilities Agreement as guarantors
“Group”	Future and its subsidiary undertakings from time to time
“Haymarket SPA”	the share purchase agreement dated 1 May 2018 entered into between the Company, FPL and Haymarket Media Group Limited, details of which are set out in paragraph 16.10 of Part 17 (<i>Additional Information</i>) of this document
“Home Interest”	the Home Interest division of Centaur Media plc, acquired in August 2017 from Centaur Communications Limited
“HMRC”	HM Revenue and Customs
“HSR Act”	the Hart–Scott–Rodino Antitrust Improvements Act of 1976
“IASB”	the International Accounting Standards Board

“IFRS”	the International Financial Reporting Standards as issued by the International Accounting Standards Board and, for the purposes of this document, as adopted by the European Union
“Imagine”	Miura (Holdings) Ltd, a company registered in England and Wales under number 08464815, being the ultimate parent company of the Imagine Publishing Group
“Imagine Publishing Group”	Imagine and its subsidiary undertakings
“Immediate Media”	Immediate Media Company Bristol Limited
“ISIN”	International Security Identification Number
“Issue Price”	303 pence per New Ordinary Share
“Latest Practicable Date”	16 July 2018
“Listing Rules”	the listing rules of the Financial Conduct Authority made pursuant to Part VI of FSMA
“Loan Market Association”	the loan market association of the UK
“London Gazette”	the official newspaper of the Crown
“London Stock Exchange”	London Stock Exchange plc
“Long Stop Date”	30 September 2018 or such other date as the parties to the Acquisition Agreement may agree
“Market Abuse Regulations”	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation)
“Merger Sub”	BZ Holdings Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of the Seller
“Money Laundering Regulations”	the Money Laundering Regulations Terrorist Financing and Transfer of Funds (Information on the Payer) 2017 (SI 2017/692)
“N+1 Singer”	Nplus1 Singer Capital Markets Limited
“NewBay Media”	NewBay Media LLC
“NewBay Media SPA”	the share purchase agreement dated 3 April 2018 entered into between the Company, FPL and NBM Holdings III LLC, details of which are set out in paragraph 16.8 of Part 17 (<i>Additional Information</i>) of this document
“Net Communities”	Net Communities Limited
“New Ordinary Shares”	up to 34,881,368 Ordinary Shares proposed to be issued by Future pursuant to the Rights Issue
“Next Commerce”	Next Commerce Pty Ltd
“Next Commerce Sellers”	Commerce Group Pty Ltd Commerce Group Unit Trust, TEC Global Invest V1 GmbH, Kinnevik Online AB, Bambino 53. V V UG (Haftungsbeschränkt), Asia Internet Holdings S.a.r.l and Philippines Internet Holdings S.a.r.l

“Next Commerce SPA”	the share purchase agreement dated 11 August 2016 entered into between Future Publishing (Overseas) Limited and the Next Commerce Sellers, details of which are set out in paragraph 16.1 of Part 17 (<i>Additional Information</i>) of this document
“Nil Paid Rights”	New Ordinary Shares in nil paid form provisionally allotted to Qualifying Shareholders pursuant to the Rights Issue
“Noble House Media”	Noble House Media Limited
“Nomination Committee”	Future’s Nomination Committee
“Numis”	Numis Securities Limited
“Official List”	the Official List of the FCA
“Ordinary Shares”	the ordinary shares of 15p each in the capital of the Company, other than in respect of the period prior to 2 February 2017 where references to Ordinary Shares are to ordinary shares of 1 pence each in the capital of the Company
“Overseas Shareholders”	Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom, and “Overseas Shareholder” shall be construed accordingly
“PC”	personal computer
“Prospectus Directive”	European Union Directive 2003/71/EC, including any applicable implementing measures in any Relevant Member State
“Prospectus Rules”	the rules made by the FCA under Part VI FSMA in relation to offers of transferable securities to the public and admission of transferable securities to trading on a regulated market (as amended from time to time)
“Provisional Allotment Letters”	the renounceable provisional allotment letters to be issued or made available by the Company to Qualifying Non-Crest Shareholders on the register of members of the Company at the close of business on the Record Date in connection with the Rights Issue
“PSP”	the performance share plan of Future open to executive Directors and certain other key managers of Future
“Purch”	Purch Group, Inc.
“Purchaser”	Future US
“PwC”	PricewaterhouseCoopers LLP
“Qualifying CREST Shareholders”	Qualifying Shareholders holding Ordinary Shares on the register of members of the Company on the Record Date which are in uncertificated form
“Qualifying Non-CREST Shareholders”	Qualifying Shareholders holding Ordinary Shares on the register of members of the Company on the Record Date which are in certificated form
“Qualifying Shareholders”	holders of Ordinary Shares who are on the Company’s register of members at the Record Date

“R&W Policy”	the insurance policy issued to the Purchaser in connection with the representations and warranties and tax indemnities contained in the Acquisition Agreement, subject to certain specified limitations and exclusions with the insurers
“Receiving Agent”	Computershare
“Record Date”	6.00 p.m. on 31 July 2018
“Registrars”	Computershare
“Regulations”	the Uncertificated Securities Regulations 2001 of the United Kingdom
“Relevant Member State”	each member state of the EEA which has implemented the Prospectus Directive
“Relevant Situation”	has the meaning given to it in paragraph 4.18 of Part 17 (<i>Additional Information</i>) of this document
“Remuneration Committee”	the remuneration committee of Future
“Reorganisation Plan”	the agreement and plan of reorganisation dated 17 July 2018, among Seller, Merger Sub, French SARL and each of the entities consisting of Purch prior to Completion, details of which are set out in paragraph 16 of Part 17 (<i>Additional Information</i>) of this document
“Resolution”	the resolutions set out in the notice of General Meeting
“Retained Group”	the B2B business of Purch
“Rights Issue”	the offer by way of rights to Qualifying Shareholders to acquire New Ordinary Shares on the terms and conditions set out in this document and, in the case of Qualifying Non-CREST Shareholders only, the Provisional Allotment Letter
“RPI”	retail price index
“SDRT”	stamp duty reserve tax
“SEDOL”	Stock Exchange Daily Official List
“Seller”	BZ Holdings, Inc.
“Shareholders”	the holder(s) of Ordinary Shares
“Share Schemes”	the PSP and the DABS
“SIP”	the share incentive plan open to all UK employees including executive Directors of Future
“standard listing” or “Standard Listed”	a listing by the FCA of equity securities of a company on the standard listing segment of the Official List
“Statutes”	the Act, the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended) and every other statute, statutory instrument, regulation or order for the time being in force concerning companies registered under the 1985 or 2006 Act and affecting the Company

“Takeover Panel” or “Panel”	the UK Panel on Takeovers and Mergers
“Target”	the B2C business of Purch
“Team Rock”	Team Rock Limited
“Transaction”	the Acquisition and the Rights Issue
“Transitional Service Agreement”	the transitional services agreement between the Seller and Future US, details of which are set out in paragraph 16.12 of Part 17 (<i>Additional Information</i>) of this document
“UK Corporate Governance Code” or “Code”	the UK Corporate Governance Code published by the Financial Reporting Council in 2016 and as updated from time to time
“UK Listing Authority” or “UKLA”	the FCA acting its capacity as the competent authority for the purposes of Part VI of FSMA
“Unaudited Pro Forma Financial Information”	has the meaning given to it in the introduction to Part 16 (<i>Unaudited Pro Forma Financial Information of the Group</i>) of this document
“uncertificated” or “in uncertificated form”	recorded on the relevant register of Ordinary Shares 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
“Underwriters” or “Joint Brokers”	Numis and N+1 Singer
“Underwriting Agreement”	the underwriting agreement dated 18 July 2018 entered into between the Company and the Underwriters, details of which are set out in paragraph 16.13 of Part 17 (<i>Additional Information</i>) of this document
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“United States” or “US”	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
“VAT”	value added tax

PART 19

GLOSSARY

AMP	Accelerated Mobile Pages, a Google-backed project designed as an open standard for any publisher to have pages load quickly on mobile devices
header bidding	a technology that allows ad inventory (a website's available ad impressions) to be offered to multiple demand sources to bid on inventory simultaneously with the highest bidder winning the impressions
IAB Standard Ad Placements	industry guideline that adhere to the principles of positive consumer experience while balancing the requirements of publishers and advertisers, namely page load performance and the trend toward rich multi-media creative, with the assumption that the consumer's primary purpose for digital publications is consumption of content
Network Partners	partner websites that carry advertising content extending the reach of Purch core properties
platform	the technology systems and infrastructure that facilitate the production of content and the delivery of it to the consumer
segment targeting	identifying audience segments based on their behaviour and targeting adverts relevant to these behaviours
technology stack	the suite of technology a company uses to run its business
viewability	concept of how visible ads on a website or mobile app are to users. For an ad to be considered "viewed", at least 50 per cent. of the banner or creative must display on screen for more than one second, as defined by the Internet Advertising Bureau's standard for what is considered a viewable impression

NOTICE OF GENERAL MEETING

FUTURE PLC

NOTICE OF GENERAL MEETING

NOTICE is hereby given that a General Meeting of Future plc (the “Company”) will be held at 9.00 a.m. on 3 August 2018 at the offices of the Company, 1-10 Praed Mews, London W2 1QY for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution:

1. THAT, without prejudice to all existing authorities conferred on the directors of the Company, pursuant to section 551 of the Companies Act 2006 (the “Act”) the directors of the Company be and they are hereby generally and unconditionally authorised to exercise all the powers of the Company to allot shares in the Company up to an aggregate nominal amount of £5,232,205.20 in connection with the Rights Issue (as defined in the prospectus published by the Company dated 18 July 2018 (the “document”)) provided that this authority shall, unless renewed, varied or revoked, expire on 31 October 2018, save that the directors be and they are hereby entitled, as contemplated by section 551(7) of the Act, to make at any time prior to the expiry of such authority any offer or agreement which would or might require shares to be allotted after the expiry of such authority and the directors may allot shares in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

By order of the Board

Registered Office:

Quay House
The Ambury
Bath
BA1 1UA
Penelope Ladkin-Brand
Company Secretary

18 July 2018

Registered in England and Wales No: 03757874

1. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that in order to have the right to attend and vote at the General Meeting (and also for the purpose of determining how many votes a person entitled to attend and vote may cast), a person must be entered on the register of members of the Company at 6.00 p.m. on 31 July 2018 or, in the event of any adjournment, at 6.00 p.m. on the date which is two business days before the day of the adjourned meeting. Changes to entries on the register of members after this Date shall be disregarded in determining the rights of any person to attend or vote at the meeting.

2. Only holders of ordinary shares are entitled to attend and vote at this meeting.

A member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, to speak and to vote at the General Meeting. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. A proxy need not be a member of the Company. A form of proxy for the meeting is enclosed.

To be valid any proxy form or other instrument appointing a proxy must be received by our registrar Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS99 6ZY or electronically at eproxyappointment.com, in each case no later than 9.00 a.m. on 1 August 2018. If you are a CREST member, see note 3 below.

Completion of a form of proxy, or other instrument appointing a proxy or any CREST Proxy Instruction will not preclude a member attending and voting in person at the meeting if he/she wishes to do so.

3. Alternatively, if you are a member of CREST, you may register the appointment of a proxy by using the CREST electronic proxy appointment service. Further details are contained below.

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) thereof by using the procedures, and to the address, described in the CREST Manual subject to the provisions of the Company's articles of association. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK and Ireland (formerly CRESTCo) specifications and must contain the information required for such instructions, as described in the CREST Manual (available on www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent Computershare by 9.00 a.m. on 1 August 2018. For this purpose, the Date of receipt will be taken to be the Date (as determined by the Date stamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this Date any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK and Ireland (formerly CRESTCo) does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular Date. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

4. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may have a right, under an agreement between him/her and the member by whom he/she was nominated, to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right, under such an agreement, to give instructions to the member as to the exercise of voting rights.

The statement of the above rights of the members in relation to the appointment of proxies does not apply to Nominated Persons. Those rights can only be exercised by members of the Company.

5. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
6. Any member attending the General Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
7. A copy of this notice, and other information required by section 311A of the Companies Act 2006, can be found at www.futureplc.com/invest-in-future/.
8. As at 16 July 2018 (being the latest practicable date prior to the publication of this notice) the Company's issued share capital consists of 46,508,490 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at that date are 46,508,490.
9. You may not use any electronic address (within the meaning of section 333(4) of the Companies Act 2006) provided in this Notice of Meeting (or in any related documents including this document to Shareholders and any proxy form) to communicate with the Company for any purposes other than those expressly stated.

