

THIS CIRCULAR AND ANY ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO WHAT ACTION YOU SHOULD TAKE, YOU ARE RECOMMENDED TO SEEK YOUR OWN INDEPENDENT FINANCIAL ADVICE FROM YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL ADVISER AUTHORISED UNDER FSMA, IF YOU ARE RESIDENT IN THE UNITED KINGDOM, OR, IF NOT, FROM ANOTHER APPROPRIATELY AUTHORISED INDEPENDENT FINANCIAL ADVISER.

If you sell or have sold or otherwise transferred all of your holding of Honeycomb Shares, please forward this Circular (but not the accompanying Form of Proxy) as soon as possible to the purchaser or the transferee or to the person through whom the sale or transfer was effected for transmission to the purchaser or the transferee. This Circular and the Form of Proxy must not be forwarded, distributed or transmitted in, into or from any jurisdiction where to do so would violate the laws of that jurisdiction.

This Circular is not a prospectus and it does not constitute or form part of any offer or invitation to purchase, acquire, subscribe for, sell, dispose of or issue, or any solicitation of any offer to sell, dispose of, purchase, acquire or subscribe for, any security. Honeycomb intends to publish a prospectus, once approved by the FCA, in connection with the Combination in due course.

This Circular (including any documents incorporated into it by reference) should be read as a whole and in conjunction with the accompanying Form of Proxy.

HONEYCOMB INVESTMENT TRUST PLC

(Incorporated under the laws of England and Wales with company number 09899024 and registered as an investment company under section 833 of the Companies Act 2006)
("Honeycomb")

PROPOSED COMBINATION WITH POLLEN STREET CAPITAL HOLDINGS LIMITED ("POLLEN STREET") AND RELATED ARRANGEMENTS

and

APPROVAL OF WAIVER OF THE OBLIGATION TO MAKE AN OFFER UNDER RULE 9 OF THE CITY CODE ON TAKEOVERS AND MERGERS

and

NOTICE OF GENERAL MEETING

Your attention is drawn to Part I (*Letter from the Chairman of Honeycomb*) of this Circular, which contains the unanimous recommendation from the Honeycomb Board that you vote in favour of the Resolutions to be proposed at the General Meeting.

Notice convening the General Meeting to be held at Slaughter and May, One Bunhill Row, London EC1Y 8YY, United Kingdom on 1 June 2022 at 10.00 a.m. is set out at Part VIII (*Notice of General Meeting*) of this Circular. Details of the action to be taken by holders of Honeycomb Shares in respect of the General Meeting are set out on pages 8 to 9 of this Circular. In view of its size, the Combination is classified as a Class 1 Transaction under the Listing Rules of the FCA, and therefore requires the approval of Shareholders. The Combination involves certain transactions and arrangements with related parties of Honeycomb that are classified as Related Party Transactions under the Listing Rules and therefore require the approval of Shareholders who are not related parties for these purposes. This Circular is therefore a related party circular as defined in the Listing Rules. Should the Combination proceed, Honeycomb will publish a prospectus (the "**Prospectus**") in relation to the Admission. The Prospectus will be published closer to the date of Completion, which is expected to be in the second quarter of 2022.

Shareholders will find enclosed with this document a Form of Proxy for use in connection with the General Meeting. Whether or not you intend to be present at the General Meeting in person, please complete and sign the enclosed Form of Proxy (or appoint a proxy electronically, as referred to below) in accordance with the instructions printed on the form and return it to Honeycomb's registrar, Computershare, as soon as possible and, in any event, so as to be received by Computershare not later than 10.00 a.m. on 30 May 2022 in respect of the General Meeting.

Unless the Form of Proxy is returned by the time mentioned in the instructions printed on it, it will be invalid for the purposes of the General Meeting.

Alternatively, you may appoint a proxy or proxies electronically either via the website run by Computershare at www.investorcentre.co.uk/eproxy using the Control Number, Shareholder Reference Number (“**SRN**”) and PIN provided on the Form of Proxy or, if you hold your Honeycomb Shares in CREST, you may appoint a proxy via the CREST System (in respect of which, see paragraphs 7 to 10 of the *“Important Notes to the Notice of General Meeting”* in Part VIII (*Notice of General Meeting*)).

If you hold Honeycomb Shares in uncertificated form, the CREST Electronic Proxy Appointment (“**EPA**”) service is available for the General Meeting. To use this facility you must visit www.sharevote.co.uk where details of the procedure are shown. The Voting ID, Task ID and SRN shown on the Form of Proxy will be required to complete the procedure. An EPA will not be valid if received later than 48 hours before the General Meeting or, in the case of any adjournment, later than 48 hours before the time fixed for the adjourned meeting and will not be accepted if found to contain a computer virus.

The completion and return of a Form of Proxy or using the EPA will not prevent Shareholders from attending and voting in person at the General Meeting, or any adjournment thereof, if they so wish and are so entitled.

Applications will be made to the FCA for the Consideration Shares to be admitted to listing on the premium segment of the Official List for closed-ended investment funds, and to the London Stock Exchange for the Consideration Shares to be admitted to trading on its Main Market for listed securities. Shareholders are also advised to read the Prospectus, once published, which will contain information relating to the Consideration Shares.

Merrill Lynch International (“**BofA Securities**”), which is authorised by the PRA and regulated by the FCA and the PRA in the United Kingdom, is acting as financial adviser to Honeycomb and for no one else in connection with the Combination and will not be responsible to anyone other than Honeycomb for providing the protections afforded to its clients or for providing advice in connection with the Combination or any other arrangement referred to, or information contained in, this Circular. Neither BofA Securities, nor any of its affiliates, owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of BofA Securities in connection with this Circular, any statement contained herein or otherwise.

Cenkos Securities plc (“**Cenkos**” or the “**Sponsor**”), which is authorised and regulated by the FCA in the United Kingdom, is acting as sponsor, financial adviser and joint broker for Honeycomb and no one else in connection with the Combination and will not be responsible to anyone other than Honeycomb for providing the protections afforded to the Sponsor’s clients nor for giving advice in relation to the Combination or any other arrangement referred to, or information contained in, this Circular. Neither the Sponsor nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Cenkos in connection with this Circular, any statement contained herein or otherwise. Nothing in this paragraph shall serve to exclude or limit any responsibilities Cenkos may have under FSMA or the regulatory regime established thereunder.

Liberum Capital Limited (“**Liberum**”), which is authorised and regulated by the FCA in the United Kingdom, is acting as joint broker for Honeycomb and no one else in connection with the Combination and will not be responsible to anyone other than Honeycomb for providing the protections afforded to Liberum’s clients nor for giving advice in relation to the Combination or any other arrangement referred to, or information contained in, this Circular. Nothing in this paragraph shall serve to exclude or limit any responsibilities Liberum may have under FSMA or the regulatory regime established thereunder.

A copy of this Circular, together with all information incorporated into this Circular by reference to another source, will be made available on the website at <https://spring.honeycombplc.com/> from the date on which this Circular is published. For the avoidance of doubt, the contents of this website are not incorporated into and do not form part of this Circular.

The date of publication of this document is 10 May 2022.

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IMPORTANT NOTICES

Overseas jurisdictions

The distribution of this Circular in or into jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of such jurisdiction.

In particular, the ability of persons who are not resident in the United Kingdom to vote their Honeycomb Shares with respect to the Resolutions at the General Meeting, or to execute and deliver a Form of Proxy appointing another to vote at the General Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. No person may vote in favour of the Resolutions by any such use, means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this Circular will not be and must not be, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction or any jurisdiction where to do so would violate the laws of that jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.

To the fullest extent permitted by applicable law, the companies and persons involved in the Combination disclaim any responsibility or liability for the violation of such restrictions by any person. This Circular has been prepared for the purposes of complying with English law, the Takeover Code, the Listing Rules and the rules of the LSE, and the information disclosed may not be the same as that which would have been disclosed if this Circular had been prepared in accordance with the laws of any jurisdiction outside of England and Wales.

This Circular does not constitute an offer or invitation to purchase, acquire or subscribe for any securities or a solicitation of an offer or invitation to purchase, acquire or subscribe for any securities pursuant to this Circular or otherwise in any jurisdiction.

Neither the Consideration Shares nor this Circular have been recommended, approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of any Consideration Shares or the accuracy or adequacy of this Circular. Any representation to the contrary is a criminal offence in the United States. Distribution of this Circular by any recipient may be restricted or prohibited by U.S. law. Recipients are required to inform themselves of, and comply with, all such restrictions or prohibitions.

Forward-looking statements

This Circular 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, without limitation, the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout this Circular and include statements regarding the expected effects of the Combination on Honeycomb, Pollen Street and the Combined Group, the expected timing of the Combination and other statements other than historical facts. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to, satisfaction of the conditions to the Combination, as well as additional factors, such as changes in general market conditions, legislative or regulatory changes, changes in taxation regimes or development planning regimes, the availability and cost of capital for future investments and the behaviour of other market participants.

Shareholders are advised to read this Circular in its entirety, and, in particular, the risk factors set out in Part II (*Risk Factors*) of this Circular for a discussion of the factors that could affect

Honeycomb's, Pollen Street's, and, following completion of the Combination, the Combined Group's future performance. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this Circular may not occur or may not occur as foreseen.

These forward-looking statements speak only as at the date of this Circular. Subject to its legal and regulatory obligations (including under the Listing Rules and the Disclosure Guidance and Transparency Rules), Honeycomb and Pollen Street expressly disclaim any obligation to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

No profit forecasts, estimates or asset valuations

No statement in this Circular, or incorporated by reference into this Circular, is intended to be or is to be construed as (a) a profit forecast or estimate for any period and no other statement in this Circular should be interpreted to mean that earnings or earnings per share for the Combined Group, as appropriate, for the current or future financial years, would necessarily match or exceed the historical published earnings or earnings per share for Honeycomb or (b) an asset valuation for the purposes of Rule 29 of the Takeover Code.

INCORPORATION OF INFORMATION BY REFERENCE

The following information is incorporated into this Circular by reference and shall be available to view free of charge on Honeycomb's website at <https://spring.honeycombplc.com/>.

Where the documents listed below make reference to other documents, such other documents are not incorporated into and do not form part of this Circular. Parts of the document incorporated by reference which are not set out below are either not relevant or are covered elsewhere in this Circular. Save as expressly referred to herein, neither the content of Honeycomb's website, nor the content of any website accessible from hyperlinks on Honeycomb's website, is incorporated into, or forms part of, this Circular.

<i>Reference Document</i>	<i>Information incorporated by reference into this Circular</i>	<i>Page number(s) in the reference document</i>
Honeycomb 2019 Annual Report	Independent auditor's report	55 to 62
	Financial statements (including the notes thereto)	63 to 70
	Reconciliation to Alternative Performance Measures	111 to 113
Honeycomb 2020 Annual Report	Independent auditor's report	64 to 73
	Financial statements (including the notes thereto)	74 to 82
	Reconciliation to Alternative Performance Measures	132 to 134
Honeycomb 2021 Annual Report	Independent auditor's report	60 to 67
	Financial statements (including the notes thereto)	68 to 76
	Reconciliation to Alternative Performance Measures	126 to 128

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

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

	2022
Announcement of the Combination	15 February
Posting of this Circular	10 May
Latest time and date for receipt of Forms of Proxy and Crest Proxy Instructions	10.00 a.m. on 30 May ⁽³⁾
Voting Record Time	6.30 p.m. on 30 May ⁽⁴⁾
General Meeting to approve the Resolutions	1 June
Posting of the Prospectus in connection with the issuance of Consideration Shares	Second quarter of 2022
Expected date of completion of the Combination	Second quarter of 2022
Expected date of Admission	Second quarter of 2022
Long stop date for Completion	31 October

Notes:

1. The times and dates set out in the expected timetable of principal events above and mentioned throughout this Circular may be adjusted by Honeycomb in which event details of the new times and dates will be notified to the FCA, the LSE and, where appropriate, Shareholders.
2. References to times in this Circular are to London times unless otherwise stated.
3. In order to be valid, the Form of Proxy must be received no later than 10.00 a.m. (UK time) on 30 May 2022 (or, if the General Meeting is adjourned, no later than 48 hours (excluding non-Business Days) before the time fixed for the adjourned meeting). Please see the Section entitled "*Action to be Taken*" on pages 8 to 9 of this Circular.
4. If the General Meeting is adjourned, the Voting Record Time for the adjourned meeting will be 6.30 p.m. on the date which is two Business Days before the date set for such adjourned meeting.

ACTION TO BE TAKEN

For the reasons set out in this Circular, the Honeycomb Board unanimously recommends that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting, as each of the Honeycomb Directors holding Honeycomb Shares has irrevocably undertaken to do in respect of their own beneficial holdings of Honeycomb Shares, and that you take the action described below.

The General Meeting will be held at Slaughter and May, One Bunhill Row, London EC1Y 8YY, United Kingdom on 1 June 2022 at 10.00 a.m. The Combination requires approval of Shareholders at the General Meeting.

1. The Documents

Please check that you have received the following with this Circular:

- (A) a Form of Proxy for use in respect of the General Meeting; and
- (B) a reply-paid envelope for use in the United Kingdom only for the return of the Form of Proxy.

If you have not received each of these documents, please contact the Shareholder Helpline on the number indicated below.

2. Voting at the General Meeting

The Combination constitutes a Class 1 Transaction for Honeycomb under the Listing Rules, requires the approval of a Rule 9 Waiver under the Takeover Code and will require the passing by Shareholders of the Resolutions to be proposed at the General Meeting. In addition, the Combination involves certain transactions and arrangements with related parties of Honeycomb that are classified as Related Party Transactions under the Listing Rules and therefore require the approval of Shareholders who are not related parties for these purposes. Shareholders who are not Independent Shareholders will not vote on the Rule 9 Waiver Resolution. The General Meeting will be held at Slaughter and May, One Bunhill Row, London EC1Y 8YY, United Kingdom on 1 June 2022 at 10.00 a.m. (London time).

Shareholders entitled to attend and vote at the General Meeting are entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote at the General Meeting. A proxy need not be a Shareholder.

(a) Sending Forms of Proxy by post or by hand

Please complete and sign the enclosed Form of Proxy in accordance with the instructions printed on it and return it, either (i) by post; or (ii) during normal business hours only, by hand, to Honeycomb's registrar, Computershare, at The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ United Kingdom, so as to be received as soon as possible and in any event not later than 10.00 a.m. (London time) on 30 May 2022. If the General Meeting is adjourned, the Form of Proxy should be received not later than 48 hours (excluding non-Business Days) before the time fixed for the adjourned General Meeting.

Shareholders are entitled to appoint a proxy in respect of some or all of their Honeycomb Shares and may also appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such holder. Shareholders who wish to appoint more than one proxy in respect of their holding of Honeycomb Shares should contact Computershare for further Forms of Proxy.

Completion and return of a Form of Proxy, or the appointment of a proxy electronically using CREST (or any other procedure described below) will not prevent you from attending, speaking and voting in person at the General Meeting, or any adjournment thereof, if you wish and are entitled to do so.

(b) Online appointment of proxies

Shareholders entitled to attend and vote at the General Meeting may appoint a proxy electronically by logging on to the following website: www.investorcentre.co.uk/eproxy and entering the Control Number, SRN and voting PIN as shown on their Form of Proxy. For an electronic proxy appointment to be valid, the appointment must be received by Honeycomb's registrar, Computershare, no later than 10.00 a.m. (London time) on 30 May 2022 (or, in the case of an adjournment, not later than

48 hours (excluding non-Business Days) before the time fixed for the adjourned General Meeting). Full details of the procedure to be followed to appoint a proxy electronically are given on the website.

(c) Electronic appointment of proxies through CREST

If you hold Honeycomb Shares in uncertificated form through CREST and wish to appoint a proxy or proxies for the General Meeting (or any adjourned meeting) by using the CREST electronic proxy appointment service, you may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed any 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 the specifications of Euroclear UK and Ireland Limited and must contain the information required for such instructions as described in the CREST Manual. The message (regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy), must, in order to be valid, be transmitted so as to be received by Computershare (ID 3RA50), not less than 48 hours (excluding non-Business Days) before the time fixed for the General Meeting (or any adjourned meeting), as applicable. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which Honeycomb’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time 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 providers, should note that Euroclear 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 any voting service provider(s), to procure that his/her 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 time. In connection with this, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Honeycomb may treat as invalid a CREST Proxy Instruction in the circumstances set out in the CREST Regulations.

3. Shareholder Helpline

If you have any questions about this Circular or the General Meeting, or are in any doubt as to how to complete the Form of Proxy, please contact Honeycomb’s registrar, Computershare, at The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ, United Kingdom or call on +44 (0)370 707 4023 between 8.30 a.m. and 5.30 p.m. (London time), Monday to Friday (excluding English and Welsh public holidays). Calls to the helpline from outside the United Kingdom will be charged at applicable international rates. Calls may be recorded and monitored for security and training purposes. Please note that, for legal reasons, the helpline cannot provide advice on the merits of the Combination, or give any legal, tax or financial advice.

INDICATIVE COMBINATION STATISTICS

Number of Honeycomb Shares in issue (as at the Latest Practicable Date)	35,118,434
Number of Consideration Shares to be issued as consideration for the Combination	29,472,663
Enlarged Share Capital immediately following Admission (excluding Honeycomb Shares held in treasury)	up to 64,591,097
Number of Consideration Shares affected by the Pollen Street Dividend Waiver	14,736,332
Consideration Shares as a percentage of the Enlarged Share Capital immediately following Admission (excluding Honeycomb Shares held in treasury)	45.63

The calculation of the Enlarged Share Capital above and elsewhere in this Circular assumes there will be no issues or buybacks of Honeycomb Shares, other than the issue of the Consideration Shares, between 5 May 2022, being the Latest Practicable Date, and Admission. There are a number of factors affecting how many Honeycomb Shares will be in issue immediately prior to Admission. For example, the Honeycomb Directors may decide to repurchase Honeycomb Shares from time to time in accordance with the Honeycomb Board's buyback policy. Most recently, the Honeycomb Board announced on 29 April 2022 that it would be extending the term of its current share buyback programme to 30 June 2022. Accordingly, the Enlarged Share Capital immediately following Admission may differ from the estimate used in this Circular.

DIRECTORS, COMPANY SECRETARY AND ADVISERS

Directors

Name	Position
Robert Sharpe	Chairman Chairman, Nomination Committee Chairman, Management Evaluation Committee
Jim Coyle	Senior Independent Director Chairman, Audit Committee
Richard Rowney	Non-Executive Director Chairman, Risk Committee
Joanne Lake	Non-Executive Director Chairman, Remuneration Committee

The business address of each of the Directors is 6th Floor, 65 Gresham Street, London EC2V 7NQ, United Kingdom.

Group Company Secretary

Link Company Matters Limited (registered number: 05306796), 6th Floor, 65 Gresham Street, London EC2V 7NQ, United Kingdom.

Registered Office

6th Floor, 65 Gresham Street, London EC2V 7NQ, United Kingdom

Honeycomb Website

www.honeycombplc.com

Pollen Street Website

www.pollencap.com

Financial Adviser, Sponsor and Joint Broker to Honeycomb

Cenkos Securities plc
6 7 8 Tokenhouse Yard
London
EC2R 7AS
United Kingdom

Financial Adviser to Honeycomb

Merrill Lynch International
2 King Edward Street
London
EC1A 1HQ
United Kingdom

Corporate Broker to Honeycomb

Liberum Capital Limited
25 Ropemaker Street
London
EC2Y 9LY
United Kingdom

Legal Adviser to Honeycomb as to English Law	Slaughter and May One Bunhill Row London EC1Y 8YY United Kingdom
Legal Adviser to the Sponsor	Gowling WLG (UK) LLP 4 More London Riverside London SE1 2AU United Kingdom
Auditor of Honeycomb	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH United Kingdom
Auditor of Pollen Street	BDO LLP 55 Baker Street London W1U 7EU United Kingdom
Reporting Accountants to Honeycomb	Deloitte LLP One New Street Square London EC4A 3HQ United Kingdom
Registrar to Honeycomb	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS99 6ZZ United Kingdom

GENERAL INFORMATION

1. Presentation of financial information

Unless otherwise stated:

- a) financial information relating to Honeycomb has been extracted without material adjustment from the Honeycomb Audited Consolidated Financial Statements which are incorporated by reference into this Circular (see the Section entitled “*Incorporation of Information by Reference*” on page 6 of this Circular);
- b) financial information relating to Pollen Street has been extracted without material adjustment from the Pollen Street Audited Restated Consolidated Financial Statements, each of which is included in Part VI (*Financial Information*) of this Circular; and
- c) all prices quoted for Honeycomb Shares are closing prices in sterling as at the date specified as provided by the LSE.

Where information has been extracted from the Honeycomb Audited Consolidated Financial Statements, the information is audited unless otherwise stated. Financial information relating to Pollen Street, unless otherwise stated, has been extracted from the Pollen Street Audited Restated Consolidated Financial Statements which have been reported on by BDO LLP (whose report has been reproduced in full at Section B (*Historical Financial Information for Pollen Street*) of Part VI (*Financial Information*) of this Circular).

2. Pro forma financial information

In this Circular, any reference to “*pro forma*” financial information is to the unaudited *pro forma* financial information contained in Section C (*Unaudited Pro Forma Financial Information*) of Part VI (*Financial Information*) of this Circular (the “**Unaudited Pro Forma Financial Information**”).

The unaudited *pro forma* income statement and unaudited *pro forma* statement of net assets of the Combined Group have been prepared for illustrative purposes only in accordance with Annex 20 of the UK Prospectus Regulation and on the basis of the notes set out below.

The unaudited *pro forma* income statement has been prepared to illustrate the effect on the earnings of the Honeycomb Group as if the proposed Combination had taken place on 1 January 2021. The unaudited *pro forma* statement of net assets has been prepared to illustrate the effect on the net assets of the Honeycomb Group as if the proposed Combination had taken place on 31 December 2021.

The unaudited *pro forma* income statement and unaudited *pro forma* statement of net assets have been prepared for illustrative purposes only and, because of their nature, address a hypothetical situation and do not, therefore, represent the Honeycomb Group or the Combined Group’s actual financial position or results.

The Unaudited *Pro Forma* Financial Information has been prepared under IFRS and on the basis set out in the notes to the *pro forma* statements set out in Section C (*Unaudited Pro Forma Financial Information*) or Part VI (*Financial Information*) of this Circular.

The Unaudited *Pro Forma* Financial Information is stated on the basis of the accounting policies to be adopted by Honeycomb in preparing its next audited consolidated financial statements and should be read in conjunction with the notes to the *pro forma* statements. By their nature, the unaudited *pro forma* net asset and income statements address hypothetical situations and therefore do not represent the Honeycomb Group’s financial position as of 31 December 2021 and for the 12 months ended 31 December 2021. They may not, therefore, give a true picture of the Honeycomb Group’s financial position or results, nor are they indicative of the results that may, or may not, be expected to be achieved in the future.

In addition, the Unaudited *Pro Forma* Financial Information does not purport to represent what the actual financial positions and results of operations of the Honeycomb Group would have been if the Combination had been completed on the dates indicated nor does it purport to represent the Honeycomb Group’s results of operations for any future period or the Honeycomb Group’s financial condition at any future date.

3. Presentation of industry, market and other data

Information regarding markets, market size, market share, market position, growth rates and other industry data pertaining to Honeycomb's business and Pollen Street's track record contained in this Circular consist of: (i) estimates based on data and reports compiled by professional organisations and analysts; (ii) information made public by investment vehicles currently managed by Pollen Street; (iii) data from other external sources; and (iv) Honeycomb's, Pollen Street's, the Honeycomb Directors', the Pollen Street Directors', and the Proposed Directors' knowledge. Information regarding the macroeconomic environment has been compiled from publicly available sources. In many cases, there is no readily available external information (whether from trade associations, government bodies or other organisations) to validate market-related analyses and estimates, requiring Honeycomb to rely on internally developed estimates. Honeycomb takes responsibility for compiling, extracting and reproducing market or other industry data from external sources, including third parties or industry or general publications, but none of Honeycomb, Pollen Street, any Honeycomb Director, any Pollen Street Director, any Proposed Director or the Sponsor has independently verified that data. Honeycomb gives no assurance as to the accuracy and completeness of, and takes no further responsibility for, such data. Similarly, while Honeycomb believes its and Pollen Street's internal estimates to be reasonable, they have not been verified by any independent sources and Honeycomb cannot give any assurance as to their accuracy.

4. Alternative performance measures ("APMs")

This Circular, including the information incorporated by reference, contains certain financial measures (set out below) that are not defined or recognised under IFRS. Honeycomb and Pollen Street present these APMs because the Honeycomb Directors and Pollen Street Directors respectively believe they contribute to a better understanding of the results of operations of Honeycomb, Pollen Street and the Combined Group by providing additional information on what the Honeycomb Directors and Pollen Street Directors respectively consider to be some of the drivers of the financial performance of Honeycomb, Pollen Street and the Combined Group. Furthermore, the Honeycomb Directors and the Pollen Street Directors believe that these APMs are used by certain investors, securities analysts and other interested parties as supplemental measures of performance.

The Honeycomb Directors believe that the description of these APMs in this Circular complies with the European Securities and Markets Authority Guidelines on Alternative Performance Measures dated 5 October 2015 (ESMA/2015/1415).

APMs should not be considered in isolation and investors should not consider such information as alternatives to revenue or profit before tax calculated in accordance with IFRS as indications of financial performance or as measures of the profitability or liquidity of Honeycomb, Pollen Street and the Combined Group. Such financial information must be considered only in addition to, and not as a substitute for or superior to, financial information prepared in accordance with IFRS included elsewhere in this Circular (including the information incorporated by reference). Shareholders are cautioned not to place undue reliance on these APMs and are also advised to review them in conjunction with the financial statements included in or incorporated by reference into this Circular.

The following is an explanation of APMs that are used in this Circular and are applicable to the Pollen Street Group:

"AUM"

means, in respect of the Pollen Street Group:

- investor commitments for active Private Equity funds;
- invested cost for other Private Equity funds;
- the total assets for Honeycomb; and
- deployed/committed capital for private Credit funds.

"Fund Management Adjusted EBITDA"

means the Pollen Street Group's profit according to IFRS reporting standards before interest, tax, depreciation and amortisation, adjusted to exclude exceptional items, and including the full costs of the office leases despite these costs being reported as depreciation of a right-of-use asset and financing costs under IFRS 16.

“Fund Management Adjusted EBITDA Margin”	means the Fund Management Adjusted EBITDA divided by the Fund Management Income of the Pollen Street Group’s business, expressed as a percentage.
“Fund Management Administration Costs”	means the Pollen Street Group’s administration expenses according to IFRS reporting standards excluding exceptional items but including the full cost of the office leases.
“Fund Management Income”	means the Pollen Street Group’s aggregate revenue.
“Management Fee Rate”	means the Pollen Street Group’s management fee income divided by the arithmetic average of the opening and closing AUM for the period, expressed as a percentage, and excluding management fee income and AUM from a legacy fund, Pollen Street Secured Lending plc, and excluding AUM from a legacy co-investment vehicle of £414 million.

Carried interest will be recognised according to International Financial Reporting Standard 15 (revenue from contracts with customers, or “**IFRS 15**”) and only to the extent it is highly probable that there will not be a significant reversal of accumulated revenue recognised on the completion of the relevant Pollen Street Fund. Estimates presented in this Circular are unaudited and based on unrealised investment valuations for the Pollen Street Funds being treated with a substantial valuation discount of between 30 and 50 per cent., depending on the expected remaining holding period and other factors that might influence the valuation.

An explanation of the APMs that are applicable to the Honeycomb Audited Consolidated Financial Statements is set out in the sections headed “*Reconciliation to Alternative Performance Measures*” of the Honeycomb Audited Consolidated Financial Statements, which are incorporated by reference into this Circular.

5. Currency presentation

Unless otherwise indicated, all references in this Circular to “GBP”, “pounds sterling”, “£”, “pence”, “penny” or “p” are to the lawful currency of the United Kingdom and to “USD”, “dollars” or “\$” to the lawful currency of the United States.

6. Website

A copy of this document, and all information incorporated into this document by reference to another source, will be made available on Honeycomb’s website at: <https://spring.honeycombplc.com/>. The contents of any websites referred to in this Circular are not incorporated into and do not form part of this Circular.

7. Rounding

Certain figures included in this Circular have been subject to rounding adjustments. Accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

8. Time of day

Unless otherwise indicated, all references in this document to time of day are references to London time.

9. Pollen Street information

The information in this Circular relating to Pollen Street, the Pollen Street Group, the Pollen Street Funds and Separately Managed Accounts managed or advised by members of the Pollen Street Group and any portfolio companies of such Pollen Street Funds and Separately Managed Accounts has been provided by the Pollen Street Directors.

PART I
LETTER FROM THE CHAIRMAN OF HONEYCOMB

Registered office:
6th Floor
65 Gresham Street
London EC2V 7NQ
United Kingdom

10 May 2022

Dear Shareholder,

Recommended proposals relating to the Combination with Pollen Street

1. Introduction

General

On 15 February 2022, Honeycomb announced that it had reached agreement on the terms of a recommended all share combination with Pollen Street, the parent company of the Investment Manager (the “**Combination**”). Under the terms of the agreement, Honeycomb will acquire the entire issued share capital of Pollen Street in exchange for shares in the Combined Group such that the Honeycomb and Pollen Street businesses will be combined into a premium listed entity, owned by the shareholders of Honeycomb and Pollen Street. The Combination is conditional on certain Shareholder and regulatory approvals. At Announcement, Shareholders representing approximately 56.68 per cent. of Honeycomb’s issued share capital had given their support for the Combination. As at the Latest Practicable Date, this number has increased to approximately 58.91 per cent. of Honeycomb’s issued share capital. This increase is as a result of additional Shareholder support received since Announcement as well as the ongoing share buyback currently being carried out by Honeycomb.

As Shareholders know, Honeycomb has been delivering a strong and stable performance since inception in 2015, consistently delivering a net investment return of approximately 8 per cent. per annum. We feel privileged to have many supportive Shareholders and thank them for their longstanding support.

I strongly believe that the Combination is an extremely attractive opportunity for Shareholders, accelerating growth, unlocking value, and delivering an attractive dividend yield (anticipated to be 6.5 per cent. and 6.6 per cent. in 2022 and 2023 respectively¹, on the basis of the Pollen Street Dividend Waiver (as described below)) whilst presenting strong growth opportunities. The Combination is also expected to increase EPS in the second full year post Completion for Shareholders.

Pollen Street is a highly successful and fast growing alternative asset manager with:

- deep capabilities in both Private Equity and Credit with well-established and outperforming flagship strategies; and
- a business that is benefiting from strong tailwinds from investor demand in its products.

The Honeycomb Board conducted extensive due diligence and believes that the Combination will generate substantial value for Shareholders, both because of the attractive valuation on which Honeycomb is acquiring the Pollen Street business, and because of the profile of the Combined Group going forward.

The Combined Group will benefit from a complementary set of balance sheet and investment management activities, with historically strong investment returns. The investment portfolio will

¹ Based on the Honeycomb Share price of 967.5 pence on 14 February 2022 (being the last Business Day prior to the Announcement).

continue to be predominantly invested in high quality, diversified and low risk asset based direct lending investments, generating stable returns.

The Combination creates a business with a rare combination of high income yield and opportunities for growth. It also presents strong benefits for Shareholders from a public market perspective, including:

- an increased investor universe providing the opportunity to diversify the Shareholder register;
- larger scale and growth which is expected to attract greater analyst coverage; and
- the possibility for increased liquidity on account of the larger market cap and potential FTSE 250 inclusion.

Related Party Transactions

The Combination involves certain transactions and arrangements with related parties of Honeycomb (referred to in this Circular as the Pollen Street Related Parties) that are classified as Related Party Transactions to which Listing Rule 11.1.5R applies, and therefore requires the approval of Shareholders who are not related parties for these purposes. This Circular is therefore a related party circular as defined in the Listing Rules.

CC Beekeeper, an affiliate of CC Hive (a Pollen Street Shareholder) is a substantial Shareholder and therefore constitutes a related party of Honeycomb under the Listing Rules. Matthew Potter, one of the Pollen Street Partners and also a Shareholder, is a director of Sting Funding Limited, a Subsidiary of Honeycomb, and is therefore a related party of Honeycomb under the Listing Rules, together with a family member, who is also a Shareholder. Julian Dale, a Pollen Street Senior Manager, is also a director of Sting Funding Limited, a Subsidiary of Honeycomb, and is therefore a related party of Honeycomb under the Listing Rules. The remaining Pollen Street Partners (being Lindsey McMurray, Michael England, James Scott, Ian Gascoigne and Howard Garland) are also related parties of Honeycomb under Listing Rule 15.5.4R, due to their position as shareholders in the Investment Manager.

On Completion:

- CC Hive will sell its shares in Pollen Street to Honeycomb in exchange for Consideration Shares pursuant to the Share Purchase Agreement;
- the Pollen Street Partners will sell their respective shares in Pollen Street and, where applicable, PSCPL, to Honeycomb in exchange for Consideration Shares pursuant to the Share Purchase Agreement; and
- Julian Dale will receive Consideration Shares pursuant to the Management Incentive Plan described in sub-section 4 of Section B (*Information on Pollen Street*) of Part V (*Information on the Honeycomb Group and Pollen Street*) of this Circular.

Each of the transactions and arrangements described above constitute Related Party Transactions for the purposes of the Listing Rules. Completion of the Combination under the Share Purchase Agreement and entry into the other documents required to effect the Combination is therefore conditional on, among other things, approval by Shareholders of the Related Party Transactions in relation to the Pollen Street Related Parties. Such approval will be sought at the General Meeting which will be held at Slaughter and May, One Bunhill Row, London EC1Y 8YY, United Kingdom at 10.00 a.m. on 1 June 2022 and details of which are set out in Part VIII (*Notice of General Meeting*). In accordance with the requirements of the Listing Rules, CC Beekeeper and the Pollen Street Partners will not vote their interests in Honeycomb Shares in respect of the Related Party Resolution and will take all reasonable steps to ensure that their respective associates will not vote on the Related Party Resolution. As at the Latest Practicable Date, Julian Dale does not own any Honeycomb Shares.

Honeycomb has received warranties relating to the Pollen Street business under the Management Warranty Deed from, among others, the Pollen Street Partners and Julian Dale, further details of which are set out in Section 2 of Part III (*Conditions to and Further Terms of the Combination*) of this Circular.

As is customary, it is the Board's intention for the Pollen Street Partners to continue to receive carried interest in the Pollen Street Funds in proportions no greater, collectively, than their current

entitlements. This is in order to ensure alignment of interests between the Pollen Street Funds and those responsible for running them. The Board also expects that the Pollen Street Partners will continue to make capital commitments in a personal capacity to the Pollen Street Funds. The Board does not expect the designation of the Pollen Street Partners as related parties of Honeycomb under Listing Rule 15.5.4R to prevent them from carrying out these actions without regulatory and/or Shareholder approval, as it considers such actions to be in the ordinary course of the Combined Group's business post-Completion.

Class 1 Transaction

The Combination constitutes a Class 1 Transaction for Honeycomb and will require the passing by Shareholders of the Class 1 Resolution to be proposed at the General Meeting. Completion under the Share Purchase Agreement and entry into the other documents required to effect the Combination is conditional on, among other things, the Combination being so approved by Shareholders as a Class 1 Transaction. Such approval will be sought at the General Meeting which will be held at Slaughter and May, One Bunhill Row, London EC1Y 8YY, United Kingdom at 10.00 a.m. on 1 June 2022 and details of which are set out in Part VIII (*Notice of General Meeting*).

Rule 9 Waiver

Under Rule 9 of the Takeover Code, any person who acquires an interest in shares which, taken together with shares in which that person or any person acting in concert with that person is interested, carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code is normally required to make an offer to all the remaining shareholders to acquire their shares.

Rule 9 of the Takeover Code also requires that where any person who, together with persons acting in concert with such person, is interested in shares which carry in aggregate not less than 30 per cent., but does not hold shares carrying more than 50 per cent., of the voting rights of a company and any such person, or any persons acting in concert with them, acquires an interest in any other shares in the company which increases the percentage of shares carrying voting rights in which they, together with persons acting in concert with them, are interested, such person(s) would normally have to extend a general cash offer to all shareholders to acquire their shares.

Honeycomb and the Panel have agreed that the Pollen Street Partners and the Pollen Street Senior Managers are acting in concert for the purposes of the Takeover Code. As at the Latest Practicable Date, the Concert Party held 1,078,989 Honeycomb Shares accounting for 3.07 per cent of Honeycomb's issued share capital. At Completion, the Concert Parties will be issued 23,725,566 Consideration Shares,² which is expected to increase their position in Honeycomb to 24,804,555 Honeycomb Shares, representing 38.40 per cent. of the Enlarged Share Capital. Should Honeycomb exercise its Existing Buyback Authority in full, the Concert Parties would own 41.73 per cent. of the Enlarged Share Capital immediately following Completion.

As the Pollen Street Partners and the Pollen Street Senior Managers are expected to hold between 38.40 and 41.73 per cent. (i.e. more than 30 per cent.) of the voting rights of the Combined Group at Completion, a mandatory offer would normally be required under Rule 9 of the Takeover Code. The Panel has agreed however, that, subject to the Rule 9 Waiver Resolution being passed on a poll by the Independent Shareholders at the General Meeting, it will waive the requirement under Rule 9 of the Takeover Code for a mandatory offer to be made by the Pollen Street Partners and the Pollen Street Senior Managers for the remaining shares in the Combined Group at Completion as a result of: (a) the issue of the Consideration Shares to the Pollen Street Partners and the Pollen Street Senior Managers; and (b) the exercise of any share buyback by Honeycomb pursuant to the Existing Buyback Authority.

Accordingly, the passing of the Rule 9 Waiver Resolution would permit: (a) the issue of 23,725,566 Consideration Shares to the Pollen Street Partners and the Pollen Street Senior Managers; and (b) the carrying out of any share buyback by Honeycomb pursuant to the Existing Buyback Authority which could result in the Concert Party holding up to 41.73 per cent. of the Enlarged Share Capital immediately following Completion, without giving rise to a mandatory offer obligation under Rule 9 of the Takeover Code.

² Subject to any downward adjustment to the number of Consideration Shares allocated to the Pollen Street Partners and Pollen Street Senior Managers that may be effected pursuant to the terms of the Share Purchase Agreement prior to Completion.

As noted above, CC Beekeeper is both a Shareholder and an affiliate of CC Hive (a Pollen Street Shareholder). Whilst the Panel and the Company have agreed that CC Beekeeper is not acting in concert with the Pollen Street Partners and Pollen Street Senior Managers in connection with the Combination, it is nonetheless not considered independent for the purpose of the Rule 9 Waiver Resolution due to CC Hive's position as a Pollen Street Shareholder and a seller under the Share Purchase Agreement. CC Beekeeper shall therefore not be entitled to vote on such Resolution at the General Meeting.

Lock-up Agreements

The Pollen Street Partners, the Pollen Street Senior Managers, and CC Hive will enter into lock-up agreements in respect of the Consideration Shares received by each at Completion (the "**Pollen Street Partners Lock-Up Agreement**", the "**Management Lock-Up Agreement**" and the "**CC Hive Lock-Up Agreement**" respectively, and together the "**Lock-Up Agreements**"). Further details regarding the Lock-Up Agreements are set out in Section 3 of Part III (*Conditions to and Further Terms of the Combination*).

Relationship Agreement

Lindsey McMurray will enter into a relationship agreement with Honeycomb at Completion (the "**Relationship Agreement**"), further details of which are set out in Section 4 of Part III (*Conditions to and Further Terms of the Combination*).

Continued listing of the Honeycomb Shares under Chapter 15 of the Listing Rules and updated Investment Policy

The Announcement noted that Honeycomb was considering different options for implementing the Combination, including the possibility of changing its listing category. The Honeycomb Board intends, having had the benefit of feedback from stakeholders (including the FCA) since the Announcement, to acquire Pollen Street directly and maintain its premium listing as a chapter 15 closed-ended investment fund. Honeycomb has obtained approval for an updated investment policy in respect of the Combined Group from the FCA as required under the Listing Rules and will seek Shareholder approval in respect of the same at the General Meeting. The Combined Group Investment Policy is included at Part 1 (*Combined Group Investment Policy*) of Appendix 1 (*Investment Policies*) to this Circular.

Purpose of this Circular

The purpose of this Circular is therefore to: (i) provide details of the Combination, the Related Party Resolution, the Class 1 Resolution, the Rule 9 Waiver Resolution and the updated Investment Policy; and (ii) explain why the Honeycomb Board considers it to be in the best interests of Shareholders as a whole to effect the Combination, and to recommend that Shareholders vote in favour of the Resolutions at the General Meeting. Details of the actions you should take, and the recommendation of the Board, are set out in Sections 15 and 17, respectively, of this letter.

The General Meeting is to be held for the purpose of seeking certain Shareholder approvals in connection with the Combination and a notice convening the General Meeting, at which the Resolutions will be proposed, is set out at the end of this Circular.

You should read the whole of this Circular, including Part VI (*Financial Information*) and not rely solely on any summarised financial information in this Part I (*Letter from the Chairman of Honeycomb*) or anywhere else. Your attention is also drawn in particular to the risk factors set out in Part II (*Risk Factors*) of this Circular.

2. Information on the Honeycomb Group and Pollen Street Group

Honeycomb is a UK-listed closed ended investment trust dedicated to providing investors with access to asset backed lending opportunities, with potential to generate high income returns, together with strong capital preservation.

The Honeycomb Group operates an asset backed credit strategy that aims to deliver stable income alongside strong downside protection through providing predominantly senior lending to non-bank lenders secured on their underlying loan portfolios. The investment strategy is supported by the ongoing structural changes in the financial services industry that create a significant opportunity for non-bank lenders to reach customers who are underserved by mainstream banks with bespoke and

appropriate products. The strategy is focused on generating a positive impact around key areas where Honeycomb can make a meaningful difference, including supporting regional economies through lending to SMEs, affordable housing, lending products to fund the reduction in carbon emissions from real estate and mobility, financial inclusion and promoting higher standards of governance.

Pollen Street was founded in 2013 and is an independent, alternative investment management company dedicated to investing in the financial and business services sectors. Pollen Street has extensive experience investing in both Investment Strategies and has a strong and consistent track record of delivering top tier returns. Pollen Street Capital, a wholly owned subsidiary of Pollen Street, serves as Honeycomb's investment manager and AIFM under the AIFM UK Directive.

Further information on the Honeycomb and Pollen Street businesses is set out in Part V (*Information on the Honeycomb Group and Pollen Street*) of this Circular.

3. Background to and reasons for the Combination

The Honeycomb Board believes that the Combination offers Shareholders the opportunity to benefit from a compelling combination with a fast growing and high performing private capital investment manager. Pollen Street Capital, a subsidiary of Pollen Street, has acted as Honeycomb's investment manager for over six years, and has delivered consistently strong total returns for Shareholders during this period. As previously announced, the Combination will further align the interests of Honeycomb and Pollen Street, with Pollen Street's current management team and investors becoming supportive shareholders in the Combined Group.

Pollen Street has a proven track record of strong returns at low risk

Pollen Street's Private Equity Strategy focuses on buy-outs of mid-market companies headquartered in Europe, driving revenue-led growth through a combination of structural market growth drivers and active management. Since inception, Pollen Street has delivered strong returns of 28 per cent. IRR and 2.8x MOIC in PSC I and PSC II combined, and 26 per cent. IRR and 2.2x MOIC in PSC III. The IRR and MOIC figures are based on financial and business services only, up to Q4 2021.

Pollen Street's Credit Strategy focuses on providing asset based direct lending to mid-market businesses in Europe and the US secured on diverse portfolios of financial and real assets. The strategy is supported by the large and fragmented market which is currently underserved by the banking industry, capital markets and more generalist credit funds creating a favourable investing environment. Pollen Street has invested approximately £2.8 billion across 90 deals since 2016, and has delivered in excess of 10 per cent. IRRs from typically senior secured exposures.

Values-based organisation with a strong sense of purpose

Pollen Street is a values-based organisation, with a strong sense of purpose aiming to sustainably deliver strong returns for investors in a fast changing environment. It is focused on attracting and retaining top talent, fully aware that the financial services industry has a critical role to play in accelerating the ESG agenda. Pollen Street was awarded the "Best Responsible Alternative Investment Team UK 2022" by Capital Finance International magazine, in recognition of its strong track record in ESG activities.

Expansion opportunities

Pollen Street has delivered strong AUM growth historically, reaching approximately £3 billion AUM as of 31 December 2021. Pollen Street's core strategies provide a clear route for increasing its AUM, and it expects to reach approximately £4 billion to £5 billion AUM over the next 2 to 3 years based on existing products, new vintages of existing Pollen Street Funds and new Pollen Street Funds for which it is already fundraising (or in discussion with investors).

The Combined Group will benefit from a complementary set of investment management and balance sheet activities, with historically strong investment returns. The Combination is expected to broaden the investment opportunities for the Honeycomb balance sheet and have a multiplier effect on Pollen Street's third party AUM, through funding Pollen Street's commitment in larger vintages of existing strategies, as well as providing funding to accelerate the launching and seeding of attractive new strategies.

The Combined Group's investment portfolio will continue to invest predominantly in high quality, diversified and low risk asset based direct lending investments generating stable returns, with the ability to invest in Pollen Street's other funds expanding the Combined Group's investment opportunity set. It is expected that non-Credit investments will be a maximum of 10 per cent. of the investment portfolio AUM and will increase steadily towards this percentage over the next 3 to 5 years. The investment profile of the Combined Group is expected to remain in line with the investment profile of Honeycomb on a standalone basis (in respect of which, see Section 6 (*Strategy of the Combined Group*) below).

4. Financial impact of the Combination

The Board has conducted extensive due diligence and we believe that the Combination will generate substantial value for Shareholders, both because of the attractive valuation on which we are acquiring the Pollen Street business, and because of the profile of the Combined Group going forward.

During the year ended 31 December 2021, Pollen Street generated £33.9 million of revenue, representing a Management Fee Rate of 1.5 per cent. on an average £2 billion of AUM. Its Fund Management Adjusted EBITDA for the same period was £7 million and Fund Management Adjusted EBITDA Margin was 21 per cent.

Pursuant to the Combination, the Combined Group will receive 25 per cent. of the total carried interest from the most recent flagship Private Equity and Credit Pollen Street Funds, as well as 25 per cent. of the total carried interest entitlement in all future Pollen Street Funds. This entitlement will enable the Combined Group to increase its investment returns by participating in the returns generated on all Pollen Street Funds.

Guidance for the Combined Group

The Combined Group is expected to deliver:

- (A) £4 billion to £5 billion in medium term AUM over the next 2 to 3 years;
- (B) an approximate 1.25 per cent. to 1.50 per cent. stable average management fee on average AUM over the long term;
- (C) carried interest entitlements and performance fees representing approximately 15 to 25 per cent. of total Pollen Street Fund Management Income on average over the long term;
- (D) a long term Fund Management Adjusted EBITDA Margin in excess of 50 per cent.;
- (E) targeted investment returns of approximately 8 per cent. long term return on Net Investment Assets; and
- (F) a dividend for the Combined Group of £30 million in aggregate for the year ending 31 December 2022 (assuming Completion occurs in Q2 2022) and £32 million in aggregate for the year ending 31 December 2023, with the aim of growing the aggregate dividend payable by the Combined Group progressively over time, with the aggregate dividend payable for the year ending 31 December 2024 being not lower than £33 million. 50 per cent. of the dividend payable to the Pollen Street Shareholders in respect of their Consideration Shares shall be waived until 1 January 2024 (in respect of which, see Section 7 (*Dividend and dividend policy*) below).

Financial indebtedness

The Combined Group may borrow (either directly or indirectly) up to a maximum of 100 per cent. of tangible Net Asset Value in aggregate and shall target net borrowings in the range of 50 per cent. to 75 per cent. of tangible Net Asset Value.

5. Current trading and future prospects

Honeycomb

Audited consolidated financial statements for Honeycomb for the financial years ended 31 December 2019, 31 December 2020 and 31 December 2021 have been incorporated by reference into this Circular (see the Section entitled "*Incorporation of Information by Reference*" on page 6 of this Circular).

Since 31 December 2021, Honeycomb has continued to deliver stable NAV returns of 1.95 per cent. for the period to 31 March 2022, which is equivalent to 7.9 per cent. per annum. The NAV return was driven by a strong risk adjusted yield of 9.0 per cent. per annum with minimal impairment charges in the period due to the continued strength in performance of the portfolio.

Net Investment Assets reduced in the period, from £614.76 million as at 31 December 2021, to £585.50 million as at 31 March 2022, driven predominantly by the repayment of a £30 million structured facility as the business was acquired by a bank. The Investment Manager has a large and diverse pipeline of new deals for Honeycomb, with a number near completion to redeploy this capital quickly.

Like others, the Board has been shocked to witness the devastating events of late following Russia's unprovoked invasion of Ukraine. Our thoughts are with all those affected by this tragedy. The Board and the Investment Manager have conducted an assessment across Honeycomb's portfolio which shows minimal exposure to Russia and Ukraine through revenues, suppliers and staff.

The Pollen Street Group

Audited consolidated financial statements relating to the Pollen Street Group for the financial years ended 31 December 2019, 31 December 2020 and 31 December 2021 are included in Section B (*Historical Financial Information for Pollen Street*) of Part VI (*Financial information*).

Since 31 December 2021, Pollen Street's financial performance has been consistent with expectations, reflecting the long-term contractual nature of its management fee revenue, stable investment performance and a well invested cost base.

Under the Credit Strategy, fundraising activity has delivered £120 million of additional investor commitments as at 31 March 2022, reflecting the market's continued interest in the strategy. These commitments are diversified across PSC Credit III and the two SMAs. Investment returns have been stable and deployment has also been strong with £54 million of deployment into investment commitments between 31 December 2021 and 31 March 2022.

Under the Private Equity Strategy, new investment activity, exits and value creation have also continued in 2022, with a strong pipeline of deals ahead. Preparations for raising PSC V are well underway with a number of investors already enquiring about it.

6. Strategy of the Combined Group

The Board believes that Pollen Street's highly invested operating platform, experienced investment team, historically strong investing track record and supportive and growing investor base positions the business to deliver future growth in AUM and revenue from management and performance fees. The combination of Pollen Street's investment platform with the balance sheet of Honeycomb offers the potential to both support and accelerate this growth by creating a 'multiplier effect' on capital raising through the seeding of new organic strategies.

Expansion of established flagship strategies

At the core of the growth potential of Pollen Street's investment franchise is the ongoing development and growth of its established flagship strategies in Private Equity, focused on mid-market buyouts of European financial and business services companies, and in Credit, as a specialist provider of credit for senior secured asset backed lending. Underpinning the growth within these strategies is a relentless focus of delivering strong and reliable financial returns, at levels consistent with, or exceeding, those achieved in the firm's track record. In addition to financial returns, Pollen Street will continue to deploy a purpose-led investment strategy focused on delivering beneficial and measurable ESG outcomes. The Board believes these considerations are mutually supportive of future fundraising activity, while being positively correlated with investment performance.

Within the Private Equity Strategy, Pollen Street completed the final close on its flagship PSC IV fund in November 2021 which was oversubscribed with £700 million of total commitments. During the same period an additional £174 million was raised in the Accelerator Fund to provide additional capital to a defined pool of existing investments. Total investor commitments for PSC IV reflect a 100 per cent. increase on PSC III. Recent fundraising activity has been underpinned by a broad and supportive investor base, many of whom have a long-term relationship with Pollen Street.

Retention of commitments from PSC III investors in PSC IV was 79 per cent., with those returning investors committing, on average more to PSC IV than PSC III,³ and capital from new investor relationships also growing strongly; together this has contributed to progressive growth in Private Equity AUM, increasing from £842 million in December 2019 to £1,821 million in December 2021 reflecting a 47 per cent. CAGR.

Alongside growing Private Equity AUM, pace of deployment has also accelerated, underpinned by ongoing investment in the Pollen Street platform and the strengthening of the investment team. Acceleration of deployment is consistent with a shortening of the fundraising cycle between Pollen Street Funds. PSC IV was 64 per cent. invested or committed as at 31 December 2021 and will therefore soon reach the threshold, typically 75 per cent., for new funds to be raised if the current pace of deployment is maintained.

These factors support the commencement of fundraising for a new flagship Private Equity fund in the near term. Pollen Street anticipates targeting total commitments for PSC V in excess of £1 billion, which is consistent with the investor retention, new investor recruitment and pace of deployment recently experienced through the fundraising of PSC IV.

In the medium term the Pollen Street Directors believe that projected ongoing market growth, a supportive and growing investor base and Pollen Street's position as a high growth alternative manager are all supportive of a strategy of raising and deploying a new flagship Private Equity fund every 2 to 3 years, with a meaningful increase in total fund commitments with each vintage.

Within the Credit Strategy, the Board believes that the existing building blocks of a well-invested platform, track record and deployment pace support ongoing growth. A very large target market, an expanding range of long-term customer relationships and the highly scalable nature of the strategy are consistent with the potential for a material expansion of AUM over the near to medium term.

Fundraising continues in Pollen Street's flagship PSC Credit III, with a total of £300 million of capital committed as at 31 December 2021 and a near term fund target of £500 million to £700 million. The Pollen Street Group has existing SMAs with four investors (including in the U.S.) with total capital commitments of £317 million. These accounts have the potential to increase in the near term, and discussions with similar investors are ongoing to launch further SMAs with a focus on Credit.

Continued listing of the Honeycomb Shares under Chapter 15 of the Listing Rules

The Board's intention is to structure the Combination as an acquisition of Pollen Street by Honeycomb. If this proposed structure is approved by Shareholders and the relevant regulators, Honeycomb will maintain its premium listing as a chapter 15 closed-ended investment fund and continue as an investment company for the purposes of the Act. In addition, the Board intends to conduct Honeycomb's affairs so as to enable it to continue to qualify for approval by HMRC as an investment trust for UK tax purposes.

Investment Policy of the Combined Group

The Combined Group Investment Policy is set out at Part 1 (*Combined Group Investment Policy*) of Appendix 1 (*Investment Policies*) to this Circular. The existing Honeycomb investment policy is set out at Part 2 (*Existing Honeycomb Investment Policy*) of Appendix 1 (*Investment Policies*) to this Circular. The Combined Group Investment Policy has been approved by the FCA and now requires the approval of Shareholders at the General Meeting. The Combined Group Investment Policy will be subject to periodic review by the Board and may be updated from time to time. The principal areas of divergence between the current Honeycomb investment policy and the proposed Combined Group Investment Policy are as follows:

- the restriction on Honeycomb investing in any single fund shall be increased from 10 per cent. of Gross Assets to 20 per cent. of Gross Assets;
- the restriction on Honeycomb controlling not more than 35 per cent. of the issued and voting capital of any issuer of Equity Assets in which Honeycomb (or, post-Completion, the Combined Group) may invest shall be removed;
- the restriction on Honeycomb having an exposure in excess of 50 per cent. towards loans originated by Shawbrook shall be deleted, on the basis that investments in such loans are no longer relevant to the Honeycomb Group's (or the Combined Group's) ongoing investment

³ Retention figures are presented exclusive of any secondary investors.

strategy, as opposed to any intention by Honeycomb or the Combined Group to acquire further exposure towards such loans; and

- the target borrowing range of 50 to 75 per cent. shall be removed from the investment policy, however it is the Board's intention that the target range continue to apply to the Combined Group immediately post-Completion, subject to review by the Combined Group Board on an ad-hoc basis.

Increase in the cap on Honeycomb Director's fees under the Articles of Association

Article 97 of the Articles of Association provides that the aggregate of all fees paid to Honeycomb Directors shall not exceed £250,000 per annum (the "**Directors' Fee Cap**"). In connection with the Combination, and in recognising the expanded scope of the Combined Group's business going forwards, the current inflationary economic climate and the possibility of adding additional non-executive directors to the Combined Group Board over time, the Remuneration Committee considers it necessary, upon the recommendation of its advisors, to increase the Directors' Fee Cap to an aggregate amount of £750,000 per annum. Shareholder approval in connection with the increase will be sought at the General Meeting.

The New Remuneration Policy, the LTIP and the DBP

The Board, upon recommendation from the Remuneration Committee, intends to present for approval by Shareholders at the General Meeting the New Remuneration Policy, which shall apply to the Combined Group for the next three years following Completion unless amended or replaced earlier. Following Completion, payments to the Proposed Directors can only be made to the extent they are consistent with the New Remuneration Policy (or any subsequent amendment thereto). The New Remuneration Policy is designed to take into account market best practice, industry specific considerations, applicable remuneration codes in the FCA Handbook of Rules and Guidance, the AIFM UK Directive and guidance from UK institutional shareholders and advisory bodies. Consistent with Honeycomb's overall remuneration strategy, the Proposed Directors' remuneration arrangements shall be set at levels that are considered by the Remuneration Committee (having taken independent advice) to be appropriate for the size and nature of the Combined Group's business. A summary of the New Remuneration Policy is set out at Part VII (*Additional Information*) of this Circular.

The Board further intends to present the LTIP and the DBP for approval by Shareholders at the General Meeting. The LTIP is a discretionary share plan, under which the Remuneration Committee may grant awards of Honeycomb Shares to incentivise and retain key employees of the Combined Group, including the Executive Directors. The DBP is a discretionary share plan implemented so that a portion of a participant's annual bonus can be deferred into an award of Honeycomb Shares. Summaries of each of the LTIP and DBP are set out at Appendix 3 (*Honeycomb Share Plan Summaries*) of this Circular. The full text of each shall be available for inspection at Slaughter and May, One Bunhill Row, London EC1Y 8YY, United Kingdom for at least 15 minutes before and after the General Meeting, and on the National Storage Mechanism (accessible via <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>) on and from the date of this Circular.

7. Dividends and dividend policy

The Combined Group is expected to enjoy a complementary set of investment management and balance sheet activities that will generate a strong earnings profile and the ability to support an attractive and growing dividend. The dividend payable to shareholders of the Combined Group is expected to be £30 million in respect of 2022 (assuming Completion occurs in Q2 2022) and £32 million in respect of 2023. The Combined Group aims to grow its dividend progressively after 2023, reflecting the strong earnings trajectory of the combined business, with a dividend no lower than £33 million in 2024.⁴

Pursuant to the terms of the Lock-Up Agreements, the Pollen Street Partners, the Pollen Street Senior Managers and CC Hive have agreed to waive ordinary dividends payable to them in both 2022 and 2023 on approximately 50.0 per cent. of the Consideration Shares that will be issued to them at Completion (the "**Pollen Street Dividend Waiver**"). As a result of the Pollen Street Dividend Waiver, it is anticipated that the dividend per share paid on all shares in the Combined Group that are not subject to such waiver (the "**Participating Shares**") shall be 63 pence and

⁴ Dividends could be paid from increased leverage/distributable reserves rather than retained earnings in future years.

64 pence in 2022 and 2023 respectively, with an expected 6.5 per cent. and 6.6 per cent. dividend yield on the Participating Shares in such years, based on the Honeycomb Share price of 967.5 pence on 14 February 2022 (being the last Business Day prior to the Announcement Date).

8. Principal terms of the Combination

The Share Purchase Agreement was entered into on 14 February 2022 between Honeycomb, New Honeycomb and the Pollen Street Shareholders. Pursuant to the Share Purchase Agreement, the Pollen Street Shareholders agreed to sell, and Honeycomb agreed to purchase, the entire issued share capital of each of Pollen Street and PSCPL, in consideration of which Honeycomb will, upon Completion, issue the Consideration Shares to the Pollen Street Shareholders. The Consideration Shares value the entire issued share capital of Pollen Street at approximately £285 million based on the closing price of 967.5 pence per Honeycomb Share on 14 February 2022 (being the last Business Day prior to the Announcement Date) and are expected to result in Pollen Street Shareholders receiving new Honeycomb Shares that are equivalent to approximately 45.63 per cent. of the Enlarged Share Capital in the Combined Group on Completion. Honeycomb further received warranties relating to the Pollen Street business from the Pollen Street Partners and Pollen Street Senior Managers under the Management Warranty Deed.

The Combination is conditional on customary conditions to Completion. Such conditions include the passing of the Resolutions at the General Meeting, the approval of the Prospectus to be issued in connection with the allotment of the Consideration Shares by the FCA, and the subsequent admission of the Consideration Shares to the premium listing segment of the Official List and to trading on the LSE's main market for listed securities.

Further details of the Share Purchase Agreement and the Management Warranty Deed are set out in Part III (*Conditions to and Further Terms of the Combination*) of this Circular.

9. Lock-Up Agreements

The Pollen Street Partners Lock-Up Agreement and the Management Lock-Up Agreement will be conditional upon Completion, and will restrict the Pollen Street Partners and the Pollen Street Senior Managers from disposing of any Consideration Shares for a period of 60 months following Completion (the "**Lock-up Period**"), subject to the following exceptions (in addition to other customary exceptions, as outlined below): (i) with effect from Completion, 25 per cent. of the Consideration Shares (excluding those Consideration Shares to which the Pollen Street Dividend Waiver will apply) will be available to be sold; (ii) with effect from 24 months following Completion, a cumulative 43.75 per cent. of the Consideration Shares will be available to be sold; (iii) with effect from 36 months following Completion, a cumulative 62.5 per cent. of the Consideration Shares will be available to be sold; and (iv) with effect from 48 months following Completion, a cumulative 81.25 per cent. of the Consideration Shares will be available to be sold.

Pursuant to the Pollen Street Partners Lock-Up Agreement and the Management Lock-Up Agreement, the Pollen Street Partners and the Pollen Street Senior Managers will undertake (for a period of 12 months following the end of the Lock-up Period) to consult with, and take into account the reasonable views of, the Combined Group Board (excluding the Executive Directors) before disposing of any Consideration Shares in order to maintain an orderly market for the shares in the Combined Group. Furthermore, the Pollen Street Partners and the Pollen Street Senior Managers will undertake (for a period of 12 months following the end of the Lock-up Period) not to dispose of any Consideration Shares carrying more than 5 per cent. of the voting rights conferred by the Consideration Shares in any consecutive period of six months on the day following the end of the Lock-up Period, without the consent of the board of the Combined Group (excluding Lindsey McMurray and Julian Dale).

The CC Hive Lock-Up Agreement will be conditional on Completion, and it will restrict CC Hive from disposing of Consideration Shares for a period of 6 months following Completion.

Pursuant to the Lock-Up Agreements, the Pollen Street Partners, the Pollen Street Senior Managers, and CC Hive, will be permitted to dispose of their Consideration Shares in Honeycomb with the consent of the board of the Combined Group (excluding, in the case of the Pollen Street Partners and Pollen Street Senior Managers, Lindsey McMurray and Julian Dale), or in accordance with certain customary exceptions, including, but not limited to, disposals required by law, court order or regulation. Disposals by the Pollen Street Partners and the Pollen Street Senior Managers are also

permitted to fund amounts payable to Honeycomb under the Share Purchase Agreement or in respect of tax arising from the Combination, which amounts are not expected to be material in the context of their respective Consideration Shares.

10. Board and Governance

Following Completion, the Combined Group Board will comprise a majority of independent non-executive directors. Two directors from Pollen Street, Lindsey McMurray and Julian Dale, will be on the Combined Group Board as the Executive Directors which will also include the existing Honeycomb Directors. The Chairman will be myself, Robert Sharpe (currently Chairman of Honeycomb). The Chief Executive Officer of the Combined Group will be Lindsey McMurray and the Chief Financial Officer will be Julian Dale. The full membership of the Combined Group Board is set out at Section 4 of Part VII (*Additional Information*) of this Circular.

Each of Lindsey McMurray and Julian Dale will enter into a new service agreement with Honeycomb which will come into effect on Completion. Further details are given at Section 6 of Part VII (*Additional Information*) of this Circular. Shareholders are being asked to approve the New Remuneration Policy as set out in Appendix 2 (*Directors Remuneration Policy*) to this Circular which will govern the remuneration terms of the Executive Directors. However, the Combined Group Board may in due course review whether the overall remuneration of the Executive Directors continues to be appropriate, which may result in an increase (subject always to the terms of the Combined Group remuneration policy in force from time to time).

11. Taxation

The Combination does not involve existing Shareholders disposing of their Honeycomb Shares or (save for those Pollen Street Shareholders who are also Shareholders) acquiring additional Honeycomb Shares. As such, the Combination is not expected to have material tax implications for existing Shareholders (save for those Pollen Street Shareholders who are also Shareholders). As a result of the Combination, the amount of interest distributions that Shareholders may receive in the future could, in the case of existing Shareholders, vary from what they have historically received. Shareholders may also receive distributions with dividend tax treatment in the future.

The contents of this document are not to be construed as tax advice and each Shareholder should consult its own tax adviser for tax advice in relation to its holding of Honeycomb Shares.

12. Irrevocable undertakings and letters of intent

Honeycomb has obtained irrevocable undertakings from Quilter Investors Limited ("**Quilter**"), CC Beekeeper LP (an investment entity affiliated with Capital Constellation LP and managed by Wafra Inc. ("**CC Beekeeper**")), Phoenix Insurance Limited and a related party (together, "**Phoenix**"), Caledonian Consumer Finance Limited ("**Caledonian**"), Adam Knight (together with his children, related trusts and companies owned/and or controlled by Adam Knight) and Elizabeth Knight, to vote in favour of the Resolutions and implement the Combination. These irrevocable undertakings represent approximately 49.86 per cent. of Honeycomb's issued share capital as at the Latest Practicable Date.

<u>Shareholder</u>	<u>Honeycomb Shares</u>
Quilter	9,988,000
CC Beekeeper	4,012,006
Phoenix	2,498,722
Adam Knight	519,076
Elizabeth Knight	278,525
Caledonian	215,000
Total	17,511,329

The Quilter, CC Beekeeper, Phoenix, Caledonian, Adam Knight and Elizabeth Knight irrevocable undertakings will remain binding if a competing proposal is made to Honeycomb, but will cease to be binding (i) if Honeycomb announces that it does not intend to proceed with the Combination and (ii) on Completion. The Quilter, CC Beekeeper and Caledonian irrevocable undertakings will also cease to be binding if the Combination has not completed by close of business on 31 July 2022.

The Adam Knight and Elizabeth Knight irrevocable undertakings will cease to be binding if the Combination has not completed by close of business on 31 August 2022.

The irrevocable undertakings include flexibility for Honeycomb to pursue an equity raise of up to £100,000,000 as part of, or in connection with, the Combination. As at the date of this Circular, Honeycomb has no intention of pursuing such an equity raise. Honeycomb will, however, continue to monitor market conditions and its funding requirements to determine whether the pursuit of such an equity raise may, in future, be desirable (whether in the context of the Combination or in the pursuit of its investment policy more generally).

Irrevocable undertakings have also been obtained from various of the Pollen Street Partners, and certain persons closely associated with the Pollen Street Partners, in respect of the Honeycomb Shares that each of them currently own, and each Honeycomb Director who holds Honeycomb Shares, to vote in favour of the Resolutions and implement the Combination. Together with the irrevocable undertakings given by Quilter, CC Beekeeper, Phoenix, Caledonian, Adam Knight and Elizabeth Knight, these irrevocable undertakings represent approximately 52.91 per cent. of Honeycomb's issued share capital as at the Latest Practicable Date:

Shareholder	Honeycomb Shares
Lindsey McMurray	612,294
Matthew Potter	132,058
James Scott	113,235
Michael England*	72,941
Ian Gascoigne	68,529
Howard Garland	50,000
Peter England	11,764
Helen Potter	7,500
Joanne Lake	2,713
Total	1,071,034

* Irrevocable undertakings have been received by Honeycomb from Michael England, in respect of the 52,941 Honeycomb Shares held directly and Lawshares Nominees Limited, which holds 10,000 Honeycomb Shares on trust for Theodore England (as sole beneficiary of the bare trust of Theodore William Eastman England) and 10,000 Honeycomb Shares on trust for Cecily England (as sole beneficiary of the bare trust of Cecily Rose Eastman England).

These irrevocable undertakings will also remain binding if a competing proposal is made to Honeycomb, but will cease to be binding if Honeycomb announces that it does not intend to proceed with the Combination, on Completion, or if the Combination has not completed by close of business on 31 October 2022.

M&G Investment Management Ltd ("**M&G**") has provided a letter of intent to vote in favour of the resolutions required to approve and implement the Combination in respect of its 2,106,141 Honeycomb Shares, for which it is able to exercise all rights, representing, in aggregate, approximately 6.00 per cent. of Honeycomb's issued share capital as at the Latest Practicable Date.⁵

Honeycomb has therefore received irrevocable undertakings and a letter of intent in respect of a total of 20,688,504 Honeycomb Shares, representing approximately 58.91 per cent. of Honeycomb's issued share capital on the Latest Practicable Date.

The Pollen Street Partners will not vote at the General Meeting on either: (a) the Related Party Resolution, which relates to their status as related parties of Honeycomb, as described above; or (b) the Rule 9 Waiver Resolution, as they are each Concert Parties to which the waiver relates. CC Beekeeper will similarly not vote on: (a) the Related Party Resolution, as it relates to its status as a related party of Honeycomb by virtue of its being a substantial Shareholder of Honeycomb and the fact that it is affiliated with CC Hive (a Pollen Street Shareholder) which will receive Consideration Shares on Completion; or (b) the Rule 9 Waiver Resolution at the General Meeting, due to its affiliate, CC Hive, holding shares in Pollen Street.

⁵ M&G signed a letter of intent on 14 February 2022 in respect of the 2,121,577 Honeycomb Shares it owned. The Announcement on 15 February 2022 referred to this figure as opposed to the 2,106,141 Honeycomb Shares M&G owned as at the Latest Practicable Date.

Adjusted for the above, Honeycomb has received support from Shareholders holding 15,608,177 Honeycomb Shares with respect to the Related Party Resolution and the Rule 9 Waiver Resolution, representing 44.44 per cent. of Honeycomb's issued share capital on the Latest Practicable Date.

13. General Meeting and Resolutions

Completion is conditional upon Shareholders' approval being obtained at the General Meeting. Accordingly, you will find set out at the end of this Circular a notice convening a General Meeting to be held at Slaughter and May, One Bunhill Row, London EC1Y 8YY, United Kingdom at 10.00 a.m. on 1 June 2022 at which the Resolutions will be proposed to approve the Combination. A summary of the Resolutions is set out below and the full text is set out in Part VIII (*Notice of General Meeting*).

Resolution 1

An ordinary resolution to approve the Combination on the terms set out in the Share Purchase Agreement and to grant the Honeycomb Directors the authority to take such steps as are necessary or appropriate to implement the Combination. Resolution 1, which is the Class 1 Resolution for the purposes of the Listing Rules, is conditional on the passing of Resolutions 2 to 6 (inclusive).

Resolution 2

An ordinary resolution to permit the Board to issue the Consideration Shares to the Pollen Street Shareholders in connection with the Combination.

Resolution 3

An ordinary resolution to approve the Combined Group Investment Policy, the New Remuneration Policy, the LTIP and the DBP.

Resolution 4

An ordinary resolution to approve the increase to the Directors' Fee Cap, as described at Section 6 above.

Resolution 5

An ordinary resolution of the Independent Shareholders, to be taken on a poll, to approve the waiver of any requirement under Rule 9 of the Takeover Code for the Concert Parties to make a general offer to Shareholders for the Honeycomb Shares as a result of: (a) the Issue of Consideration Shares to the Concert Parties such that, immediately after Completion, the Concert Parties will be expected to hold 38.40 per cent. (in aggregate) of the Enlarged Share Capital and (b) the carrying out of any share buyback by Honeycomb pursuant to the Existing Buyback Authority.

Resolution 6

An ordinary resolution to approve the Related Party Transactions described in Section 1 above.

14. Rule 9 Waiver

14.1 Rule 9 of the Takeover Code

Rule 9 of the Takeover Code is designed to prevent the acquisition of control of a company to which the Takeover Code applies by any person without a general cash offer being made to all shareholders of that company.

Under Rule 9 of the Takeover Code: (i) when any person acquires, whether by a single transaction or a series of transactions over a period of time or not, an interest in shares (as defined in the Takeover Code) which (taken together with shares in which persons acting in concert with that person are interested) carry 30 per cent. or more of the voting rights of a company that is subject to the Takeover Code; or (ii) where any person is interested in shares (as defined in the Takeover Code) which (taken together with shares in which persons acting in concert with that person are interested) carry 30 per cent. or more of the voting rights of a company that is subject to the Takeover Code but does not hold shares carrying more than 50 per cent. of such voting rights, increases the percentage of shares carrying voting rights in which that person and any person acting in concert with that person are interested, that person is normally obliged (except with the consent of the Panel) to make a general cash offer to all the remaining shareholders of the

company to acquire their equity shares and transferable securities carrying voting rights in the company.

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

However, where the obligation to make a mandatory offer under Rule 9 of the Takeover Code might arise following an issue of new shares, the Panel will normally consent to a waiver of that obligation provided that, among other things, this is approved by a vote of independent shareholders and a procedure in line with that set out in Appendix 1 to the Takeover Code is followed.

Under Rule 37 of the Takeover Code, when a company purchases its own voting shares, any resulting increase in the percentage of shares carrying voting rights in which a person or group of persons acting in concert is interested will be treated as an acquisition for the purposes of Rule 9 of the Takeover Code (although a shareholder who is neither a director nor acting in concert with a director normally will not incur an obligation to make a Rule 9 offer).

14.2 The Concert Parties

Pursuant to the Takeover Code, a “concert party” arises when persons, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control of that company. Under the Takeover Code, “control” means an interest or interests in shares carrying in aggregate 30 per cent. or more of the voting rights of a company, irrespective of whether such interest or interests give *de facto* control.

The Panel applies a presumption that the vendors of a private company are acting in concert when the private company is sold to a company subject to the Takeover Code and they receive, as consideration, shares in that public company, unless the contrary is established. This is because the Panel considers that the vendors of the private company are considered likely to have co-operated together both in becoming shareholders in the private company and in agreeing a sale of the private company to the Takeover Code company; and also that they are likely to continue to co-operate together once they become shareholders in the Takeover Code company.

This presumption can be rebutted. Honeycomb and the Panel have agreed that only the Pollen Street Partners and the Pollen Street Senior Managers are presumed to be acting in concert.

The Pollen Street Partners are Pollen Street Shareholders and will, pursuant to the Combination, sell their shares in Pollen Street in exchange for Consideration Shares issued by Honeycomb, which is a company to which the Takeover Code applies.

As a result of the Combination, the Pollen Street Partners (together with their related trusts and close relatives) are expected to hold 24,056,291 Honeycomb Shares (representing approximately 37.24 per cent. of the Enlarged Share Capital). This comprises 1,068,321 Honeycomb Shares held by the Pollen Street Partners (together with their related trusts and close relatives) as at the Latest Practicable Date and up to 22,987,970 Consideration Shares they are expected to receive at Completion under the Share Purchase Agreement. In the event that Honeycomb exercises the Existing Buyback Authority in full, the Pollen Street Partners shall collectively hold (together with their related trusts and close relatives) 40.47 per cent. of the Enlarged Share Capital post-Completion.

The Pollen Street Partners have agreed that 737,596 Consideration Shares (that would otherwise be issued to them pursuant to the terms of the Share Purchase Agreement) will instead be issued to the Pollen Street Senior Managers as part of the Management Incentive Plan. In addition, Michael Katramados holds 10,668 Honeycomb Shares as at the Latest Practicable Date. In aggregate, the Pollen Street Senior Managers will hold 748,264 Honeycomb Shares (representing approximately 1.16 per cent. of the Enlarged Share Capital) as a result of the Combination. In the event that Honeycomb exercises the Existing Buyback Authority in full, the Pollen Street Senior Managers shall collectively hold 1.26 per cent. of the Enlarged Share Capital.

The Panel and the Company have agreed that the Pollen Street Senior Managers are acting in concert with the Pollen Street Partners in relation to Honeycomb for the purposes of the Takeover Code.

The Pollen Street Directors are Lindsey McMurray, Matthew Potter, Michael England, James Scott, Connor Stewart and Gustavo Cardenas (Gustavo Cardenas is a representative of CC Hive and is not presumed to be acting in concert with the Concert Parties). As set out in the announcement on 15 February 2022, Lindsey McMurray will be the CEO of the Combined Group and Julian Dale will be the CFO of the Combined Group and will be appointed as Honeycomb Directors on and from Completion. Robert Sharpe, Jim Coyle, Richard Rowney and Joanne Lake will continue to serve as non-executive directors of Honeycomb following Completion.

The Pollen Street Partners have confirmed that, save as set out above, as at the Latest Practicable Date they are not acting in concert with any other person in relation to Honeycomb for the purposes of the Takeover Code.

Therefore, as a result of the relationships disclosed above, the Concert Parties will comprise the Pollen Street Partners (together with their related trusts and close relatives) and the Pollen Street Senior Managers.

14.3 Waiver in respect of the mandatory offer obligation arising upon Completion in relation to the interest in shares of the Concert Parties

As a result of the Combination, the Concert Parties will be issued up to 23,725,566 Consideration Shares (representing approximately 36.73 per cent. of the Enlarged Share Capital). The Concert Parties hold 1,078,989 Honeycomb Shares as at the Latest Practicable Date.

The Concert Parties will not make any further purchases of Honeycomb Shares prior to Completion. The Pollen Street Partners and the Pollen Street Senior Managers have agreed to give standstill commitments for a period of 12 months following Completion, further details of which are included in sub-section 14.7 below.

The maximum interests in Honeycomb Shares of the Concert Parties as at Completion (including where the Existing Buyback Authority (as described below) is exercised in full) under this waiver are set out in the table below:

<u>Concert Party member</u>	<u>Number of interests in Honeycomb Shares as at the Latest Practicable Date</u>	<u>Number of interests in Honeycomb Shares immediately following Completion⁽¹⁾</u>	<u>Percentage of the Enlarged Share Capital held immediately following Completion⁽¹⁾</u>	<u>Percentage of the Enlarged Share Capital held immediately following Completion (assuming the Existing Buyback Authority is exercised in full)⁽¹⁾</u>
Lindsey McMurray	612,294	11,805,871	18.28	19.86
Matthew Potter and close relatives ⁽²⁾	139,558	3,794,491	5.87	6.38
Michael England and close relatives and related trusts ⁽³⁾	84,705	3,739,638	5.79	6.29
Ian Gascoigne	68,529	2,754,192	4.26	4.63
Howard Garland	50,000	1,081,162	1.67	1.82
James Scott	113,235	880,936	1.36	1.48
Christopher Palmer	N/A	295,039	0.46	0.50
Julian Dale	N/A	221,279	0.34	0.37
Michael Katramados	10,668	121,307	0.19	0.21
David Dawson	N/A	110,639	0.17	0.19
Total	1,078,989	24,804,555	38.40⁽⁴⁾	41.73

Note 1: Figures are calculated assuming that the interests in Honeycomb Shares of the Concert Parties as at close of business on the Latest Practicable Date do not change, that 23,725,566 Consideration Shares are issued to the Pollen Street Partners and Pollen Street Senior Managers in connection with the Combination and that no further issues of Honeycomb Shares occur between publication of this Circular and Completion. In accordance with the Takeover Code, the percentage ownership is calculated by reference to Honeycomb Shares in issue outside treasury.

Note 2: Matthew Potter holds 132,058 Honeycomb Shares. Matthew Potter's wife, Helen Potter, owns 7,500 Honeycomb Shares. The aggregate number of Honeycomb Shares held by Matthew Potter and Helen Potter as at the Latest Practicable Date is 139,558.

Note 3: Michael England holds 52,941 Honeycomb Shares. Lawshares Nominees Limited holds 10,000 Honeycomb Shares on trust for Theodore England (as sole beneficiary of the bare trust of Theodore William Eastman England) and 10,000 Honeycomb Shares on trust for Cecily England (as sole beneficiary of the bare trust of Cecily Rose Eastman England). Michael England's father, Peter England, holds 11,764 Honeycomb Shares. The aggregate number of Honeycomb Shares held by Michael England, his related trusts and his father as at the Latest Practicable Date is 84,705 Honeycomb Shares.

Note 4: All figures presented in the above table have been rounded to two decimal places. The un-rounded aggregate shareholding of the Concert Party immediately post-Completion is expected to equal 38.4024 per cent.

As a result of the issue of Consideration Shares at Completion, the Concert Parties will hold over 30 per cent. of the voting rights of Honeycomb and a mandatory offer would normally be required under Rule 9 of the Takeover Code. The Panel has agreed, however, that subject to the Rule 9 Waiver Resolution being passed on a poll by the Independent Shareholders at the General Meeting, it will waive the requirement under Rule 9 of the Takeover Code for a mandatory offer to be made for the Honeycomb Shares not already owned by the Concert Parties as a result of Completion and the issue of the Consideration Shares.

14.4 Waiver in respect of the mandatory offer obligation arising following a buyback of Honeycomb Shares

Pursuant to a special resolution passed at its annual general meeting in 2021, Honeycomb has the authority to make market purchases of up to 5,285,435 Honeycomb Shares, representing approximately 14.99 per cent. of the Honeycomb Shares in issue as at the date of this Circular (the “**Existing Buyback Authority**”). Pursuant to announcements by Honeycomb on 2 March 2022, 21 March 2022 and 29 April 2022 respectively, Honeycomb confirmed its intention to pursue a share buyback programme in accordance with the Existing Buyback Authority, such programme running until 30 June 2022 (the “**2022 Buyback**”). In the event that the Existing Buyback Authority is exercised in full as a result of the 2022 Buyback (and assuming that the Concert Parties do not themselves participate in the 2022 Buyback in respect of the Honeycomb Shares currently held by them), the maximum interests in Honeycomb Shares of the Concert Parties as at Completion would be 41.73 per cent., as noted in the table above.

If the Existing Buyback Authority is utilised after Completion, the Concert Parties would normally be required to make a mandatory offer under Rule 9 of the Takeover Code arising as a result of the increase in their respective Honeycomb shareholdings. The Panel has agreed, however, that subject to the Rule 9 Waiver Resolution being passed on a poll by the Independent Shareholders at the General Meeting, it will waive the requirement under Rule 9 of the Takeover Code for a mandatory offer to be made for the Honeycomb Shares not already owned by the Concert Parties as a result of Honeycomb exercising its Existing Buyback Authority.

For clarity, the figures presented with respect to the Existing Buyback Authority in the table above are for the purposes of illustration only. The Board does not currently anticipate utilising the full Existing Buyback Authority as part of the 2022 Buyback, and it is not expected that the full adjusted shareholdings of the Concert Party set out above will be realised at Completion.

It is anticipated that Honeycomb will seek the approval of Shareholders at the annual general meeting in 2022 for authority to make market purchases of Honeycomb Shares after the date of the annual general meeting. Honeycomb intends, prior to publishing the notice convening the annual general meeting for 2022, to discuss with the Panel the waiver of the requirement under Rule 9 of the Takeover Code for a mandatory offer to be made by the Concert Parties for the Honeycomb Shares not already owned by them as a result of Honeycomb exercising any buyback authority obtained at the annual general meeting in 2022. If the Panel agrees to grant such a waiver, the Board anticipates that Independent Shareholders will be asked to pass a resolution at the annual general meeting in 2022 approving the waiver.

14.5 Rule 9 Waiver Resolution

Honeycomb therefore proposes that the Independent Shareholders approve the Panel's waiver of any obligation on the Concert Parties (or any member thereof) to make a mandatory offer under Rule 9 of the Takeover Code arising as a result of the issue of the Consideration Shares at Completion and any buyback pursuant to the Existing Buyback Authority.

It is proposed that the Independent Shareholders approve the Rule 9 Waiver Resolution by a poll at the General Meeting as further set out in Part VIII (*Notice of General Meeting*).

The Resolution to approve the Combination is conditional on the Rule 9 Waiver Resolution and the other Resolutions being passed and therefore all Resolutions must be passed in order for the Combination to be implemented.

In the event the Rule 9 Waiver Resolution is passed, the Concert Parties will not be restricted from making an offer for Honeycomb under the Takeover Code, but will be restricted from making an offer to the extent that the standstill commitments described in sub-section 14.7 apply.

The Panel's waiver will be invalidated if any purchases of Honeycomb Shares are made by any Concert Party, or any person acting in concert with it, in the period between the date of this Circular and the General Meeting.

14.6 Maximum potential interest in Honeycomb Shares

For the purpose of the Takeover Code, the Panel has agreed that, subject to the Rule 9 Waiver Resolution being passed on a poll by Independent Shareholders at the General Meeting, it will waive the requirement under Rule 9 of the Takeover Code for the members of the Concert Party to

make a mandatory cash offer for Honeycomb Shares as a result of the issue of the Consideration Shares at Completion and the exercise of any buyback by Honeycomb pursuant to the Existing Buyback Authority, as described in sub-section 14.1 above.

Accordingly, the passing of the Rule 9 Waiver Resolution would permit up to the following number of Honeycomb Shares to be held by the Concert Parties without giving rise to a mandatory offer obligation under Rule 9:

	<u>Maximum potential interest in Honeycomb Shares immediately following Completion</u>	<u>Percentage of the Enlarged Share Capital held immediately following Completion (assuming no buybacks)⁽¹⁾</u>	<u>Percentage of the Enlarged Share Capital held immediately following Completion (assuming maximum buybacks)⁽²⁾</u>
Waiver			
Waiver in respect of the issue of the Consideration Shares and buybacks under the Existing Buyback Authority	24,804,555	38.40	41.73

Note 1: Figures are calculated assuming that the interests in Honeycomb Shares of the Concert Parties as at close of business on the Latest Practicable Date do not change, that 23,725,566 Consideration Shares are issued to the Pollen Street Partners and Pollen Street Senior Managers in connection with the Combination, that no further issues of Honeycomb Shares occur between publication of this Circular and Completion and that no Honeycomb Shares are repurchased between publication of this Circular and Completion. In accordance with the Takeover Code, the percentage ownership is calculated by reference to Honeycomb Shares in issue outside treasury.

Note 2: Figures are calculated assuming that the interests in Honeycomb Shares of the Concert Parties as at close of business on the Latest Practicable Date do not change, that 23,725,566 Consideration Shares are issued to the Pollen Street Partners and Pollen Street Senior Managers in connection with the Combination, that no further issues of Honeycomb Shares occur between publication of this Circular and Completion and that the maximum number of Honeycomb Shares that Honeycomb is authorised to repurchase under the Existing Buyback Authority are repurchased prior to Honeycomb's annual general meeting in 2022. In accordance with the Takeover Code, the percentage ownership is calculated by reference to Honeycomb Shares in issue outside treasury.

14.7 Standstill commitments

In accordance with the Share Purchase Agreement, each of the Pollen Street Partners and Pollen Street Senior Managers will enter into Lock-Up Agreements pursuant to which they undertake that neither they nor any of their Concert Parties will acquire Honeycomb Shares or make an offer for Honeycomb Shares for a period of 12 months following Completion.

14.8 Financial information

All of the Concert Parties are natural persons and therefore do not prepare accounts.

No ratings agency has publicly accorded any current credit rating or outlook to Pollen Street or Honeycomb.

14.9 Middle market quotation of Honeycomb Shares

Set out below are the middle market quotations for a Honeycomb Share as derived from the Daily Official List of the London Stock Exchange for the first Business Day of each of the six months set out below and the Latest Practicable Date:

Date	Price per Honeycomb Share (pence)
Latest Practicable Date	915.00
1 April 2022	924.00
1 March 2022	850.00
1 February 2022	960.00
4 January 2022	947.50
1 December 2021	960.00
1 November 2021	970.00

14.10 Intentions of the Concert Parties

The background to and reasons for the Combination are set out above in Section 3 of Part I (*Letter from the Chairman of Honeycomb*).

As set out in the announcement on 15 February 2022, Lindsey McMurray will be the CEO and Julian Dale the CFO of the Combined Group, and will be appointed as directors of Honeycomb on and from Completion. Robert Sharpe, Jim Coyle, Richard Rowney and Joanne Lake will continue to serve as non-executive directors of Honeycomb following Completion.

In accordance with Rule 16.2(a) of the Takeover Code, the Concert Parties confirm that no incentivisation arrangements are proposed for the Honeycomb Directors interested in Honeycomb Shares.

The Combination will not affect, and the Concert Parties do not intend to change, the existing trading facilities for Honeycomb Shares.

15. Action to be taken

You will find enclosed with this Circular a Form of Proxy for use in connection with the General Meeting. Whether or not you propose to attend the General Meeting in person, you are asked to complete the Form of Proxy in accordance with the instructions printed thereon and return it to Honeycomb's registrars, Computershare, so as to arrive as soon as possible, but in any event so as to be received by no later than 10.00 a.m. on 30 May 2022.

If you hold Honeycomb Shares in CREST, you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to Computershare (CREST participant ID 3RA50) so that it is received no later than 10.00 a.m. on 30 May 2022. Completion and return of the Form of Proxy or CREST Proxy Instruction will not prevent you from attending and voting in person if you wish to do so (and are so entitled).

16. Financial advice

Cenkos is acting as Sponsor and has provided advice to Honeycomb in its capacity as independent financial adviser to the Board in accordance with the requirements of paragraph 4(a) of Appendix 1 to the Takeover Code.

The Board has received financial advice from BofA Securities in relation to the Combination. In providing its advice to the Board, BofA Securities has taken into account the commercial assessment of the Board. BofA Securities is not acting as independent financial adviser to the Board for the purposes of paragraph 4(a) of Appendix 1 to the Takeover Code.

As described in Section 1 of this Part I (*Letter from the Chairman of Honeycomb*), the Combination involves certain transactions and arrangements with the Pollen Street Related Parties that are classified as Related Party Transactions under the Listing Rules and therefore require the approval

of Shareholders who are not related parties for these purposes. This Circular is therefore a related party circular as defined in the Listing Rules. Under Listing Rule 13.6.1R(5), a related party circular must include a statement by the board that the transaction or arrangement is fair and reasonable as far as the security holders of the company are concerned and that the directors have been so advised by a sponsor. The Board considers each of the Related Party Transactions in relation to CC Hive, the Pollen Street Partners and Julian Dale to be fair and reasonable as far as the Shareholders of Honeycomb are concerned and the Honeycomb Directors have been so advised by Cenkos in its capacity as Honeycomb's Sponsor.

As described in Section 14 of this Part I (*Letter from the Chairman of Honeycomb*), the Panel has agreed that, subject to the Rule 9 Waiver Resolution being passed on a poll by the Independent Shareholders at the General Meeting, it will waive the requirement under Rule 9 of the Takeover Code for a mandatory offer to be made for the Honeycomb Shares not already owned by the Concert Parties arising as a result of the issue of the Consideration Shares and/or the exercise of any share buyback by Honeycomb pursuant to the Existing Buyback Authority. The Circular is therefore a Rule 9 waiver circular to which Appendix 1 to the Takeover Code applies. Under paragraph 4(a) of Appendix 1 to the Takeover Code, a Rule 9 waiver circular must include a statement confirming that competent independent advice has been provided to the board of an offeree company regarding the transaction, the controlling position which it will create and the effect which this will have on shareholders generally. In the context of the Combination, Honeycomb is considered to be the offeree company for these purposes and Cenkos has, in connection with the Rule 9 Waiver, provided advice to Honeycomb in its capacity as independent financial adviser to the Board in accordance with the requirements of paragraph 4(a) of Appendix 1 to the Takeover Code. In providing its advice to the Board, Cenkos has taken into account the commercial assessment of the Board.

17. Recommendation

17.1 Combination

The Board considers the terms of the Combination (including the Related Party Transactions with the Pollen Street Related Parties) and each of the Resolutions (but excluding the Rule 9 Waiver Resolution for these purposes) to be in the best interests of Honeycomb and Shareholders as a whole and accordingly unanimously recommends Shareholders to vote in favour of the Resolutions, as the Honeycomb Directors intend to do in respect of their own shareholdings.

In accordance with the requirements of the Listing Rules, CC Beekeeper and the Pollen Street Partners will not vote their interests in Honeycomb Shares in respect of the Related Party Resolution and will take all reasonable steps to ensure that their respective associates will not vote on the Related Party Resolution.

17.2 Rule 9 Waiver

The Board, which has been so advised by Cenkos, considers the Rule 9 Waiver, the Combination (including the exercise of the Existing Buyback Authority) and the controlling position which it will create to be fair and reasonable as far as Shareholders are concerned and in the best interests of Honeycomb and Shareholders as a whole. Accordingly, the Board unanimously recommends Independent Shareholders to vote in favour of the Rule 9 Waiver Resolution, as the Honeycomb Directors intend to do in respect of their own shareholdings.

In accordance with the requirements of the Takeover Code, the Concert Parties and CC Beekeeper are not considered Independent Shareholders for the purpose of the Rule 9 Waiver Resolution and will not vote their interests in Honeycomb Shares in respect of the Rule 9 Waiver Resolution.

Yours faithfully

Robert Sharpe
Chair

PART II

RISK FACTORS

Shareholders should be aware that a shareholding in Honeycomb involves a degree of risk. In addition to the other information contained in, or incorporated by reference into this Circular, the following risk factors should be considered carefully in evaluating whether to vote in favour of the Resolutions.

The risk factors in this document set out the necessary disclosure in accordance with the Listing Rules, and do not seek to cover all of the material risks which generally affect the Honeycomb Group.

The risks and uncertainties described below represent those known to the Honeycomb Board as at the date of this Circular which the Honeycomb Board consider to be material risks relating to the Combination, in addition to material risks relating to the Combined Group which result from or are impacted by the Combination. However, these risks and uncertainties are not the only ones facing the Honeycomb Group or, following the completion of the Combination, the Combined Group. Additional risks and uncertainties that do not currently exist or that are not currently known to the Honeycomb Board, or that the Honeycomb Board currently consider to be immaterial, could also have a material adverse effect on the business, results of operations, financial condition or prospects of the Honeycomb Group or, following the completion of the Combination, the Combined Group.

If any or a combination of the events described below actually occurs, the business, results of operations, financial conditions or prospects of the Honeycomb Group or, following the completion of the Combination, the Combined Group could be materially and adversely impacted. In such case, the market price of Honeycomb Shares could decline and Shareholders may lose all or part of their investment.

Shareholders should read this Circular as a whole and not rely solely on the information set out in this Section.

1. RISKS RELATING TO THE COMBINATION

1.1 Completion of the Combination is subject to a number of conditions that may not be satisfied or waived.

Completion of the Combination is conditional upon the satisfaction or, where applicable, waiver of, a number of conditions on or before the Long Stop Date including, among other matters, Shareholders approving the Resolutions, requisite consents or waivers being granted pursuant to the governing documents of the Pollen Street Funds, consent from Honeycomb's financing providers to the Combination and certain regulatory consents required in connection with the Combination.

Although the Honeycomb Directors believe that the requisite third party consents or waivers (including regulatory consents) should be forthcoming, there can be no assurance that they will be obtained on or prior to the Long Stop Date and on acceptable terms. In addition, there can be no assurance that Shareholders will vote in favour of the Resolutions proposed in this Circular, although as at the Latest Practicable Date, Shareholders representing approximately 58.91 per cent. of Honeycomb's issued share capital had either given irrevocable undertakings or a letter of intent to vote in favour of the Resolutions. In the event that any condition is not fulfilled or waived by the Long Stop Date, the Combination may not be completed, and the benefits expected to result from the Combination and the Combined Group will not be achieved. Any delay in completing the Combination (including as a result of any extension to the Long Stop Date in accordance with the terms of the Share Purchase Agreement) will prolong the period of uncertainty for the Honeycomb Group and the Pollen Street Group and result in the accrual of additional and (in the case of a failure to complete) wasted transaction costs to both businesses, including fees payable to legal advisers, accountants, financial advisers and other third parties. Investors may also decide against investing in the Honeycomb Group or other Pollen Street Funds prior to Completion, and management of both the Honeycomb Group and the Pollen Street Group would have devoted significant attention and resources to the Combination instead of pursuing other business opportunities or participating in strategic opportunities that could have had material benefits to the respective companies. A

failure to complete the Combination could therefore have a material adverse effect on the business, results of operation and financial condition of the Honeycomb Group, while a delay in completing the Combination could have a material adverse effect on the business, results of operation and financial condition of the Combined Group.

1.2 *The success of the Combined Group will depend, in part, on its ability to achieve the expected benefits of combining the businesses of the Pollen Street Group and the Honeycomb Group, and such benefits may not be achieved as anticipated and/or costs incurred may be higher than anticipated.*

The Honeycomb Directors believe that there are significant opportunities for the Combined Group that will create value for Shareholders. The Combination is expected to accelerate Honeycomb's growth, have a multiplier effect on Pollen Street's capital raising through funding co-investments by Pollen Street Group entities in investments by the Pollen Street Funds, launch and seed new organic strategies and give optionality for value accretive mergers and acquisitions to further diversify across private markets. The success of the Combined Group will depend, in part, on its ability to implement the Investment Policy successfully and achieve these expected benefits. Unanticipated events or liabilities may arise which result in a delay or reduction in the benefits anticipated to be derived from the Combination, or result in costs significantly in excess of those estimated. For example, changes in the regulatory or legislative framework applicable to the Combined Group, the portfolio of Honeycomb or to the portfolio companies of the Pollen Street Funds could have an adverse impact on the Combined Group's business and implementation of new strategies. Any expansion of the Combined Group pursuant to a merger or acquisition will also be subject to additional risks, including dilution of the Combined Group's corporate culture and loss of key employees, challenges and unanticipated costs in integrating the business, infrastructure and systems of the target entity with the Combined Group, and overestimating synergies or value to be gained from the target entity.

No assurance can be given that the Combined Group will deliver or realise all or substantially all of the anticipated benefits of the Combination. The Combined Group's management team may also devote significant time and resources towards achieving these benefits, away from the Combined Group's day to day investment and management functions, which may in turn have an adverse effect on the Combined Group's business, results of operations, financial condition and/or prospects.

1.3 *Market fluctuations may affect the value attributed to the Consideration Shares.*

The number of Consideration Shares was determined at entry into the Share Purchase Agreement, reflecting an agreed percentage of Honeycomb's fully diluted issued share capital determined on the basis of a valuation of the Pollen Street Group and Honeycomb's historical Net Asset Value. The number of Consideration Shares will not be adjusted to take into account any increase in Honeycomb's Net Asset Value between the date of entry into the Share Purchase Agreement and Completion and consequently, the number of Consideration Shares issued as a proportion of the total issued share capital of Honeycomb may not reflect the relative value of the Honeycomb Group and the Pollen Street Group immediately prior to Completion (or the market's perception of such relative value).

1.4 *Shareholders will experience dilution as a result of the Combination.*

If the Combination completes, it will result in the issue of 29,472,663 Consideration Shares to Pollen Street Shareholders. Existing holders of Honeycomb Shares will therefore experience dilution in their ownership and voting interests in the Combined Group at Admission. In aggregate, the Consideration Shares will represent approximately 45.63 per cent. of the Enlarged Share Capital while existing holders of Honeycomb Shares will own 54.37 per cent. of the Combined Group, excluding the effect of any capital raising or buyback after the date of this Circular and prior to Completion. Therefore, as a consequence of the Combination, the number of voting rights which can be exercised and the influence that may be exerted by existing Shareholders in respect of the Combined Group following Completion will be reduced.

1.5 Following Completion, certain Shareholders will have substantial influence over Honeycomb and the Combined Group.

A significant proportion of Honeycomb's issued share capital is held by a group of investment managers. As at the Latest Practicable Date, the top ten investment managers' (the "Institutional Investors") shareholdings in Honeycomb amount to an aggregate of 27,588,787 Honeycomb Shares, representing 78.56 per cent. of Honeycomb's total issued share capital (less shares held in treasury). On this basis and excluding the effect of any transfers or sales after the Latest Practicable Date and prior to Completion, the Institutional Investors will hold 51.61 per cent. of Honeycomb's issued share capital immediately after Completion. In addition, immediately following Completion, Lindsey McMurray will hold 11,805,871 Honeycomb Shares, representing 18.28 per cent. of Honeycomb's issued share capital, and will be the single largest Shareholder of Honeycomb.

Accordingly, Lindsey McMurray and the Institutional Investors may as a practical matter be able to influence certain matters requiring approval by Shareholders, including by acting together or with other Shareholders to control the casting of sufficient votes at a general meeting of Honeycomb to defeat any proposed special resolution. The trading price of Honeycomb Shares may be adversely affected if investors are disinclined to invest in Honeycomb because they perceive disadvantages to the concentration of Honeycomb Shares in the hands of a limited number of Shareholders.

1.6 The market price of the Honeycomb Shares could be negatively affected by sales of substantial amounts of Honeycomb Shares in the public markets, including following the expiry of applicable lock-up periods, or the perception that these sales could occur.

Following Completion, it is expected that the Institutional Investors, Pollen Street Partners and the Pollen Street Senior Managers will in aggregate hold approximately 90.01 per cent. of Honeycomb's issued ordinary share capital.

Honeycomb cannot predict what effect, if any, future sales of the Honeycomb Shares or market perception that such future sales could occur, will have on the market price of the Honeycomb Shares. Any such sales, or the perception or any announcement that such sales could occur, could adversely affect the market price of the Honeycomb Shares and may make it more difficult for investors to sell their Honeycomb Shares on favourable terms. Such sales may also make it more difficult for Honeycomb to issue further Honeycomb Shares in the future at a time and price that it deems appropriate, which could impede implementation of the Combined Group's Investment Policy.

From Completion, the Pollen Street Partners, the Pollen Street Senior Managers and CC Hive will be subject to lock-up restrictions in relation to the Consideration Shares that they will receive in Honeycomb. The Pollen Street Partners Lock-Up Agreement and the Management Lock-Up Agreement will restrict the Pollen Street Partners and the Pollen Street Senior Managers from disposing of any Consideration Shares for a period of 60 months following Completion, subject to each party's ability to dispose of 25 per cent. of their Consideration Shares at Completion. The lock-ups will also step down progressively between the second and fourth year after Completion, and are subject to certain customary exceptions. The CC Hive Lock-Up Agreement will restrict CC Hive from disposing of any Consideration Shares for a period of 6 months following Completion. In addition, the lock-up arrangements that the Pollen Street Partners and Pollen Street Senior Managers enter into will also include certain consultation and consent rights for the Honeycomb Directors in respect of further disposals for a period of 12 months following the end of the lock-up periods, in order to maintain an orderly market in the Honeycomb Shares.

After the expiry of the relevant lock-up periods, and subject to the constraints described above, the Pollen Street Partners, Pollen Street Senior Managers and CC Hive will be free to sell their Honeycomb Shares. Any sales of the Honeycomb Shares in the public market by the Pollen Street Partners in particular, or the perception or an announcement that such sales might occur, could cause the market price of the Honeycomb Shares to decline. A decline in market price may be aggravated where the Pollen Street Partner disposing of their Honeycomb Shares has a key role in Pollen Street's investment management team at the relevant time, as this could give rise to market perception of an impending key person departure, whether substantiated or not.

2. RISKS RELATING TO INVESTMENTS BY HONEYCOMB AND THE POLLEN STREET FUNDS IN CREDIT ASSETS

2.1 *The failure by underlying borrowers to make repayments under the terms of the Credit Assets will have an adverse effect on Honeycomb's, Pollen Street's and the Combined Group's performance.*

Regardless of the form that an investment in a Credit Asset takes, Honeycomb's and the Pollen Street Funds' ability to earn revenue is dependent upon payments being made by the underlying borrowers to Credit Assets in a timely and complete manner. Honeycomb and the Pollen Street Funds will receive payments under any Credit Assets only if the underlying borrower makes payments on the relevant loan. Where Credit Assets benefit from security, Honeycomb's and the Pollen Street Funds' recovery will be dependent on the amounts recovered following the enforcement of such security being sufficient to cover the outstanding amounts due to them. Where Honeycomb and the Pollen Street Funds invest in Credit Assets on a subordinated basis, there is a greater risk that amounts recovered following the default of a borrower will be insufficient to cover outstanding amounts due to them, as the recovered amounts must first be applied to discharge obligations which rank ahead of their claims.

Where an underlying borrower to a Credit Asset defaults and loan servicing functions have been outsourced to a third party servicer, Honeycomb or the relevant Pollen Street Fund must rely on the collection efforts of the relevant servicer and its designated collection agencies. Any fees and expenses incurred by Honeycomb or the relevant Pollen Street Fund in connection with defaulted Credit Assets will reduce the amount which Honeycomb or the relevant Pollen Street Fund may recover in the event of a partial or complete collection.

If an underlying borrower neglects its payment obligations on a loan or chooses not to repay its loan, Honeycomb or the relevant Pollen Street Funds may not be able to recover any portion of its outstanding principal and interest under a related Credit Asset comprising an investment in that loan.

Where an underlying borrower is an individual, if such a borrower with outstanding obligations under a loan dies while the loan is outstanding, the borrower's estate may not contain sufficient assets to repay the loan or the executor of the borrower's estate may prioritise repayment of other creditors. Numerous other events could impact a borrower's ability or willingness to repay a loan in which Honeycomb and the Pollen Street Funds invest, including divorce or sudden and unexpected significant expenses.

2.2 *Risk of borrower default in respect of Credit Assets.*

Honeycomb and certain of the Pollen Street Funds may acquire or invest in Credit Assets which are either secured or unsecured. Unsecured Credit Assets are not secured by any collateral and do not benefit from any third party guarantee or insurance. Honeycomb, the Pollen Street Funds or their respective appointed third party servicers (or such third party servicers' designated collection agencies) may be limited in their ability to collect on unsecured Credit Assets and, if an underlying borrower defaults on its obligations, Honeycomb or the relevant Pollen Street Fund's recovery on the unsecured Credit Asset may be adversely affected.

All Credit Assets are credit obligations of borrowers (be it an individual person or a business) and the terms of the Credit Asset may not restrict a borrower from incurring additional debt. If a borrower incurs additional debt after obtaining a loan acquired by Honeycomb or a Pollen Street Fund, that additional debt may adversely affect the borrower's creditworthiness generally, and could result in the financial distress, insolvency or bankruptcy of the borrower. This circumstance could ultimately impair the ability of that borrower to make payments on its Credit Asset and Honeycomb or the relevant Pollen Street Fund's ability to receive the principal and interest payments that they expect to receive on the relevant Credit Assets. To the extent borrowers incur other indebtedness that is secured, such as a mortgage, the ability of the secured creditors to exercise remedies against the assets of that borrower may impair the borrower's ability to repay the loan in respect of which Honeycomb or a Pollen Street Fund is interested, or it may impair the ability of the originator of the Credit Asset, Honeycomb or the relevant Pollen Street Fund (as the case may be) to collect on the Credit Asset if it goes unpaid. In respect of unsecured loans, borrowers may choose to repay obligations under other indebtedness before repaying obligations under Credit Assets acquired by Honeycomb

because the borrowers have no collateral at risk. Honeycomb or the relevant Pollen Street Fund may not be made aware of any additional debt incurred by a borrower, or whether such debt is secured, unless otherwise required under the terms of the relevant Credit Asset.

If a borrower files for bankruptcy in any of the jurisdictions in which Honeycomb and the Pollen Street Funds may invest, a stay may go into effect that will automatically put any pending collection actions on hold and prevent further collection action absent court approval. It is possible that the borrower's personal liability on its loan will be discharged in bankruptcy. In certain circumstances, for example where a borrower's net debt exceeds its net assets, unsecured creditors including Honeycomb or the relevant Pollen Street Fund may only receive a fraction of the amount owed to them, or the value of their investment may even be reduced to zero.

Honeycomb and the Pollen Street Funds also invest in loans to specialist lenders or other financial services counterparties secured over, among other things, granular portfolios of loan receivables. A substantial component of Pollen Street's analysis of the desirability of participating in such loans will relate to the estimated residual or recovery value of the security in the event of the insolvency of the borrower. The value of such security can, however, be extremely difficult to predict as in certain circumstances market quotations and third party pricing information may not be available, can diminish over the term of the relevant loan, and, in certain market circumstances, there could be little, if any, market for such assets.

Whilst the obligations of the borrower under such loans will be subject to security, the enforceability of the related security arrangements will be subject to such security having been correctly created and perfected, and also to any applicable legal or regulatory requirements which may restrict the giving of collateral or security by a borrower, such as, for example, financial assistance and corporate benefit requirements in respect of a company. If the secured loans in which Honeycomb and the Pollen Street Funds participate do not benefit from the expected security arrangements this may affect the value of the investments made by them.

If the borrower under a secured loan in which Honeycomb or a Pollen Street Fund participates were to default, and the security enforced, the value recovered from enforcement of the security may be smaller than the value of Honeycomb's or the relevant Pollen Street Fund's investment (whether due to external factors such as changes in the market for the assets to which the security relates, general economic conditions or otherwise).

Some of the loans which Honeycomb and the Pollen Street Funds acquire are secured by underlying property. Where the borrower defaults on such loans, there can be no assurance that Honeycomb or the relevant Pollen Street Fund would be successful in enforcing against the collateral and various factors may inhibit its attempts to do so including unperfected security, competing claims against the underlying property and other legal challenges.

If Honeycomb and the Pollen Street Funds participate in a secured loan on a subordinated or second charge basis, there is a greater risk that amounts recovered following enforcement of the security will be insufficient to cover outstanding amounts due to them, as those amounts must first be applied to discharge obligations which rank ahead of Honeycomb's and the Pollen Street Funds' claims.

2.3 Credit Asset default rates may be affected by a number of factors outside Honeycomb's and the Pollen Street Funds' control and actual default rates may vary significantly from historical observations.

Credit Asset default rates may be significantly affected by economic factors and conditions beyond Honeycomb's or the relevant Pollen Street Fund's control. In particular, default rates may increase due to factors such as prevailing interest rates, unemployment rates, consumer confidence, residential real estate values, changes in consumer spending, the number of personal bankruptcies, and disruptions in the credit markets.

The default history for Credit Assets issued by direct lenders such as any specialist lenders to whom Honeycomb or a Pollen Street Fund provides wholesale funding is limited and actual defaults over a full market cycle may be greater than indicated by historical data, and the timing of defaults may vary significantly from historical observations. Even where historical data

is available in respect of Credit Assets (for example, where a portfolio is purchased from a third party), defaults following the acquisition of the relevant Credit Asset may differ from those experienced prior to the acquisition.

In addition, general economic factors and conditions, including the general interest rate environment, unemployment rates and residential collateral asset values may affect borrower willingness to seek loans and investor ability and desire to invest in loans.

2.4 Honeycomb and the Pollen Street Funds may invest in Credit Assets comprising loans to small or less well established companies.

Honeycomb and the Pollen Street Funds may invest in Credit Assets comprising loans made to small and/or less well established companies. Whilst loans made to smaller and/or less well established companies may fall within the relevant underwriting criteria of Honeycomb or the relevant Pollen Street Fund at the time the Credit Asset is entered into, a smaller or less well established company will be more susceptible to market volatility and adverse changes in its trading conditions which will in turn impact its financial condition and may mean that it is unable to comply with its payment obligations under the terms of the relevant Credit Asset. To the extent that a small or less well established company is unable to meet its obligations pursuant to a Credit Asset, the value of Honeycomb's or the relevant Pollen Street Fund's investment in such a Credit Asset will fall, which may have an adverse impact on their financial performance.

2.5 Risks of investment in Credit Assets that have underlying borrowers with poor credit ratings or histories.

Honeycomb and the Pollen Street Funds may from time to time invest in Credit Assets linked to underlying borrowers who have low or subprime credit bureau risk scores or companies that are below investment grade (referred to for this purpose as "**High Yield Investments**"). Such High Yield Investments may be considered speculative with respect to the borrower's continuing ability to make principal and interest payments under the terms of their indebtedness. High Yield Investments have a higher risk of default, and as such pose a significant risk to Honeycomb and the Pollen Street Funds with respect to the loss of principal and non-payment of interest. Moreover, High Yield Investments have material sensitivity to macro-economic downturns and other factors outside of Honeycomb's and the Pollen Street Funds' control. Such macro-economic downturns may not be anticipated by Pollen Street and/or may unexpectedly occur during the term of a Credit Asset. High Yield Investments may also be less liquid than investment grade rated debt with a more limited secondary market, given the higher level of risk involved, and should Honeycomb or the Pollen Street Funds need to sell a Credit Asset, they may be forced to do so on unfavourable terms.

Some of the High Yield Investments may be linked to underlying borrowers who have subprime credit ratings. Many of these underlying borrowers are people who have had difficulty obtaining loans from other sources, including banks and other financial institutions, on favourable terms, or on any terms at all, due to credit problems, limited credit histories, adverse financial circumstances or high debt-to-income ratios.

Although Credit Assets which are High Yield Investments are likely to have a substantial rate of default, Honeycomb and the Pollen Street Funds may notwithstanding such default rate make significant investments in Credit Assets which are High Yield Investments (some of which may be linked to subprime borrowers) in circumstances where they believe that the relationship between interest rates and default will produce attractive returns on a net basis.

However, no assurance can be given that the expected default rates of Credit Assets which are High Yield Investments will not materially exceed historical or expected levels, thereby materially and negatively impacting the returns of investments of Honeycomb and the Pollen Street Funds and, therefore, their respective net asset value.

2.6 Prepayment and redeployment risk.

Underlying borrowers may decide to prepay all or a portion of the remaining principal amount due under a Credit Asset at any time and, generally, without significant penalty. The degree to which borrowers prepay loans, whether as a contractual requirement or at their election, may be affected by general business conditions, market interest rates, the borrower's financial condition and competitive conditions among lenders.

Upon repayment of all or part of the remaining unpaid principal amount of a Credit Asset acquired by Honeycomb or a Pollen Street Fund (whether as a prepayment or otherwise), Honeycomb or the relevant Pollen Street Fund (as the case may be) will receive such repayment, but further interest may not accrue on such Credit Asset (or part thereof) after the date of the payment. In the case of a prepayment, Honeycomb or the relevant Pollen Street Fund may therefore not receive all of the interest payments that it expected to receive.

Pending redeployment of the funds received as repayments on Credit Assets, Honeycomb or the relevant Pollen Street Fund may invest the funds in cash deposits, cash equivalent investments and fixed income instruments. Such investments are likely to yield lower returns than the expected returns from investments in Credit Assets and Equity Assets. There can be no guarantee that Honeycomb or the relevant Pollen Street Fund will be able to re-invest the amounts received as repayments in further Credit Assets and Equity Assets. The longer such redeployment of previously repaid amounts takes, the greater the potential negative impact on fund performance and financial results.

2.7 Risk of fraud or misrepresentation by borrowers or other third parties.

The value of the investments made by Honeycomb and the Pollen Street Funds in Credit Assets may be affected by fraud, misrepresentation or omission on the part of the underlying borrower to each Credit Asset or by parties related to the borrower (including entities providing collateral and security arrangements). Such fraudulent activity may adversely affect Honeycomb or the relevant Pollen Street Fund's ability to enforce its contractual rights under the Credit Asset or require the underlying borrower to the Credit Asset to repay the Credit Asset or interest on it or its other debts. Where a Credit Asset comprises a secured loan, such fraudulent activity may adversely affect the value of the underlying collateral.

2.8 Risks associated with third parties retaining legal title to the Credit Assets.

As part of Honeycomb's investment strategy, Honeycomb acquires beneficial title to the Credit Assets (and the related security), and may also acquire legal title where permitted by applicable law and it is held by a third party (the "**Vendor**") who is able to transfer such legal title to Honeycomb.

Where Honeycomb does not acquire legal title to a Credit Asset, the Vendor retains legal title and remains the lender of record. In certain circumstances (such as the insolvency of the Vendor or at the request of Honeycomb), the Vendor will be obliged to transfer legal title to all Credit Assets acquired by Honeycomb from it (to the extent that legal title is held by it) to Honeycomb, or to such other person as Honeycomb may direct. The Vendor may have acquired Credit Assets from other third parties that are subsequently acquired by Honeycomb. To the extent that the Vendor and, subsequently, Honeycomb acquires only the beneficial title to those Credit Assets, the legal title to the Credit Assets (and the related security) may be retained by the party from whom the Vendor acquired the Credit Assets, the originator of the Credit Assets or another third party.

Under certain arrangements with Vendors from whom Honeycomb has acquired beneficial title to Credit Assets, Honeycomb may submit a request to the Vendor to transfer legal title to Honeycomb, following which a notice of legal transfer is given to the relevant borrower. Until such notice is given to the relevant borrower, equitable or independent set-off rights may accrue in favour of any borrower against his or her obligation to make payments to the relevant Vendor under the relevant loan. Loans and any related security will continue to be subject to any prior rights any applicable borrower may become entitled to after the transfer. However, following notice of transfer to Honeycomb (or its nominee) being given to the borrower, some rights of set-off (being those rights that are not connected with or related to the relevant loan) may not arise after the date notice is given.

Where Honeycomb does not hold legal title, it would not be able to enforce any borrower obligations under a loan (or its related security) by itself, but to the extent that a third party loan servicer failed to take any or appropriate enforcement action against the relevant borrower, Honeycomb would have to join the Vendor holding legal title as a party to any legal proceedings.

As a consequence of the legal title to the Credit Assets and any related security remaining with the Vendor, a *bona fide* purchaser from the Vendor might obtain a good title free of any such interest, notwithstanding that there will be contractual protections aimed at preventing the Vendor from disposing of legal title to a third party. If this occurred, then Honeycomb would not have good title to the affected Credit Asset and its related security, and it would not be entitled to payments by a relevant borrower in respect of that loan.

If any of the risks described above were to occur then the realisable value of the Credit Assets or any part thereof may be adversely affected.

3. RISKS RELATING TO INVESTMENTS BY HONEYCOMB AND POLLEN STREET'S FUNDS IN EQUITY ASSETS

3.1 *Honeycomb and the Pollen Street Funds may invest in Equity Assets which comprise unlisted securities or which are otherwise illiquid.*

Honeycomb and the Pollen Street Funds have invested, and in the future will invest further, in Equity Assets that are aligned with the Combined Group's Investment Policy and each Pollen Street Fund's investment strategy. Such Equity Assets are likely to be predominantly in the form of unlisted equity securities.

Investments in unlisted equity securities, by their nature, involve a higher degree of valuation and performance uncertainty and liquidity risk than investments in listed securities, and therefore may be more difficult to realise.

Unlisted, as opposed to listed, companies are subject to particular risks, including that they:

- may have shorter operating histories and smaller market shares, rendering them more vulnerable to competitor actions and market conditions, as well as general economic downturns;
- sometimes operate at a financial loss;
- are more likely to depend on the management talents and efforts of a founder or small group of persons and, if any such persons were to cease to be involved in the management or support of such companies, this could have a material adverse impact on their business and prospects, and therefore the value of the investment in them made by Honeycomb or a Pollen Street Fund; and
- generally have less predictable operating results and may require significant additional capital to support their operations, expansion or competitive position.

Investments which are unlisted may remain unlisted and may therefore be difficult to value and/or realise. In some cases, Honeycomb or the relevant Pollen Street Fund could be prohibited by contract or by applicable securities laws from selling such Equity Assets for a period of time. Even where there are no legal restrictions or such legal restrictions have ceased to apply, their ability to dispose of Equity Assets may depend on the condition of the public and private equity markets at the relevant time, including any appetite for an initial public offering of the relevant portfolio company. Rising interest rates and lack of liquidity in credit markets may also mean that potential buyers are deterred due to an inability to raise sufficient capital to purchase the Equity Assets. In certain circumstances, for example where Honeycomb or a Pollen Street Fund invests as part of a consortium of investors, Honeycomb or the relevant Pollen Street Fund may have limited control over decisions in respect of the portfolio company, including the timing and nature of any exit, all of which could limit the fund's ability to realise the value of the relevant Equity Asset in full.

Where Equity Assets are publicly traded, a large holding may require a substantial length of time to dispose of, exposing investment returns to volatility in market prices during the disposal period. As a result, Honeycomb and the Pollen Street Funds may be forced to dispose of Equity Assets at prices that are lower than anticipated, or delay the realisation of such assets,

potentially for a significant period of time. There can therefore be no assurance that Honeycomb and the Pollen Street Funds will be able to realise such investments in a timely manner or on favourable terms. If any of the foregoing were to materialise, the Combined Group's business, revenue, net income and cash flows could be materially adversely affected.

3.2 *Equity Assets often rank junior to other investments in portfolio companies, giving rise to greater risk of losing the value of an investment.*

In many cases, the companies in which Honeycomb and the Pollen Street Funds invest have, or are permitted to have, outstanding indebtedness or equity securities that rank senior to the Equity Assets held by Honeycomb and the Pollen Street Funds. By their terms, such instruments may provide that their holders are entitled to receive payments of distributions, interest or principal prior to Honeycomb and the Pollen Street Funds receiving payments in respect of their investment. In the event of insolvency, liquidation or bankruptcy of the portfolio company, any recoveries must first be applied to prior-ranking obligations and Honeycomb and the Pollen Street Funds may not be able to recover the full amount of their investments. In certain circumstances, the value of Honeycomb's and the Pollen Street Funds' investments may be reduced to zero.

3.3 *The growth equity strategy of certain Pollen Street Funds focuses investments on emerging and less established companies.*

Both of Pollen Street's Private Equity funds and, only where compatible with its investment policy, Honeycomb, may make investments in portfolio companies that are in an early stage of development. These target companies are often characterised by short operating histories, quickly evolving markets and sectors, management teams that may have limited experience working together and, in many cases, negative cash flow, any or all of which increases the challenge of evaluating the investment opportunity and the ultimate performance of the investment. Companies in growth stage may also be subject to substantial operational risks including uncertainty of market acceptance of such companies' products or services, a high degree of regulatory risk (in particular for the regulated financial services sector) for new or untried or untested business models, products and services, high levels of competition among other similarly growing companies that may act aggressively to acquire market share, new competing products, lower barriers to market entry and downward pricing pressure, lower capitalisations and fewer financial resources, the potential for rapid organisational or strategic change and susceptibility to personal misconduct by or departure of key executives or founders. In addition, growth equity companies may be more susceptible to macroeconomic effects and industry downturns, and their valuations may be more volatile depending on the achievement (or non-achievement) of milestones, such as receiving a regulatory licence or approval.

3.4 *Further increases in interest rates and other changes in debt financing markets could negatively impact the ability of Honeycomb, the Pollen Street Funds and their portfolio companies to obtain attractive financing or refinancing and could increase the cost of such financing if it is obtained, which could lead to lower-yielding investments and potentially decrease the Combined Group's net income.*

While interest rates in the UK have been at historically low levels over the past few years, an increase in inflation has led to interest rate rises, with the Bank of England base rate increasing in December 2021, January 2022 and March 2022, and market expectations are of further rises in future. Should interest rates increase further, this could increase the cost of debt financing for Honeycomb and the Pollen Street Funds and decrease the value of any fixed-rate Credit Assets held by Honeycomb and the Pollen Street Funds, each of which may have an adverse impact on the Combined Group's business.

Certain of the Pollen Street Funds utilise credit facilities to provide bridge financing for their equity investments. If following the expiry of current facilities or if the need for additional funding arises, the Pollen Street Funds are only able to obtain financing at an increased interest rate or otherwise on unfavourable terms due to market movements in interest rates against borrowers, the Pollen Street Funds may find it difficult to compete with other market participants who are able to access a lower cost of capital or who have greater reserve funds. The Pollen Street Funds may also find that the level of profits generated from an investment

are lower than for comparable historical investments, due to the increased costs of funding. Any of these factors could lead to a decrease in the Pollen Street Funds' performance, and a reduction in Pollen Street's and, consequently, the Combined Group's revenue. The Combined Group will depend on debt financing to meet its liquidity needs, including pursuant to the Honeycomb Term and Revolving Credit Facility. An increase in interest rates at the time of refinancing will lead to increased financing costs for the Combined Group, and may have a material adverse impact on the Combined Group's business, revenue, net income and cash flows.

3.5 *Dependence on significant third party debt capital in Private Equity portfolio companies could adversely affect the ability to achieve an attractive rate of return on such investments.*

Certain of the Pollen Street Funds and, where compatible with its investment policy, Honeycomb, may make use of third party debt capital by incurring or having a portfolio company incur debt to finance a portion of the investment in such company. This use of third party debt capital increases the investee's ability to achieve attractive rates of return on investments, though this will depend on the portfolio company's ability to access sufficient liquidity at attractive rates. The cost and availability of such third party debt capital is highly dependent on the state of the broader credit markets (which may be impacted by regulatory restrictions and guidelines), and Pollen Street and/or Honeycomb may not be able to accurately forecast market conditions. Should market conditions deteriorate and available liquidity for debt financing become restricted, this could materially affect such portfolio companies' businesses and, in turn, have a negative impact on the Pollen Street Funds' and/or Honeycomb's performance. Increases in interest rates will also increase the financing costs of portfolio companies and could reduce the investee's overall returns.

Investments in entities that are highly dependent on third party debt capital are inherently more sensitive to declines in revenue, increases in expenses and interest rates, as well as adverse economic, market and industry developments. Where an entity has incurred a significant amount of indebtedness, this could impair its ability to obtain further financing when required or it may otherwise only be able to obtain financing at higher rates, which could in turn impede its ability to take advantage of growth opportunities. It will also be subject to significant finance costs, and in the event it is unable to generate sufficient cash flow to meet debt service requirements, Honeycomb or the relevant Pollen Street Fund may suffer a partial or total loss of capital. The terms of such entity's financing arrangements may also subject it to a range of restrictive covenants, a breach of which could lead to an event of default and creditors exercising their rights to accelerate amounts due and enforce security. It may also be subject to extensive obligations under the terms of its financing arrangements, including obligations to apply excess cash flows or disposal proceeds towards mandatory prepayments of debt, thereby leaving it with less cash to meet unplanned but necessary capital expenditures. Where, following a default, creditors enforce their rights against a portfolio company and the value of the portfolio company's net debt is in excess of its net assets, there is a risk that the company enters insolvency proceedings and the value of the investee's investment is reduced to zero.

Any of the foregoing circumstances could have a material adverse effect on the financial performance of a portfolio company and, consequently, the Combined Group's business, revenue, net income and cash flows.

3.6 *The private equity industry is subject to increasing focus by investors and regulators on ESG matters.*

The private equity industry has experienced increasing investor attention on ESG matters in recent years. Such attention may take the form of investor activism in respect of existing investments, where investors urge investment managers to take certain actions (or not to take certain actions) to push forward an ESG agenda, where to do so may potentially be at the expense of fund performance and financial returns. Potential investors may also take into account Honeycomb's, Pollen Street's and, going forwards, the Combined Group's record of socially responsible investing and other ESG factors in determining whether to invest in Honeycomb and other Pollen Street Funds. Investors may have internal guidelines and policies on ESG investing that may pre-determine whether they are able to invest in Honeycomb or the Pollen Street Funds, regardless of fund performance. If the Combined Group is unable to meet

investors' expectations in relation to ESG matters, this may have a significant negative impact on Pollen Street's ability to raise funds and Honeycomb's and the Pollen Street Funds' ability to retain investors. The Combined Group's brand and reputation may also suffer from negative publicity on ESG matters.

This focus on ESG related matters, the potential for shareholder activism and the potentially widespread consequences of negative publicity could constrain the Combined Group's Investment Policy. Honeycomb's and the Pollen Street Funds' investment opportunities may be limited by excluding potential targets that the general public may perceive to have a negative societal impact. In addition, regulators are increasingly focused on ESG-related practices by investment managers. For instance, in March 2021, Regulation (EU) 2019/2088 (the EU Sustainable Finance Disclosure Regulation), which aims to regulate and harmonise sustainability disclosures in the EU so that investors can better comprehend and compare financial firms' ESG performance, came into force. The UK government has announced plans in respect of a similar initiative, which is likely to come into effect in the next few years. The proposed regime includes a proposed requirement for UK investment products to be labelled objectively in accordance with specified sustainability criteria, as part of an overall objective to improve transparency for investors. If regulators disagree with the procedures or standards that Honeycomb, Pollen Street or the Pollen Street Funds adopt, this could have an adverse effect on the Combined Group's business and reputation. The Combined Group may also incur operational expense in adapting its practices and systems to conform to applicable regulation, all which could have a material adverse effect on the Combined Group's business, revenue, net income and cash flows.

4. RISKS RELATING TO THE BUSINESS OF THE COMBINED GROUP FOLLOWING COMPLETION

4.1 *Returns earned by the Pollen Street Funds are not directly equivalent to the returns of the Combined Group, and Honeycomb and the Combined Group may not be able to replicate the historical successes of the Pollen Street Funds.*

Investors in Honeycomb are not acquiring a direct interest in the Pollen Street Funds, and the Combined Group's business, taken as a whole, will differ from that of the Pollen Street Funds. Accordingly, the investment returns of Honeycomb could be substantially lower than the actual returns achieved by the Pollen Street Funds. The returns of the Pollen Street Funds are relevant to Honeycomb and the Combined Group primarily insofar as they are indicative of performance fees payable to Pollen Street, and Pollen Street's reputation and ability to raise new funds. In addition, as part of the consideration for the Combination, an element of carried interest allocated or to be awarded in connection with certain existing Pollen Street Funds and all future funds established by Pollen Street will be transferred or allocated (as applicable) to the Combined Group at Completion. It is expected that Honeycomb shall furthermore have further opportunities to invest its own capital in Pollen Street Funds post-Completion.

Honeycomb has presented certain information in this Circular regarding Pollen Street's past performance, its key individuals, and its previous portfolio investments. Pollen Street's past performance and that of its key individuals, and the historical returns of the Pollen Street Funds, is not indicative, or intended to be indicative, of future performance or results of the Combined Group or the Pollen Street Funds. Accordingly, there can be no assurance that Honeycomb or the Pollen Street Funds will have the same opportunities to invest in assets that generate similar returns to previous investments by Pollen Street.

In particular, future results may differ significantly from historical results. Honeycomb's and the Pollen Street Funds' historical returns benefitted from investment opportunities and general market conditions that may not repeat themselves. Where comparable investment opportunities and beneficial market conditions arise in future, Honeycomb or the Pollen Street Funds may not be in a position to take advantage of the same. Such historical returns also reflect historical cost structures, which may change in the future due to various factors, including (without limitation) overhead costs attributed to the launch and ramp up of Pollen Street's US operations, as well as factors beyond the control of the Combined Group, such as changes in laws and regulations. Pollen Street's valuation of past investments by the Pollen Street Funds include unrealised gains at current value that may never be realised, which may adversely

affect the ultimate value realised from those Pollen Street Funds. Shareholders will also not benefit from any value that was created in any of the Pollen Street Funds to the extent such value has been realised.

Further, Honeycomb and the Pollen Street Funds will be dependent upon Pollen Street's continued successful implementation of their respective fund investment strategies and objectives and, ultimately, on Pollen Street's ability to maintain and grow an investment portfolio for each fund that is capable of generating attractive returns. Pollen Street's ability to do so will be subject to a number of factors, including market conditions and the timing of investments relative to market cycles, many of which are beyond its control and difficult to predict. There can be no assurance Pollen Street will continue to be successful in sourcing suitable investments for Honeycomb or the Pollen Street Funds. In addition, Pollen Street may create new funds in the future that reflect different investment policies and strategies, as well as varied industry and asset-type profiles, on different economic terms to that of existing or past Pollen Street Funds, any combination of which could give rise to different levels of returns. Newly established Pollen Street Funds may generate lower returns during the period in which they initially deploy their capital, including credit funds where management fees are calculated on the basis of deployed rather than committed capital.

There can also be no guarantee that the pace or size of investments made by Honeycomb and the Pollen Street Funds will be maintained in the future. A portion of the Combined Group's returns will be derived from the performance of the Pollen Street Funds (through the performance fees payable to Pollen Street and carried interest on certain Pollen Street Funds awarded to the Combined Group), and the Combined Group's returns will also include management fees paid to Pollen Street (which, in the case of credit funds, are calculated only on deployed capital). Any delays in investing capital, or decline in the pace or size of investments made, will have an adverse impact on results of operations of the Combined Group.

In addition, future returns will be affected by the applicable risks described elsewhere in this Circular, including specific risks of the industries and businesses in which a particular Pollen Street Fund invests and structural risks relating to the nature of investments made by a Pollen Street Fund.

4.2 *Poor performance by the Pollen Street Funds may adversely affect the Combined Group's brand and reputation, management fees, performance fees as well as the Combined Group's carried interest and income from the fair value re-measurement of investments.*

In the event that any of the Pollen Street Funds were to perform unsatisfactorily, in particular if this were the case for a larger Pollen Street Fund (for example, PSC IV or its successors), this may adversely affect the Combined Group's business, brand and reputation and lead to losing investors from existing Pollen Street Funds as well as challenges in attracting fund investors and raising capital for new funds in the future (in particular for future flagship funds). Investors and potential investors continuously assess the Pollen Street Funds' performance, and Pollen Street's ability to raise capital for existing and future funds will depend on the Pollen Street Funds maintaining performance at or above a level satisfactory to investors, taking into account the performance of Pollen Street's competitors. Accordingly, poor performance may deter future investments in the Pollen Street Funds. In turn, this could materially adversely affect the size of Pollen Street's AUM, upon which Pollen Street charges management fees and which will therefore, following Completion, generate income for the Combined Group. The growth of Pollen Street's AUM is and will be primarily dependent on Pollen Street's ability to raise capital for new funds, deliver attractive absolute and relative returns to fund investors, a successful execution of Pollen Street's growth strategy and Pollen Street being able to maintain its strong brand and positive reputation. If Pollen Street's AUM does not grow as expected, or even declines, this may have an adverse effect in the medium or long-term on management fees received by Pollen Street and, consequently, the business, revenue, net income and cash flows of the Combined Group.

The performance of the Pollen Street Funds could be adversely affected by a number of factors, for instance, if competition for investment opportunities in the industries or sectors that a particular Pollen Street Fund is focused on increases. Competition for investment opportunities is based primarily on the ability to source such investment opportunities, the

pricing, terms and structure of a proposed investment and certainty of execution. In respect of Equity Assets, competition for investment opportunities may also be influenced by the Pollen Street Funds' historical returns. For example, a Pollen Street Fund may be chosen as the preferred acquirer of an Equity Asset because of Pollen Street's track record even where competitors are on an equal or better footing in terms of pricing at the time of investment; conversely, a Pollen Street Fund may lose out on a potential investment if Pollen Street's reputation has been damaged by poor performance, even where the Pollen Street Fund offered better pricing terms than its competitors. Moreover, if portfolio companies of the Pollen Street Funds fail to successfully implement plans for value creation, for example operational improvements, add-on acquisitions and/or changes to their strategy, this could negatively impact the performance of the Pollen Street Funds. The Pollen Street Funds may also have been raised under different organisational structures than those of competitors with the result that applicable laws and investment limitations might differ. In addition, the Pollen Street Funds could generate lower returns on their investments and experience increased risks of investment losses if the Pollen Street Funds offer pricing terms and structures for potential investment opportunities that are in excess of, or more preferential than, those offered by competitors.

Furthermore, there is a risk that current and future Pollen Street Funds will not benefit from investment opportunities and general market conditions that are in line with the market developments seen in historical periods. In particular, the performance of the Pollen Street Funds across Credit Assets and Equity Assets may be adversely affected by difficult market conditions, including but not limited to fluctuations in public share prices, credit spreads, interest rates, currency exchange rates and inflation rates, supply of liquid funds, economic uncertainty, changes in interpretation of and amendments to laws or regulations (including those relating to taxation of the Pollen Street Funds' returns) and the overall geopolitical environment, including global health crises like the outbreak of COVID-19, acts of war, terrorist attacks and security operations. Tensions between Russia and the U.S., the UK and a number of European states have heightened significantly as a result of Russia's unprovoked invasion of Ukraine. Although Honeycomb and the Pollen Street Funds have limited exposure to the region, the current conflict has the potential to escalate further and this could result in elevated geopolitical instability, trade restrictions, disruptions to global supply chains and/or increases in energy prices, in each case, with potential follow on global inflationary impacts, and a potential adverse impact on markets and a potential downturn in the global economy. Beginning in February 2022, the EU, UK and the U.S., in a coordinated effort joined by several other countries, imposed a variety of new sanctions with respect to Russia and various Russia-related parties as a result of Russia's invasion of Ukraine, which may have a negative impact on the regional and global economic environment, leading to adverse effects for the performance of Honeycomb and the Pollen Street Funds.

Moreover, the performance of the Pollen Street Funds is measured and benchmarked against the performance of competitors' funds and public markets performance, and there is subsequently a risk that, even if the Pollen Street Funds perform in line with expectations, superior relative performance of the funds of competitors or the public markets may have an adverse effect on Pollen Street's ability to retain or attract fund investors and further adversely affect Pollen Street's ability to negotiate management and performance fee rates or other economic terms of future funds, which could decrease the Combined Group's revenue.

Poor performance by the Pollen Street Funds in which the Combined Group has been allocated carried interest would also result in reduced revenue for the Combined Group. Furthermore, if, as a result of poor performance of later investments in one of the Pollen Street Funds, such Pollen Street Fund does not achieve certain profitability requirements as agreed under the organisational documents of the relevant fund, under certain circumstances the Combined Group may be required to repay the amount by which carried interest that was previously distributed to it exceeds the amounts to which it was ultimately entitled.

In addition, poor performance by the Pollen Street Funds could also result in a reduction in the performance fees earned by Pollen Street. Performance fees are earned by Pollen Street as a percentage of returns from each Pollen Street Fund where performance of the relevant Pollen Street Fund exceeds a contractually agreed hurdle rate. If, as a result of poor performance,

one or more Pollen Street Funds does not meet the agreed threshold, performance fees may not accrue at all. A reduction in performance fees earned by Pollen Street will adversely affect the Combined Group's business, revenue, net income and cash flows.

In addition, if the Pollen Street Funds were to perform unsatisfactorily, this could affect the Pollen Street Group's and ultimately, the Combined Group's income from the fair value re-measurement of investments and ultimately could lead to a write-down in the value of the Pollen Street Group's investments, which could consequently have a material adverse effect on the Combined Group's business, revenue, net income and cash flows.

4.3 *Pollen Street Capital may be replaced as investment manager of one or more Pollen Street Funds, and certain Pollen Street Funds may be terminated by investors, including for reasons outside Pollen Street's control.*

The governing documentation of certain Pollen Street Funds permit fund investors to replace the Pollen Street general partner of a Pollen Street Fund with an external general partner, if the requisite majority for doing so is achieved among fund investors. Fund investors may have the right to remove the Pollen Street general partner of the fund 'for cause', for example, as a result of bad acts on the part of certain members of the Combined Group or loss of required regulatory status and typically with the consent of fund investors representing a majority of the commitments to the relevant Pollen Street Fund. Fund investors may also have the right to remove the Pollen Street general partner of the fund 'without cause', typically with the consent of fund investors representing a majority of at least 75 per cent. of the commitments to the relevant Pollen Street Fund. Any such removal of the Pollen Street general partner would result the loss of future management fees, subject in certain cases to limited compensation being paid where the removal is "without cause", and could have a significant negative impact on the Combined Group's revenue, net income and cash flows. In addition, the governing documents of certain Pollen Street Funds may permit relevant investors to unilaterally terminate such fund other than for cause and require a wind-down of the fund.

A loss of investment mandate with respect to any of the Pollen Street Funds or a termination of a Pollen Street Fund initiated by investors could, in each case, result in significant and substantial reputational damage to Pollen Street which could adversely impact, and potentially irreparably damage, Pollen Street's future fundraising efforts.

4.4 *The Combined Group may experience fluctuations in its operating results, which may make it difficult for the Combined Group to achieve steady earnings growth.*

The Combined Group's revenue, earnings, net income and cash flows can all vary from quarter to quarter due to Pollen Street's reliance on performance fees, awards of carried interest from the Pollen Street Funds to the Combined Group and income from the fair value re-measurement of investments in the Pollen Street Funds and the Honeycomb Group. The Combined Group may also experience fluctuations in its operating results, including revenue and net income, due to a number of other factors, including timing of realisations, changes in the values of the investments made by the Pollen Street Funds and the Honeycomb Group (including differences between historical valuations and actual values on realisation), changes in the amount of interest paid in respect of Credit Assets, changes in the amount of dividends or distributions paid in respect of Equity Assets, changes in the rates of interest payable on the Combined Group's borrowings, changes in the Combined Group's operating expenses, the degree to which the Combined Group encounters competition and general economic and market conditions.

The Combined Group's cash flows may fluctuate significantly due to the fact that the Combined Group generally receives carried interest and performance fees from the Pollen Street Funds only when investments achieve a certain return. Carried interest depends on the Pollen Street Funds' performance and opportunities for realising gains, which may be limited. It takes a substantial period of time to identify attractive investment opportunities, to raise all the funds needed to make an investment and apply such funds to make the investment, and then to realise the cash value or other proceeds of an investment through a sale, public offering, recapitalisation, refinancing or other exit. Even if an investment proves to be profitable, it may be a number of years before any profits can be realised in cash or other proceeds. Accordingly, the Combined Group cannot predict when, or if, any realisation of investments will occur, including investments made by Honeycomb. The timing and receipt of carried interest

will also vary with the life cycle of the relevant Pollen Street Funds. Pollen Street Funds that pay carried interest have completed their investment periods and are able to realise mature investments, and are more likely to make larger distributions than funds in an earlier phase. During times when a significant portion of Pollen Street's AUM is attributable to funds not yet in maturity, the Combined Group may receive substantially lower carried interest distributions.

Such fluctuations may lead to volatility in the trading price of the Honeycomb Shares and may mean that the Combined Group's results for a particular period are not indicative of its performance in a future period.

4.5 *Delays in the deployment of the proceeds of any capital raising by the Combined Group may have an impact on the performance of the Combined Group's portfolio and cash flows.*

The net proceeds of any future capital raising will be utilised by the Combined Group in accordance with the Combined Group Investment Policy, including to fund co-investments by Pollen Street Group entities in investments by the Pollen Street Funds, to launch and seed new organic strategies and to fund value accretive mergers and acquisitions. Pending deployment of such net proceeds, the Combined Group may invest surplus capital in cash deposits, cash equivalent investments and fixed income instruments. Such investments are likely to yield lower returns in the medium- to long-term than the returns expected to be achieved from the Combined Group's Investment Policy.

There can be no guarantee that the Combined Group will be able to invest the full amount of the net proceeds of any capital raising in the manner contemplated by the Combined Group Investment Policy in a timely manner. For example, where market and economic conditions mean that Pollen Street is unable to source adequate investment opportunities for Honeycomb and/or the Pollen Street Funds in which it can co-invest, the new capital may instead be invested in the alternative investments described above for a prolonged period of time. The longer the delay in deploying proceeds in a manner that furthers the Combined Group Investment Policy, the greater the likelihood that the Combined Group's results of operations will be materially adversely affected.

4.6 *The Combined Group will be dependent on Pollen Street's personnel and the market for investment professionals and other personnel in specialist functions is highly competitive.*

Pollen Street's personnel, including its investment professionals and support teams, are greatly important to the Combined Group's business. The Combined Group's continued success is therefore dependent upon Pollen Street's ability to retain and motivate its personnel and to strategically recruit, retain and motivate new talented professionals. The success of the portfolio companies of Honeycomb and the Pollen Street Funds is similarly dependent on their respective personnel.

The professionals employed by Pollen Street possess substantial experience and expertise, as well as strong business relationships in the sectors in which the Honeycomb Group and the Pollen Street Funds operate. In particular, the Combined Group will depend on the efforts, skill, reputations and business contacts of Pollen Street's executive management, including the Pollen Street Founding Partners who have worked together for over 16 years, and other key senior team members and the information and deal flow they generate during the normal course of their activities. Accordingly, the Combined Group's success will depend on the continued service of these and other individuals, none of whom are obligated to remain employed by Pollen Street, and some of whom may retire from time to time. There is a risk that Pollen Street may not be successful in its efforts to execute its management succession plans or to recruit, retain and motivate the required personnel as the market for qualified investment professionals and other members of the Pollen Street team in support functions is highly competitive. This risk may be exacerbated if a number of persons decide to leave Pollen Street at or around the same time, which could have an impact on staff morale and lead to further departures. Pollen Street's team of investment professionals have strong relationships with investors in the Pollen Street Funds and the management teams of the portfolio companies of the Pollen Street Funds, and unanticipated departures could adversely impact Pollen Street's ability to fundraise, as well as Pollen Street's ability to assist portfolio companies in achieving target returns.

Pollen Street has a strong corporate culture based on its core values of being caring, enterprising, progressive, driven and experts at its business. Although the Combined Group will continue to work to uphold this corporate culture and maintain a working environment that reflects this culture, there is a risk that the Combination and any subsequent expansion could result in a dilution of Pollen Street's culture and core values and/or a failure to fully integrate new employees into Pollen Street's existing culture. A degradation of Pollen Street's corporate culture could also lead to departures of key employees.

The governing documents or investment mandates of the Pollen Street Funds will also typically include "key person" protections. The terms of these protections differ from fund to fund but will generally identify certain key persons within Pollen Street who are required to devote a certain amount of their business time to the business and affairs of the relevant Pollen Street Fund. In addition, should certain key persons or a number of investment professionals in excess of a contractually agreed threshold depart from Pollen Street, a temporary suspension may be placed on any further drawdowns for purposes of making new investments and if replacements of "key persons" are not appointed to the satisfaction of fund investors (or their representatives), the investment period of the relevant Pollen Street Fund may expire. While fund investors (or their representatives) have certain rights with respect to lifting any such suspension, there is a risk that such approval will not be forthcoming. In the event the suspension is not lifted and the Pollen Street Fund is prohibited from drawing commitments to make new investments, Pollen Street's AUM deriving from the relevant Pollen Street Fund (on which management fees are calculated) would be lower than expected and Pollen Street may suffer reputational damage. Alternatively, Pollen Street may have to agree to less favourable ongoing terms (for example, a reduced Management Fee Rate) in return for investors lifting any suspension on new investments. In the medium to long-term, reduced investments by one or more Pollen Street Funds will also have a detrimental impact on the amount of carried interest earned by the Combined Group (to the extent the Combined Group is allocated carried interest from that Pollen Street Fund), and also on the performance fees earned by Pollen Street, and consequently, the Combined Group. All these factors may have a material adverse effect on the Combined Group's business, revenue, net income and cash flows.

Pollen Street's ability to recruit, retain and motivate personnel is particularly dependent on its and the Combined Group's ability to offer highly attractive incentive opportunities. Pollen Street has historically relied in part on the interests of key personnel in the Pollen Street Funds' carried interest to discourage them from leaving Pollen Street. However, to the extent that the Pollen Street Funds perform poorly, thereby reducing the potential for or anticipated quantum of carried interest, their interests in carried interest become less valuable to them and become less effective as incentives for them to continue to be employed at Pollen Street. In order to recruit and retain existing and future personnel, Pollen Street may need to increase the level of compensation that is paid, whether to reflect market rates or to compensate for a perceived reduction in future carried interest payments (or a combination of both), causing the Combined Group's total employee compensation and benefits expense as a percentage of total revenue to increase and therefore adversely affecting its profitability.

In addition, it is a term of the Combination that the Pollen Street Partners and the Pollen Street Senior Managers will enter into Lock-Up Agreements at Completion in respect of the Consideration Shares that they will receive in Honeycomb. The Lock-Up Agreements will restrict the Pollen Street Partners and the Pollen Street Senior Managers from disposing of any Consideration Shares for a period of 60 months following Completion, subject to each party's ability to dispose of 25 per cent. of their Consideration Shares at Completion. The lock-ups will also step down progressively between the second and fifth year after Completion, and are subject to certain customary exceptions. While the requirement to retain Consideration Shares for a minimum period following Completion is expected to align the interests of the Pollen Street Partners with the Combined Group, there can be no assurance that the lock-up arrangements will be a sufficient incentive for the Pollen Street Partners and Pollen Street Senior Managers to remain with the Combined Group in the face of any competition.

Furthermore, the Pollen Street Partners, any future partners hired by Pollen Street and other personnel of Pollen Street, none of whom are obliged to remain employed with Pollen Street, may join or form a competing firm, or solicit other employees to also join that competing firm. The non-competition, non-solicitation and confidentiality agreements to which partners and

employees are and will be subject to, together with the arrangements on carried interest and lock-ups described above, may not prevent them from leaving Pollen Street, joining competitors or otherwise competing with the Combined Group and in any case such restrictions will expire after a specified period of time. Decisions whether to take action to enforce such agreements will be influenced by factors including litigation costs and risks of reputational damage, and there can be no assurance that any enforcement action taken by the Combined Group will be successful.

4.7 *Pollen Street's inability to raise additional or successor funds (or raise successor funds of a comparable size to predecessor funds) could have a material adverse impact on the Combined Group's business, revenue, net income, cash flows or ability to retain employees.*

Certain of the current Pollen Street Funds have a finite life and a finite amount of commitments from fund investors. Once a fund nears the end of its investment period, the success of the Combined Group depends on Pollen Street's ability to raise additional or successor funds in order to keep making investments and, over the long-term, to earn management fees at a similar or higher rate as before. If Pollen Street is unsuccessful in raising successor funds, or if Pollen Street is unable to raise successor funds of a comparable size to the current Pollen Street Funds, in each case without undue delay, Pollen Street's and, consequently, the Combined Group's revenue may decrease as the investment periods of current Pollen Street Funds expire and associated fees decrease. Pollen Street's ability to raise successor funds and the costs of such fundraising may be impacted by a range of factors, including the performance of the Pollen Street Funds, or Pollen Street's reputation being affected by external factors such as ESG or compliance issues impacting a portfolio company or the insolvency, liquidation or bankruptcy of a portfolio company. Fund investors' preferences may also evolve over time, requiring Pollen Street to implement changes to the traditional investment fund structure, such as increasing its offering of separately managed accounts and co-investment vehicles, or raising smaller funds, all of which could impact the costs and rate of future fundraisings. Pollen Street may need to seek new sources of capital for future strategies and products, in order to avoid drawing capital away from existing products and investment strategies of the current Pollen Street Funds, and Pollen Street may also seek to implement new strategies as part of the Combined Group's Investment Policy. There can be no assurance that Pollen Street will experience similar success in fundraisings for new strategies or successor funds as compared to fundraisings for Honeycomb and the Pollen Street Funds prior to the date of this Circular.

Pollen Street's ability to raise new funds could also be hindered if the general appeal of private equity, private credit and alternative investments were to decline. An investment in a limited partner interest in a private equity or private credit fund is less liquid than an exchange traded instrument and the returns on such investment may be more volatile than an investment in securities for which there is a more active and transparent market, including the publicly-listed Honeycomb Shares prior to Completion. Institutional investors may value price stability and foreseeability of returns, as well as liquidity of investments, more over time and therefore reduce their investments in private equity or private credit funds, resulting in a smaller overall pool of available capital in the industry. In addition, investors may be constrained by their internal asset allocation rules or regulations or investment policies from making investments in the Pollen Street Funds, in particular existing investors who have already invested significant capital in the Pollen Street Funds or, more generally, other third party managed investment funds and who may need to diversify future investments. Institutional investors may also choose to hire their own investment professionals in future and make direct investments in alternative assets without the assistance of Pollen Street or other investment advisers or managers. There is therefore no assurance that the amount of commitments investors are making to alternative investment funds will continue at current levels or that Pollen Street's ability to raise capital from investors will not be hindered.

Any inability of Pollen Street to raise additional or successor funds (or raise successor funds of a comparable size to predecessor funds) could have a material adverse effect on the Combined Group's ability to meet its Investment Policy, and its business, revenue, net income, cash flows or ability to retain employees.

4.8 *Investors in future funds may negotiate to pay Pollen Street lower management fees, reimburse them for fewer expenses or change the economic terms of future funds, including with respect to performance fees and carried interest, to be less favourable to Pollen Street and the Combined Group.*

In connection with raising new funds or securing additional investments in existing Pollen Street Funds, Pollen Street will negotiate terms for such funds and investments with their fund limited partners. A range of factors, including competition from other funds and an increase in institutional investors' negotiating power (including by virtue of significant existing holdings in Pollen Street Funds), may result in Pollen Street agreeing to terms that are materially less favourable to the Combined Group than the terms of prior Pollen Street Funds, for example, lower management fees and/or higher hurdle rates for performance fees and carried interest, as compared to prior Pollen Street Funds. Any such terms could result in a material decrease in the Combined Group's profitability, whether as a result of a reduction in management fees and performance fees paid to Pollen Street or a reduction in carried interest received by the Combined Group on certain Pollen Street Funds, and could have a material adverse effect on the Combined Group's business, revenue, net income and cash flows.

4.9 *Employee misconduct could harm the Combined Group by impairing its ability to attract and retain investors and subjecting it to significant legal liability and reputational harm.*

The Combined Group's employees could engage in misconduct that adversely affects its business, including breaches of anti-bribery, anti-discrimination or other legal and regulatory requirements. Pollen Street's ability to attract and retain investors and to pursue investment opportunities for Honeycomb and the Pollen Street Funds depends heavily upon the reputation of its personnel, especially its investment professionals. There is a risk that the measures taken by Pollen Street and the Combined Group to detect, deter and prevent employee misconduct, including implementing policies and organising regular training of its employees, are insufficient. The Combined Group may be subject to significant legal liability for the actions of its employees, and the Combined Group's brand and reputation could be adversely affected by the imposition of regulatory sanctions or where any breaches otherwise become known to investors and the general public. This could impair Pollen Street's ability to attract and retain investors, and lead to an overall negative impact on the Combined Group's business, revenue, net income and cash flows.

Such misconduct could also occur at the level of Honeycomb's or the Pollen Street Funds' portfolio companies. In addition to any detrimental impact on the investment value, where Honeycomb or a Pollen Street Fund holds an equity stake in the portfolio company, the Investment Manager could be liable for the conduct of the portfolio company under the doctrine of parental liability if it is found to have decisive influence over the actions of the portfolio company. While the scope of application of this doctrine in the English courts is not settled, Pollen Street is subject to the risk that misconduct by a portfolio company is not uncovered during the due diligence process and the quantum of any liability subsequently imposed on Pollen Street exceeds the level of contractual protections (including indemnities from vendors of a portfolio company) available to it, resulting in a negative impact on the Combined Group's business, revenue, net income and cash flows. Perceived shortfalls in Pollen Street's due diligence process could also have a detrimental effect on investor confidence and Pollen Street's ability to attract and retain investors.

Pollen Street is subject to a number of obligations and standards arising from its investment management business and its authority over the assets under its management (including Honeycomb, the Pollen Street Funds and their portfolio companies). Pollen Street's business often requires and will require that its employees deal with confidential matters of great significance to companies in which Honeycomb and the Pollen Street Funds may invest. If Pollen Street's employees were to improperly use or disclose confidential information, the Combined Group could suffer serious harm to its reputation, financial position and current and future business relationships, as well as face potentially significant litigation. Furthermore, Pollen Street's employees may handle disbursements to investment accounts in respect of Honeycomb and the Pollen Street Funds, which exposes Pollen Street and the Combined Group to risk of financial losses arising from employee misconduct or fraud. While systems and controls are in place to minimise such risks, they may not be able to detect or prevent all

instances of misconduct and any such misconduct could materially adversely affect Pollen Street's and the Combined Group's reputation, in turn leading to a material adverse effect on the Combined Group's business revenue, net income and cash flows.

4.10 A deterioration of Pollen Street's brand and reputation could have an adverse effect on its competition for fund investors and investment opportunities and impair Pollen Street's ability to raise capital for new funds and attract and retain key talent.

Pollen Street's brand and reputation are of great importance to the Combined Group, for example in the competition for investors in, and investment opportunities for, Honeycomb and the Pollen Street Funds. Investor dissatisfaction can be triggered by a wide range of factors, including poor performance by Honeycomb and the Pollen Street Funds, negative press on Honeycomb or the Pollen Street Funds (or their respective portfolio companies), failure by portfolio companies to meet investors' ESG expectations or any insolvency, liquidation or bankruptcy of a portfolio company. Other relevant factors outside of Pollen Street's control include the actions of its external suppliers and collaborators, such as third party service providers for its credit funds, or scandals or the actions of competitors tainting the general public's perception of the private markets and private equity industry as a whole. Any such adverse impact on investors' perception of Pollen Street or the funds it manages could also impede Pollen Street's ability to raise capital for new or existing funds or impair its ability to attract and retain key talent. Further, following Admission, Pollen Street's business as part of the Combined Group will be subject to additional media, investor and regulatory scrutiny related to being a listed entity, and Pollen Street will be subject to a heightened risk of negative publicity from any of the events described above.

4.11 The Combined Group will borrow in connection with its investment activities, which subjects it to interest rate risk and additional losses if the value of its investments fall.

Borrowings have been employed at the level of Honeycomb and Sting Funding Limited (a wholly-owned subsidiary of Honeycomb), and following Completion may be employed at the level of any investee entity (including any SPV that may be established or utilised by the Combined Group in connection with incurring borrowings against any of its assets). Honeycomb or other entities in the Combined Group may also borrow in connection with the Combined Group's investment activities.

Shareholders should be aware that, whilst the use of borrowings should enhance the value of the Honeycomb Shares when the value of the Combined Group's underlying assets is rising, it will have the opposite effect where the underlying asset value is falling. In addition, in the event that the Combined Group's income falls for whatever reason, the use of borrowings will increase the impact of such a fall on the Combined Group's return and accordingly will have an adverse effect on the Combined Group's ability to pay dividends to Shareholders.

The Combined Group will pay interest on their borrowings. Accordingly, the Combined Group will be exposed to interest rate risk due to fluctuations in the prevailing market rates. Interest rate movements may affect the level of income receivable on cash deposits and the interest payable on the Combined Group's variable rate cash borrowings. In the event that interest rate movements lower the level of income receivable on cash deposits or raise the interest required to be paid by the Combined Group, returns to investors may be reduced.

There is no guarantee that any borrowings of the Combined Group will be refinanced at or prior to their maturity either on terms that are acceptable to the Honeycomb Group or the Combined Group (as applicable), or at all.

4.12 The Combined Group's hedging strategy may not be effective.

Fluctuations in interest rates and foreign exchange rates are influenced by factors outside the Combined Group's control, and can adversely affect its results of operations and profitability in a number of ways.

Honeycomb and certain Pollen Street Funds invest in Credit Assets which may be subject to a fixed rate of interest or a floating rate of interest (which may be linked to, among other things, base rates, SONIA or SOFR). To date, Honeycomb's borrowings have been subject to a floating rate of interest. Any mismatches between the income generated by Honeycomb's

Credit Assets, on the one hand, and the liabilities in respect of its borrowings, on the other hand, may be managed, in part, by matching floating rate borrowings with investments in Credit Assets that are also subject to a floating rate of interest.

In addition, the Combined Group may be subject to currency risks relating to potential changes in foreign currency exchange rates which could have an impact on its income statement and/or the value of its assets and liabilities. This involves transaction risk, which is the adverse effect that foreign exchange rate fluctuations can have on a completed transaction prior to settlement, and translation risk, which is the risk that changes in the rates at which assets, liabilities, income or costs in foreign currencies are translated into the reporting currency.

The Combined Group may use derivative instruments, including interest rate swaps and foreign exchange swaps, to reduce its exposure to fluctuations in interest rates and foreign currency exchange rates. The scope and extent of such hedging strategy will depend on the level and expected volatility of interest rates, prevailing foreign currency exchange rates, the types of investments made by Honeycomb and the Pollen Street Funds and other market conditions, and the Combined Group may not seek to hedge all exposures in full and the possibility of fluctuations in returns may not be eliminated entirely. The extent of hedging undertaken by the Combined Group may also be affected by other factors including whether the derivative instruments can be entered into at an acceptable price.

Where the Combined Group engages in hedging, its decisions will be guided by its views on potential volatility in the markets. Unanticipated market changes may affect the effectiveness of the Combined Group's hedging strategy. In addition, hedging arrangements may themselves entail additional risks including counterparty risk, where a failure by a hedging counterparty to discharge their obligations could have a material adverse effect on the Combined Group's results of operations and financial conditions, as well as liquidity risk, where an entity in the Combined Group or a Pollen Street Fund is required to post cash collateral to meet its hedging obligations at a time when it has insufficient cash or liquid assets. Hedging arrangements may also be subject to significant transaction costs (including potential tax costs), which could consequently have a material adverse effect on the Combined Group's business, revenue, net income and cash flows.

4.13 The Combined Group may be required to pay "clawback" obligations in respect of carried interest if and when they are triggered under the documents governing the Pollen Street Funds.

Carried Interest Participants (including, following Completion, the Combined Group) may in certain circumstances be liable to repay carried interest that was previously distributed to them and which exceeds the amounts to which they are ultimately entitled. This obligation is known as a "clawback" obligation and is common across private investment fund documents.

The Combined Group will monitor its clawback obligations and its cash reserves or other funding sources that it may need to use to repay carried interest. While Carried Interest Participants in the Pollen Street Funds have not been required to pay any clawback obligations in the recent past, no assurance can be given that clawback obligations will not arise in respect of the Combined Group (in its capacity as a Carried Interest Participant) in the future. Any liability to repay amounts to the Pollen Street Funds in connection with the Combined Group's clawback obligations could have a material adverse effect on its business, revenue, net income and cash flows. Furthermore, adverse economic conditions may increase the likelihood that the Combined Group, alongside other Carried Interest Participants, may be subject to clawback obligations. The Combined Group may be required to draw on its funding sources to meet such payment obligations, which could result in higher finance costs and operating expenses. To the extent such obligations were to arise, the Combined Group might not have available cash or sources of funds at the relevant time to repay the carried interest. If the Combined Group were unable to repay such carried interest, it would be in breach of the governing agreements of the relevant Pollen Street Funds and may become subject to claims or other proceedings. Where cash is available and applied towards repayment of carried interest, the relevant amount may not be used for other purposes, including distributing such cash to Shareholders, in which case the Proposed Directors may determine to decrease the amount of Honeycomb's dividends to Shareholders.

4.14 The accounting policies, methodologies and valuations adopted by Pollen Street and the Combined Group are important to ensure accurate reporting, and they require estimates about matters that are uncertain.

Accounting policies and methodologies are fundamental to how the Combined Group records and reports its financial results, and Pollen Street as investment manager must exercise judgement in selecting and applying many of these accounting policies and methods so that they comply with IFRS.

These judgements and associated assumptions and estimates are based on historical experience and various other factors that are considered by Pollen Street under the circumstances at the time, and may prove to be incorrect, which could lead to potentially material inaccuracies in the reported financial position and performance of the Combined Group.

Pollen Street has established detailed policies and control procedures that are intended to ensure that these judgements (and the associated assumptions and estimates) are well controlled and applied consistently. In addition, the policies and procedures are intended to ensure that the process for changing methodologies occurs in an appropriate manner and with appropriate oversight by Honeycomb. However, because these policies and methods require Pollen Street to make estimates about matters that are uncertain, Honeycomb cannot guarantee that it will not be required to make changes in accounting estimates or restate prior period financial statements in the future. Any such changes or restatements could be material in nature.

Honeycomb and the Pollen Street Funds may from time to time invest in unquoted Equity Assets. There is no reliable liquid market for these Equity Assets and the valuation of such investments requires Pollen Street to exercise judgement. There can be no guarantee that the basis of calculation of the value of the Combined Group's and the Pollen Street Funds' investments in Equity Assets used in the valuation process will reflect the actual value on realisation of those investments in Equity Assets, as assumptions would have been made around future operating results, value of assets and market conditions at the time of disposal, and the time and manner of sale, any or all of which may not be met in practice. Material differences in realised values (as compared to historical valuations) may also damage investor confidence and give rise to challenges for Pollen Street in future fundraises.

The Combined Group's financial performance may also be affected by new accounting standards or changes to existing standards in the future. The adoption of and process of adapting to new accounting standards may also incur significant costs for the Combined Group, for instance by requiring management input and changes to reporting systems, and therefore have a disruptive effect on the Combined Group's business.

4.15 Cyber-security failures, data security breaches and operational risks may disrupt or have a material adverse impact on the Combined Group's business, operations and investments.

Pollen Street relies on the secure processing, storage and transmission of confidential and other information in its computer systems and networks. Cyber-security incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency and severity in the future. Pollen Street is expected to face various cyber-security threats on a regular basis, including threats to or attacks on information technology infrastructure that are intended to gain access to proprietary information, destroy data, redirect payments or disable, degrade or sabotage Pollen Street's systems. Pollen Street relies extensively on the internet and telecommunications systems to conduct transactions, and wider events such as network failures, computer and telecommunication failures, power, communications or other service outages and other catastrophic events will materially impede the ordinary conduct of Pollen Street's business. Any such disruptions and in particular, any leakage of confidential information relating to Honeycomb, the Pollen Street Funds or fund investors, could adversely affect Honeycomb's, Pollen Street's and the Pollen Street Funds' brand and reputation and could result in Honeycomb, Pollen Street or the Pollen Street Funds incurring liability to third parties.

While Pollen Street has systems and measures in place to protect against, detect and respond to cyber-security incidents and cyber-attacks, these may not always be fully effective and Pollen Street may still suffer losses or significant costs in remedying the situation. Such losses

and costs may not be fully insured or indemnified by others, including by Pollen Street's third party service providers. Further, as cyber threats evolve and/or as regulators impose more onerous obligations on businesses like Pollen Street that process personal information (including under the General Data Protection Regulation (EU) 2016/679) (the "EU GDPR") or the EU GDPR as it forms part of domestic law by virtue of the EUWA (such UK on-shored version being the "UK GDPR")), Pollen Street may need to spend significant resources to enhance its systems and protective measures. Additional expenditure is also expected as Pollen Street and the Combined Group continue to grow their operations. All of these factors could result in an increase in Pollen Street's and the Combined Group's operating expenses.

In addition to cyber-security incidents and cyber-attacks, Pollen Street's reliance on its information systems and technology gives rise to operational risk from errors made in the execution, confirmation or settlement of transactions, as well as in post-execution accounting or evaluation of transactions. Pollen Street, Honeycomb and the Pollen Street Funds also rely on services (both administrative and in connection with portfolio management) provided by third party service providers and their bespoke, proprietary software and IT infrastructure. Pollen Street is reliant upon receiving data feeds directly from third party service providers, and any delays or failures could impact operational controls and the valuation of Honeycomb's and the Pollen Street Funds' portfolios. While Pollen Street has in place systems to monitor the performance of these IT systems, there can be no guarantee that issues will not arise. Third party service providers are similarly vulnerable to the risk of cyber-security incidents and cyber-attacks. Any failure of Pollen Street's or the third party service providers' IT systems could lead to financial loss, business disruption, liabilities and costs and/or reputational damage for Pollen Street, Honeycomb and the Pollen Street Funds, and which (in the case of third party service providers) may not be recoverable in full or in part from such service providers.

Any of these risks can similarly affect Honeycomb, the Pollen Street Funds and their respective portfolio companies. Any of the foregoing events, including the materialisation of any of the above risks in Honeycomb, the Pollen Street Funds and their respective portfolio companies, could have a material adverse effect on Honeycomb's, Pollen Street's and the Combined Group's business, operations and investments.

4.16 The Combined Group will have significant liquidity requirements and adverse market and economic conditions may adversely affect its sources of liquidity, which could adversely affect its business operations in the future.

It is expected that the primary liquidity needs of the Combined Group will consist of cash required to:

- continue to grow its business in line with the Combined Group's Investment Policy, including to seed new strategies, fund general partner co-investments in investments by the Pollen Street Funds and otherwise support the Pollen Street Funds and the investment obligations of Honeycomb;
- service debt obligations, including the payment of obligations at maturity, on interest payment dates or upon redemption, as well as any contingent liabilities that may give rise to future cash payments;
- fund cash operating expenses and contingencies, including for any litigation;
- pay cash dividends in accordance with Honeycomb's dividend policy for the Honeycomb Shares;
- pay clawback obligations in respect of prior receipts of carried interest; and
- address capital needs of regulated and other members of the Combined Group.

These liquidity requirements are significant and, in some cases, involve capital that will remain invested for extended periods of time. The Combined Group expects to fund its business primarily using cash from operations, carried interest on certain Pollen Street Funds allocated to the Combined Group, Pollen Street's returns including performance fees and management fees earned on the Pollen Street Funds, as well as proceeds from financing transactions, including borrowings under the Honeycomb Term and Revolving Credit Facility, as well as facilities entered into by certain Pollen Street Funds. In the event that the Combined Group's

liquidity requirements were to exceed available liquid assets for any reason, the Combined Group could be forced to sell assets or seek to raise additional debt or equity capital on short notice. The bank facilities entered into by Honeycomb and the Pollen Street Funds are also for specific terms and will need to be extended or refinanced prior to expiry. If market and economic conditions are challenging at the relevant time, the Combined Group may be forced to enter into new financing arrangements on less favourable terms, or such financing may not be available to the Combined Group at all. Should any of these risks materialise, the Combined Group's cash flow and business could be materially adversely affected.

4.17 Pollen Street is dependent on an effective control system to mitigate operational risks and maintain appropriate procedures for the management of Honeycomb and the Pollen Street Funds.

Pollen Street's day-to-day management of Honeycomb and the Pollen Street Funds is subject to operational risks. Significant or systemic errors could arise in various aspects of Pollen Street's performance of its management role, for example in relation to the funds' financial reporting, valuation or the calculation of carried interest and expected income from the fair value re-measurement of investments, or payments to investor accounts.

In addition, the Combined Group will be dependent on Pollen Street, Honeycomb and the Pollen Street Funds having sufficient processes in place to prevent misappropriation of assets and money laundering, breaches of anti-bribery and sanctions laws, or other breaches of applicable legislation. Failure to employ adequate checks in this regard may result in regulatory breaches, for example, by way of Honeycomb or a Pollen Street Fund inadvertently engaging with entities on a sanctions list.

Any such failings may result in sanctions or penalties being imposed on the Pollen Street Funds and/or entities in the Combined Group, claims by fund investors, loss of investment mandates or more generally, reputational harm to Pollen Street and the Combined Group.

4.18 The Combined Group and the Pollen Street Funds will be subject to risks in using third party service providers.

Honeycomb and the Pollen Street Funds depend on the services of third party service providers selected by Pollen Street as investment manager, including providers of banking and foreign exchange, information technology, insurance broking, depository, company administration and alternative investment management services. In respect of Credit Assets, Honeycomb and the Pollen Street Funds may also rely on third party service providers for account administration, customer servicing and arrears management services. Further, Honeycomb relies on such third party service providers for its administrative and executive functions which are integral to Honeycomb's day-to-day operation. The Combined Group will therefore be exposed to the risk of errors and mistakes made by these third parties, and the risk that third parties fail to perform their obligations or provide services as anticipated (including the risk that third parties go insolvent). Failures by third party service providers providing services relating to the administration of Credit Assets may also expose Honeycomb and the Pollen Street Funds to potential liability under regulations or require remediation to underlying borrowers, and could negatively affect Honeycomb, Pollen Street or the Pollen Street Funds' reputation and relationships with their counterparties and portfolio companies. Some of these risks may arise from market stress or counterparty financial condition, for instance where insolvency of a large market participant affects the liquidity of other market participants, including service providers to Honeycomb and the Pollen Street Funds. Pollen Street may not accurately anticipate the impact of market stress or counterparty financial condition, and may therefore not have taken sufficient action to reduce the risks faced.

Where such risks materialise and reimbursement from or indemnification by the third party service providers is not available, the Combined Group may be exposed to penalties, damages or losses, or its operations may otherwise be materially adversely affected. Honeycomb's and the Pollen Street Funds' ability to meet their investment objectives may also be impacted. The Combined Group may not be able to recover the full amount of its liabilities from the relevant service provider, and even where financial restitution from third party service providers is available, the Combined Group may still suffer reputational damage, in particular where investors or portfolio companies are affected or when a regulatory breach has arisen, and significant operational issues may arise.

Third party service providers (and their employees) will also have access to, and routinely process, personal information of investors in Honeycomb and the Pollen Street Funds, individual underlying borrowers of Credit Assets. Honeycomb and the Pollen Street Funds will be reliant on such providers having sufficient systems and controls in place to protect personal data in compliance with applicable regulation. Honeycomb, the Pollen Street Funds and Pollen Street may not be able to detect and/or prevent misuse of such information or any other misconduct by the providers which, if it occurs, could result in a disruption of business for Honeycomb and the Pollen Street Funds and materially adversely affect the business and reputation of the Combined Group.

4.19 Honeycomb and the Pollen Street Funds are subject to risks related to due diligence processes that do not reveal all relevant facts.

The Investment Manager continuously evaluates and carries out due diligence on a broad range of investment opportunities, some of which will eventually lead to investment by Honeycomb or a Pollen Street Fund. The due diligence process involves a detailed analysis of financial, regulatory, commercial, operating, legal and market risks of a potential investment to ensure that the investment is fundamentally sound and attractive. A complete and adequate due diligence process is crucial to ensure that Pollen Street has all necessary information to evaluate an investment opportunity, and Pollen Street may rely on investigations and reviews conducted by third parties including financial, legal and accounting advisers as well as information provided by the target group. Information provided or obtained from third party sources could, in some cases, be inaccurate or misleading or omit material information. In addition, due diligence and investment decisions may be undertaken on an expedited basis in order to allow Honeycomb or a Pollen Street Fund to take advantage of available investment opportunities. Thus, it cannot be certain that the due diligence investigations carried out with respect to an investment opportunity will reveal or highlight all relevant facts, opportunities or risks, including any ongoing fraud or prior activities of the target companies, that might be necessary or helpful for a thorough evaluation of an investment opportunity. The performance of due diligence prior to investment is also not an assurance of the success of the relevant investment.

Accordingly, there is a risk that the success or future performance of an investment might fall short compared to the financial projections used when evaluating such investment, which may affect Honeycomb's or the relevant Pollen Street Fund's performance. Failure to identify risks or other relevant information associated with investments, or reliance on information from third party sources that is inaccurate, misleading or subject to material omissions, could have a material adverse effect on the Combined Group's business, revenue, net income and cash flows.

4.20 The Combined Group may not be able to enter into or maintain appropriate insurance agreements.

Pollen Street maintains insurance cover against risks normally insured by companies carrying on a similar business including, amongst other things, directors' and officers' liability insurance and business interruption insurance. The Investment Manager also maintains management and professional liability insurance both in respect of its employees and the directors and managers of the funds it manages (including Honeycomb and the Pollen Street Funds), as well as fraud insurance. Any claims under these insurance policies will be subject to contractually agreed limits, and the Combined Group may suffer losses where liabilities of entities in or employees of the Combined Group exceed the claim limit. Any claims that are paid out on may result in an increase in insurance premiums and overall operating costs of the Combined Group. There can be no assurance that Pollen Street, Honeycomb or the Combined Group will be able to obtain or maintain insurance in the future on acceptable terms (including pricing), or at all, which could in turn require the Combined Group to build up an additional own funds reserve, thereby affecting the financial position of the Combined Group. The Combined Group will also be exposed to the risk of insurance providers failing to meet their payment obligations, which could lead to business disruption for the Combined Group and a material adverse effect on its business, revenue, net income and cash flows.

4.21 *The Combined Group will be subject to litigation risks and may face significant liabilities and damage to their brand and reputation as a result of litigation, allegations, negative publicity and investor action.*

Honeycomb's and the Pollen Street Funds' investment activities and Pollen Street's management and advisory activities may subject them to the risk of third party litigation arising from a range of factors, including the activities of portfolio companies or challenges to the manner in which conflicts of interest (actual or perceived) have been handled. While investors in Pollen Street Funds who are dissatisfied with fund performance may not have a legal remedy for unsatisfactory performance alone, they may bring claims for losses resulting from fraud, gross negligence or wilful misconduct of Pollen Street's investment professionals or other employees, where such behaviour is outside the scope of any exclusion or limitation of liability under the funds' governing documents. The costs incurred and use of management time in defending and/or settling any such litigation could be disruptive to the Combined Group's business, results of operations and financial conditions. In addition, legal disputes may occur at the level of portfolio companies which may not result in the Combined Group directly incurring liability, but which may reduce the value of Honeycomb or the Pollen Street Funds' investments. Any such proceedings could also have a negative effect on the Combined Group's brand and reputation and impact its ability to raise new funds.

4.22 *Honeycomb's ability to pay dividends will depend upon its ability to generate sufficient earnings and certain legal and regulatory restrictions.*

Subject to the requirement to make distributions in order to maintain investment trust status, any dividends and other distributions paid by Honeycomb will be made at the discretion of the Combined Group Board. The payment of any such dividends or other distributions will generally depend on Honeycomb's ability to generate realised profits, which, in turn, will depend on (among other things) Honeycomb's ability to acquire investments which pay dividends or generate returns, its financial condition, its current and anticipated cash needs, its costs and the net proceeds on sale of its investments and legal and regulatory restrictions. As such, investors should have no expectation as to the amount of dividends or distributions that will be paid by Honeycomb or that dividends or distributions will be paid at all.

5. RISKS RELATING TO COMPLIANCE, REGULATION AND TAXATION OF HONEYCOMB, POLLEN STREET, AND, FOLLOWING COMPLETION, THE COMBINED GROUP

5.1 *Honeycomb, Pollen Street and the Pollen Street Funds are subject to extensive regulation and are affected by changes in laws, regulations and governmental interpretations and practices, as well as risks related to interpretations of provisions for which no clear guidance or precedent may be available.*

The private credit and private equity industries are subject to extensive regulation, and present or future regulations affect or will affect numerous aspects of the Combined Group's operations. The Combined Group and the Pollen Street Funds must comply with, and are affected by, governmental and self-regulatory organisations' laws and regulations including the rules of the FCA and the PRA in the UK. Additionally, certain portfolio companies (both in the UK and in other jurisdictions) are regulated entities which operate in industries which are subject to extensive regulation applicable in the relevant jurisdiction. The Combined Group and the Pollen Street Funds must comply with, and will be affected by, laws and regulations of jurisdictions where the Pollen Street Funds make their investments, and would be subject to risks relating to the complexities involved in being subject to such regulations.

Certain portfolio companies of Honeycomb or the Pollen Street Funds, or members of the Combined Group, may carry on consumer credit related activities in the UK, which are subject to extensive regulation, the intensity of regulatory supervision of which has been increasing. The consumer credit sector has undergone, and may in the future undergo, significant regulatory changes. Consumer credit regulation (including the Consumer Credit Act 1974 (the "CCA")) prescribes detailed requirements (particularly in relation to general conduct standards, pre-contract information, the form and content of regulated credit agreements, further rules on pre- and post-contractual requirements, responsible lending rules and debt advice rules), non-compliance with which could result in Credit Assets being unenforceable and a requirement to refund collected interest and charges. Additionally, under sections 140A-D (inclusive) of the CCA, the court has power to determine that the relationship between a lender and a customer

arising out of a credit agreement is unfair to the customer. If the court makes such a determination (and court decisions in recent years have generally interpreted “unfair relationship” in a way favourable to customers), then it may make an order, among other things, requiring the lender or any assignee to repay any sum paid by the customer. Any such event could have a material adverse effect on the financial condition and business operations of the relevant portfolio company, the relevant Pollen Street Fund, Honeycomb or the Combined Group.

Such laws and regulations, and the interpretation and application of the same, may change from time to time, and may change in ways unanticipated by the Combined Group and which constrain the Combined Group’s operations (including by hindering the Combined Group’s ability to remain in sectors or to enter new sectors). The ability to comply with applicable laws and regulations depends in some instances on determinations of fact and interpretations of complex provisions for which no clear precedent or authority may be available, or where only limited guidance may be available, and in such cases, it may not be possible for the Combined Group correctly to assess the implication of such laws and regulations. Regulators may conduct investigations and administrative proceedings in relation to the Combined Group’s business that can result in fines, suspensions of permissions or other sanctions. Any such investigations or administrative proceedings may be time-consuming for the Combined Group and may divert the attention of management or other key employees away from their ordinary tasks within the Combined Group’s operations. Any increase in regulatory scrutiny of the industries in which the Combined Group operates is likely to exacerbate this risk.

The regulated financial services sector in which the Combined Group and the Pollen Street Funds operate is highly regulated and subject to frequent regulatory change. Laws and regulations may be ambiguous or may lack clear judicial or regulatory interpretive guidance, and an adverse review, determination or application by judicial or regulatory authorities of such laws and regulations, or an adverse change in applicable laws or regulation, could have a material adverse effect on the operations and/or financial performance of the Combined Group’s or the Pollen Street Funds’ portfolio companies, and consequently, the Combined Group’s business, revenue, net income and cash flows.

With respect to portfolio companies whose profitability (or lack thereof) may impact the amount of carried interest payable to the Combined Group, any adverse effect on such portfolio companies arising from changes to, or failure to comply with, applicable rules, laws and regulations could consequently have a material adverse effect on the amount of carried interest payable to the Combined Group, which could materially adversely affect the Combined Group’s business, revenue, net income and cash flows.

There have also been significant legislative developments affecting the private equity industry and there continues to be discussion among lawmakers and regulators regarding enhanced governmental scrutiny and/or increasing the regulation of the private equity industry in Europe, the United States and elsewhere which may have an adverse effect on the private equity industry generally, including making it more difficult to raise capital from certain types of investors or otherwise imposing on private equity funds additional and costly regulatory compliance burdens, which in turn could have a material adverse effect on the Combined Group’s business, revenue, net income and cash flows.

5.2 *The Combined Group may not be able to obtain and maintain requisite regulatory approvals and permits, including licences for Pollen Street’s fund operations.*

The Combined Group will be required to maintain regulatory approvals and permits such as those described below. There is a risk that the Combined Group is not able to obtain and retain requisite approvals and permits from relevant governmental authorities and other organisations, and to comply with applicable laws and regulations, or that the Combined Group is not able to do so without incurring undue costs and delays, any of which may result in disruption to the business of, and a financial loss for, the Combined Group.

Pollen Street’s fund management operations constitute licensable activities under the AIFM UK Directive. Pollen Street is therefore subject to various requirements regarding, but not limited to, approvals, disclosure, reporting, valuation procedures and certain organisational and capital requirements for the Combined Group, as well as restrictions on early distributions or reductions in capital in respect of UK portfolio companies, which may result in additional costs

and may limit the use of certain investment and realisation strategies, for example dividend recapitalisations and reorganisations. Additionally, as a result of Brexit, UK-based funds and AIFMs no longer benefit from “passporting” rights in respect of the marketing of such funds to investors domiciled, or with a registered office in the EEA. Instead, such UK-based funds and AIFMs must rely on AIFM Directive national private placement regimes (“NPPRs”) in each member state of the EEA. The requirements applicable to an AIFM and notification or approval processes under these NPPRs vary between such member states, and the Combined Group and relevant Pollen Street Funds may be subject to additional costs and limitations on the ability to market such funds to EEA investors. Failure to comply with the AIFM Directive (as implemented in the EEA and UK respectively), for instance due to systematic errors within Pollen Street’s systems and operations or those of the funds it manages, or due to violation of applicable marketing regulations towards fund investors, may lead to fund investors seeking to cancel their investment or request that invested money should be paid back, as well as sanctions from national financial supervisory authorities, such as sanction charges or withdrawal of current AIFM approvals. Moreover, certain requirements of the AIFM UK Directive and the interpretation thereof remain uncertain, and may be subject to change as a result of the issuance of any further UK guidelines with respect to the AIFM UK Directive, and the interpretation thereof.

In addition, Regulation (EU) 2017/2402 (the “**Securitisation Regulation**”), which became effective on 1 January 2019 and has been on-shored in the UK, imposes due diligence and risk retention requirements on “institutional investors” (which includes AIFMs of UK alternative investment funds), that must be satisfied prior to holding a securitisation position, and constrains the ability of alternative investment funds like Honeycomb and the Pollen Street Funds to invest in securitisation positions that do not comply with, among other things, the prescribed risk retention requirements. Given the expanded breadth of the revised Securitisation Regulation, this may impact or limit Honeycomb’s or the Pollen Street Funds’ ability to make certain investments that constitute “securitisations” under the Securitisation Regulation.

Any loss of the requisite approvals and/or permits for Pollen Street, Honeycomb or the Pollen Street Funds to operate or market to investors within certain jurisdictions would impede the Combined Group’s ability to achieve its investment objective and implement its investment strategy, and could, in certain circumstances, result in the wind-down or liquidation of Honeycomb or the affected Pollen Street Funds. The materialisation of these risks could, consequently, have a material adverse effect on the size of Pollen Street’s AUM, management fees and performance fees, as well as the amount of carried interest payable to the Combined Group, all of which could materially adversely affect the Combined Group’s business, revenue, net income and cash flows.

5.3 *Compliance with the Investment Firms Prudential Regime may involve costs and could result in burdens on the Combined Group’s business, which could have a material adverse effect on the Combined Group’s business, revenue, net income and cash flows.*

From 26 June 2021, firms in the EEA which are authorised under Directive 2014/65/EU were subject to a new framework for prudential requirements under the Investment Firms Regulation 2019/2033 (“**IFR**”) and Investment Firms Directive 2019/2034 (“**IFD**”), replacing the previous requirements set out in the Capital Requirements Directive 2013/36/EU and Capital Requirements Regulation 575/2013. Following its withdrawal from the EU and EEA, the UK has introduced a similarly updated regime for UK-authorized investment firms, which is similar, though not identical, to that under IFR/IFD. This regime is referred to as the Investment Firms Prudential Regime (“**IFPR**”), and is contained in the new MIFIDPRU Sourcebook of the FCA Handbook.

The IFPR came into force on 1 January 2022, following a series of consultation papers by the FCA. Pollen Street Capital (FRN: 611337) and PSC Credit Holdings LLP (FRN: 650207) are UK-authorized investment firms and will therefore be subject to the IFPR with respect to their non-AIFM investment activities. As a result, these companies need to comply with the changes from the previous prudential regime set out in the IFPR. Further, certain requirements of the IFPR are applicable to UK parent entities of UK-authorized investment firms.

In summary, the IFPR introduced a number of changes which affect the in-scope Pollen Street entities referred to above:

- a new methodology for the calculation of capital requirements, based on “K-factors”, which are applied to a firm depending on the nature of the activities it undertakes and the permissions that it holds; specifically, the IFPR sets out “risk to customer” K-factors that are potentially applicable to all firms, based on assets under management, client money held, assets safeguarded and administered, and client orders handled (i.e. orders received/transmitted or executed for clients); additional K-factors apply where a firm holds permission to deal as principal, relating to “risk to market” and “risk to firm” categories;
- new initial capital, own funds, fixed overheads and permanent minimum capital requirements, with most firms being likely to see an increase in initial capital requirements under the new IFPR methodology;
- new liquid assets requirements, based on calculations including the firm’s fixed overheads and any guarantees given to clients; and
- additional governance, remuneration, risk monitoring and management, and disclosure/reporting requirements covering both disclosure to clients and reporting to the FCA.

The IFPR also introduced group consolidation requirements for in-scope firms. Due to the existing structure of, and consolidation requirements applicable to, Pollen Street and the Pollen Street Funds, the IFPR consolidation requirements do not currently apply to Pollen Street. However, the IFPR consolidation requirements are expected to apply to the Combined Group following Completion as a result of a restructuring of the Pollen Street Group prior to Completion. Pollen Street is assessing the impact on in-scope firms in the Pollen Street Group and will take steps to ensure compliance with the IFPR consolidation regime to the extent it applies to the Combined Group after Completion.

Ensuring compliance with the regime may involve additional costs and dedicated personnel time which may indirectly affect the Combined Group and could result in additional burdens on its business. This, in turn, could have a material adverse effect on its business, revenue, net income and cash flows. Additionally, given that the IFPR is a new and complex regime, there is a risk (arising, for example, due to errors in interpretation of new requirements and lack of clear guidance on new requirements) of failure to fully comply with the detailed requirements of the IFPR, which may result in administrative proceedings, sanctions and/or enhanced regulatory scrutiny, any of which could have a material adverse effect on the Combined Group, and may divert the attention of management or other key employees away from their ordinary tasks within the Combined Group’s operations.

5.4 The Combined Group may be required to comply with group consolidated capital requirements applicable to UK banks, with such consolidated supervision applying at the level of Honeycomb.

One of the portfolio companies, in respect of which the Combined Group would hold a majority stake, is a UK bank. UK banks are subject to extensive regulation, including capital, leverage and governance requirements set out under the Capital Requirements Regulation 575/2013, as amended and as it forms part of domestic law pursuant to the EUWA (the “**UK CRR**”), and further prudential requirements set by the PRA.

Of particular relevance to the Combined Group is the fact that the UK CRR places a requirement on the ultimate UK parent undertakings of UK banks to comply with prudential requirements on the basis of their consolidated situation. UK CRR consolidated requirements currently apply only at the level of the relevant portfolio group and not to the Pollen Street Group, due to the fact that Pollen Street (as the current ultimate parent undertaking) is a non-UK entity. However, post-Completion, Honeycomb would become the ultimate UK parent undertaking of the relevant UK bank.

It is therefore possible that, following Completion, all or a material part of the consolidated prudential requirements under the UK CRR, and therefore the UK CRR consolidation regime, would apply to the Combined Group at the level of Honeycomb. The UK CRR regime is complex and detailed, and ensuring compliance with the regime may have a material adverse effect on the Combined Group, including as a result of additional costs associated with the

relevant capital, liquidity and governance requirements of that regime. However, Honeycomb is pursuing structural and other options available to it (including a restructuring of the holdings of the Pollen Street Funds in the relevant UK bank) which, if feasible and able to be implemented, would result in the full consolidated prudential requirements under the UK CRR (or a material part thereof) not applying to the Combined Group at the level of Honeycomb.

If the UK CRR requirements do not apply, it is expected that the IFPR consolidation requirements would instead apply to the Combined Group (see risk factor 5.3 *“Compliance with the Investment Firms Prudential Regime may involve costs and could result in burdens on the Combined Group’s business, which could have a material adverse effect on the Combined Group’s business, revenue, net income and cash flows.”* above).

5.5 *The ability to obtain, share and retain customers’ personal data is critical to the Combined Group and is heavily regulated by privacy, data protection and related laws. The Combined Group may be liable to pay fines or damages for improper processing of personal data.*

In the EU, any firm that handles information relating to an identified or identifiable living individual (“**personal data**”) must comply with the requirements established by the EU GDPR and UK GDPR. In addition, firms are also required to comply with the UK Data Protection Act 2018 (together with the UK GDPR and other relevant UK legislation, the “**UK Data Protection Regime**”). Other jurisdictions where the Combined Group operates, including certain states in the US, may also have additional data protection regimes.

The EU GDPR and the UK Data Protection Regime imposes various obligations on entities in the Combined Group which process personal data, including giving individuals extensive rights to control how their personal data is handled (including a “right to be forgotten”), requiring customers to “opt-in” to processing of personal data, restricting the use of personal data and imposing notification requirements in respect of data breaches, amongst others. These regulations therefore increase the compliance burden on the Combined Group and associated compliance costs, and the Combined Group may be subject to increased exposure to regulatory actions, substantial fines and injunctions against processing personal information. The Combined Group may be required to increase their data processing capabilities and control systems at significant expense. The Combined Group’s ability to expand its operations in new jurisdictions may also be restricted if it, or any of its third party service providers, is unable to effectively implement necessary measures or update its systems and capabilities to meet the data protection regulations of such jurisdiction. Following Brexit, these risks may be heightened should UK and EU regulators diverge in their interpretation and application of UK and EU data protection regulations, resulting in the Combined Group having to comply with a number of different but parallel regimes.

In the event of non-compliance or breaches of regulatory requirements, substantial fines may be imposed on the Combined Group which can be up to the greater of (i) four per cent of worldwide revenue; or (ii) £17.5 million (UK GDPR) or €20 million (EU GDPR), or the Combined Group may also be subject to other penalties and sanction by regulators. Any of these could have a material adverse effect on its business, operating results and financial conditions, and result in substantial reputational damage.

5.6 *Due to the nature of its business, the Combined Group will be subject to taxation in a number of jurisdictions and changes in, or new interpretation of, tax laws, tax rulings or their application by tax authorities could result in additional tax liabilities and could materially affect its business, financial condition and results of operations.*

The Combined Group may be subject to tax under the tax rules of the jurisdictions in which it operates or invests, and the tax laws that are applicable to its business are subject to interpretation. Significant judgment will be required in determining the Combined Group’s worldwide provision for taxes, deferred tax assets or liabilities and in evaluating its tax positions. In the course of the Combined Group’s business, there may be transactions and calculations where the ultimate tax determination is uncertain and as the Combined Group gathers more information and performs more analysis, its calculation may differ from previous estimates and may materially affect its consolidated financial statements.

The Combined Group is also subject to periodic review and audit by tax authorities, who may challenge the Combined Group's tax provisions, positions and estimates. Any adverse outcome of such a review or audit, if not resolved favourably, could have a negative effect on the Combined Group's business, financial condition and results of operations.

Changes in tax rates, enactment of new tax laws and regulations, revisions and adverse interpretations or applications of existing tax laws and regulations and enquiries by, or litigation with, tax authorities may require significant judgment in determining the appropriate provision and related accruals for these taxes which may change as a result and such changes, enactments, revisions, enquiries and litigation could also result in substantially higher taxes and an increase of the Combined Group's effective tax rate. This could have a significant adverse effect on the Combined Group's financial condition and results of operations.

Honeycomb may also be subject to changing tax treaties and regulations in and between countries in which it operates and jurisdictions in which it has a presence. Any such developments could materially affect the Combined Group's tax burden and/or have a negative impact on its ability to invest in certain jurisdictions.

5.7 Investment trust status

It is the intention of the Investment Manager and the Proposed Directors to continue to conduct the affairs of Honeycomb so that it satisfies the conditions under Chapter 4 of Part 24 of Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011 (as amended) (the "**Investment Trust Regulations**") for it to continue to be approved by HMRC as an investment trust. However, neither the Investment Manager nor the Proposed Directors can guarantee that this approval will be maintained.

In respect of each accounting period for which Honeycomb is and continues to be approved by HMRC as an investment trust, Honeycomb will be exempt from UK corporation tax on its chargeable gains. Honeycomb will, however, (subject to what follows) be liable to UK corporation tax on its income, including all profits on Credit Assets and associated hedging transactions, in the normal way.

A company that is an investment trust in respect of an accounting period is able to take advantage of modified UK tax treatment in respect of its "qualifying interest income" for that accounting period (referred to here as the "streaming regime"). Pursuant to the streaming regime, Honeycomb may, if it so chooses, designate as an "interest distribution" all or part of any amount it distributes to Shareholders, but only to the extent that it has sufficient "qualifying interest income" for the accounting period. Were Honeycomb to designate any distribution it pays in this manner, it would be able to deduct such interest distributions from its income in calculating its taxable profit for the relevant accounting period.

It is expected that Honeycomb will have some qualifying interest income and that it may, therefore, decide to designate dividends paid in respect of a given accounting period up to the qualifying interest income amount as interest distributions. Honeycomb is not expected to have sufficient qualifying interest income to designate as interest all of its intended distributions.

There is a risk that Honeycomb fails to maintain its status as an investment trust. It is not possible, for example, to guarantee that Honeycomb will remain a non-close company, which is a requirement to maintain investment trust status, as Honeycomb Shares are freely transferable. As at the date of this Circular, Honeycomb does not constitute a close company. In the event, however, that Honeycomb subsequently becomes aware that it has become a close company, or otherwise fails to meet the criteria for maintaining investment trust status, it will notify Shareholders of this fact as soon as is reasonably practicable.

Were it not an investment trust, Honeycomb would be subject to the normal rates of corporation tax on chargeable gains arising on the transfer or disposal of Equity Assets and would not be able to take advantage of the streaming regime (described above), which could adversely affect Honeycomb's financial performance, its ability to provide returns to Shareholders or the post-tax returns received by Shareholders.

5.8 *The Pollen Street Group could have inadequate protection for, and be subject to infringements to, their intellectual property or could infringe the intellectual property rights of third parties.*

The Pollen Street Group owns and relies on the use of a number of trademarks, domain names and other intellectual property, and uses various software through licensing agreements. There can be no assurance that the Pollen Street Group has invested in and maintains sufficient protection for intellectual property used in its business, and the Pollen Street Group could have difficulty defending its intellectual property rights against wrongful use by third parties. Notwithstanding the Pollen Street Group's efforts to protect its intellectual property rights, third parties may be able to successfully challenge, invalidate or circumvent such efforts. Any theft or unauthorised use of the Pollen Street Group's intellectual property (including proprietary information and other confidential information) could adversely affect the Pollen Street Group's competitive position and could also harm the Pollen Street Group's image, for example, by associating the Pollen Street Group with an undesirable business. Maintaining adequate safeguards and protection for the Pollen Street Group's intellectual property rights can also incur significant costs and require management time, in particular if the Pollen Street Group is required to initiate litigation or take action to enforce its intellectual property rights against third parties.

The Pollen Street Group may also be subject to claims for infringement of the intellectual property rights of third parties, which could harm the Pollen Street Group's reputation and result in increased operating expenses. Any such claims could be time-consuming and, in addition to disruption to the business, could also harm the Pollen Street Group's and the Combined Group's brand and reputation.

The potential costs and consequences of any dispute, whether in relation to the Pollen Street Group's intellectual property rights or the Pollen Street Group's use of third party's intellectual property, could have a material adverse effect on the Combined Group's business, revenue, net income and cash flows.

6. RISKS RELATING TO THE COMBINED GROUP'S INVESTMENT POLICY

6.1 *Implementing the Combined Group's growth and diversification strategy, which includes funding commitment in new vintages of existing strategies, as well as launching and seeding new strategies, may be unsuccessful, and may result in additional risks and uncertainties.*

Following Completion, the Proposed Directors intend to implement a growth and diversification strategy for the Combined Group which involves funding commitment in new vintages of existing strategies, as well as launching and seeding new strategies. The Combined Group will face numerous risks and uncertainties in connection with the different aspects of this growth and diversification strategy. The Combined Group's venture into new strategies that have not been previously implemented by Pollen Street is subject to the risks that the Pollen Street management team may not have sufficient expertise or that their lack of track record impedes investor confidence and Pollen Street's ability to raise funds. The implementation of such new strategies may also require significant management attention, to the detriment of the existing core business of the Combined Group. Any expansion into new sectors or industries may also subject the Combined Group to new laws and regulation, which may incur added costs in training and up-skilling employees on their regulatory obligations and also expose the Combined Group to added risks of regulatory breach and sanctions. There can also be no assurance that new funds with new investment strategies will perform as well as the existing Pollen Street Funds, or that any other business that the Combined Group may acquire will be successfully integrated into the Combined Group and generate returns at the expected level.

One aspect of the Combined Group's growth strategy is to increase the average size of transactions executed by the Pollen Street team over time, in order to leverage existing capacity in Pollen Street's cost base. Comparatively large investments may involve further complexities and risks not otherwise applicable to smaller investments, for example a greater financial impact on fund performance arising from any default or unsuccessful investment (given the comparative magnitude of the investment). Should Pollen Street pursue equity investments in larger scale and more well-established portfolio companies, it is likely to face greater challenges in implementing any overhaul of the portfolio company's management

culture, operating systems or finances, as well as increased regulatory and investor scrutiny. Larger transactions may also be executed in the form of a consortium transaction, in order to provide the increased amount of equity capital required. In such transactions, control over the investment will be shared amongst all consortium investors and Pollen Street will have a reduced ability to control decisions relating to a consortium investment. Other consortium investors may have business strategies and objectives that are not aligned with those of the Combined Group, and decisions may be taken in respect of a consortium investment (including as to timing and nature of any exit) that are contrary to Pollen Street and the Pollen Street Fund's investment objectives. Any financial difficulty, regulatory action or reputational damage to another consortium investor may also have a negative impact on the investment, the Pollen Street Fund's investment returns and Pollen Street's reputation.

Periods of rapid business growth will also carry inherent risks, including increasing demands on internal systems and infrastructure which may need to be expanded or replaced, thereby increasing operational expense. The Combined Group may need to increase its portfolio administration capabilities and may do so in reliance on third party service providers, increasing counterparty and operational risk overall. The Combined Group may also need to recruit and train more investment professionals, which may require significant time and effort from existing management. An increase in the workforce without successful integration of new employees into the Combined Group's corporate culture could result in a dilution of that culture, and lead to departures of key employees.

Any of the above factors could have a material adverse effect on the Combined Group's business, revenue, net income and cash flows. In addition, any failure of these initiatives could lead to the Combined Group not reaching profitability and growth targets in accordance with its strategy, and may have a negative impact on investor confidence and Pollen Street's ability to raise funds.

6.2 *The Combined Group's performance may be adversely affected by competition for investments.*

The sectors in which the Combined Group will participate, including the regulated financial services sector, are competitive and rapidly changing. There can be no guarantee that the Combined Group will be able to secure satisfactory terms in relation to the deployment of its capital through Credit Assets or Equity Assets.

The Combined Group may face increasing competition for access to investment opportunities, including competition from banks, specialist lenders and other asset managers and fund vehicles that are substantially larger and have considerably greater financial, technical and marketing resources than the Combined Group. Other institutional sources of capital may enter the market. These potential competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than Pollen Street is able to establish on behalf of Honeycomb or the Pollen Street Funds. Honeycomb and the Pollen Street Funds also face competition for investors, who may be influenced by a wide range of factors including fund performance, Pollen Street's brand and reputation, entrenched relationships with certain investment managers, and an increasing consideration of ESG topics. There can be no assurance that the competitive pressures that the Combined Group will face will not erode the Combined Group's ability to raise and deploy capital and thus impact the financial condition and results of the Combined Group.

In addition, increasing competition for Credit Assets, and increasing regulation of the consumer lending industry (and the associated costs of complying with such regulation), may lead to reductions in yields on Credit Assets. This may result in a reduction in the Combined Group's aggregate return on investments, which may have a material adverse effect on the Combined Group's financial condition and results of operations and its ability to implement its Investment Policy.

A number of factors could exacerbate the competitive risks that the Combined Group faces, including that competitors may benefit from having greater financial, technical, marketing and other resources and may have a more established reputation or greater expertise, or they may have agreed terms more favourable to investors including lower management fees or higher hurdles for performance fees which Pollen Street may need to match and thereby reducing the

Combined Group's income and cash flows. Fund investors may also prefer, whether as a result of their investment policies or not, to invest with investment managers that are not part of a listed group. In respect of Equity Assets, Honeycomb and the Pollen Street Funds may be competing against corporate buyers who may be able to achieve greater cost and strategic synergies in respect of a potential portfolio company, which may provide them with a competitive advantage in bidding for that investment. In addition, certain competitors may have a lower cost of capital and access to funding on more favourable terms, placing them in a position to bid more aggressively for investments.

6.3 *The investments of Honeycomb and the Pollen Street Funds are subject to a number of inherent risks.*

The results of the Combined Group will be highly dependent on the continued ability of Honeycomb and the Pollen Street Funds to generate attractive returns from their investments. Investments made by Honeycomb and the Pollen Street Funds involve a number of significant risks inherent to private equity and private credit investing.

Risks may arise in relation to the nature of portfolio companies, which may be businesses in a high growth stage. Such companies may be dependent on a limited number of key persons to grow and develop the business, and are therefore exposed to risk of underperformance should a key person depart. Portfolio companies may also be formed of distinct businesses or divisions acquired from larger operating entities which, on establishment, may require significant resources to rebuild or replace operational infrastructure. Investments in and the capital structures of portfolio companies, in particular portfolio companies with limited track records, may also be driven by financial projections based primarily on management teams' judgments and assumptions. In all cases, projections are only estimates of future results that are based on available information and assumptions at the time the projections are developed, and general market conditions and macroeconomic factors may cause companies to underperform and fall short of expectations. Risks may also arise from the nature and structure of an investment, including where transactions involve complex tax structuring that could subsequently be challenged, reviewed or disregarded by tax authorities, thereby losing structural benefits or otherwise adversely impacting the investment assets.

Should any of these risks materialise, fund performance could be negatively affected and, in turn, this could have a material adverse effect on the Combined Group's business, revenue, net income and cash flows. Investor confidence may also be damaged, and Pollen Street's ability to raise funds and retain investors may be impaired.

6.4 *Pollen Street often pursues investment opportunities that involve business, regulatory, legal or other complexities.*

Pollen Street often pursues complex investment opportunities, including in the regulated financial services sector which can be subject to additional regulatory complexity that may deter other investment managers. Pollen Street's tolerance for complexity presents risks, as such transactions can be more difficult, expensive and time-consuming to finance and execute; it can be more difficult to manage or realise value from the assets acquired in such transactions; and such transactions sometimes entail a higher level of regulatory scrutiny, the application of complex tax laws or a greater risk of contingent liabilities. Changes in laws and regulation and in the application or enforcement of existing law and regulation also add complexity to Pollen Street's business and increase the overall risk of Honeycomb and the Pollen Street Funds not performing up to investors' expectations.

The nature of investments made by the Pollen Street Funds may give rise to consolidated supervision requirements from time to time which could apply to the Combined Group and/or to parts of the Combined Group on a sub-consolidated basis. Those requirements could include obligations relating to, among other things, the amount of capital that the Combined Group and/or portfolio companies of the Pollen Street Funds are required to hold, and restrictions relating to intragroup transactions, risk concentration and distributions to investors in the Pollen Street Funds and the Combined Group, among other things. Any or all of those requirements could affect the returns available to investors. There is a risk that such requirements could be applied to the Combined Group in future as a result of the nature of transactions entered into by the Pollen Street Funds, or any change in regulatory approach to consolidated group supervision.

Additionally, Honeycomb and the Pollen Street Funds may acquire investments that are subject to contingent liabilities, which could be unknown at the time of the relevant acquisition notwithstanding the conduct of due diligence or, if known, may not have been accurately assessed or protected against. Acquired contingent liabilities could thus result in unforeseen losses for Honeycomb and the Pollen Street Funds. In connection with any exit from or other disposal of an Equity Asset, Honeycomb and the Pollen Street Funds may also be required to make standard representations about the business and financial affairs of the portfolio company, or may be responsible for the contents of disclosure documents under applicable securities laws. Where such representations turn out to be incorrect or the contents of any disclosure documents are found to be inaccurate or misleading, Honeycomb and the Pollen Street Funds may be subject to additional liability (including pursuant to any vendor or management indemnities for losses suffered by purchasers or underwriters typically granted in a sale or listing of a business). These arrangements may result in the incurrence of contingent liabilities for which reserves or escrow accounts may be established and, in certain circumstances, distributions made to fund investors or the Combined Group, including carried interest paid to the Combined Group, may subsequently be recalled to meet such liabilities of the Pollen Street Funds.

Honeycomb and the Pollen Street Funds may hold Credit Assets and Equity Assets in portfolio companies that Pollen Street or the Combined Group does not control, for example where such investments represent minority investments alongside the holdings of other participants in an investor consortium. Where Honeycomb or a Pollen Street Fund holds only Credit Assets, or Equity Assets representing only a minority equity interest, in a portfolio company, Pollen Street and the Combined Group may not have the ability to influence the affairs of that portfolio company in order to protect and maximise the value of its investments, for instance with respect to the form and timing of a refinancing or an exit. On the other hand, where Honeycomb or a Pollen Street Fund holds a controlling position in respect of a portfolio company, this gives rise to risks including potential liability for regulatory breaches or employee misconduct by the portfolio company, as well as a greater risk of reputational damage from the actions of the portfolio company and its employees. This risk may be exacerbated where the sectors in which Honeycomb and the Pollen Street Funds operate, including the regulated financial services sector, are subject to complex regulation and scrutiny by regulators.

Any of the foregoing could reduce the value of investments held by Honeycomb and the Pollen Street Funds or the returns realised from such investments, and could have a material adverse effect on the Combined Group's business, revenue, net income and cash flows.

6.5 *Pollen Street may from time to time alter the terms under which it does business or limit or reduce its total AUM when it deems this to be in the best interests of the Pollen Street Funds and fund investors, even when this might be contrary to the interests of Shareholders in the short-term.*

The historical and potential future returns of the Pollen Street Funds are not directly linked to returns of Honeycomb, and there is a risk that Pollen Street's actions in ensuring the success of the Pollen Street Funds are not always aligned with Shareholders' interests and their investments in Honeycomb. Pollen Street may take actions that could, in the short term, adversely affect the financial performance of the Combined Group, and there can be no guarantee that such actions will ultimately be beneficial to Honeycomb and the Shareholders. For instance, Pollen Street may seek to limit its AUM to an amount that Pollen Street's management team believes can be invested appropriately in accordance with the Pollen Street Funds' strategies and the current or anticipated economic, market and geopolitical environment, taking into account the terms of the Pollen Street Funds' governing documentation. Pollen Street may also seek to reduce management fees on certain Pollen Street Funds for reasons including competition from other funds, or the perceived benefits of establishing a relationship with cornerstone investors. While the Board believes that Pollen Street's commitment to the Pollen Street Funds and fund investors will generally be aligned with the long-term interests of the Combined Group and Shareholders, there is a risk that any of the actions above or any other steps taken by Pollen Street to implement the investment strategy and objectives of the Pollen Street Funds is perceived by the market to be disadvantageous to Honeycomb and its Shareholders, resulting in adjustments in the market value of the Honeycomb Shares.

6.6 Adverse economic and market conditions may negatively impact the Combined Group's business and financial performance, including through higher impairment charges, increased capital losses on Credit Assets and reduced opportunities for the Combined Group to invest in Credit Assets and increased risks in relation to realisation of value of Equity Assets.

The Combined Group's business will be subject to general macroeconomic conditions in the geographic areas where it operates and volatility in the global economic and financial markets, both generally and as they specifically affect participants in the regulated financial services sector. The Combined Group's activities and performance will be affected by a wide range of factors outside its control including interest rates, credit spreads, availability and cost of credit, currency exchange rates, inflation rates, changes in laws (or interpretation or application of existing laws) and geopolitical events. A widening of credit spreads and rise in interest rates may lead lenders to only offer committed financing for new investments on unattractive terms, which could have a detrimental impact on Honeycomb's and the Pollen Street Funds' ability to generate attractive investment returns. Declines or market events in the equity, debt and commodity markets could affect Honeycomb's and the Pollen Street Funds' performance and their ability to realise investments on favourable terms, and cause the Combined Group to write down the value of their investments.

A deterioration of economic and market conditions and/or prolonged volatility could have an overall material adverse effect on the Combined Group's business, financial condition, results of operations and prospects. Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localised or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localised or global economic downturn. For example, adverse economic conditions could have a negative impact on the financial circumstances of underlying borrowers to Credit Assets, such as through increased unemployment, which may affect the ability of individual borrowers to repay their loans. This may, in turn, lead to an increase in non-payment, arrears and forbearance as well as an increase in the Combined Group's impairment charges on Credit Assets. In addition, consumers may be less likely to borrow to fund discretionary purchases such as home improvements or holiday property ownership during periods of economic decline, and this may have an impact on the number or size of loan portfolios available for Combination or investment by the Combined Group. Similarly, businesses may choose to delay capital expenditure or expansion plans during periods of economic uncertainty, resulting in a reduction in the demand for wholesale financing by specialist lenders. A climate of economic uncertainty could therefore reduce the availability of potential investment opportunities for the Combined Group and the Pollen Street Funds, and also increase the difficulty of modelling market conditions, potentially reducing the accuracy of financial projections, all of which may have an adverse effect on the ability of the Combined Group to implement its Investment Policy.

Portfolio companies may also experience reductions in revenue, difficulty in sourcing liquidity or increased funding costs, and may be unable to meet their debt or other obligations as they become due. Any financial difficulty in respect of portfolio companies could lead to lower investment returns for Honeycomb or the relevant Pollen Street Funds. Should portfolio companies enter insolvency proceedings as a consequence of challenging market conditions, Honeycomb or the Pollen Street Funds may lose the entire value of their Equity Assets, and performance fees payable to Pollen Street and carried interest payable to the Combined Group would be similarly negatively affected.

Furthermore, weakened market conditions may affect the performance of Honeycomb and the Pollen Street Funds, including by limiting opportunities to exit and realise value from Equity Assets, and reducing the number of attractive investment opportunities within each of the Pollen Street Funds' investment strategies, thereby reducing Honeycomb's and the Pollen Street Funds' ability to effectively deploy and invest capital. Pollen Street's ability to raise new funds may also be negatively impacted during such periods. Any of the above factors will have a negative impact on Honeycomb's and the Pollen Street Funds' performance, and could adversely affect the Combined Group's business, revenue, net income and cash flows.

Conversely, improving economic and market conditions could also adversely affect the Combined Group, as improved financial circumstances of underlying borrowers to Credit Assets may lead to them repaying or refinancing their borrowings sooner than expected. Any improvement in the Combined Group's investment opportunities as a result of improved economic and market conditions may not offset the effects of early repayments and, as a result, the aggregate amount invested by Honeycomb and the Pollen Street Funds in Credit Assets may decline. Any surplus capital may be invested in cash deposits, cash equivalent investments and fixed income instruments pending redeployment, and this may result in a reduction in Honeycomb's and the Pollen Street Funds' aggregate return on investments, which may have a material adverse effect on the Combined Group's financial condition and results of operations.

Improved economic conditions could also result in interest rates rising, which could increase the financial commitments of borrowers on mortgage and other credit commitments, which could reduce their ability to repay the Credit Assets. Similarly, portfolio companies in which Equity Assets are held may be subject to increased interest rates on their financial indebtedness, which could reduce their ability to repay and increase the risk of default and ultimately, insolvency.

Any of the foregoing results could have a material adverse effect on the Combined Group's business, financial condition, results of operations and prospects.

6.7 *Honeycomb's and the Pollen Street Funds' investments in Credit Asset and Equity Assets are concentrated in the UK.*

Whilst Pollen Street regularly monitors the concentration of its portfolio and its exposures, concentrations by counterparty, sector, region and country may arise from time to time. As at the date of this Circular, the majority of Honeycomb's and the Pollen Street Funds' Credit Assets and Equity Assets are UK-based. As a result of this geographic concentration, the Combined Group may be disproportionately exposed to downturns in the UK's economy which could, for example, lead to an increase in the number of borrower defaults in respect of the Credit Assets and the number of portfolio companies going insolvent in respect of Equity Assets, the impact of which might be less pronounced if the Combined Group's investments were more geographically diversified. This concentration could result in greater volatility in the value of the Combined Group's investments and consequently its net asset value, and may materially adversely affect its business, financial condition, results of operations and prospects.

6.8 *Investments outside the UK are exposed to local legal, economic, political, regulatory and other risks.*

Whilst the majority of Honeycomb's and the Pollen Street Funds' Credit Assets and Equity Assets are currently UK-based (as at the date of this Circular), Honeycomb and the Pollen Street Funds may invest in Credit Assets and Equity Assets outside of the UK. The laws and regulations of various jurisdictions in which Honeycomb and the Pollen Street Funds invest may impose restrictions that would not exist in the UK, and the investments and the collateral underlying those investments may be subject to various laws for the protection of creditors in the jurisdictions where the relevant borrowers are situated, which may adversely affect Honeycomb's and the Pollen Street Funds' ability to take control of or sell the underlying security in a default. These insolvency considerations may also differ depending on the legal status of the borrower. Honeycomb and the Pollen Street Funds as creditors or equity investors may experience less favourable treatment under different insolvency regimes than apply in the UK, including where they seek to enforce any security held as a creditor.

In addition, governments may from time to time impose restrictions intended to prevent capital flight, which may, for example, involve punitive taxation (including high withholding taxes) on certain transfers or the imposition of exchange controls, making it difficult or impossible to exchange or repatriate foreign currency. These and other restrictions may make it impracticable for Honeycomb and the Pollen Street Funds to distribute the amounts realised from relevant investments at all or may force Honeycomb and the Pollen Street Funds to distribute such amounts in a currency other than in pounds sterling and therefore a portion of the distribution may be made in foreign currency. It also may be difficult to obtain and enforce a judgment in a

local court. No assurance can be given that a particular political or economic climate, or particular legal or regulatory risks, will not adversely affect an investment by Honeycomb or the Pollen Street Funds.

6.9 *The Combined Group is subject to risks related to conflicts of interest. Various conflicts of interest may arise with regard to the activities of Pollen Street, Honeycomb, the Pollen Street Funds, the Combined Group, the Shareholders and the investors in the Pollen Street Funds. Failure to appropriately deal with conflicts of interest as they arise, or the appearance thereof, could harm the Combined Group's brand and reputation or incur potential liability for the Combined Group, and could have a material adverse effect on its business, revenue, net income and cash flows.*

Honeycomb and the Pollen Street Funds invest in a broad range of asset classes, including in the equity of portfolio companies and debt securities and loans. In certain cases, Honeycomb and the Pollen Street Funds and/or the Pollen Street Funds amongst themselves may invest in different parts of the same company's capital structure over time. In those cases, the interests of the different Pollen Street Funds and Honeycomb may not always be aligned, which could create actual or potential conflicts of interest or give the appearance of such conflicts. For example, one of the Private Equity funds could have an interest in pursuing an acquisition, divestiture or other transaction that, in that fund's judgment, could enhance the value of the Private Equity investment, even though the proposed transaction could subject a Credit fund's or Honeycomb's debt investment to additional or increased risks. Moreover, to the extent that any potential investment opportunities have been identified by Pollen Street which fall within the investment mandate of more than one Pollen Street Fund or Honeycomb, conflicts of interest may arise in relation to the allocation of the investment opportunity.

Potential conflicts could also arise within a Pollen Street Fund with respect to the allocation of co-investment opportunities among investors. The Pollen Street Funds' governing documents typically do not mandate specific allocations with respect to co-investments, and preferential arrangements as to co-investment opportunities may be entered into with specific investors. The Investment Manager may have an incentive to provide potential co-investment opportunities to certain investors in lieu of others and/or in lieu of an allocation to the Pollen Street Funds (for example, as part of an investor's overall strategic relationship with the Combined Group), and may do so to benefit the long-term performance of the Combined Group at the expense of short to medium-term gains. In addition, as part of the Combined Group's Investment Policy, Pollen Street may utilise the Combined Group's balance sheet to fund general partner co-investments alongside the Pollen Street Funds from time to time. Similarly, employees of the Combined Group may from time to time be offered co-investment opportunities alongside the Pollen Street Funds. This could exacerbate the risk of perceived conflict when co-investment opportunities are allocated to the Combined Group or its employees, in preference to third party investors.

Pollen Street's affiliates may be service providers or counterparties to Honeycomb, the Pollen Street Funds or their portfolio companies and receive fees or other compensation for services that are not shared with fund investors. In such instances, Pollen Street may have an interest in engaging the services of such affiliates on behalf of Honeycomb, the Pollen Street Funds or their portfolio companies notwithstanding any potential cost savings or improved quality of services that third party service providers may offer. In addition, Pollen Street's involvement in the process of valuing Honeycomb's or the Pollen Street Funds' investments may also give rise to further conflicts, as Pollen Street is entitled to receive a performance fee that is based, in part, on the financial performance of the funds it manages.

It is anticipated that Lindsey McMurray, Managing Partner of Pollen Street, and Julian Dale, Chief Financial Officer of Pollen Street, will be appointed to the Board at or following Completion. In the event that any such person has an actual or potential conflict of interest with the interests of Honeycomb as a whole, by virtue of their role within Pollen Street, they will be required to disclose such conflict of interest to the Board. Such conflicts of interest may not always be properly disclosed, and even where disclosed, may not be resolved in a manner that avoids reputational damage to the Combined Group.

Pollen Street maintains a group conflicts of interest policy (including a set of private equity investment allocation principles and credit investment allocation principles) which governs the allocation of investment opportunities between Pollen Street Funds and Honeycomb. It is intended that, post-Completion, such policy shall apply to the Combined Group as a whole. Notwithstanding the application of such policy and principles, Pollen Street, Honeycomb and/or the Pollen Street Funds may still face claims or complaints from investors who believe that a conflict has not been resolved in a fair and equitable manner, and, post-Completion, this could give rise to damage to the Combined Group's brand and reputation and may lead to dissatisfied investors withdrawing or cancelling their commitments (or potential investors choosing not to invest). Accordingly, any of the foregoing could have a material adverse effect on the Combined Group's business, revenue, net income cash flows and reputation.

6.10 The Combined Group may be subject to risks in relation to GP commitments and/or GP co-investments.

As part of the Combined Group's Investment Policy, the Combined Group may apply its funds towards making direct commitments to Pollen Street Funds, otherwise known as 'GP commitment' or 'GP co-investments'. Such commitments may be made directly by the Pollen Street general partner entity to the relevant Pollen Street Fund, or by way of a separate co-investment vehicle which will invest alongside the relevant Pollen Street Fund. Investment may be made on terms requiring the Combined Group to hold a non-controlling interest, for example by becoming a limited partner in a co-investment partnership that is controlled by a Pollen Street general partner or Pollen Street Capital as Investment Manager. The Combined Group's control over its investment may be limited, and Pollen Street's interests as investment manager when acting on behalf of all investors (including any other limited partners in the co-investment partnership and limited partners in the relevant Pollen Street Fund) may not always be aligned with the interests of the Combined Group. Where the Combined Group provides GP commitments or GP co-investments alongside a Pollen Street Fund, the Combined Group's overall exposure to the relevant portfolio company (both as a direct result of the GP commitment or GP co-investment, and indirectly from performance fees and carried interest that may be earned by Pollen Street and the Combined Group, respectively, in connection with the performance of the relevant portfolio company) is increased and if the portfolio company fails to perform as expected, this could lead to a material adverse impact on the Combined Group's business, revenue, net income and cash flows. In addition, the Combined Group's participation in investments by or alongside the Pollen Street Funds may also increase the risk of perceived conflict of interests in Pollen Street's allocation of investment opportunities, as between the Combined Group and other investors. In the event such risks are not duly managed, investors may lose confidence in Pollen Street and Pollen Street's ability to raise funds may be negatively impacted.

7. RISKS RELATING TO CUSTODY

Financial instruments held in custody may not be segregated.

Any financial instruments of the Pollen Street Funds and Honeycomb that are required to be held in custody pursuant to the AIFM Directive shall be held in custody with a depositary, a custodian and/or other sub custodians of the relevant depositary. Cash and matured fiduciary deposits may not be treated as segregated assets and might therefore not be segregated from the depositary's, custodian's or other sub-custodian's own assets in the event of the insolvency or the opening of bankruptcy, moratorium, liquidation or reorganisation proceedings of the depositary, custodian or other sub-custodian (as the case may be). In such circumstances, the Pollen Street Funds, Honeycomb and, consequently, the Combined Group may suffer an irrecoverable loss in respect of such assets which could have a material adverse effect on its financial performance.

PART III

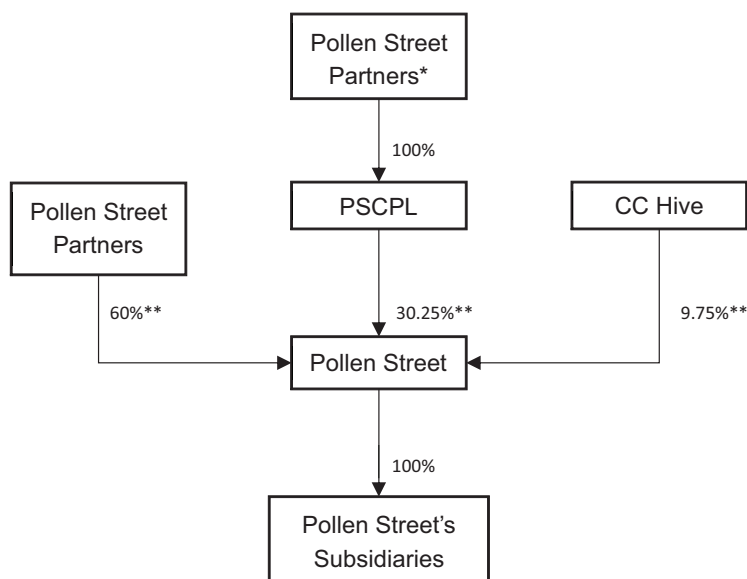
CONDITIONS TO AND FURTHER TERMS OF THE COMBINATION

1. Share Purchase Agreement

1.1 Parties and structure

The Share Purchase Agreement was entered into on 14 February 2022 between Honeycomb, New Honeycomb and the Pollen Street Shareholders. Pursuant to the Share Purchase Agreement, the Pollen Street Shareholders agreed to sell, and Honeycomb agreed to purchase, the entire issued share capital of each of Pollen Street and PSCPL, in consideration of which Honeycomb will, upon Completion, issue the Consideration Shares to the Pollen Street Shareholders. PSCPL is a holding vehicle for the Pollen Street Partners (other than James Scott) whose only assets are shares in Pollen Street.

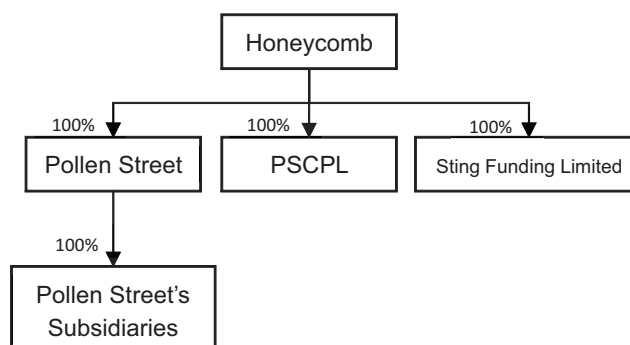
Pre-Completion



* Only Lindsey McMurray, Matthew Potter, Michael England, Ian Gascoigne and Howard Garland are shareholders in PSCPL. James Scott does not hold any shares in PSCPL.

** Figures represent percentage of voting share capital.

Post-Completion



1.2 Consideration

The Consideration Shares value the entire issued share capital of Pollen Street at approximately £285 million based on the closing price of 967.5 pence per Honeycomb Share on 14 February 2022 (being the last Business Day prior to the Announcement Date) and, based on the share capital of the Company on the Latest Practicable Date, would result in Pollen Street Shareholders receiving new Honeycomb Shares that are equivalent to approximately 45.63 per cent of enlarged share capital in the Combined Group on Completion.

1.3 Conditions

Completion of the Combination is subject to, and can only occur upon the satisfaction or waiver of, the following conditions by no later than 5.00 pm (London time) on the Long Stop Date (unless agreed otherwise by the parties to the Share Purchase Agreement):

- (A) the Newco Scheme (as defined in the Share Purchase Agreement) becoming unconditional and effective in accordance with its terms;
- (B) the passing of the Resolutions at the General Meeting;
- (C) the receipt of any consent or waiver required from one or more parties under any Pollen Street Fund Document relating to a Pollen Street Fund that is material in the context of the Pollen Street Group as a whole and which would, in the absence of such consent or waiver being granted, cause a material breach of the relevant Pollen Street Fund Document giving one or more parties to such document the right to:
 - (i) terminate or dissolve the Pollen Street Fund;
 - (ii) remove the relevant member of the Pollen Street Group as general partner thereunder; or
 - (iii) require the repayment of any financing made available thereunder,

each such consent or waiver having been obtained on terms satisfactory to Honeycomb;

- (D) the FCA and LSE each having confirmed to Honeycomb or to the Sponsor that the Consideration Shares shall, upon Completion, be admitted to trading on the Official List and the main market of the LSE;
- (E) the Panel having waived, subject to the passing of the Rule 9 Waiver Resolution, any obligation which might fall on a Pollen Street Partner or any Concert Party to make a general offer for Honeycomb as a result of the issue of the Consideration Shares;
- (F) the Prospectus and the Circular having each been approved by the FCA;
- (G) the receipt of regulatory approvals, consents, exemptions, non-objections or similar (in each case, as Honeycomb deemed necessary in connection with the Combination) from: (i) the FCA; (ii) PRA; and (iii) such other regulatory authority as deemed necessary by Honeycomb in connection with the Combination;
- (H) the receipt by Honeycomb of all consents and permissions required in connection with the Combination by any provider of indebtedness to Honeycomb;
- (I) neither the Pollen Street Shareholders nor Honeycomb having committed a material breach of certain of their respective covenants and warranties under the Share Purchase Agreement; and
- (J) there having been no PSC Material Adverse Change (as defined in the Share Purchase Agreement).

In order to satisfy each of the outstanding conditions, Honeycomb intends to:

- (K) waive the requirement for the Newco Scheme to become effective prior to Completion, and perform the obligations of New Honeycomb as the purchaser under the Share Purchase Agreement, such that it shall acquire the shares in Pollen Street and PSCPL from the Pollen Street Shareholders;
- (L) pass the Resolutions at the General Meeting;
- (M) submit applications to the FCA and the LSE in connection with the admission of the Consideration Shares to the Official List and the main market of the LSE; and
- (N) liaise with the FCA, the PRA and any other relevant regulatory authority to provide any additional information they may require in order to provide the necessary approvals consents, exemptions, non-objections or similar in connection with the Combination.

1.4 Warranties given by Honeycomb

Honeycomb has given warranties to the Pollen Street Shareholders under the Share Purchase Agreement which are customary for a transaction of this nature. These include, amongst others,

warranties in respect of: (i) Honeycomb's capacity and authority to enter into and perform the Share Purchase Agreement; (ii) Honeycomb's share capital structure; (iii) Honeycomb's accounts and interim financial statements; and (iv) events since 30 June 2021. Certain of these warranties will be repeated at Completion.

The Share Purchase Agreement contains certain limitations and exclusions on the ability of the Pollen Street Shareholders to claim against Honeycomb for breach of warranty or breach of the interim covenants under the Share Purchase Agreement. Honeycomb's liability for breach of warranty will cease on Completion. Prior to Completion, the Pollen Street Shareholders may terminate the Share Purchase Agreement if breaches of warranties given by Honeycomb give rise, or are reasonably likely to give rise, to one or more claims for breach of any such warranties for £60 million or more in aggregate. In addition, the Pollen Street Shareholders may terminate the Share Purchase Agreement if breaches of interim covenants given by Honeycomb take place which, individually or together with any other such breach, result or are reasonably likely to result in a diminution of the net assets of the Combined Group by £60 million or more in aggregate.

1.5 Warranties given and to be given by the Pollen Street Shareholders

The Pollen Street Shareholders have given, and the Pollen Street Shareholders at Completion will give, warranties to Honeycomb which are customary for a transaction of this nature. These include, among other things, warranties in respect of: (i) each Pollen Street Shareholder's power and authority to enter into and perform the Share Purchase Agreement; and (ii) ownership of the relevant shares in Pollen Street and PSCPL which are the subject of the Share Purchase Agreement.

The Share Purchase Agreement contains certain limitations and exclusions on the ability of Honeycomb to claim against the Pollen Street Shareholders under the Share Purchase Agreement for breach of warranty or breach of the interim covenants. The liability of each Pollen Street Shareholder for breach of warranty will cease on Completion, save in respect of certain fundamental warranties, and shall be capped at an amount equal to £300 million multiplied by that Pollen Street Shareholder's Allocated Consideration Percentage (as such term is defined in the Share Purchase Agreement). Any claims against a Pollen Street Shareholder under the Share Purchase Agreement shall be capable of settlement either in cash or via the return of Consideration Shares.

Prior to completion, Honeycomb may terminate the Share Purchase Agreement if breaches of warranties given by the Pollen Street Shareholders give rise, or are reasonably likely to give rise, to one or more claims for breach of any such warranties for £60 million or more in aggregate. In addition, Honeycomb may terminate the Share Purchase Agreement if breaches of interim covenants given by the Pollen Street Shareholders take place which, individually or together with any other such breach, result or are reasonably likely to result in a diminution of the net assets of the Pollen Street Group or the Combined Group by £60 million or more in aggregate.

1.6 Leakage undertakings

The Pollen Street Shareholders have agreed to give customary "no leakage" undertakings in respect of the period since 31 October 2021, relating to payments by Pollen Street to or on behalf of the Pollen Street Shareholders that are not in the ordinary course of business or included within an agreed list of permitted items.

1.7 Termination

Honeycomb may terminate the Share Purchase Agreement in certain circumstances, including where there has been a PSC Material Adverse Change (as defined in the Share Purchase Agreement).

The Pollen Street Shareholders may terminate the Share Purchase Agreement in certain circumstances, including where: (i) the Honeycomb Board withdraw their recommendation to vote in favour of the Combination; (ii) the Honeycomb Net Asset Value falls below £304,937,500; (iii) the Panel requires one of more Pollen Street Shareholders to make an offer for Honeycomb pursuant to Rule 9 of the Takeover Code; or (iv) an offer for Honeycomb is made and in respect of which an offer period under the Takeover Code begins.

In addition, each of Honeycomb and the Pollen Street Shareholders may terminate the Share Purchase Agreement where the FCA or LSE indicates to Honeycomb that the Consideration Shares

will not be admitted to trading on the Official List or main market of the LSE respectively, or that the Prospectus will not be approved by the FCA and/or published.

1.8 Governing law

The Share Purchase Agreement is governed by the laws of England and Wales.

2. Management Warranty Deed

2.1 Parties and structure

The Management Warranty Deed was entered into on 14 February 2022 between the Pollen Street Partners, the Pollen Street Senior Managers (such individuals together being the “**Management Warrantors**”), New Honeycomb and Honeycomb.

2.2 Warranties

Under the Management Warranty Deed, each Management Warrantor has given customary business warranties in respect of the Pollen Street Group and its business which relate to, amongst other things, its corporate structure, its financial accounts, material contracts and Pollen Street Funds documentation, its intellectual property and information technology, compliance with applicable laws and regulation, ownership of material assets, historical taxes and the absence of material litigation claims. The warranties given by each Management Warrantor will be deemed to be repeated immediately prior to Completion.

Separately, under a disclosure letter from the Management Warrantors to Honeycomb (the “**Disclosure Letter**”), Honeycomb has acknowledged that certain information which has been fairly disclosed shall qualify the Management Warrantors’ warranties. Accordingly, there shall be no breach of the Management Warrantors’ warranties under the Management Warranty Deed if facts and/or matters that would otherwise give rise to a breach of warranty have been fairly disclosed, including in the data room on certain public registers and pursuant to the diligence reports received by Honeycomb from its advisers.

2.3 Limitations of liability

The Management Warrantor’s liability in respect of claims by Honeycomb under the warranties is limited to an aggregate nominal cap of £60 million. Claims under the Management Warranty Deed are capable of settlement in either cash or Consideration Shares, provided that where a Management Warrantor chooses to settle a claim via the return of Consideration Shares, that Management Warrantor’s liability shall be limited to 30 per cent. of Consideration Shares received by them at Completion.

2.4 Termination

In the event the Share Purchase Agreement is terminated or rescinded for any reason, the Management Warranty Deed will terminate automatically and immediately, and none of the Management Warrantors will have any liability under or in connection with the Management Warranty Deed.

2.5 Governing law

The Management Warranty Deed is governed by the laws of England and Wales.

3. Lock-Up Agreements

3.1 Parties and structure

The Lock-Up Agreements will be entered into on or prior to Completion.

- (A) The Pollen Street Partners Lock-Up Agreement will be entered into between the Pollen Street Partners (other than James Scott) and Honeycomb.
- (B) The Management Lock-Up Agreement will be entered into between the Pollen Street Senior Managers, James Scott and Honeycomb.
- (C) The CC Hive Lock-Up Agreement will be entered into between CC Hive and Honeycomb.

3.2 Duration and annual step-down

- (A) The Pollen Street Partners and the Pollen Street Senior Managers shall undertake, subject to certain limited exceptions set out in their respective Lock-Up Agreements, not to sell or otherwise dispose of their Consideration Shares for five years following Completion. Notwithstanding the foregoing, the Pollen Street Partners and Pollen Street Senior Managers shall be entitled to sell or otherwise dispose of a certain portion of Consideration Shares received in the following proportions and at the following intervals:

Year	Maximum percentage of Consideration Shares capable of being sold (aggregate)	Consideration Shares subject to the lock-up (aggregate)
Completion	25	75
Second anniversary of Completion	43.75	56.25
Third anniversary of Completion	62.5	37.5
Fourth anniversary of Completion	81.25	18.75
Fifth anniversary of Completion	100	0

Pursuant to the Pollen Street Partners Lock-Up Agreement and the Management Lock-Up Agreement, the Pollen Street Partners and the Pollen Street Senior Managers will undertake (for a period of 12 months following the end of the Lock-up Period) to consult with, and take into account the reasonable views of, the board of the Combined Group (excluding Lindsey McMurray and Julian Dale) before disposing of any Consideration Shares in order to maintain an orderly market for the shares in the Combined Group. Furthermore, the Pollen Street Partners and the Pollen Street Senior Managers will undertake (for a period of 12 months following the end of the Lock-up Period) not to dispose of any Consideration Shares carrying more than 5 per cent. of the voting rights conferred by the Consideration Shares in any consecutive period of six months on the day following the end of the Lock-up Period, without the consent of the board of the Combined Group (excluding Lindsey McMurray and Julian Dale).

- (B) CC Hive shall undertake, subject to certain limited exceptions set out in the Corporate Lock-Up Agreement, not to sell or otherwise dispose of its Consideration Shares for six months following Completion.

3.3 Standstill

Each of the Pollen Street Partners and Pollen Street Senior Managers shall undertake not to make any offer for all or any number of Honeycomb Shares, not to acquire Honeycomb Shares or announce any proposal to do so at any time (subject to certain limited exceptions) for a period of 12 months following Completion.

3.4 Pollen Street Dividend Waiver

Pursuant to the terms of the respective Lock-Up Agreements, the Pollen Street Partners, the Pollen Street Senior Managers and CC Hive have agreed to waive ordinary dividends payable to them in both 2022 and 2023 on approximately 50.0 per cent. of the Consideration Shares that will be issued to them at Completion.

3.5 Governing law

Each Lock-Up Agreement is governed by the laws of England and Wales.

4. Relationship Agreement

4.1 Shareholder undertakings

Pursuant to the terms of the Relationship Agreement, Lindsey McMurray shall undertake to:

- (A) conduct all transactions and arrangements with any member of the Combined Group at arm's length and on normal commercial terms;
- (B) for the duration of her appointment as a member of the Combined Group Board, disclose to the Combined Group Board any matter which could give rise to a potential conflict of interest between herself (and any family member or related trust) and a member of the Combined Group; and
- (C) not exercise her powers to prevent Honeycomb from being managed in accordance with the principles of good governance and in compliance with the Listing Rules, the Disclosure Guidance and Transparency Rules, the Market Abuse Regulation and the Corporate Governance Code (each as defined in the Relationship Agreement).

4.2 Entitlement to appoint directors

From Completion, Lindsey McMurray will be entitled to appoint (i) two-sevenths of the Honeycomb Board for so long as the Pollen Street Partners and the Pollen Street Senior Managers hold at least two-sevenths of all Honeycomb Shares or (ii) one-seventh of the Honeycomb Board for so long as such persons hold at least one-seventh of all Honeycomb Shares, or, in each case if not a whole number, rounded down to the nearest whole number (unless in the case of (ii), that number is less than one in which case it shall be rounded up to one). This entitlement shall apply prior to any further appointments of independent non-executive directors to ensure compliance with the Corporate Governance Code (as defined in the Relationship Agreement).

Lindsey McMurray's entitlement to appoint directors to the Honeycomb Board shall be treated as satisfied to the extent that she is a director of Honeycomb, and the number of directors she is entitled to appoint shall be reduced by one for so long as she remains a director.

If at any time the total number of directors on the Honeycomb Board is reduced such that Lindsey McMurray would be entitled to appoint fewer directors than the then-current number of her appointees on the Honeycomb Board, Honeycomb may (in its sole and absolute discretion) notify Lindsey McMurray and require her to promptly determine such director(s) who shall vacate office (and procure that they promptly vacate office) so that the remaining number of appointees on the Honeycomb Board is no more than that described above.

Lindsey McMurray may remove and replace any of her appointees to the Honeycomb Board at any time, and she may exercise her right to make appointments to the Honeycomb Board at any time and any number of times. This right shall not terminate, even if not exercised at any time or for any period of time, unless Lindsey McMurray has (in her sole and absolute discretion) notified Honeycomb that she no longer wishes to exercise it.

4.3 Termination

The Relationship Agreement, save for certain specified provisions (including those described in Section 4.2 (*Entitlement to appoint directors*) above), will terminate on the earlier of the occurrence of any of the following after Completion:

- (A) the Honeycomb Shares ceasing to be listed on the premium listing segment of the Official List of the FCA and traded on the London Stock Exchange's main market for listed securities;
- (B) Lindsey McMurray (and her family members and related trusts) ceasing to hold a legal or beneficial interest in Honeycomb Shares which carry 10 per cent. or more of the aggregate voting rights conferred by shares in Honeycomb from time to time; or
- (C) Lindsey McMurray notifying Honeycomb that she no longer wishes to exercise her right to make appointments to the Honeycomb Board.

4.4 Governing law

The Relationship Agreement is governed by the laws of England and Wales.

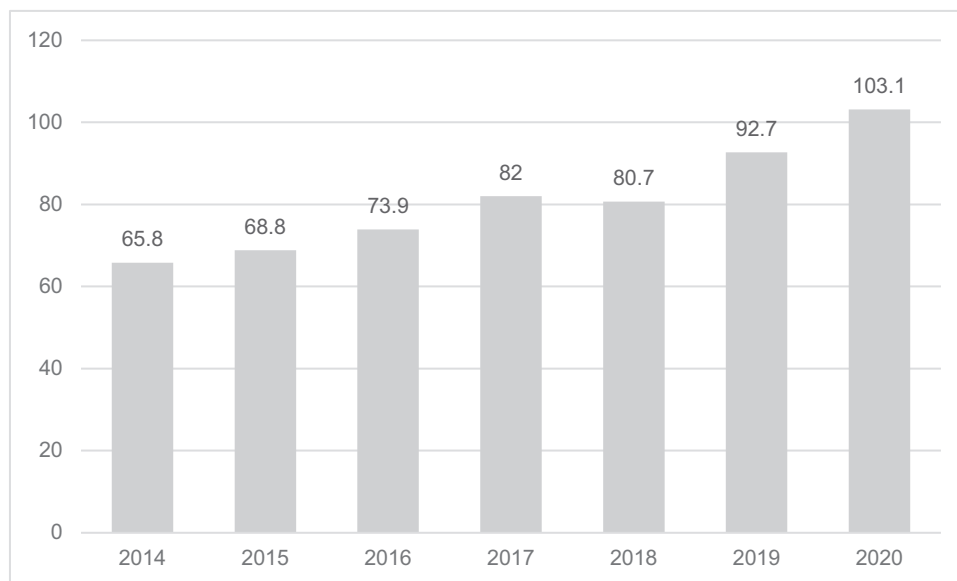
PART IV

MARKET OVERVIEW

1. Private equity and private credit within the broader asset management industry

Pollen Street operates within the global asset management industry, an industry which accounted for \$103.1 trillion of total asset management at the end of 2020 and has grown at a CAGR of 8 per cent. per annum between 2014 and 2020. The asset management industry comprises of asset management companies which provide professional investment services to underlying investors including pension funds, insurance companies, sovereign wealth funds, retail investors and high net worth individuals. Sectoral growth in AUM has been driven by both increasing asset valuations and net inflows, each contributing to the expansion of AUM. Net inflows have been positive in every year since 2014 and were greater than 3 per cent. per annum in both 2019 and 2020.

Figure 1 – Global Asset Management AUM USD Trillions

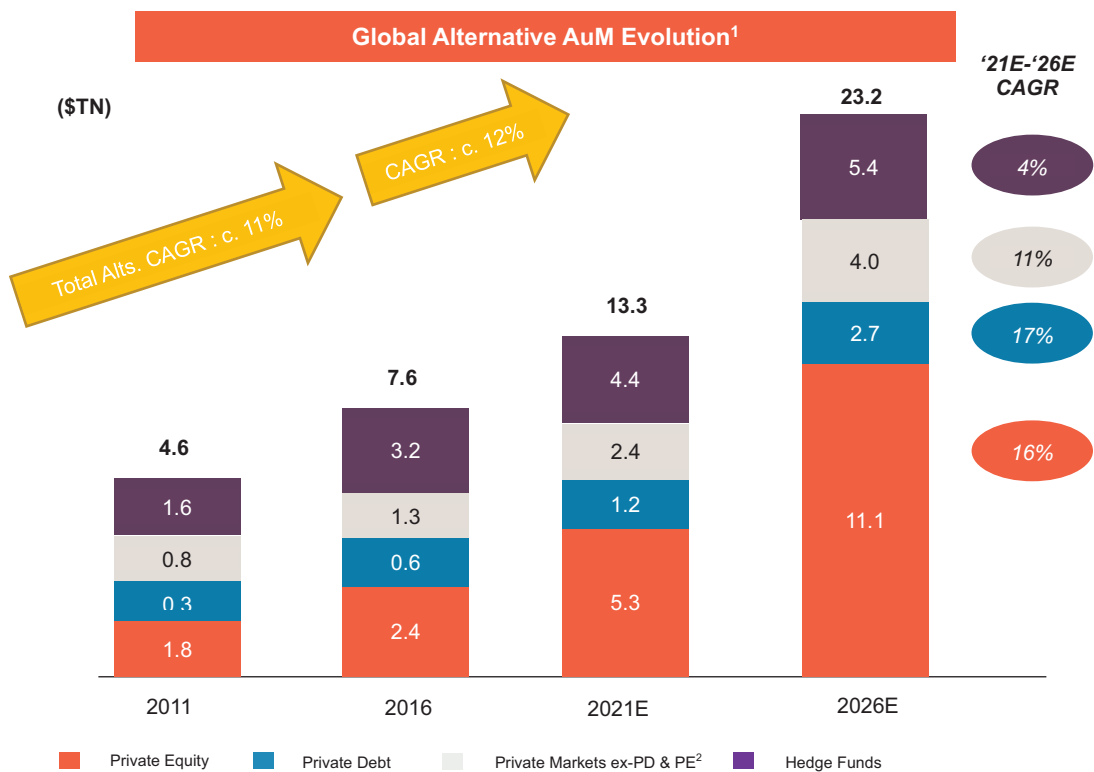


Within the global asset management industry, Pollen Street's activities in private equity and private credit fund management are categorised within the 'alternatives' sub category. Other alternative asset management activities include hedge fund, real estate, infrastructure, commodities and liquid alternative mutual funds. Alternative strategies generally involve investment in more illiquid asset types and more active portfolio management, resulting in higher overall returns and can typically command higher fund management and performance fees.

Within the asset management sector, alternatives have been the fastest growing actively managed segment in recent years. Overall alternative AUM increased from \$6 trillion in 2009 to \$15 trillion in 2020, at a CAGR of 9 per cent. per annum. This outperformance is projected to continue with the segment growing to \$22-23 trillion by 2025, with third party projections of growth for the sector anticipated to increase at an annual rate of up to 12 per cent.

As shown in Figure 2 below, within the global alternatives space, the private equity and private credit sub-segments within which Pollen Street operates are projected to outperform the overall market, with private equity projected to grow at a CAGR of 16 per cent. and private credit 17 per cent. to 2026E.

Figure 2 – Global Alternative Investment Industry AUM 2010-2026E

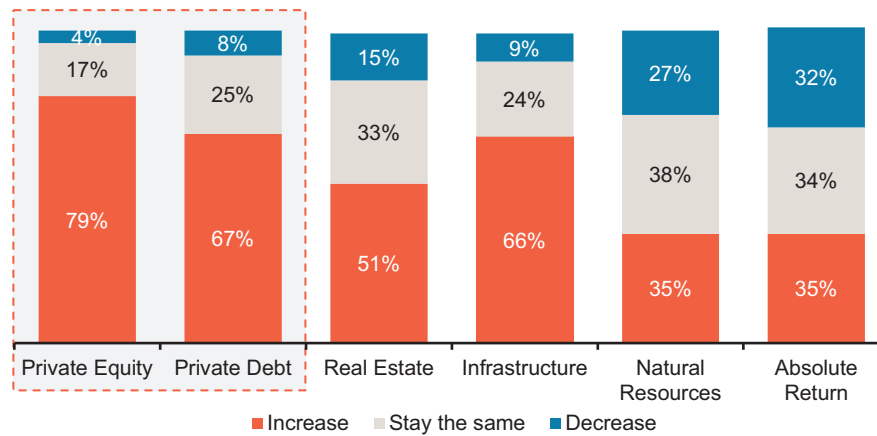


(1) Source: Preqin Ltd; 2022 Global Private Equity report. 2021 figure is annualised based on data to March. 2022-2026 are Preqin's forecasted figures.

(2) PD = Private Debt. PE = Private Equity. Includes Real Estate, Infrastructure, Natural Resources.

Growth in these sub-categories is supported by survey data collected by Preqin which shows that, within the alternatives category, a higher proportion of investors plan to grow their allocations to private equity and private credit assets through to 2025 than compared against other sub-categories of alternatives. This is anticipated to be driven by factors including the persistence of low interest rates in the global environment, growth in high-net-worth wealth, higher insurance penetration and an ongoing trend towards companies staying private for longer. For further discussion of these trends, Shareholders should refer to Section B (*Information on Pollen Street*) of Part V (*Information on the Honeycomb Group and Pollen Street*) of this Circular.

Figure 3 – Investors’ Plans for Their Allocation to Alternatives by 2025 by Asset Class⁶



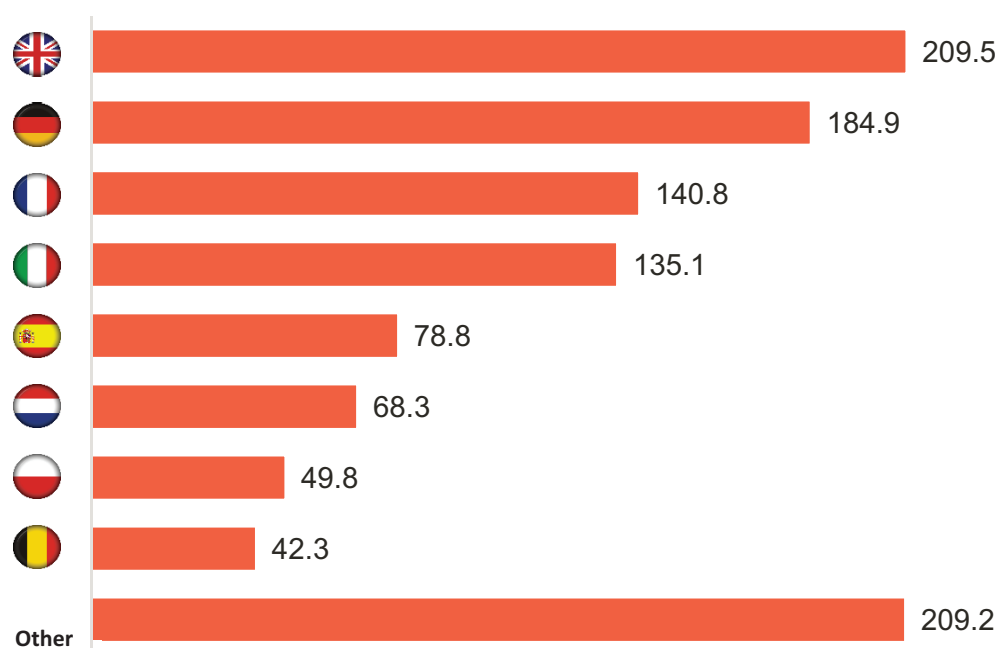
2. Pollen Street Sectoral Focus

Pollen Street is focused on providing equity and credit capital into the financial and business services sector. As shown in Figure 4 below, the financial and business services sector is a large sector that is a vital part of European economies is dynamic with structural changes driving strong growth and is highly fragmented outside of the largest players. In Europe, it is estimated that gross value added from the financial services sector exceeds \$1.1 trillion. The sector is diverse with a variety of business models ranging from banks, lending businesses and insurance companies (each highly dependent on their balance sheets) to services and technology businesses that are typically capital light and offer scalable growth opportunities with strong cash flow dynamics.

⁶ Source: Preqin Special Report – The Future of Alternatives 2025

Figure 4 – The European Financial Services Sector is a Vast Market⁷

Top European Financial Services Markets by Value Added (£ billion)



Across both Investment Strategies, Pollen Street focuses its investment activity on middle market firms typically with revenues in the £5 to £250 million range. Across the sector, businesses in this size range have been growing rapidly. This has been driven by ongoing structural dynamics which are favouring the smaller specialised businesses that Pollen Street target.

2.1 Evolving Customer Behaviour

Customers in the financial and business services sector have become increasingly aware, in recent years, of the cost and value of products. Both consumers and SMEs are seeking innovations that have developed across other verticals and tolerance for poor service levels is declining. Given these trends, many players are emerging with winning propositions to address such demands with an increasing focus on making products and services more satisfying and hassle-free, and to meet changing customer behaviour, including:

- increasingly discerning customers with greater willingness to change from mainstream providers;
- a tendency to purchase products from the best provider rather than a bundle from a “universal” player;
- an openness to new models and a drive towards online and mobile delivery; and
- an enhanced awareness and sensitivity to fraud risk, with greater requirements for high security and fraud prevention standards.

2.2 Technological Enablement

Technological developments have enabled small, agile businesses to deliver excellent customer propositions (both online and offline) at a significantly reduced cost. This has allowed many smaller operators to compete effectively with incumbents despite not having the advantage of scale. In many cases, this provides a competitive advantage, as existing players have legacy systems and find the cost of migrating to best-in-class platforms exceeds the cost of developing new platforms.

The increasing use of large volumes of data enables delivery of superior customer propositions, lower risk, faster speed to market and at lower costs. While incumbent providers are often hindered by legacy systems, specialists can better leverage technology to offer a superior service at a lower

⁷ Source: OECD, 2019 data

cost of delivery. As a result, it is not unusual for mainstream incumbents to engage specialists to access the market swiftly, operate to required standards and access specialist skills.

2.3 Regulatory Change

The regulatory regimes in western economies typically have the dual objectives of: (i) promoting competition to ensure consumers and business customers have access to the best quality products and services; whilst (ii) ensuring the stability of the financial system. Both of these objectives can lead to improved opportunities for middle-market firms. In pursuit of the first objective, regulators are encouraging and requiring the larger and more complex organisations to simplify their business models and focus on their core markets, leaving significant opportunities for specialist players to become leaders in these attractive market segments. The second objective also provides a tailwind for lower middle market players insofar as the regulatory regime being supportive of their desire to increase market share.

The Pollen Street Directors believe that these trends will continue to offer attractive growth prospects for lower middle market players over the coming years, with Pollen Street applying a structured approach, in order to identify the most attractive investment themes.

Pollen Street invests across a broad range of sectors within the financial and business services market, with substantial cross-over of knowledge, network and relationships across the Investment Strategies.

3. The Private Credit Market

The private credit market encompasses all lending to consumers and businesses by entities other than banks, including corporate lending, mortgages, auto finance, unsecured lending, NPLs, real estate finance, and other more specialised asset classes. The market can be accessed through a variety of strategies including senior-secured, mezzanine and distressed debt.

Over the course of the past decade, the global private credit market has grown to become an increasingly important source of finance for both businesses and individuals. The growth of the market has been principally driven by a shortage of funding as tightening regulation curtailed traditional bank lending, while demand for credit quickly recovered.

This growth has largely been driven by the regulatory response to the 2008 global financial crisis, which encouraged private lending through two channels. First, the implementation of higher capital adequacy requirements following the Basel III reforms in 2009 further reduced bank lending, which was already heavily dampened by bank risk aversion and stability issues during the crisis, widening the supply shortfall for credit in the region. Secondly, banks were required by stakeholders to simplify their operations, reduce costs and limit the number of markets they address. This led to banks increasingly focusing on the large commodity areas of the market and pulling back from more specialised and smaller SME, consumer and real estate markets which require expert knowledge, bespoke underwriting and/or technology integration with partners. This retrenchment has led to growth in the number of non-bank lenders who are dedicated to particular sub-sectors and markets, as well as technology and other non-financial companies embedding financial services into their service offering to customers.

Much of the focus of the private credit market has been in corporate direct lending where banks have pivoted to use their coverage teams to originate loans and maintain relationships but then syndicate the majority of the exposure. Asset managers have concentrated on this asset class as significant scale can be built with small teams by working with the investment banks and advisers making it, in the view of the Investment Manager, a highly profitable business line. Pollen Street believes that these dynamics have led to increasing liquidity in the market with resulting pressure on pricing, leverage multiples and structural protections.

Pollen Street's Credit Strategy focuses on providing capital to the growing number of non-bank lenders and companies with embedded finance propositions and believes that there is an attractive competitive dynamic in which to lend driven by a growing market with high barriers to entry.

Pollen Street estimates the asset based finance market to account for £5 trillion of balances globally in the next 5 years with £1 trillion in Europe and £3 trillion in the US. The market is also growing rapidly with asset based finance balances expected to double over the next 5 years. While large,

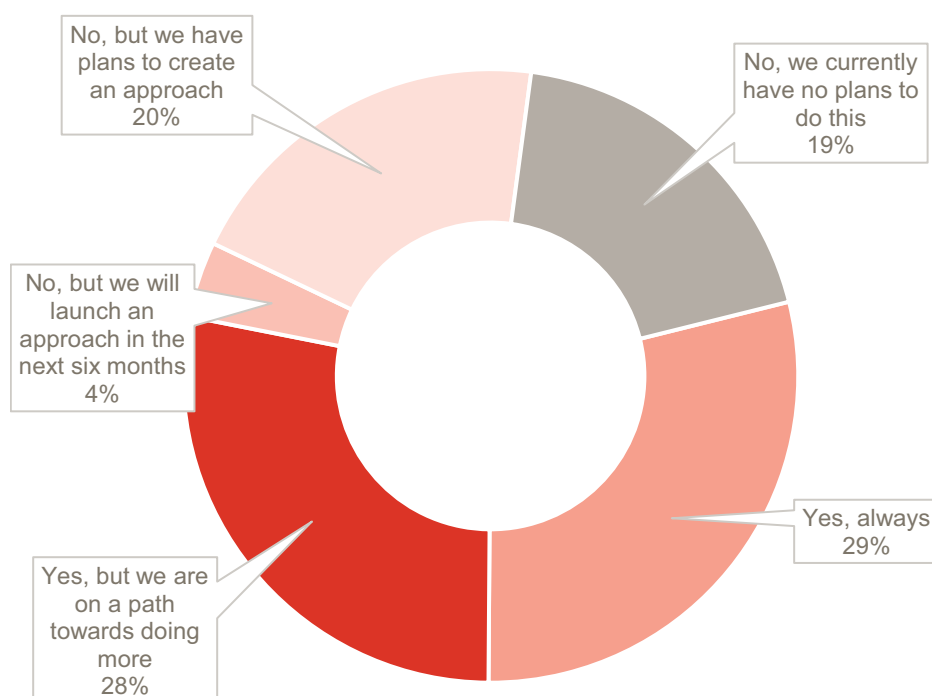
Pollen Street believes the market is highly fragmented and not well served by generalist credit managers who have tended to focus on the corporate direct lending market.

4. ESG considerations within the private investment markets

A rapidly emerging theme in recent years has been the growing importance of ESG within the private investment markets. Underlying allocators of capital are recognising the role of investment in driving positive outcomes beyond purely financial investment returns. Increasing transparency and consumer awareness of ESG topics is leading to these factors becoming higher on the agenda for all of those involved in the investment industry. Private market investors are considered to be a particularly attractive area to promote positive change through investment practises, as the longer held periods of private positions are better matched to the periods needed to achieve societal change, and within the private equity markets the proliferation of control positions means that investors are uniquely placed to drive change within a short time period.

Focus on ESG considerations is increasingly an important consideration in the allocation of assets to investment managers. As shown in Figure 5, Pitchbook's Sustainable Investment Survey 2021 showed that 57 per cent. of investors allocating capital to asset managers already incorporate an ESG risk factor framework during their due diligence and assessment of prospective managers. Of the remainder, more than half are planning on adding ESG assessment to their due diligence processes in the future. This importance directly results in fund commitment allocation decisions with 75 per cent. of respondents to the same survey answering that it is "*Extremely Important*", "*Very Important*" or "*Moderately Important*" that an asset manager uses an ESG risk factor framework in their acquisition and management of portfolio companies when deciding to commit capital to or recommend a fund.

Figure 5 – When evaluating asset managers, do you assess their ESG risk factor framework during due diligence?⁸

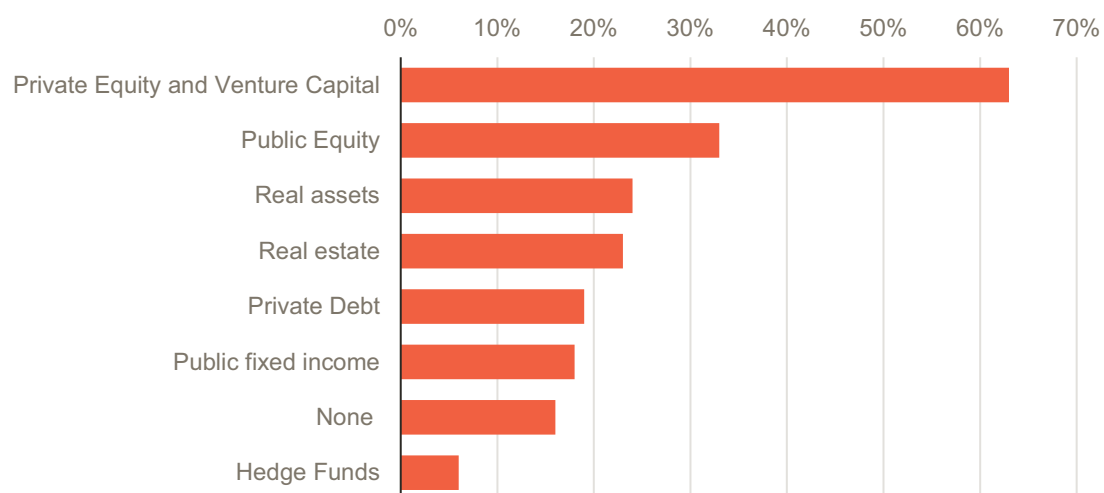


Both capital allocators and fund managers increasingly believe that not only are effective ESG outcomes a valuable goal in themselves, but also that a focus on ESG has a value proposition which can improve financial returns. A survey conducted for the Preqin entitled "*The Future of Alternatives in 2025*" found that 58 per cent. of capital allocating investors saw that an ESG focus within the investment process has a positive impact on returns.

⁸ Source: Pitchbook – Sustainable Investment Survey 2021

Within the alternative asset management landscape, the private equity and venture capital sub-segments are by far the largest focus areas for investors' sustainable investment efforts, which may reflect the differentiated ability of these strategies to both precipitate change and effectively measure outcomes.

Figure 6 – In what parts of your portfolio do you focus your sustainable investment efforts?⁹



⁹ Source: Pitchbook – Sustainable Investment Survey 2021

PART V

INFORMATION ON THE HONEYCOMB GROUP AND POLLEN STREET

SECTION A: INFORMATION ON THE HONEYCOMB GROUP

Shareholders should read this Section A (*Information on the Honeycomb Group*) of Part V (*Information on the Honeycomb Group and Pollen Street*) in conjunction with the whole of this Circular and the documents incorporated herein by reference.

1. Overview

Honeycomb was incorporated under the laws of England and Wales on 2 December 2015 with registered number 09899024. Honeycomb's registered office is 6th Floor, 65 Gresham Street, London EC2V 7NQ, United Kingdom.

Honeycomb is an externally managed closed-ended investment company with an unlimited life. Honeycomb carries on business as an investment trust within the meaning of Chapter 4 of Part 24 of the Corporation Tax Act 2010, and its principal activity is investing in Credit Assets and Equity Assets.

Honeycomb has appointed Pollen Street Capital as its investment manager and AIFM for the purposes of the AIFM UK Directive (Pollen Street Capital in such capacity is referred to as the Investment Manager in this Circular). The Investment Manager is responsible for the discretionary management of the Portfolio, and will continue to be appointed in such capacity immediately following Completion.

2. Investment Objective of Honeycomb and the Combined Group

The Honeycomb Group currently operates (and the Combined Group shall continue to operate) an asset backed credit strategy that delivers stable income alongside strong downside protection through providing predominantly asset based lending to mid-market businesses where loans are collateralised against diverse pools of either financial (typically loans) or hard assets that generate predictable cash flows. These businesses are typically either non-bank lenders, technology companies with an embedded finance proposition, or other companies with diverse portfolios of assets. The investment strategy is supported by ongoing structural changes in the financial services industry that create a significant opportunity for non-bank lenders to reach customers who are underserved by mainstream banks with bespoke and appropriate products. The Combined Group's investment objective shall be to continue providing Shareholders with an attractive level of dividend income with capital preservation primarily through lending to non-bank lenders in the form of Credit Assets, and selected equity investments that are aligned with the Honeycomb Group's (and, from Completion, the Combined Group's) strategy in the form of Equity Assets. The portfolio of Credit Assets and Equity Assets owned by the Honeycomb Group from time to time is referred to in this Circular as the "**Portfolio**".

Shareholders should note that, as part of the Combination, Honeycomb is seeking approval at the General Meeting of the Combined Group Investment Policy, which shall structure and deliver the investment objectives of the Combined Group going forwards. The Combined Group Investment Policy is set out in Part 1 (*Combined Group Investment Policy*) of Appendix 1 (*Investment Policies*) and a summary of how the new policy diverges from the existing investment policy of Honeycomb is included in Part I (*Letter from the Chairman of Honeycomb*) of this Circular.

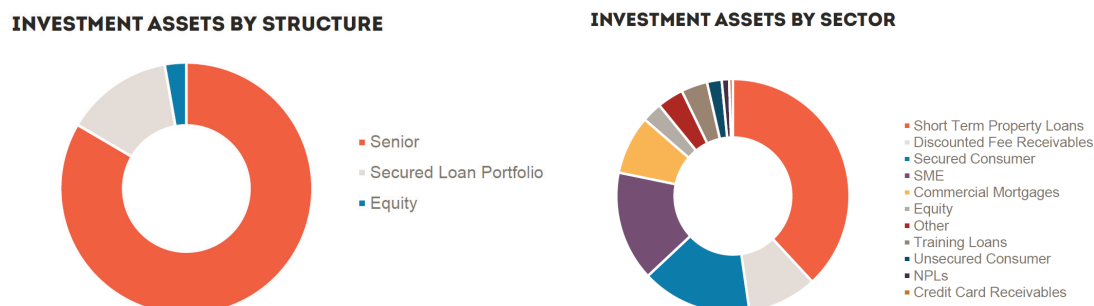
3. The Portfolio

As at 31 January 2022, the Portfolio comprised a range of investments by structure: 83 per cent. of the Portfolio Gross Asset Value was comprised of portfolios of loans that are individually senior secured, 14 per cent. comprised secured loan portfolios and represent second-charge consumer mortgages with low average LTVs (averaging less than 70 per cent.). The remaining 3 per cent. of assets are two equity positions in (1) Tandem Bank, a fast growing UK digital bank; and (2) EzBob, a modular software as a service ("SaaS") banking platform serving SME and consumer end markets.

The Portfolio was highly diversified as at 31 January 2022 by both product and borrower. The Portfolio was made up of 36 individual positions with a look-through to more than 150,000

underlying loans and sub-assets. The three largest segments were property loans (38 per cent. of Gross Asset Value), SME loans and secured consumer lending. The property loan segment encompasses bridging and development loans predominantly secured against residential property projects.

Figure 7 – Honeycomb NAV stratification as at 31 January 2022



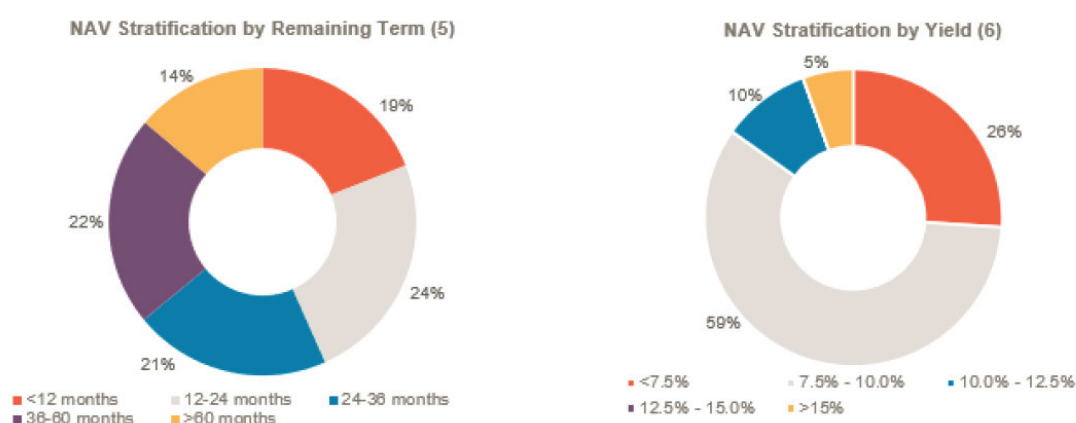
3.1 Yield and Duration of Credit Assets

The Portfolio is made up of assets with a variety of contractual durations, with a lower overall duration profile. Approximately 19 per cent. have a remaining term of less than 12 months as at 31 December 2021. Further, 24 per cent. of Credit Assets in the Portfolio have remaining terms between 12 to 24 months, 21 per cent. of Credit Assets have remaining terms between 24 to 36 months, 22 per cent. of Credit Assets have remaining terms between 36 and 60 months and the final 14 per cent. of Credit Assets have remaining terms longer than 60 months. The Credit Assets have an average life of 24 to 36 months, with the underlying portfolio typically amortising and therefore reducing refinancing or exit risk.

The Portfolio has a range of yield profiles with the majority of assets (59 per cent.) yielding between 7.5 per cent. and 10 per cent. A further 26 per cent. of assets yield less than 7.5 per cent. per annum, while the remaining 15 per cent. of assets yield more than 10 per cent. per annum.

The top ten largest investments in Credit Assets represent, cumulatively, 66 per cent. of the Portfolio as at 31 January 2022.

Figure 8 – Profile of Portfolio: 31 January 2022



3.2 Performance of the Portfolio during 2021

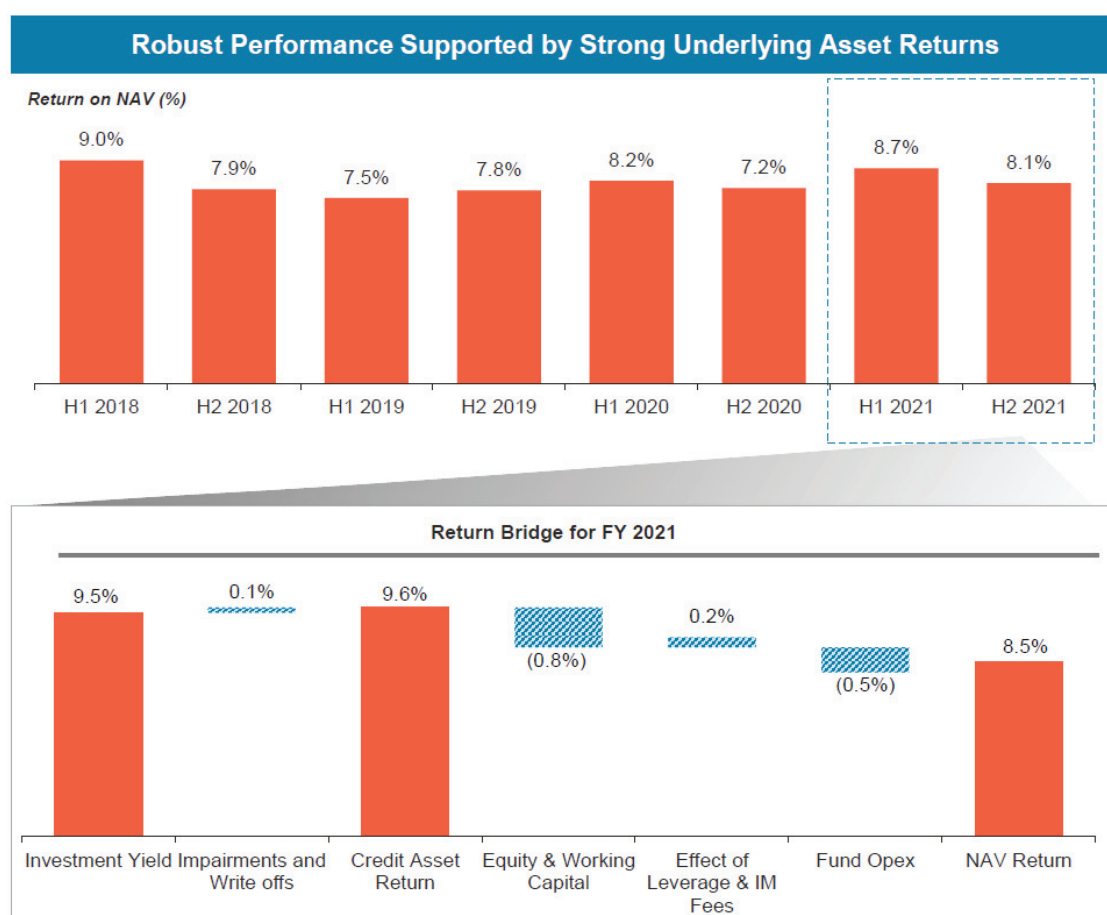
During 2021, the Honeycomb Group remained fully invested with investment assets increasing to £614.76 million from £568.62 million in December 2020 with total deployment of approximately £250 million as capital was reinvested from loans that had been repaid.

Throughout 2021, the Portfolio remained invested consistent with the Honeycomb Group's strategy, focusing on senior asset secured exposures and reducing the direct unsecured consumer exposure in the portfolio. In line with this secured strategy the remaining direct unsecured consumer portfolio was divested in December 2021 for carrying value, with the proceeds reinvested in senior secured positions. This completed the final phase of the planned focus of the Honeycomb Group's asset base onto senior and asset secured debt with 76 per cent. of the credit portfolio in senior assets and 97 per cent. structurally secured.

As a result of this strategy, impairment charges continued to reduce throughout 2021. In addition, the Honeycomb Group's listed bond portfolio was sold in June 2021 realising a small profit.

The Portfolio performed consistently throughout 2021 despite uncertainty in the macro-environment, resulting in consistent income generation, and stability of the returns consistent with an investment approach that focuses on senior investments secured on diverse pools of assets with strict risk adjusted returns criteria and strong credit quality. The Honeycomb Group achieved an underlying NAV return of 8.5 per cent. in 2021, as illustrated by the returns bridge in Figure 9 below. There were no significant changes to the Honeycomb Group's debt facilities during the year.

Figure 9 – Portfolio Asset Returns Track Record

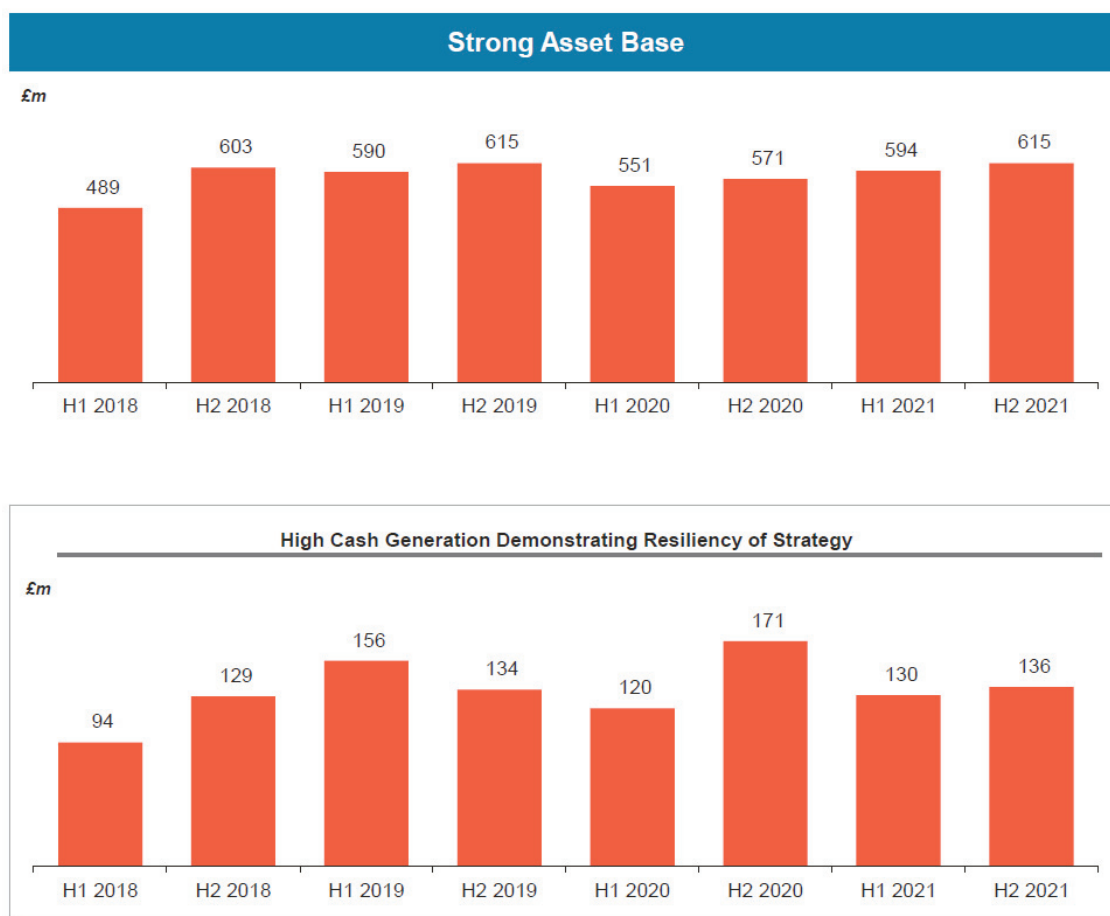


3.3 Longer term Portfolio Performance Track Record

The Portfolio has delivered strong and consistent returns over an extended period, including during the economic disruption relating to the COVID-19 pandemic. In each of the half-year periods between H1 2018 and H2 2021, the Portfolio delivered underlying asset returns of between 7.2 per cent. and 9.0 per cent. Performance has been underpinned by consistent deployment and a strong asset base with deployed assets in the range of £550 million to £615 million in all half year periods between H1 2018 and H1 2021, other than H1 2018. The short duration and diversified nature of the Portfolio has resulted in strong and consistent cash generation of between £120 million and £171 million per half year in the period H2 2018 to H2 2021. This self-liquidating nature of the Portfolio enables the targeted Portfolio composition to be evolved relatively swiftly to

reflect prevailing market conditions and opportunities without the requirement to exit actively and liquidate positions.

Figure 10 – Portfolio Asset Base and Cash Generation¹⁰



4. Material contracts

The following are the only contracts (not being contracts entered into in the ordinary course of business) to which a member of the Honeycomb Group is a party (i) during the two years immediately preceding the date of this Circular and which are or may be material to the Honeycomb Group, or (ii) at any time, which contain a provision under which any member of the Honeycomb Group has any obligation or entitlement which is or may be material to the Honeycomb Group at the date of this Circular:

- (A) The Investment Management Agreement dated 18 December 2015 between Honeycomb and Pollen Street Capital as the Investment Manager whereby the Investment Manager is appointed to act as investment manager and AIFM of Honeycomb with responsibility for providing portfolio management, risk management and general administrative services in respect of Honeycomb's investments.

Under the terms of the Investment Management Agreement, the Investment Manager is entitled to a management fee together with reimbursement of all reasonable costs and expenses incurred by it in the performance of its duties. The Investment Manager is also entitled to a performance fee in certain circumstances. Details of the management fee and performance fee are set out below.

¹⁰ All cash received on the Portfolio, excluding transfers between accounts, receipt of debt funding and receipt of capital raise; and replacing sweeps on direct portfolio with actual collections into these accounts.

The agreement may be terminated by either party on 12 months' notice, such notice not to be served before the second anniversary of the date of the agreement. Notwithstanding the minimum term provision, the Investment Management Agreement may be terminated on notice from either party in the event of material and persistent breach of the agreement, or if, for example, a party is subject to an insolvency event.

Honeycomb may terminate the Investment Management Agreement immediately in certain circumstances, including if the Investment Manager ceases to maintain its permission to act as AIFM of Honeycomb, or such permission is suspended, or if the Investment Manager breaches the agreement resulting in trading of Honeycomb Shares being suspended or terminated.

The Investment Manager may terminate the agreement in certain circumstances including, for example, if Honeycomb is reclassified as a retail client for the purposes of the FCA rules and the Investment Manager is unable or unwilling to continue to provide the services to Honeycomb on the terms and subject to the conditions of the Investment Management Agreement.

Where the Investment Management Agreement is terminated otherwise than due to the fault of the Investment Manager, Honeycomb shall be obliged to pay to the Investment Manager all accrued and unpaid management and performance fees up to the date of termination, together with a termination payment equal to the management and performance fees paid in respect of the previous year or, if less, the amount (if any) by which Adjusted Net Asset Value (as defined below) as at the date of termination exceeds Adjusted Net Asset Value as at admission of the Honeycomb Shares issued in the December 2015 initial public offering.

Honeycomb has given certain market standard indemnities in favour of the Investment Manager in respect of losses that the Investment Manager may incur in the performance of its duties pursuant to the Investment Management Agreement. The Investment Management Agreement is governed by the laws of England and Wales.

Pursuant to Honeycomb's articles of association, any material amendment to the Investment Management Agreement must be approved by an ordinary resolution of Honeycomb.

Investment Manager's fees

Management Fee

The management fee is calculated and payable monthly in arrear at a rate equal to $\frac{1}{12}$ of 1 per cent. of Gross Assets (the "**Management Fee**"). The aggregate fee payable on this basis must not exceed 1 per cent. of Gross Assets in any year.

In respect of any issue of Honeycomb Shares or C Shares, until the date on which 80 per cent. of the net proceeds of such issue have been invested or committed to be invested in Credit Assets or Equity Assets, the Net Asset Value attributable such Honeycomb Shares or C Shares shall, for the purposes of the Management Fee, exclude any portion of the issue proceeds in cash, or invested in cash deposits or cash equivalent investments. Where there are C Shares in issue, the Management Fee will be calculated separately on the gross assets attributable to the Honeycomb Shares and the C Shares.

For so long as Honeycomb Finance is part of the same group as the Investment Manager, the amount of all fees payable by Honeycomb to Honeycomb Finance shall be deducted from the Management Fee.

Performance Fee

The Investment Manager is also entitled to a performance fee calculated by reference to movements in the Adjusted Net Asset Value (as defined below) from time to time (the "**Performance Fee**").

The Performance Fee will be calculated in respect of each twelve month period starting on 1 January and ending on 31 December in each calendar year (a "**Calculation Period**").

The Performance Fee will only be payable if the Adjusted Net Asset Value at the end of a Calculation Period exceeds a hurdle threshold, equal to the Adjusted Net Asset Value immediately following admission of the Honeycomb Shares issued in the December 2015 initial public offering, compounded at a rate equal to 5 per cent. per annum (the "**Hurdle**").

If, on the last day of a Calculation Period (each a “**Calculation Date**”), the Adjusted Net Asset Value exceeds the Hurdle, the Investment Manager shall be entitled to a Performance Fee equal to the lower of:

- (i) the amount by which the Adjusted Net Asset Value exceeds the Hurdle, in each case as at the Calculation Date; and
- (ii) ten per cent. of the amount by which total growth in Adjusted Net Asset Value since admission of the Honeycomb Shares issued in the December 2015 initial public offering (being the aggregate of the growth in Adjusted Net Asset Value in the relevant Calculation Period and in each previous Calculation Period), after adding back any Performance Fees paid to the Investment Manager, exceeds the aggregate of all Performance Fees payable to the Investment Manager in respect of all previous Calculation Periods.

“**Adjusted Net Asset Value**” means the Net Asset Value after: (i) excluding any increases or decreases in Net Asset Value attributable to the issue or repurchase of any Honeycomb Shares; (ii) adding back the aggregate amount of any dividends paid or distributions made in respect of any Honeycomb Shares; (iii) excluding the aggregate amount of any dividends or distributions accrued but unpaid in respect of any Honeycomb Shares; and (iv) excluding the amount of any Performance Fees accrued but unpaid, in each case without double counting.

In the event that C Shares are in issue, the Investment Manager shall be entitled to a performance fee in respect of the net assets referable to the C Shares on the same basis as summarised above, except that a Calculation Period shall be deemed to end on the date of the conversion of the relevant tranche of C Shares into Honeycomb Shares.

Completion

From Completion, Honeycomb and the Investment Manager will both be part of the Combined Group. The Investment Management Agreement will be amended immediately following Completion to be on terms customary for an intra-group arrangement, and to reflect certain other updates as a consequence of the Combination.

- (B) The Administration Agreement dated 18 December 2015 between Honeycomb and the Administrator (as amended on 1 September 2018) pursuant to which the Administrator has agreed to provide certain administrative services to Honeycomb.

Under the terms of the amended Administration Agreement, the Administrator is entitled to an administration fee equal to the greater of: (i) £5,305 per month (increased by 3 per cent. on 1 January in each year); and (ii) an amount equal to the sum of $\frac{1}{12}$ of 0.06 per cent. of the portion of Net Asset Value up to and including £150 million, and $\frac{1}{12}$ of 0.05 per cent. of the portion of Net Asset Value above £150 million. The monthly fee is then reduced by £2,083.33 to reflect the fact that the Administrator no longer provides company secretarial services to Honeycomb.

The Administrator shall also be entitled to reimbursement of all reasonable out of pocket expenses incurred on behalf of Honeycomb. The agreement limits the liability of the Administrator thereunder to an amount equal to the annual fee payable to the Administrator pursuant to the agreement (except where the claim relates to the fraud, gross negligence or wilful misconduct of the Administrator). Honeycomb indemnifies the Administrator against all claims arising out of or connected to the Administration Agreement, save in the case of fraud, wilful misconduct, negligence or material breach on the part of the Administrator and.

The Administration Agreement continues in force for successive 1 year terms, unless either party gives notice of termination not less than 90 days’ prior to the relevant anniversary of entry into the Administration Agreement. Either party may terminate the agreement immediately in writing in the event of material and continuing breach or insolvency.

The Administration Agreement is governed by the laws of England and Wales.

- (C) The Registrar Agreement dated 18 December 2015 between Honeycomb and the Registrar pursuant to which the Registrar has agreed to act as registrar to Honeycomb.

Under the terms of the Registrar Agreement, the Registrar is entitled to an annual register maintenance fee from Honeycomb equal to £1.30 per shareholder of Honeycomb per annum or part thereof, subject to a minimum of £3,800 per annum and a potential annual fee increase capped by inflation. Services beyond the agreed services will be charged for in accordance with the Registrar's normal tariff as published from time to time.

The Registrar Agreement may be terminated on six months' notice and is also terminable on written notice in the event of, *inter alia*, breach of the agreement (which has not been remedied within 21 days' written notice of such breach) or insolvency.

Honeycomb has given certain market standard indemnities in favour of the Registrar in respect of the Registrar's potential losses in carrying on its responsibilities under the Registrar Agreement. The Registrar's liability under the Registrar Agreement is subject to a cap.

The Registrar Agreement is governed by the laws of England and Wales.

- (D) The Depositary Agreement, dated 18 December 2015, as amended and restated on 17 November 2017 between Honeycomb, the Investment Manager and the Depositary pursuant to which the Depositary is appointed as Honeycomb's depositary for the purposes of the AIFM UK Directive. Under the terms of the agreement, the Depositary is responsible for: ensuring that Honeycomb's cash flows are properly monitored; the safekeeping of assets entrusted to it; and the oversight and supervision of Honeycomb and the Investment Manager.

Under the terms of the Depositary Agreement, the Depositary is entitled to the periodic fees described calculated as follows:

- (i) where Net Asset Value is less than or equal to £200 million, 0.02 per cent. of Net Asset Value per annum, subject to a minimum monthly fee of £2,500; and
- (ii) where NAV is greater than £200 million, 0.02 per cent. of NAV per annum in respect of the first £200 million of NAV and:
 - (a) 0.0175 per cent. per annum of that part of NAV which is in excess of £200 million but less than or equal to £400 million; plus
 - (b) 0.015 per cent. per annum of that part of NAV which is in excess of £400 million.

The Depositary invoices Honeycomb monthly in arrears in respect of the periodic fee (together, if applicable, with any VAT thereon), which are payable by Honeycomb within 30 days of the relevant invoice.

The Depositary is entitled to charge an additional fee where Honeycomb undergoes a lifecycle event (e.g. a reorganisation or a distribution) which entails additional work for the Depositary. Such a fee will be agreed with Honeycomb on a case by case basis.

All charges may be subject to change from time to time, with the agreement of the Depositary and Honeycomb. All charges are exclusive of VAT, if applicable.

The Depositary is entitled to be reimbursed for certain expenses properly incurred in performing or arranging for the performance of functions conferred upon it under the agreement.

The Depositary Agreement provides that, subject to the applicable provisions, the Depositary may lend Honeycomb's custody assets or deposit such custody as collateral in accordance with Honeycomb's or the Investment Manager's instructions but neither the Depositary nor any third party to whom the Depositary may delegate custody shall otherwise be entitled to use or re-use custody assets.

Subject to the terms of the AIFM UK Directive and the Depositary Agreement, the Depositary is entitled to delegate its custody and safe-keeping functions with respect to financial instruments that are required to be held in custody within the meaning of rule 13.11.21 of the FCA's Investment Funds Handbook. It is intended that title to Honeycomb's assets will ordinarily be registered or held directly in the name of Honeycomb or a wholly-owned SPV and that Honeycomb will generally not invest in financial instruments that are required to be held in custody within the meaning of rule 13.11.21 of the FCA's Investment Funds Handbook. Notwithstanding such intention, there is the possibility that investments in such financial instruments may be made and/or applicable law or regulations from time to time in force may

require title to some or all of Honeycomb's assets to be registered in the name of the Depositary or its delegates. In such event, the Depositary may wish to delegate its safekeeping function with respect to such asset(s) to one or more sub-custodians (who may be an affiliate of the Depositary) and may wish to enter an arrangement to contractually discharge itself of liability. Investors will be informed of any such arrangements, and any increase to the depositary fees charged as a result, in accordance with the disclosure requirements under the AIFM UK Directive. Any fees and expenses of a sub-custodian will be payable by Honeycomb in addition to the fees charged by the Depositary.

The Depositary Agreement provides for the Depositary, its officers, agents and employees to be indemnified by Honeycomb against: (i) any liability or loss suffered or incurred in connection with the proper provision of services under the agreement; and (ii) any costs and expenses reasonably incurred in defending any proceedings relating to the services in which judgement is given in favour of the Depositary, its officers, agents and employees, in each case other than where such loss results from the fraud, wilful default, negligence or bad faith of the indemnified person.

Honeycomb, the Investment Manager and the Depositary have given customary representations, warranties and undertakings under the agreement.

Honeycomb may terminate the agreement for convenience on nine months' written notice. If the Depositary wishes to retire and stop providing the services under the agreement, it must give Honeycomb not less than nine months' written notice of its wish to do so. To the extent that Honeycomb is required to have a depositary under applicable law, the Depositary may not retire until a successor is appointed. The agreement may be terminated immediately by either Honeycomb or the Depositary on the occurrence of certain events, including: (i) if the other party has committed a material and continuing breach of the terms of the Depositary Agreement; or (ii) in the case of the other's insolvency.

The Depositary Agreement is governed by the laws of England and Wales.

- (E) A Broker Agreement dated 18 December 2015 between Honeycomb and Liberum (as amended by an amendment letter dated 21 November 2019) pursuant to which Liberum acts as corporate broker to Honeycomb. As part of the engagement, Liberum has agreed, amongst other things, to advise on and co-ordinate an investor liaison programme for Honeycomb, and to monitor and report to the Honeycomb Board where appropriate on the trading of the Honeycomb Shares and significant movements in the price of Honeycomb Shares.

Liberum is entitled to an annual retainer fee of £75,000 (excluding VAT) in respect of its broker services, payable quarterly in advance. Honeycomb also reimburses Liberum for properly incurred out of pocket costs, charges and expense incidental to or incurred in connection with Liberum's engagement and provision of services, where such amounts are agreed in advance with Honeycomb (Honeycomb's agreement not to be unreasonably withheld).

The Broker Agreement may be terminated by either party on three months' notice. The Broker Agreement may also be terminated for material un-remedied breach. Honeycomb has agreed to provide a customary indemnity to Liberum against all losses which Liberum may suffer or incur by reason of or arising out of or in connection with its engagement under the Broker Agreement.

The Broker Agreement is governed by and construed in accordance with the laws of England and Wales.

- (F) A Company Secretarial Services Agreement dated 3 October 2018 between Honeycomb and the Honeycomb Company Secretary (and an addendum dated 15 November 2018) pursuant to which the Honeycomb Company Secretary has agreed to act as company secretary of Honeycomb.

Pursuant to the terms of the Company Secretarial Services Agreement, among other things, the Honeycomb Company Secretary provides Board and committee support and corporate governance advice, and maintains specified statutory registers of Honeycomb.

In consideration for the provision of the company secretarial services, the Honeycomb Company Secretary was paid an initial engagement fee of £10,000, and is entitled to a general annual fee of £60,000. The Honeycomb Company Secretary is entitled to

reimbursement of reasonable out of pocket expenses incurred in connection with its appointment (without prior written consent of Honeycomb, such expenses being subject to limits).

The Company Secretarial Services Agreement may be terminated by either party on three months' notice and is also terminable by a party on written notice in the event of certain circumstances, including material breach or entry into insolvency procedures by the other party.

The Company Secretarial Services Agreement is governed by the laws of England and Wales.

- (G) A Sponsor Engagement Letter dated 16 September 2020 between Honeycomb and the Sponsor, pursuant to which the Sponsor has agreed to act as joint corporate broker, sole sponsor and joint financial adviser of Honeycomb. The Sponsor has been appointed to act as sole sponsor of Honeycomb in respect of the transfer of Honeycomb's entire issued share capital in October 2020 to the premium listing segment of the Official List of the FCA and to the premium segment of the LSE's main market.

In consideration for the provision of services pursuant to the Sponsor Engagement Letter, the Sponsor is paid a retainer of £50,000 per annum which is payable quarterly in advance. The Sponsor is also paid a commission of 0.125 per cent. for executing share buybacks for Honeycomb and, in the event that Honeycomb issues any shares as part of an issue within the annual exemption to issue shares up to 20 per cent. of the share capital without the need for a prospectus, below £5 million in value, Honeycomb will pay the Sponsor a fee of 0.5 per cent. of gross proceeds from subscribers of shares procured by the Sponsor (or, for any other issue, a fee of 1.0 per cent. to 1.5 per cent. of gross proceeds from subscribers of shares procured by the Sponsor). The Sponsor is also entitled to reimbursement of reasonable out of pocket expenses properly incurred in connection with its appointment or its services, subject to prior written consent from Honeycomb in the event such expenses exceed certain pre-agreed thresholds. All fees and expenses payable by Honeycomb are exclusive of VAT.

Honeycomb has given certain market standard indemnities to the Sponsor in respect of expenses, losses or other liabilities that the Sponsor may incur in connection with its appointment and performance of obligations under the Sponsor Engagement Letter, as well as certain specified breaches or failures to comply by Honeycomb and/or its associates.

The Sponsor Engagement Letter may be terminated by either the Sponsor or Honeycomb on at least three months' prior written notice, upon the occurrence of certain insolvency events to the Sponsor, or upon material breach by the other party which is not remedied by the specified deadline. The Sponsor Engagement Letter may also be terminated by Honeycomb if the Sponsor ceases to hold all necessary regulatory approvals. The Sponsor may terminate the Sponsor Engagement Letter if Honeycomb materially breaches the FCA's rules and regulations, the Sponsor (in its reasonable opinion) would be likely to suffer material damage to its reputation by continuing to act, Honeycomb fails to accept the Sponsor's advice on a material matter concerning Honeycomb's compliance with applicable law or if the Sponsor is not satisfied that it can continue to advise Honeycomb or co-operate with Honeycomb without defaulting on the Sponsor's regulatory obligations.

The Sponsor Engagement Letter is governed by the laws of England and Wales.

- (H) A term and revolving facility agreement originally dated 4 September 2020 and entered into, amongst others, by Honeycomb as borrower, Goldman Sachs International as arranger and original lender, The Bank of New York Mellon, London Branch as agent and BNY Mellon Corporate Trustee Services Limited as security agent (as amended and/or restated from time to time, the "**Honeycomb Term and Revolving Facility Agreement**").

Under the terms of the Honeycomb Term and Revolving Facility Agreement, Goldman Sachs International as lender has made available to Honeycomb a sterling term loan facility in an aggregate amount of £170 million and a sterling revolving facility in an aggregate amount of £30 million (together, the "**Honeycomb Facilities**") the proceeds of which are to be applied towards refinancing of existing indebtedness and working capital purposes. As at 31 March 2022, an aggregate of £170,167,576.60 million was drawn under the Honeycomb Facilities and was outstanding. As at the date of this Circular, the Honeycomb Facilities are secured over the

assets of Honeycomb (excluding, for the avoidance of doubt, the shares in and assets of Sting Funding Limited and the shares in and the assets of Pollen Street and its subsidiary undertakings) and are not guaranteed by any other member of the Honeycomb Group.

The rate of interest applicable to the Honeycomb Facilities is a floating rate equal to the aggregate of the applicable margin plus SONIA, and a credit adjustment spread of 3 basis points per annum. Interest is payable on the 25th day of each calendar month, subject to adjustment for non-business days. The applicable margin is 4.25 per cent. per annum, stepping up to 5.75 per cent. per annum from the earlier of (a) the interest payment date immediately following 14 September 2023 and (b) the date of occurrence of an event of default (the “**Amortisation Date**”). In addition, an ongoing commitment fee is payable on unutilised amounts of the revolving facility during the period from and including 14 September 2020 to but excluding the Amortisation Date, at a rate of 2.00 per cent. per annum.

The Honeycomb Term and Revolving Facility Agreement does not have a termination date. Instead, the revolving facility is available for drawing up to but excluding the Amortisation Date. The term facility was available for drawing up to the date falling 21 days following entry into the Honeycomb Term and Revolving Facility Agreement. From the Amortisation Date, all principal collections received by the Honeycomb Group (other than those received by Sting Funding Limited) will be applied towards repayment of amounts outstanding under first, the revolving facility and second, the term loan facility, until all amounts outstanding have been repaid.

The Honeycomb Term and Revolving Facility Agreement contains various covenants in relation to the Honeycomb Group’s asset portfolio and its borrowings under the Honeycomb Facilities, including that:

- (i) the amount of all loans outstanding under the Honeycomb Facilities is required to be less than a specified percentage of Honeycomb’s adjusted NAV; and
- (ii) the asset portfolio of the Honeycomb Group is required to comply with certain concentration limits as to the size of any single investment (as compared to Honeycomb’s NAV), weighted average coupon, average life of investments, the aggregate size of investments falling within specified categories (as compared to Honeycomb’s NAV) and geographical spread and to Honeycomb’s NAV and asset concentration limits.

These covenants are tested monthly on each interest payment date.

In addition, the Honeycomb Term and Revolving Facility Agreement contains certain restrictions relating to, without limitation, the incurrence of financial indebtedness, the appointment of the Investment Manager, the granting of security over or disposal of assets, merger and change of business.

The Honeycomb Term and Revolving Facility Agreement also contains certain events of default customary for facilities of this nature and which are subject to customary grace periods and materiality thresholds, including, without limitation, non-payment, breach of asset covenants or other obligations, misrepresentation, cross default, insolvency, creditors’ process, ownership of obligors, unlawfulness, repudiation, material adverse change, incurrence of certain financial indebtedness, certain events relating to the Investment Manager and Depositary, and breach of a NAV threshold.

The Honeycomb Term and Revolving Facility Agreement also contains a change of control provision which will be triggered by the Combination. It is a condition to Completion that all consents and permissions required from the lenders in connection with the Combination are obtained prior to Completion, including the waiver of or amendment to relevant covenants under the Honeycomb Term and Revolving Facility Agreement.

The Honeycomb Term and Revolving Facility Agreement is governed by the laws of England and Wales.

- (I) A senior facilities agreement originally dated 29 August 2019, as amended and restated on 30 October 2020 and entered into, amongst others, by Sting Funding Limited as borrower and National Westminster Bank Plc as arranger, facility agent, security agent and original lender (as amended and/or restated from time to time, the “**Sting Facility Agreement**”).

Under the terms of the Sting Facility Agreement, the original lender has made available to Sting Funding Limited two sterling term loan facilities in an aggregate amount of £100 million (together, the “**Sting Facilities**”) the proceeds of which were to be applied towards the acquisition of certain portfolios of loans and related transaction costs. As at 31 March 2022, an aggregate of £51,327,941.95 million was drawn under the Sting Facilities and was outstanding. The Sting Facilities are secured over the shares in Sting Funding Limited and the assets of Sting Funding Limited (but not, for the avoidance of doubt, any other assets of the Honeycomb Group), including the portfolios of loans acquired by Sting Funding Limited, and are guaranteed by Honeycomb. The rate of interest applicable to the Sting Facilities is a floating rate equal to the aggregate of the applicable margin plus SONIA, and a credit adjustment spread of 3.26 basis points per annum. The applicable margin is 2.45 per cent. per annum or, in respect of any incremental facility provided under the Sting Facility Agreement, such rate as may be agreed in respect of that incremental facility.

The Sting Facilities will terminate on 30 October 2022, subject to the exercise of a one-year extension option by Sting Funding Limited in accordance with the terms of the Sting Facility Agreement.

The Sting Facility Agreement contains financial covenants relating to principal and interest collections on the underlying asset portfolios, including that:

- (i) collections on the asset portfolios must be at least 75 per cent. of the projected collections (as set out in a forecast prepared by Sting Funding Limited and provided to the agent, as the same may be updated from time to time in accordance with the terms of the Sting Facility Agreement);
- (ii) collections on the asset portfolios must not fall below certain agreed minimum levels for the relevant time periods, as set out in the Sting Facility Agreement.

The financial covenants are tested on the last business day of each financial quarter. In addition, in the event that collections fall below 85 per cent. of projected collections, various consequences are triggered under the Sting Facility Agreement including the mandatory application of all collections in accordance with a specified priority of payments until certain thresholds are achieved.

In addition, the Sting Facility Agreement contains certain restrictions relating to, without limitation, acquisitions, joint ventures, payment of dividends, the incurrence of financial indebtedness, the granting of security over or disposal of assets, merger, change of business and servicing of the underlying loan portfolios.

The Sting Facility Agreement also contains certain events of default customary for facilities of this nature and which are subject to customary grace periods and materiality thresholds, including, without limitation, non-payment, breach of financial covenants or other obligations, misrepresentation, cross default, insolvency, insolvency proceedings, creditors’ process, unlawfulness, cessation of business, audit qualification, expropriation, repudiation, litigation, certain events relating to the Investment Manager and material adverse change.

The Sting Facility Agreement is governed by the laws of England and Wales.

5. Related party transactions

- (A) Joanne Lake was appointed as a Director on 1 January 2021 and was, at the time of her appointment, a director of Morses Club plc, an entity for which Honeycomb provided a facility. As at 1 January 2021, the facility was drawn at £2.8 million and was fully repaid during the period to give £nil balance at 30 June 2021. The facility was signed in April 2020, prior to discussions beginning with Honeycomb about Joanne’s role as non-executive director. Joanne has since resigned as a director of Morses Club plc as of 31 March 2022.
- (B) In the period from 1 January 2021 to 31 December 2021, Honeycomb paid fees of £9.72 million (2020: £8.24 million) to the Investment Manager and at 31 December 2021, £4.47 million (2020: £3.34 million) was payable to the Investment Manager, in each case pursuant to the Investment Management Agreement.

- (C) In the period from 1 January 2021 to 31 December 2021, where Honeycomb Finance was part of the same group as the Investment Manager, the fees payable to Honeycomb Finance by Honeycomb (in connection with the historic origination of loans by Honeycomb Finance which were subsequently acquired by Honeycomb) were deducted from the management fee payable to the Investment Manager and totalled £nil (2020: £36,668). At 31 December 2021, there was £nil (2020: £nil) payable to Honeycomb Finance.
- (D) Oplo Group Limited (formerly 1st Stop Group, “**Oplo**”) is an English based consumer lender. Oplo was previously owned by a fund that is managed by an affiliate of the Investment Manager. Honeycomb provided a structured facility to Oplo secured on a granular pool of consumer loans. As at 31 December 2021 the facility was £29.7 million drawn (31 December 2020: £35.0 million). The Honeycomb Group also has a forward flow facility in place with Oplo in which the Honeycomb Group provided £26.7 million in the year ended 31 December 2021 (31 December 2020: £22.3 million), and these loans have an outstanding balance as at 31 December 2021 of £47.6 million (31 December 2020: £30.0 million). The facility was fully repaid in January 2022 when Oplo was acquired by Tandem Bank.
- (E) Honeycomb also carried out FX hedging with Lumon Risk Management Ltd (previously Infinity International Limited, “**Lumon**”) in relation to some Euro and US dollar development finance that it had entered into in 2021. Lumon is owned by a Pollen Street Fund that is managed by the Investment Manager. The exposure at 31 December 2021 is disclosed in Note 12 to Honeycomb’s 2021 Audited Consolidated Financial Statements, and the exposure at 31 December 2020 is disclosed in Note 14 to Honeycomb’s 2020 Audited Consolidated Financial Statements.
- (F) Shawbrook is a specialist SME and consumer lending and savings bank. Shawbrook is 50 per cent. owned by funds that are managed by the Investment Manager. During 2020 Honeycomb purchased bonds issued by Shawbrook Group. The bonds were acquired in the secondary market from an unrelated third party at an arm’s length price. The exposure at 31 December 2020 was £11.4 million and the bonds were fully sold in 2021 to an unrelated third party in the secondary market at an arm’s length price.
- (G) Allium Lending Group Limited (formerly GDFC Group Limited, Hiber Limited and The Green Deal Finance Company Limited, “**Allium**”) was previously an associate of Honeycomb. At 30 June 2020, Allium held outstanding loan balances from structured facilities provided by the Honeycomb Group totalling £8.7 million and accrued interest of £1.5 million. The facilities were fully repaid when Allium was acquired by Tandem Bank in August 2020 and Allium ceased to be an associate of Honeycomb.
- (H) CapitalFlow Group (“**CapitalFlow**”) is an Irish-based SME lender. In 2019 the Honeycomb Group provided a short-term structured facility to CapitalFlow secured on a granular pool of SME loans. The facility was fully repaid during the year. CapitalFlow is owned by a Pollen Street Fund that is managed by an affiliate of the Investment Manager.
- (I) Freedom Finance is owned by Pollen Street Funds that are managed by the Investment Manager. During 2019, fees payable to Freedom Finance by Honeycomb for referring lending opportunities to the Origination Partners were deducted from the management fee payable to the Investment Manager and totalled £38,574.
- (J) During 2021, Honeycomb sold its equity holding in Freedom Finance, Deko and Bumblebee which consisted of £9 million of assets. Honeycomb also sold a portfolio of Avant loans for £18 million.
- (K) Freedom Acquisitions is an associate of Honeycomb. Honeycomb has provided a loan to Freedom Acquisitions which, as at 31 December 2021, had an outstanding balance of £7,389,870.06.
- (L) Except with respect to the appointment letters and deeds of indemnity entered into between Honeycomb and each Honeycomb Director, the remuneration of the Honeycomb Directors, the transactions described in this Section 5, the Investment Management Agreement (and the transactions envisaged thereunder), Honeycomb has not been a party to any Related Party Transaction between 1 January 2019 and the date of this Circular.

6. Organisational Structure

Honeycomb is the holding company of the Honeycomb Group. Honeycomb has one wholly-owned subsidiary, Sting Funding Limited, which was incorporated as a private limited company under the laws of England and Wales on 20 June 2019.

For accounting purposes, Honeycomb is also deemed to control Bud Funding Limited, a private limited company incorporated under the laws of England and Wales on 2 November 2020. Since 2 December 2020, Honeycomb has controlled this entity by virtue of having exposure to the variable returns of the entity through the holding of a junior note issued by it and because Honeycomb exercises control over such entity through its involvement in its initial creation and in the absence of another entity now having control over it.

7. Employees and share ownership

As at the date of this Circular, the Honeycomb Group does not have any employees and the Honeycomb Directors have all been appointed on a non-executive basis. As at the Latest Practicable Date, Joanne Lake holds 2,713 Honeycomb Shares. None of the other current Honeycomb Directors hold Honeycomb Shares.

8. Net Asset Value calculation and publication

As at the date of this Circular, the unaudited Net Asset Value is calculated (on the basis of information provided by the Investment Manager) on a monthly basis, as described below. The Net Asset Value is published through a Regulatory Information Service and is available through the Honeycomb Group's website.

The unaudited Net Asset Value and the Net Asset Value per Honeycomb Share and C Share (if C Shares have been issued) is calculated and published based on a valuation point of 5.00 p.m. (UK time) on the last Business Day of each month. Each monthly Net Asset Value is calculated in pounds sterling. Each monthly Net Asset Value is published through a Regulatory Information Service, normally within 20 Business Days of such month end. Honeycomb, the Investment Manager and the Administrator may, in their sole discretion, arrange for additional valuations to be published or extend the 20 Business Day period to cater for exceptional circumstances or significant new developments. The calculation of the Net Asset Value will only be suspended in circumstances where the underlying data necessary to value the investments of the Honeycomb Group cannot readily, or without undue expenditure, be obtained or where required by Honeycomb's articles of association or other applicable law and regulation, or otherwise in the circumstances described below. Details of any suspension in making such calculations will be announced through a Regulatory Information Service as soon as reasonably practicable. Honeycomb, the Investment Manager and the Administrator may however, where the underlying data necessary to value the investments of the Honeycomb Group has not been received in good time to prepare the monthly valuations, elect to calculate the current Net Asset Value, Net Asset Value per Honeycomb Share and Net Asset Value per C Share using previously provided data in order to avoid the suspension of the calculation of Net Asset Value.

The Net Asset Value is the total value of the Honeycomb Group's assets less the total value of its liabilities determined in accordance with the Association of Investment Companies' valuation guidelines and in accordance with the accounting policies of Honeycomb from time to time. An explanation of the basis on which Net Asset Value is determined is set out in note 1 to the 2021 Audited Consolidated Financial Statements of the Honeycomb Group, which are incorporated into this Circular by reference (see the Section entitled "*Incorporation of Information by Reference*" on page 6 of this Circular).

If the Honeycomb Directors consider that any of the specified bases of valuation are inappropriate in any particular case, or generally, they may adopt such other valuation procedures as they consider reasonable in the circumstances.

The Honeycomb Directors may temporarily suspend the calculation, and publication, of the Net Asset Value during a period when, in the opinion of the Honeycomb Directors:

- there are political, economic, military or monetary events or any circumstances outside the control, responsibility or power of the Honeycomb Board, and disposal or valuation of investments of the Honeycomb Group or other transactions in the ordinary course of the

Honeycomb Group's business is not reasonably practicable without this being materially detrimental to the interests of shareholders of the Honeycomb Group or if, in the opinion of the Honeycomb Board, the Net Asset Value cannot be fairly calculated;

- there is a breakdown of the means of communication normally employed in determining the calculation of the Net Asset Value; or
- it is not reasonably practicable to determine the Net Asset Value on an accurate and timely basis.

From Completion, the Net Asset Value of the Combined Group will be calculated on a quarterly rather than a monthly basis, and will be published as part of the quarterly trading updates, interim financial statements and annual financial statements of the Combined Group. The timing for publication of the quarterly updates and financial statements will be announced in advance to the market. The Honeycomb Directors expect that the basis on which the Net Asset Value of the Combined Group will be determined will be substantially similar to that described above, and an explanation of that basis will be set out in the notes to the Combined Group's financial statements.

SECTION B: INFORMATION ON POLLEN STREET

1. Overview

Pollen Street was incorporated under the laws of Guernsey on 4 March 2014 with registered number 58102. Pollen Street's registered office is at PO Box 255 Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3QL.

Pollen Street is the holding company of the Pollen Street Group. A wholly owned subsidiary of Pollen Street, Pollen Street Capital, is an independent asset manager and has been appointed as Honeycomb's investment manager and AIFM for the purposes of the AIFM UK Directive.

1.1 Pollen Street Strategy

Pollen Street Capital is an investment fund manager focused on the European financial and business services sector across Private Equity and Credit Strategies, with £3.0 billion of AUM as at 31 December 2021. Pollen Street's Private Equity Strategy is focused on buy-outs of lower-middle-market companies headquartered in Europe, driving revenue-led growth through a combination of structural market growth drivers and active management. Within its Credit Strategy, Pollen Street seeks to provide asset based direct lending to non-bank lenders, technology companies with embedded finance propositions and other companies which own and operate diverse portfolios of assets, with the aim of delivering highly attractive returns, but with highly structured and controlled risk. The Pollen Street Capital team has been investing together in the financial and business services sectors since 2008 and possesses a strong and consistent track record as a multi-strategy investment manager.

Pollen Street believes that its sector expertise, combined with structured assessments of key industry drivers, enables sourcing of attractive opportunities and the mitigation of downside risks. The Pollen Street Group aims to be the partner of choice in its market by employing its sector-specialist knowledge, deep industry insight and extensive and long-standing network. Pollen Street believes that these attributes, combined with its sector-dedicated investment team and proactive approach to origination provide access to the highest quality businesses and enable the team to be highly selective in its deal origination and portfolio composition which, Pollen Street believes has enabled Pollen Street to source more than 80 per cent. of its equity investments directly.

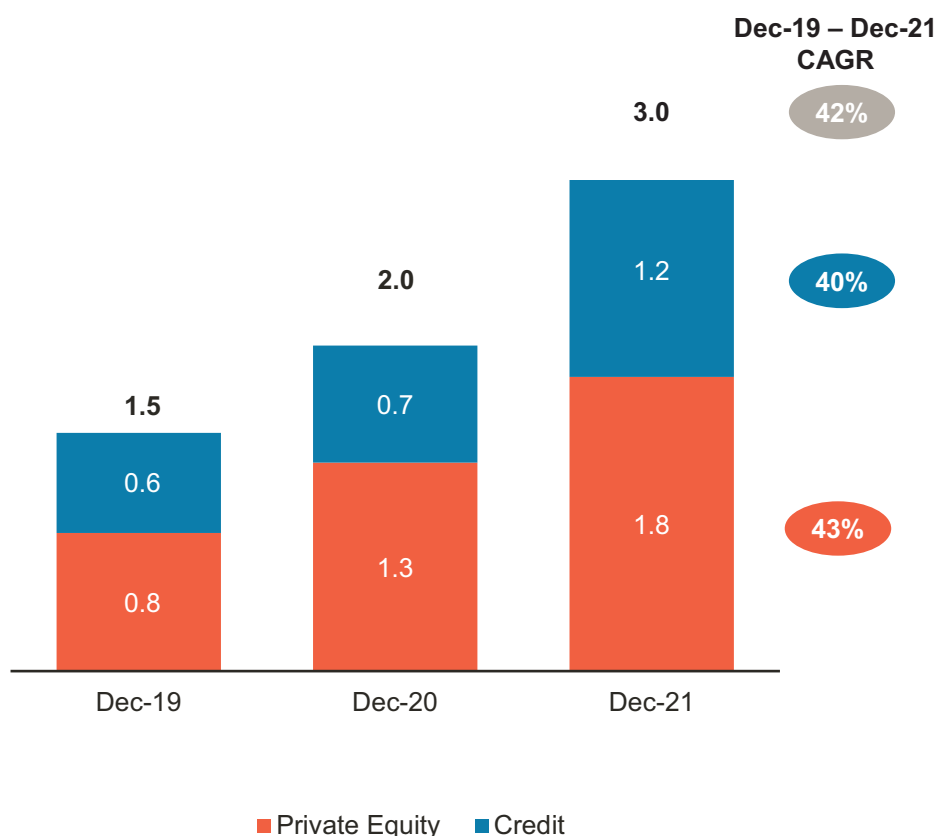
Pollen Street believes its sourcing model (which combines leveraging its expertise and active investment approach in partnership with portfolio company management teams) has delivered industry leading returns whilst having a controlled risk profile.

Pollen Street Capital manages £1.8 billion of gross Private Equity AUM as at 31 December 2021, and has recently completed the final close on its PSC IV flagship Private Equity fund, which closed oversubscribed at £700 million and, alongside the Accelerator Fund and co-investment vehicles, has over £1 billion in new capital commitments.

Pollen Street Capital manages £1.2 billion of gross Credit AUM on behalf of a broad range of institutional investors, including management of listed (such as Honeycomb) and unlisted (such as PSC Credit III) investment vehicles. PSC Credit III, Pollen Street's flagship Credit fund launched in 2021, with £300 million in capital commitments as at 31 December 2021 with a further £317 million of AUM raised in SMAs in 2020-21.

Pollen Street has grown rapidly with gross AUM increasing from £1.5 billion as at 31 December 2019 to £3.0 billion at 31 December 2021 reflecting a CAGR of 44 per cent.

Figure 11 – Pollen Street AUM Evolution, £ Billion 2019-2021¹¹



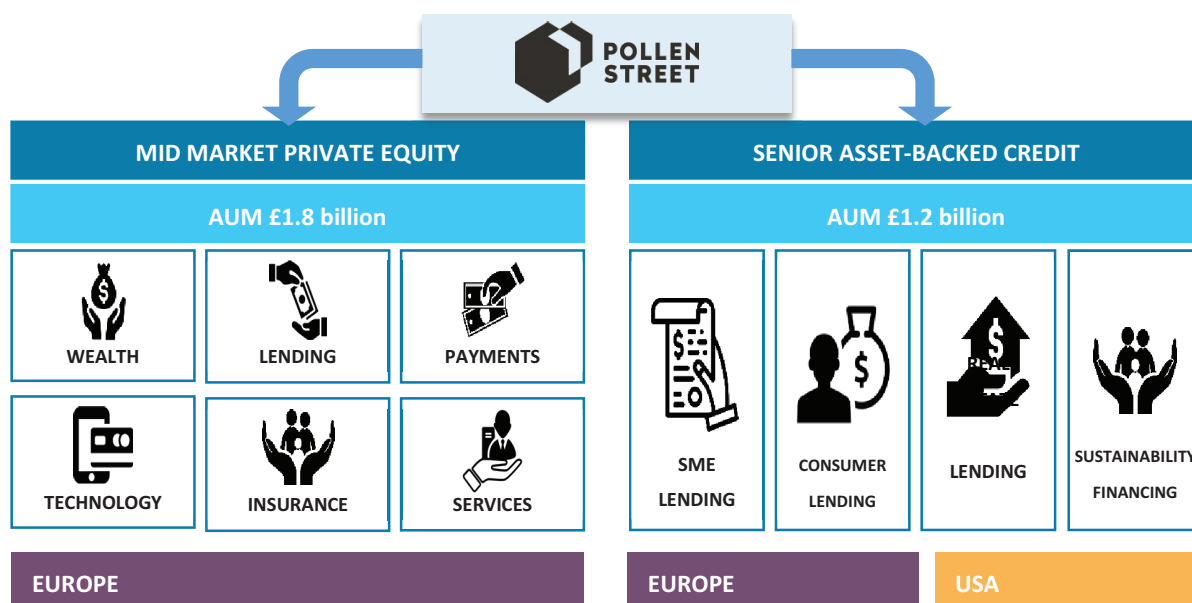
This growth has been built on a foundation of strong performance across Pollen Street's Investment Strategies. Within Private Equity, Pollen Street has a fifteen year track record of undertaking 'mid-market' buyout transactions in the European financial and business services market. The Pollen Street Group has invested £2.0 billion across 25 deals over this period achieving a gross MOIC of 3.0x on all realised investments to date, with low volatility and no realised capital losses. Within Credit, Pollen Street has invested £2.8 billion across more than 90 deals achieving gross IRR in excess of 10 per cent. for largely senior investments.¹²

Since its inception in 2013, Pollen Street has invested extensively in building out its team of professionals and operational infrastructure. Today the Pollen Street Group has 75 employees including 35 investment professionals. Pollen Street is headquartered in London, United Kingdom and also has offices in New York, United States.

¹¹ The AUM figures presented as at December 2019 excludes Alternative Credit Investments Limited (formerly known as Pollen Street Secured Lending plc and P2P Global Investment plc).

¹² Reference to Pollen Street here includes RBS Asset Management (as described further in paragraph 1.2 below).

Figure 12 – Financial and Business Services Sector Market Overview



1.2 Firm History and Overview

The Pollen Street team came together in 2005, under the ownership of the Royal Bank of Scotland plc (“RBS”) when Lindsey McMurray was appointed head of the equity finance team. PSC I was raised in December 2007, and from 2008, the Pollen Street team has focused on investing in the European financial and business services sector. In 2013, the Pollen Street Founding Partners spun out of RBS to establish an independent asset manager, raising three subsequent Private Equity funds in 2014, 2016, and 2020 respectively, and a public investment trust, private funds and SMAs focused on the Credit Strategy from 2015 onwards.

Pollen Street was created with a view to building an asset management firm that differentiates itself through a specialist approach seeking top-tier returns with actively managed and controlled risk in each of its Investment Strategies. Pollen Street believes this specialist approach gives it a depth of expertise and access to a wide range of investment opportunities on a proprietary basis, enabling the selection of opportunities that have the potential to deliver the most attractive returns.

The financial and business services sector in particular presents significant opportunities given the structural growth drivers. These include changing customer preferences, technological advancement and a supportive regulatory regime. Furthermore, the mid-market part of this sector targeted by both Investment Strategies is significantly underpenetrated by private equity and credit managers relative to other sectors. Pollen Street believes these factors create a highly attractive investing environment.

In Private Equity, Pollen Street has invested £2.0 billion across 25 investments since 2008 and has demonstrated an ability to identify growth trends and changing customer behaviours and to target companies with clear and differentiated propositions. Pollen Street seeks to invest in companies with strong underlying attributes, supporting them and their respective management teams with expertise and capital to drive growth.

Pollen Street established its dedicated Credit Strategy in 2015, recognising what it considers to be a compelling opportunity to provide capital to the growing non-banking lending market, which Pollen Street believes was, and continues to be, underserved by the banking industry, capital markets and more generalist credit funds. Since 2015, the Pollen Street Group has invested £2.8 billion across 90 deals delivering top-tier returns. Today Pollen Street manages over £1.2 billion in its Credit Strategy via a listed UK investment trust, Honeycomb (launched in 2015), PSC Credit III (a private credit fund launched in 2021) and three Separately Managed Accounts (launched between 2020 and 2021).

Pollen Street believes that its position as a well-known and highly regarded sector specialist results in an improved ability to assess, manage and reduce risk across both Private Equity investments

and Credit lending positions. Pollen Street's large team enables an extremely broad breadth and depth of sector knowledge enabling the comparison of best practise across business models and sectors. Knowledge is shared across Credit and Private Equity investment teams to ensure that providing an unparalleled depth of industry insight.

1.3 Team and Organisation

As of 31 December 2021, the Pollen Street Capital team comprised 75 employees located in the UK and US. Both Investment Strategies have dedicated investment teams, with each Investment Strategy having its own investment committee made up of the Pollen Street Founding Partners and strategy-specific partners. The investment team is supported by a high quality operations team including business development, finance, legal, compliance and technology.

The Private Equity team possesses a broad skillset covering analytical, technical, strategic and operational capabilities and the Pollen Street Hub team. At the heart of these skills is the thesis that active management of the portfolio, to drive profit and revenue growth, is a core part of the Pollen Street proposition. Integral to the active management strategy of Pollen Street is the ability to work closely with management teams to drive change based upon a foundation of trust and respect.

The Credit team has a wealth of experience across structured finance, direct lending and operational work outs. Pollen Street has also invested in an operational team with industry experience across servicing, collections, compliance and risk which complements the investment operations and provides support to its counterparties. Pollen Street seeks to be viewed as the partner of choice within the non-bank lending sector, due to the Pollen Street Founding Partners' track record, credibility and market reputation. Pollen Street seeks to utilise this sector experience and industry connectivity to drive a systematic approach to origination.

Pollen Street has a strong emphasis on team culture, predicated on recruitment and team development which reinforces the firm's goal of being a purpose-led asset manager and embedding the firm's principles and core values. The Pollen Street Directors believe this has contributed towards the firm's strong ability to attract and retain talent, resulting in average annual staff turnover in the investment team of less than 8 per cent. since inception of the firm.

Pollen Street has an established institutional infrastructure, built around a large and well-invested team across the areas of finance, risk, operations and compliance consisting of 33 employees. The professionals are charged with the responsibilities of setting the overall governance structure, risk management framework, compliance and compliance monitoring process. The finance and operations team are also responsible for Pollen Street Fund reporting and valuation updates.

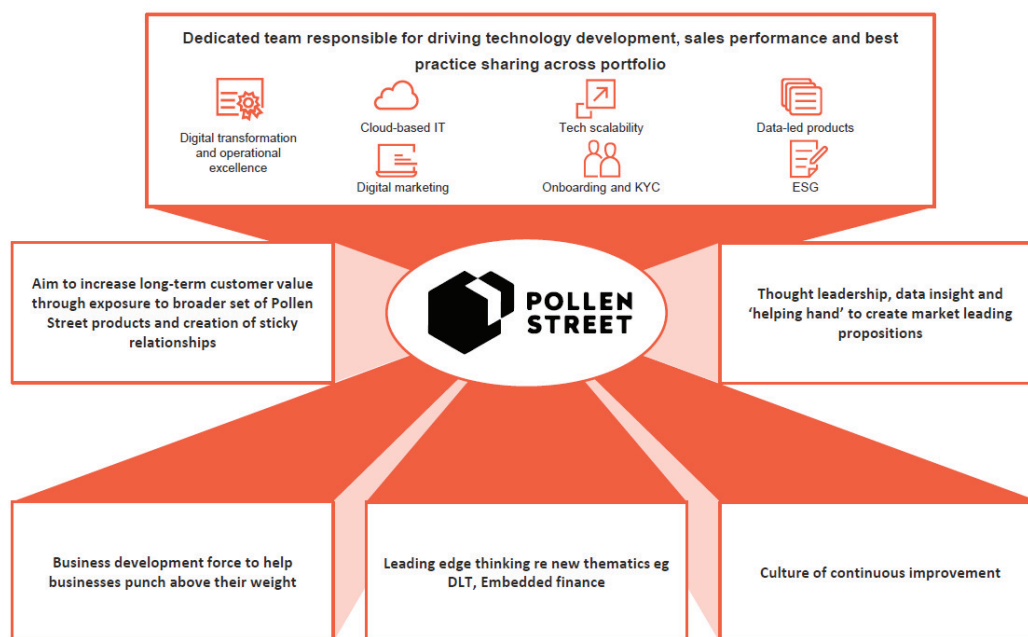
Pollen Street has also invested considerably to build high performing areas of specialist expertise to support, develop and monitor its portfolio of Private Equity and Credit investments.

1.4 The Pollen Street Hub

The Pollen Street Hub is a dedicated team of experts tasked with delivering value creation, via revenue growth, scalable efficiencies and market positioning across the portfolio. This is achieved through driving digital and technological development, sales performance and best practice sharing, resulting in a differentiator in contributing to performance and reinforcing proprietary deal flow.

The Hub is staffed by highly experienced operating partners who prior to Pollen Street, have had leadership roles in the operating functions of leading financial services businesses. This group focuses solely on developing and propagating best practise across the Pollen Street portfolio and broader eco-system. This delivers both direct, tangible benefits to the portfolio but also enhances the firm's institutional reputation as a specialist investor in the financial services sector.

Figure 13 – Pollen Street Hub Ecosystem



Since 2018, Pollen Street has invested in senior digital and technology expertise in the Pollen Street Hub, and, using a structured but flexible approach, has led on multiple initiatives. In 2021, the Pollen Street Hub delivered 7 digital transformation programmes, 6 best-practice workshops and multiple customer introductions across the network. This initiative delivers tangible outcomes across the portfolio, including a combination of customer wins, strategic partnerships and strategic capability development.

1.5 Proprietary data and analytics

The Pollen Street Directors believe that a key driver of performance and risk management of the portfolio is the timely and accurate access to underlying asset performance data. As a business, Pollen Street has invested to develop an advanced bespoke data warehouse solution and extensive internal analytical resources and capabilities. These provide excellent insight to underlying credit asset performance across Pollen Street's Credit funds.

The technology team is staffed with highly experienced individuals who, prior to Pollen Street, led teams within specialist lenders, building and managing loan origination and servicing platforms. This team have developed 'Prism', the Pollen Street Group's proprietary data warehouse. Prism is directly integrated into many of the Origination Partners for Credit, receiving granular loan-by-loan data on underlying assets financed by Pollen Street Funds. Data is received on a daily or monthly basis, resulting in an extensive and growing Prism database which holds data on more than 250,000 individual loans and receivables via hundreds of millions of individual data points. Receipt of granular and unedited loan data provides an array of benefits for portfolio and risk management:

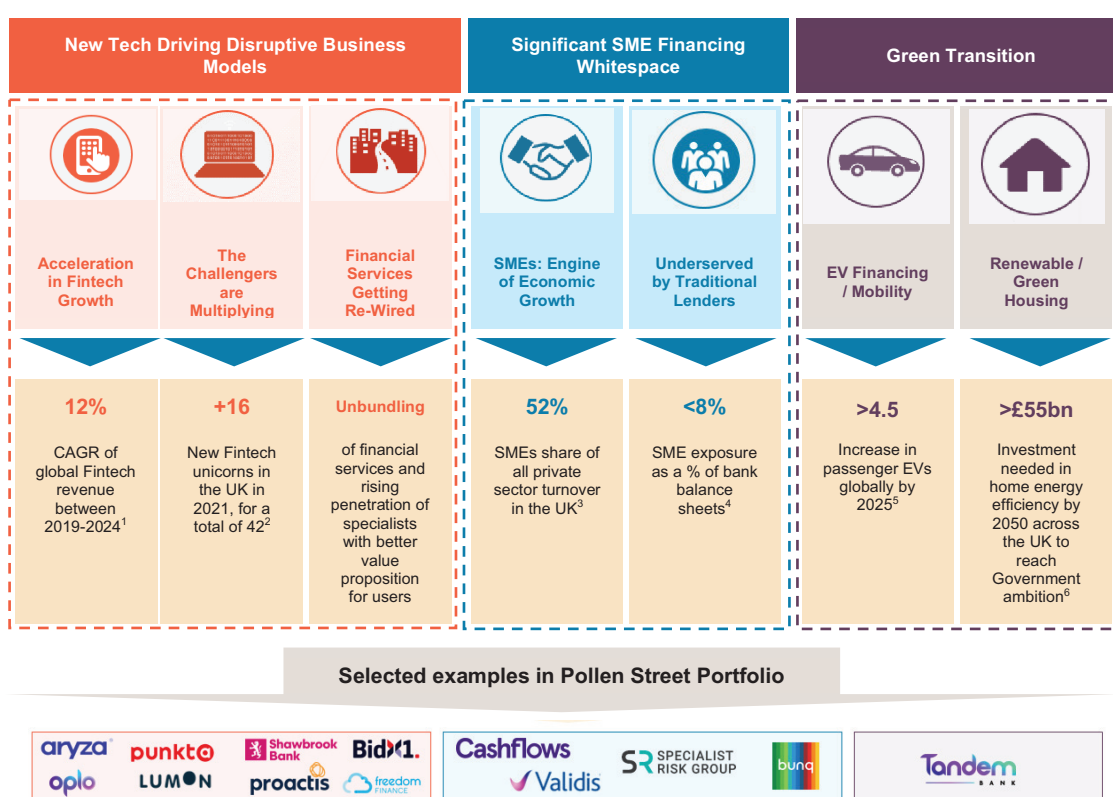
- data is received more quickly and with greater frequency enabling a close to 'real-time' view on underlying collateral performance;
- access to raw loan data enables independent assessment of performance against targets and covenants, reducing reliance on partner reporting (which can be subject to error or omission);
- performance across platforms can be compared on a like-for-like basis providing an enhanced perspective on relative performance and macroeconomic conditions; and
- advanced data analytics can be deployed to support partners to improve their own underwriting and servicing capabilities.

The investment and operational teams use the data within the Prism warehouse to support the investment process across underwriting, structuring, portfolio monitoring, run-down and exit. Pollen Street has developed advanced analytics to monitor performance linked to Prism which show key performance characteristics, covenant compliance and leading indicators of future performance. Performance projections are updated frequently, supported by econometric modelling which provides an ongoing updated view as to how Pollen Street anticipates performance to develop in the evolving macroeconomic environment. These capabilities are deployed across both Investment Strategies to inform and improve decision making.

1.6 Investing in mega-trends globally

Across both Investment Strategies, Pollen Street's specialist investment focus is benefiting from global 'mega-trends' in financial services which are favouring smaller, more agile businesses and those with a forward thinking focus on supporting the green transition and decarbonisation of the economy. As described in Figure 14 below, these trends are resulting in above-market growth in the sub-sectors of financial services in which Pollen Street Funds invest.

Figure 14 – Overview of Financial and Business Services Mega-trends



- (1) Source: Deloitte, Mordor Intelligence. Report from Deloitte: "Fintech: on the brink of further disruption", published in December 2020.
- (2) Source: Dealroom.co as of December 2021.
- (3) Source: UK government statistics published on 7 October 2021 (www.gov.uk/government/statistics); SMEs share of all private sector turnover in the UK at the start of 2021.
- (4) Source: Based on European banks SME Exposure At Default ("EAD") as a percentage of European banks total assets; SME EAD sourced from EBA 2019 EU-wide Transparency Exercise and FY19 total asset sourced from SNL.
- (5) Source: BloombergNEF. Electric Vehicle Outlook 2021. Increase from 12 million passenger EVs to 54 million by 2025.
- (6) Source: Climate Change Committee's Sixth Carbon Budget advice to UK Government in December 2020 (www.theccc.org.uk).

(A) Technology driving disruptive business models

Technological developments have reduced the fixed overheads associated with the provision of regulated financial services, enabling small, agile businesses to deliver excellent customer propositions (both online and offline) at a significantly reduced cost. This has allowed many smaller operators to compete effectively with incumbents despite not having the advantage of

scale. In many cases, this provides a competitive advantage as existing players have legacy systems and find the cost of migrating to best-in-class platforms exceeds the cost of developing new platforms.

The increasing use of large volumes of data enables delivery of superior customer propositions, lower risk, faster speed to market and at lower costs. While incumbent providers are often hindered by legacy systems, specialists can better leverage technology to offer superior service at a lower cost of delivery. As a result, it is not unusual for mainstream incumbents to engage specialists to access the market swiftly, operate to required standards and access specialist skills.

In recent years customers in the financial and business services sector have become increasingly aware of the cost and value of products and services. Both consumers and SMEs are seeking innovations that have developed across other verticals and tolerance for poor service levels is declining. Given these trends, many players are emerging with winning propositions to address such demands with an increasing focus on making products and services more satisfying and hassle-free and to meet changing customer behaviour, including:

- increasingly discerning customers with greater willingness to change from mainstream providers;
- a tendency to purchase each product from the best provider rather than a bundle from a “universal” player;
- an openness to new models;
- a drive towards online and mobile delivery; and
- enhanced awareness and sensitivity to fraud risk, with greater requirements for high security and fraud prevention standards.

Direct distribution via the web, app or other online platform significantly reduces operating costs across the financial services sector. This enables specialist providers to interact directly with consumers and small businesses, unbundling the industry towards specialist providers offering better value propositions. As a consequence smaller specialist businesses in the sector are taking market share and growing faster than incumbent generalists.

(B) Opportunity to serve the large segment of SMEs

The Investment Strategies are typically focused on investing in firms which serve the SME business community (or which are directly or indirectly lending to these businesses).

The SME segment comprises a significant portion of the economy, generating 50 to 60 per cent. of value added across the OECD and 60 per cent. of employment. Despite being a significant portion of the economy and a major driver of economic growth, this segment has traditionally been poorly served by the financial and business services industry. Loans to SMEs comprise less than 2 per cent. of bank balance sheets, and such loans are typically on less favourable terms than larger businesses. This results in an estimated pre pandemic global SME funding gap of \$3.4 trillion. Similar opportunities arise in other markets targeted by Pollen Street, including payments, insurance, software and data provision.

(C) Supporting the Green Transition

The majority of the world’s leading economies have committed to binding targets for the reduction of carbon emissions, resulting in a rapidly evolving regulatory environment and the requirement for very significant new capital investment into green technologies. It is estimated that the global volume of passenger electric vehicles will increase from 12 million in 2021 to 54 million in 2025, and that, in the UK alone, £55 billion of investment is required in domestic energy efficiency measures by 2050 to achieve the Government’s decarbonisation targets. These developments are creating substantial financing opportunities to support this investment and resulting in changes to business models across the financial and business services sector (for example the transition to new models in lending, insurance and wealth management).

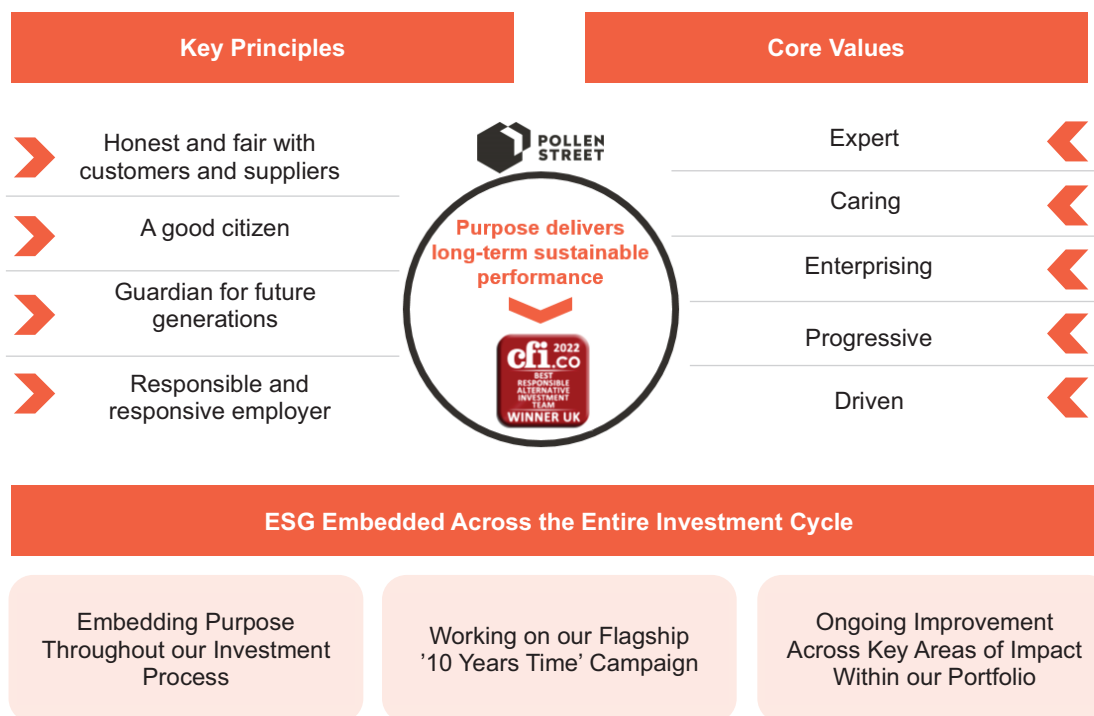
The Pollen Street Directors believe that Pollen Street’s market access and proven approach to evaluating new business models positions the business well to identify attractive investment opportunities to support the green transition. A leading role in this transition provides scope to

deliver strong risk adjusted returns by backing enterprises which are growing faster than the overall market, while delivering attractive and sustainable ESG outcomes. This focus and expertise in turn generates fundraising opportunities from global investors who are increasing considering ESG outcomes in investment manager selection.

1.7 A strong emphasis on Core Values and ESG

Since its inception, Pollen Street's approach and investment activities have been purpose-led beyond purely economic outcomes. The Pollen Street Directors believe that the consistent application of the principles and values detailed in Figure 15 reinforces a strong alignment between internal and external stakeholders including employees, shareholders, fund investors, counterparties and broader society; and ultimately drives strong and sustainable long-term returns.

Figure 15 – Pollen Street Principles and Values



(A) Approach to ESG within Pollen Street

Pollen Street has a proud history of thinking, behaving and investing responsibly, and believes in the potential for positive impact through the work that it is passionate about. Pollen Street is committed to maintaining and enhancing its focus on actions that generate positive impact for its investors, people, portfolio and wider society. Across both Investment Strategies, Pollen Street embeds ESG diligence and monitoring in its day-to-day operations and investment activity.

Over recent years, Pollen Street has been strengthening its approach to ESG, relevant to its investments and overall strategy. As a financial and business services specialist, the firm can promote positive societal impacts directly in the businesses in which it invests, but also with an amplifying effect through those it supports either with funding, or access to resources and expertise. Pollen Street was delighted to be named "Best Responsible Alternative Investment Team 2022" by Capital Finance International Magazine – the second year in a row.

Pollen Street has been a signatory to the UN Principles of Responsible Investment since 2019, and seeks to drive continued improvement in this area. Pollen Street operates under an established ESG policy which sets out the key elements to managing ESG matters across the firm and its investments.

Figure 16 – UN Sustainable Development Goals



Pollen Street has a practical ESG impact framework which helps contribute to the UN Sustainable Development Goals (“SDGs”). As the world’s agreed goals for society and all its stakeholders, the SDGs provide a lens through which investors can align themselves with the needs of the wider world. The metrics Pollen Street collects from its portfolio companies enables Pollen Street to develop deeper insights into which portfolio companies are contributing to SDGs.

With an ever-growing focus on ESG reporting and transparency from all stakeholder groups, as well as alignment with regulatory disclosures, measuring ESG is more important than ever. Pollen Street collects both core ESG metrics and relevant impact measures, and continues to improve and align reporting linked to its ESG framework.

From its strategic approach to ESG, Pollen Street considers the following to be the areas which are most relevant to its investments.

- (i) **Creating a lasting environmental impact:** support solutions that have a positive environmental impact, including financing home energy efficiency and electric vehicle initiatives;
- (ii) **Financial inclusion:** in particular ensuring that access to loans and other financial products is made available to the widest possible audience, enabling greater access to opportunity;
- (iii) **Supporting regional economies through lending and services to small businesses:** which enable growth and job creation throughout the markets in which Pollen Street operates;
- (iv) **Promoting action to reduce financial crime from fraud to organised crime:** with many of Pollen Street’s investments providing access to the financial system, portfolio companies can help reduce overall levels of financial crime, as well as raising awareness of how consumers can protect themselves;
- (v) **Championing diversity & inclusion:** seeking to ensure that employment opportunities are available and promoted to all, and in particular aiming to broaden representation at board and company levels; and
- (vi) **Creating partnerships for lasting impact:** Pollen Street’s aim is to connect its ESG impact with the firm and its incredible people and expertise, and for its people to go beyond the Pollen Street portfolio to make an impact. Recent examples include:
 - (a) the launch of a firm-wide philanthropy programme which seeks to engage employees across the firm to determine which charities it should support, and the most effective way to do so; and

- (b) Pollen Street's engagement with Ten Years' Time (part of the Social Investment Consultancy) to assist in identifying areas where Pollen Street is able to have a greater impact on ESG issues going forward.

Additionally, the launch of the Pollen Street Hub provides dedicated resource to drive the ESG agenda both internally and through relevant portfolios of investments.

(B) ESG in the investment process

As a core part of its investment process, Pollen Street engages with both its Credit and Private Equity partners to identify impact areas within ESG that are relevant to them and where Pollen Street can support them to accelerate their positive impact. Pollen Street's approach is set out below:

- (i) **Through upfront due diligence:** Pollen Street assess their existing ESG programme and impact, identifying areas of improvement and ways to support;
- (ii) **Active management:** Pollen Street engages with management teams to set ESG goals and ambitions. Senior deal team members sit on the board of Private Equity portfolio companies and ensure ESG is on the management team agenda and achieves senior-level buy-in;
- (iii) **Cross-portfolio collaboration:** Pollen Street holds portfolio workshops where it benchmarks best-practice and identify development opportunities. The Pollen Street Hub leads ESG best practice sharing, assisting with impact assessments and project activity within individual companies;
- (iv) **Effective monitoring & measurement:** Pollen Street has developed a set of standard KPIs to enable consistent tracking and benchmarking across its portfolio. ESG matters are a standing agenda item as part of quarterly investment monitoring; and
- (v) **Governance and oversight:** The Pollen Street ESG Committee reviews implementation of the ESG strategy and recommends any changes or improvements. The firm has a dedicated Head of ESG who is responsible for managing for the ESG programme across the firm and portfolio.

Figure 17 – Examples of Social and Environmental Contributions within the Pollen Street Credit Portfolio

	Environmental	Social	Governance
	 Creating A Lasting Environmental Impact	 Financial Inclusion  Promote Diversity  Regional Economic Growth	 Reducing the Impact of Financial Crime
Actions	- Transition to less environmentally damaging products, requires financing on an end customer basis - Financing to consumer, SMEs and other counterparties to deliver transformational change	- Loans and other financial products made available to a broader audience Promoting diversity at Board and company levels - Enable SMEs to promote growth and job creation throughout Pollen Street's markets	Effective AML & Cyber procedures and governance Engagement with portfolio companies on Governance, helping identify gaps and providing support Responsible lending – best practice amongst our credit partners
Target	- Pollen Street as a firm to be carbon neutral by end of 2022 - Portfolio companies to become carbon neutral within 5 years of Pollen Street investment	25% women on Portfolio Boards / Executive Leadership by 2025 Decrease gender pay gap meaningfully over the life of the investment Improve financial health through responsible financial products and access to finance	Strong governance across PE portfolio companies and credit partners 100% of companies with ESG matters on the Board agenda
Selected Examples			
Outcome	 Onto Electric vehicle (EV) subscription service  Bidx1 Became Carbon Neutral from 2018  Shawbrook Bank Financing one of the largest commercial solar installations in the UK  Oplo Committed to becoming carbon neutral by the end of 2021  Tandem The Good Green Bank (home improvement financing products)	 Cashflows 41% female FTEs and narrowed the gender pay gap by 70% across the organisation  Capitalflow c.88% of SME customers based outside of capital cross Over 78% of Capitalflow's Asset Finance customers in 2021 are based in rural and smaller city regions	 Cashflows Robust governance and tech investment reducing fraud chargeback rates to 0.07% in 2021 YTD  Shawbrook Bank Effective AML & Cyber procedures and governance  Tandem

Commitment to positive ESG outcomes is manifested through direct and measurable targets and goals. Pollen Street is targeting being carbon neutral by the end of 2022, with the aim of all portfolio companies being carbon neutral by 2025. The promotion of diversity is advanced through the target of 25 per cent. female representation on portfolio boards and executive leadership by 2025, and a monitored reduction in the gender pay gap. Pollen Street is committed to promoting strong governance throughout the portfolio including the universal inclusion of ESG matters on all Private Equity board agendas.

1.8 Private Credit

Within its Credit Strategy, Pollen Street has developed a differentiated strategy targeting a large and growing market that is not well served by other generalist credit managers. Pollen Street provides asset based lending to mid-market businesses where loans are collateralised against diverse pools of either financial (typically loans) or hard assets that generate predictable cash flows. These businesses are typically either non-bank lenders, technology companies with an embedded finance proposition or other companies with diverse portfolios of assets.

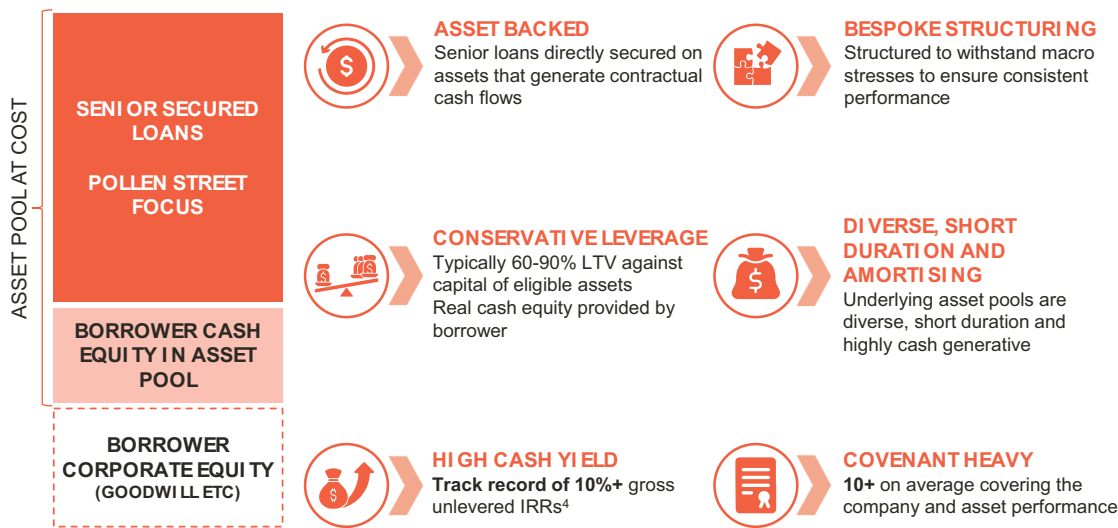
Since the global financial crisis, the asset-based lending market has grown substantially and is now estimated to be around \$1 trillion in Europe and around \$3 trillion in North America. The worldwide market is projected to grow to around \$6.9 trillion by 2025. However, despite its size, since 2008 there has been relatively limited institutional non-capital markets financing available to this sector, resulting in substantial fragmentation.

The Pollen Street Directors believe that the fragmented nature of this market is not well suited to the generalist direct corporate lending strategy which instead lends itself to scale through intermediation from investment banks and advisers. To be successful, a more focused approach is required. Pollen Street’s Credit Strategy focuses on direct origination and is therefore not easily replicable without significant investment in resources over time. Pollen Street has been active in this market for more than a decade and as a result has developed a tested, scalable approach.

Pollen Street believes that the less competitive investing environment means it is able to generate higher returns and maintain its risk disciplines in structuring transactions.

The lending positions advanced by Pollen Street’s Credit funds are structured with the aim of being highly resilient during periods of market stress. Loans are all structured on a bespoke basis and directly secured on diverse portfolios of assets that generate the revenue and cash flows of the borrowers Pollen Street finances. This diversification and security means that even in times of stress cash flows are typically resilient resulting in consistent performance of Pollen Street’s investments even in volatile environments. Further, in times of market dislocation, the opportunity set increases as more standardised forms of liquidity often shut down, leaving more opportunity for the specialist.

Figure 18 – Typical Pollen Street Credit Investment Structure and Investment Characteristics



It is the Pollen Street Directors' view that asset based lending is not highly correlated to corporate direct lending, as the cash flow securing the lending is driven by the diverse underlying asset portfolios, which generate predictable cash flows that are less exposed to the private equity or capital markets cycle. Loans are typically secured against granular portfolios of amortising lending assets, enabling the repayment in full of Pollen Street's loan without reliance on refinance from another lender. The Pollen Street Directors believe that this strategy provides an attractive and differentiated complement to corporate direct lending strategies in which Pollen Street has become established as a market leader.

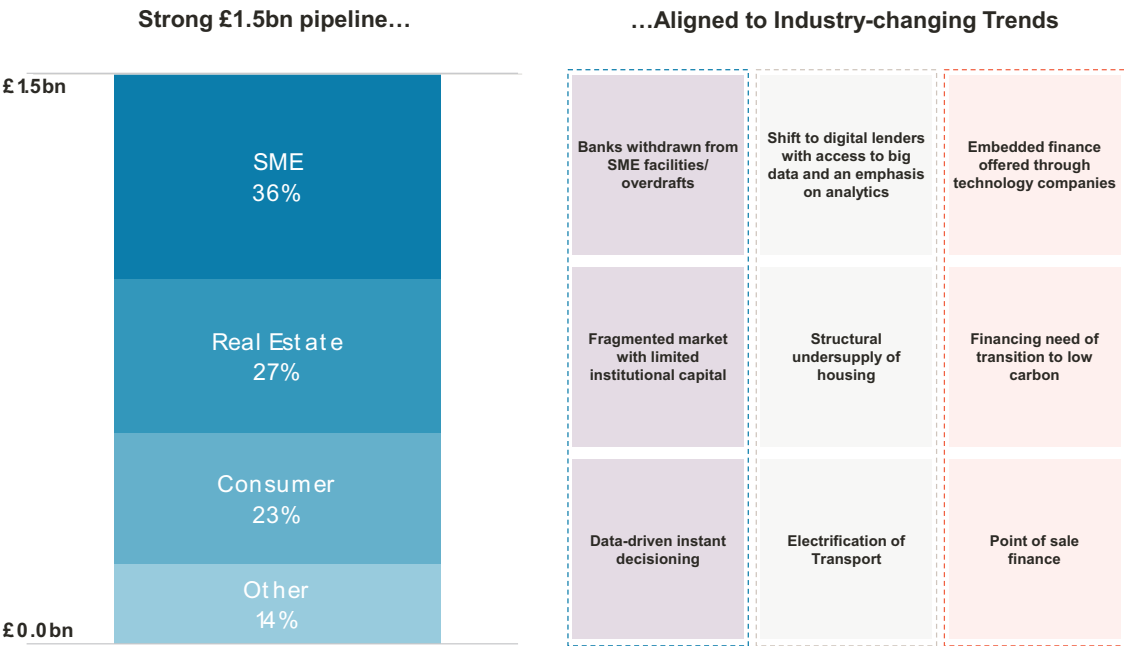
(A) Strong pipeline across broad and diverse addressable market

Pollen Street has established a strong reputation as an innovative and dependable counterparty in the asset based lending market. The Pollen Street Group's highly invested and large team enables coverage across a broad array of sub-segments and geographies resulting in strong and frequently bilateral origination, as well as an ability to selectively choose opportunities which offer the strongest risk/return profile. In each new potential investment the Pollen Street Credit team will undertake a fundamental analysis of the asset collateral, underwriting policies and originator covenant (rather than relying on third party ratings methodology). The Pollen Street Directors believe that this approach ensures stronger standards of underwriting, and the implementation of bespoke structures that help to manage risk. A fundamental approach to diligence has also enabled Pollen Street to innovate within the industry and become a recognised leader in new and rapidly growing new segments such as merchant cash advance, loans directly linked to SaaS and high growth areas such as electric mobility (electric cars, scooters and bicycles).

Pollen Street targets the mid-market with typical investment size of £25 million to £150 million. Other players in this segment include banks, family offices and other funds, however Pollen Street believes that the mid-market has significant potential to grow with many competitors operating either in lower middle market, which restricts their ability to grow facilities, or large cap where there are fewer potential targets. This deal size is also of a scale below the typical £200+ million threshold at which public securitisations become a viable option. This has enabled Pollen Street to achieve attractive relative value for its investments with premiums over public securitisation markets, while also achieving lower LTVs against underlying asset security.

As of 21 January 2022 Pollen Street had a large and diverse pipeline totalling £1.5 billion of investment opportunities within the Credit segment. As detailed in Figure 19 these opportunities cover an extensive breadth of sub-segments and collateral types.

Figure 19 – Pollen Street Credit Pipeline as at 21 January 2022



(B) Active monitoring and portfolio management

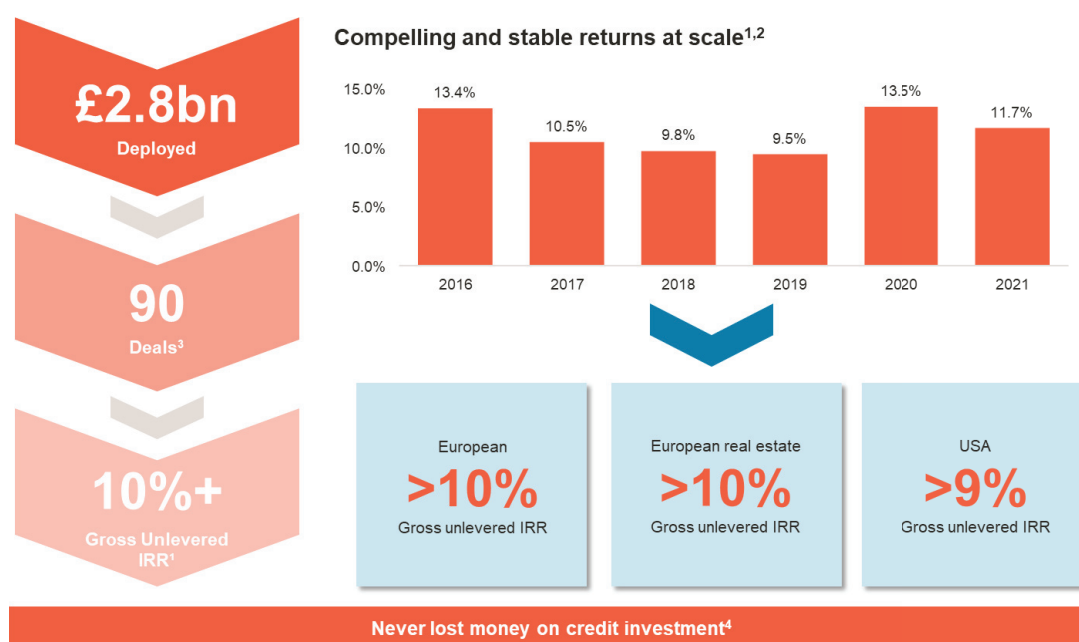
Pollen Street seeks to structure its Credit investments to enable its funds to benefit from granular collateral information. Strict covenants at both the collateral and corporate level are included to provide early warning triggers which, together with the experience of the investment and support teams, enables early and decisive action in the event of stress at the collateral, company or wider macro level. This was actively demonstrated during the early stages of the COVID-19 pandemic in the UK, where Pollen Street acted as a hub to share industry insights across its investments and counterparties enabling them to react quickly to a rapidly evolving macro-economic environment and to each set of new announcements from the Government and regulators.

To assist in the active management of the portfolio and detailed tracking of borrower performance, Pollen Street has developed a cloud-based data warehouse which monitors the characteristics and performance of the underlying granular assets that secure the relevant Pollen Street Fund's lending. This system has over 250,000 underlying loans and/or receivables recorded on it, and information is received daily, weekly or monthly from Pollen Street borrowers. The aim of collecting this granular data is to enable early identification of any performance issues in specific borrowers or across specific asset sub-segments.

(C) Strong track record of returns (Credit)

These characteristics have resulted in Pollen Street's Credit Strategy delivering a strong and consistent track record of returns. Since inception in 2016, Pollen Street managed Credit funds have invested £2.8 billion across 90 individual positions spanning a wide range of sub asset classes and structures. Over 90 per cent. of these positions were sourced directly through the Pollen Street network. These positions have generated average overall unlevered IRR of 10.9 per cent. since inception in 2016 through to 31 December 2021, with no realised capital losses.

Figure 20 – Pollen Street track record



(1) Gross unlevered IRR Since inception between Q1 2016 – 31 December 2021.

(2) This information is estimated, has not been audited and is subject to change. Actual results may differ from the results presented. Gross performance results are shown excluding the organic portfolio and are gross of investment management and performance fees, as well as all administrative costs (including audit and depository services). Past performance is no indication of future results.

(3) Data from inception between Q1 2016 – 31 December 2021.

(4) Credit investments comprise of wholesale and structured loan facilities to counterparties and portfolio of loans.

1.9 Private Equity

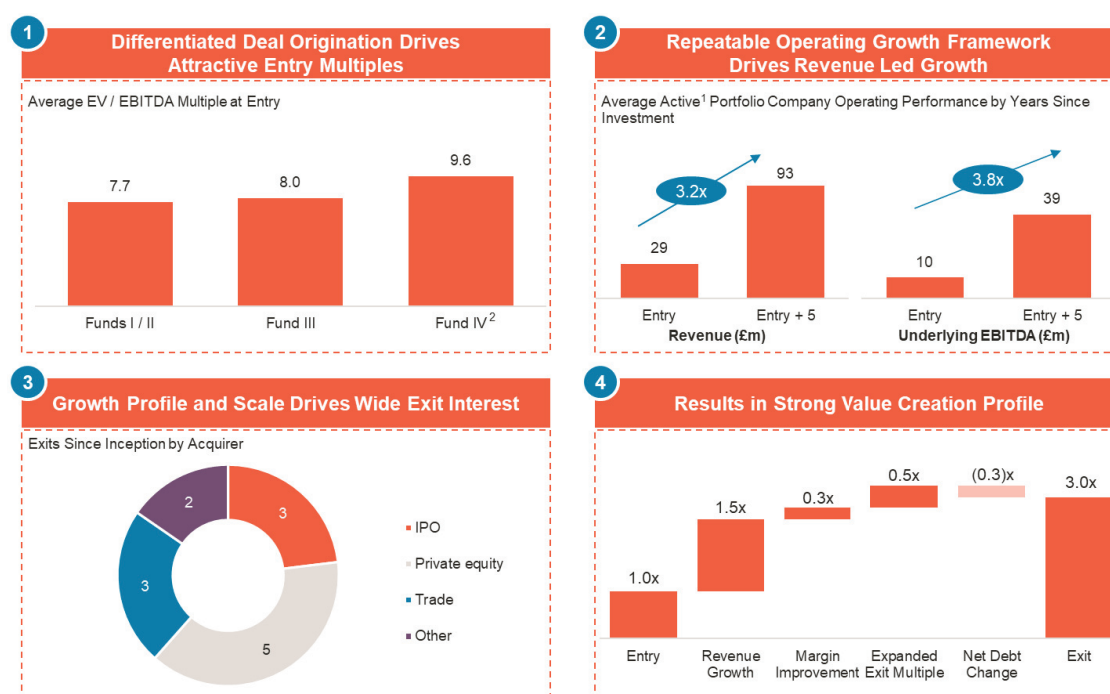
Since 2008, the Pollen Street team has established itself as one of the leading specialist private equity investors in the financial and business services market, backing the global mega-trends outlined in section 1.6.

Pollen Street's Private Equity funds focus on middle-market buyouts, investing across the financial and business services sector, to build a portfolio of 10-14 investments of well established businesses whose growth Pollen Street can help to accelerate to build leaders in their field. The strategy has a target return of 3x gross MOIC over a 3-5 year period, in line with historical realised deals since inception, as shown in Figure 21 below.

In Europe, it is estimated that gross value added from the financial services sector exceeds \$1.1 trillion, representing a significant part of the European economy, with substantial deal opportunity annually. The sector includes a broad range of businesses with a wide variety of business models, ranging from traditional financial services of banks, lending businesses, insurance companies and wealth management, to businesses developing from the rise of fintech across payments, technology and services sub-sectors.

Pollen Street's Private Equity Strategy is built from four key pillars, as illustrated in Figure 21 below.

Figure 21 – Pollen Street Private Equity Strategy Highlights



(1) All portfolio companies since inception owned for at least 10 months.

(2) Excludes transactions yet to be completed such as Autopay.

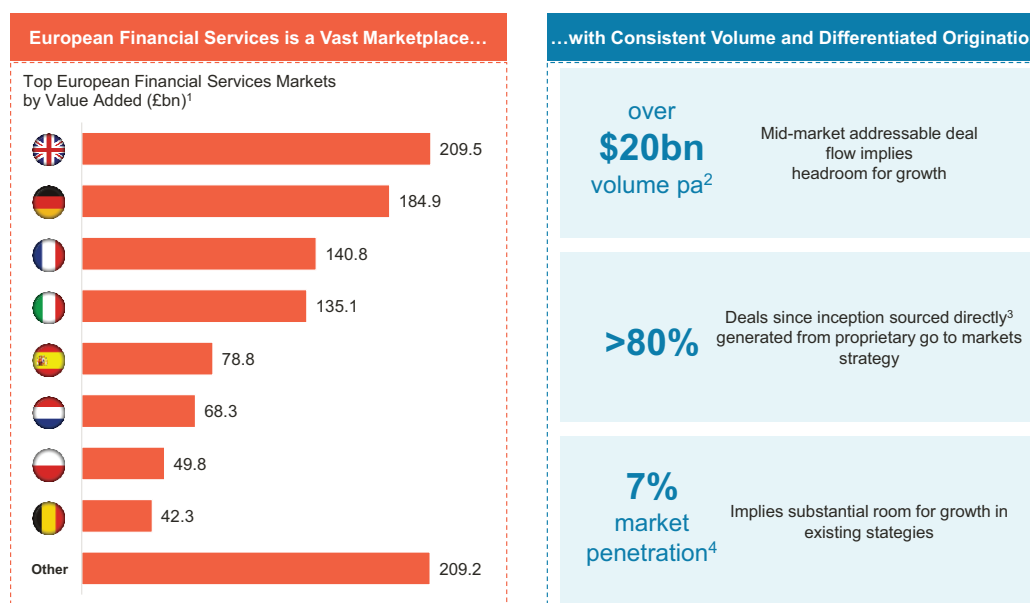
(A) Differentiated Deal Flow

Pollen Street Funds seek to invest in businesses operating in the lower mid-market, typically businesses with between £3 million and £20 million of EBITDA with differentiated propositions in the financial and business services sector. Pollen Street's investment strategy is centred predominantly on driving growth in these companies and working with teams to build the next generation of business leaders. This market place is vast with over \$20 billion worth of deals completed annually.

Pollen Street has a large dedicated team with a multi-strategy approach to investing in the European financial and businesses services sector. This results in substantial network and knowledge benefits which provide advantages in deal origination and delivery of value creation in private equity businesses. Since inception, over 80% transactions completed in Pollen

Street's Private Equity Strategy have been sourced directly. Large volumes of potential deal flow enable a selective and disciplined approach to capital deployment with average EV/ EBITDA entry multiples of 7.7x in PSC I/PSC II; 8.0x in PSC III and 9.6x in PSC IV.

Figure 22 – European Financial Services Market



(1) 2019 data, source: OECD; 2020 data.

(2) Source: Oliver Wyman.

(3) All deals including bolt-ons as at February 2022.

(4) Source: Oliver Wyman, based upon buyout deals share of total deals.

(B) Expertise in building business leaders

Pollen Street's sector focus provides for the consistent application of a common growth framework across portfolio investments. Expertise, network and experience are commonly deployed across investments with example initiatives including:

- (i) digitalisation of new business origination;
- (ii) expansion into new product markets;
- (iii) international expansion;
- (iv) deployment of technology to deliver improved operating efficiency;
- (v) digitalisation of servicing and operating models; and
- (vi) strategic M&A.

Deployment of this framework has contributed towards strong underlying operating performance in the Pollen Street Private Equity portfolio. Since inception investee companies have grown revenue by an average of 3.2x and underlying EBITDA of 3.8x in the period between Pollen Street's initial investment and the fifth year post-investment.

(C) Wide exit audience

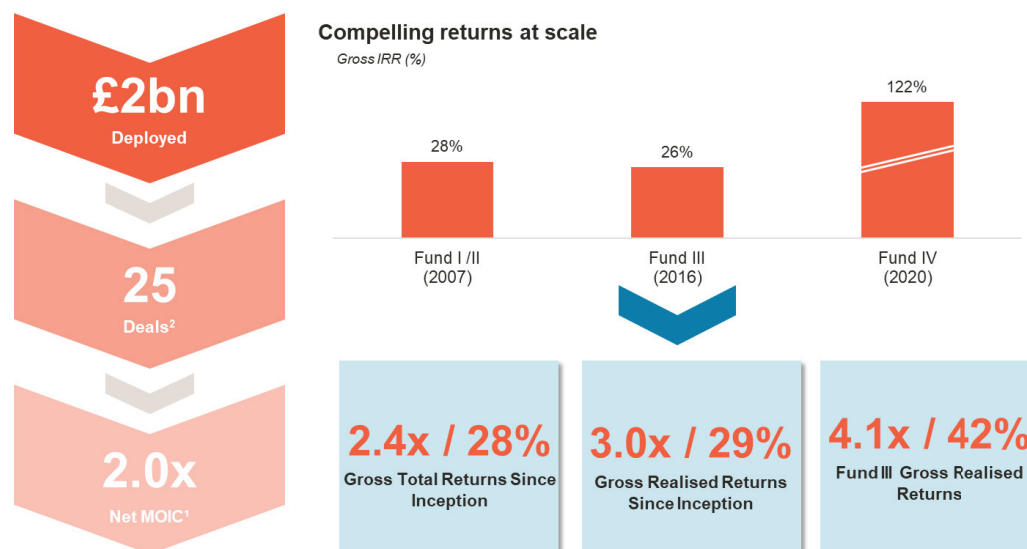
Pollen Street seeks to find attractive deal opportunities in the less competitive middle-market, where sector specialism offers advantages to deal origination and value creation. During the course of Pollen Street ownership, these targets have frequently grown rapidly to demonstrate leadership in their field, deliver a track record of growth and have become large enough to attract the interest of sponsors and strategic buyers in the highly competitive marketplace for deals above £200 million enterprise value. As a result, Pollen Street has developed a history

of exiting investments through a variety of routes, including IPOs, to strategics and to other sponsors, often in competitive processes, which has led to portfolio companies being sold on average at a premium to entry multiples.

(D) Strong track record of returns

This systematic value creation approach has led to a track record of delivering the target returns of 3x gross MOIC, driven predominantly by revenue led growth, as shown in Figure 22 above, which has been developed over a history of consistently strong returns.

Figure 23 – Private Equity Track Record



(1)(2) Unaudited Net MOIC/IRR numbers. Track record as at 31 December 2021. Past performance is not necessarily indicative of future results and there can be no assurance that Pollen Street will achieve its objectives or will avoid substantial losses. Some figures are based on Pollen Street internal calculations which have not been audited and are subject to change. Actual results may differ from the results presented. Please also refer to the notes on investment performance at the back of the presentation.

As at 31 December 2021, Pollen Street has invested £2.0 billion across 25 financial and business services deals since 2008. Pollen Street Funds prior to PSC III have a mature track record with all 10 deals realised or part realised. As at 31 December 2021, the overall gross return across all Pollen Street Funds focusing on a Private Equity Strategy is 29 per cent. IRR and 3.0x MOIC realised gross unlevered. In 2021 realisations delivered 42 per cent. IRR and 4.1x MOIC. Total returns since inception, including the more recent deals, are 2.4x gross MOIC and 28% IRR which has translated into a net MOIC of 2.0x since inception.

1.10 Investors and Fundraising

Pollen Street has a strong fundraising track record supported by a growing base of high-quality global investors spanning banks, family offices, corporate and public pension plans, insurers, sovereign wealth funds, asset managers, family offices and high net worth individuals.

Fundraising is led by Pollen Street's internal investor relations team and fundraising teams located in Europe and North America, supported by the selective use of third-party fundraising consultants and placement agents. The firm deploys an integrated model with close collaboration between investor relations and investment teams.

Pollen Street has fostered long-term relationships with its investors as exemplified by the strong re-investment rate across Pollen Street Funds. This is exemplified by 91 per cent. of investors in PSC III 're-upping' into PSC IV¹³, with an average 30 per cent. increase in commitment across these vintages. The investor base is characterised by strong longevity with 50 per cent. of current

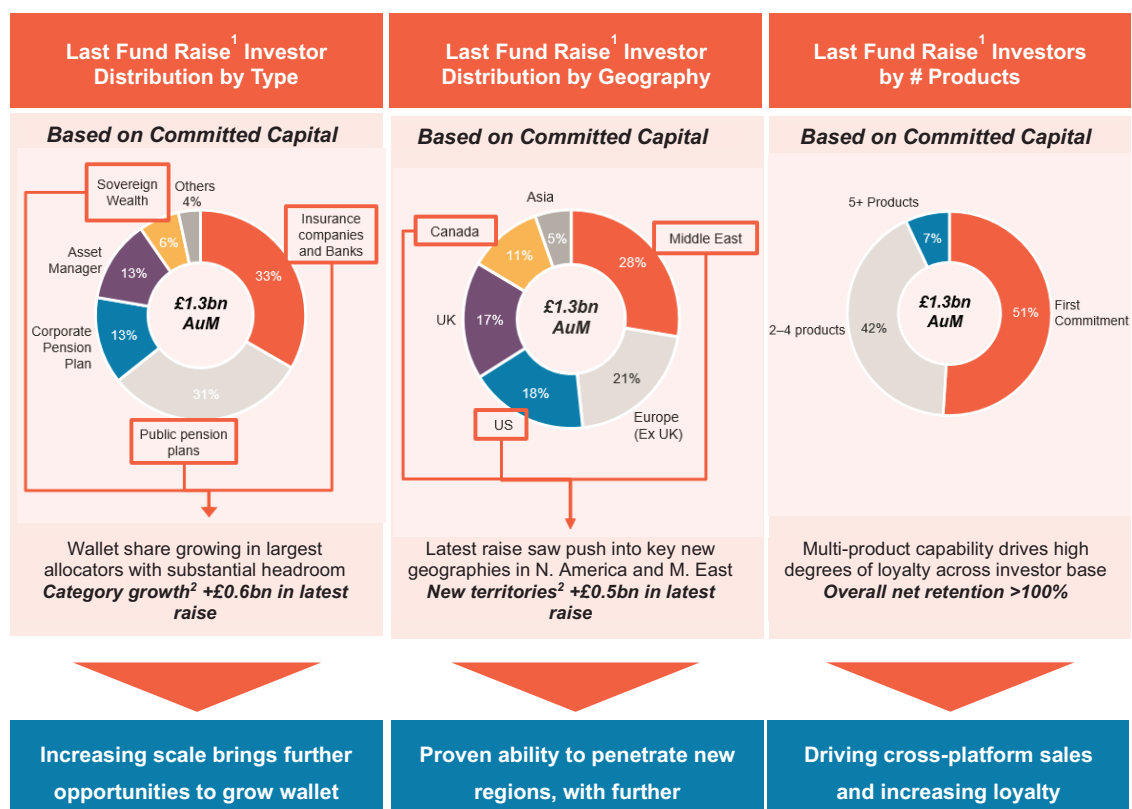
¹³ Calculated as 100 per cent. less ratio of commitments from non-returning investors to total commitments in prior fund; excludes secondary investors in Fund III.

capital from limited partners who have invested in multiple Pollen Street Funds in flagship strategies. Returning investors have also increased commitments in average by 30 per cent. on the successor fund.¹⁴

Growth in AUM has been supported by a strong track record of new investor wins in subsequent Pollen Street Funds.

This has resulted in a highly diversified investor base comprising insurance companies and banks, public pension plans, corporate pension plans, asset managers and sovereign wealth funds. Investors are drawn from a broad range of geographies including UK, Europe (ex UK), Asia, Middle East and North America with no region accounting for a more than 29 per cent. contribution to the total.

Figure 24 – Pollen Street’s diversified investor base



Note: Analysis includes GP commitment of c.£28 million.

(1) Includes Private Equity flagship Fund IV, Credit flagship Fund III and recent Credit SMAs.

(2) Growth compares latest raise versus Private Equity flagship Fund III and the first Credit SMA.

1.11 Proven track record of strong returns at low risk

Pollen Street has realised strong and consistent investment performance across its Investment Strategies which has resulted in no realised capital losses across either Private Equity or Credit investments in the financial or businesses services sector.

In the period between 2008 and December 2021, Pollen Street, through its Private Equity Strategy, invested £2.0 billion¹⁵ across 25 financial and business services deals. As at 31 December 2021, all realised deals since inception have delivered 29 per cent. IRR and 3.0x MOIC. In 2021 realisations delivered 42 per cent. IRR and 4.1x MOIC.

¹⁴ Calculated as commitments in successor fund (including for credit, all commitments to concurrently investing funds) divided by commitment in preceding fund for those LPs who returned.

¹⁵ Includes capital relating to deals signed prior to 31 December 2021, of which £0.1 billion is currently awaiting regulatory approval.

Since 2015, Pollen Street has, as part of its Credit Strategy, invested £2.8 billion across 90 investments. As at 31 December 2021, the overall gross returns across the Pollen Street Funds focusing on Credit was 10.9 per cent. IRR, with no capital losses and cumulatively £2.3 billion realised from historical and current positions.

1.12 Scope to expand strategies

Since its inception, Pollen Street has invested significant resources to build a leading and highly regarded investment platform with a strong performance track record. This has resulted in strong growth in AUM across existing strategies in Credit and Private Equity fund management.

The Pollen Street Directors believe that Pollen Street's platform, network and market positioning can be further leveraged to grow the business beyond the existing focus into attractive adjacencies. This offers the potential to grow overall AUM and fee revenue, while continuing to reinforce the Pollen Street Group's position as one of the leading specialist investors in financial and business services in Europe. Due to Pollen Street's strong network and broad investment team, the business already sees a flow of potentially attractive investment opportunities which sit adjacent to current Pollen Street Fund investment mandates, providing a supportive context to broaden activities.

1.13 Highly attractive and growing financial profile and outlook

The Pollen Street Directors believe that there are medium term opportunities which provide a clear route towards growing overall AUM to in excess of £5 billion, of which around £4 billion is expected to be attributed to the continued growth in AUM in the existing flagship Private Equity and Credit funds, with a further ~£1 billion from new Pollen Street Funds targeting adjacent strategies.

Since inception of the firm, Pollen Street has fostered long-term relationships with its investors, as demonstrated by the strong re-investment rate across Pollen Street Funds. This is exemplified by 91 per cent. of investors in PSC III 're-upping' into PSC IV, with an average 30 per cent. increase in commitment across these vintages.

In Private Equity, Pollen Street has been successful in increasing overall fund size with each new fund raised. The Pollen Street Directors anticipate commencing fundraising for PSC V during 2022, with a target in excess of £1 billion of investor capital commitments.

Within Credit, fundraising continues for Pollen Street's flagship PSC Credit III, targeting final total investor commitments of £500-£700 million. In the medium term this will be followed by PSC Credit IV with target investor commitments of ~£1 billion. The Pollen Street Group's existing Credit management capital from Separately Managed Accounts is anticipated to grow to £0.7 billion of total committed capital in the medium term.

Medium term opportunities in new adjacent fund management categories will focus on a Credit opportunities fund and a Credit fund targeting the North American market.

Pollen Street's business model and track record underpins a clear and predictable income profile driven by core KPIs. The Pollen Street Group is targeting growing its AUM from £3 billion as at 31 December 2021 to £4 to £5 billion in the medium term period of 2-3 years. Management Fee Rates are expected to be stable in the 1.25 to 1.50 per cent.¹⁶ range over the long term. The Pollen Street Group's cost base is stable and predominantly people-based, resulting in a long term Fund Management Adjusted EBITDA Margin in excess of 50 per cent.

2. Material contracts

The following are the only contracts (not being contracts entered into in the ordinary course of business) to which a member of the Pollen Street Group is a party (i) during the two years immediately preceding the date of this Circular and which are or may be material to the Pollen Street Group, or (ii) at any time, which contain a provision under which any member of the Pollen Street Group has any obligation or entitlement which is or may be material to the Pollen Street Group at the date of this Circular.

- (A) Pollen Street is party to the Shareholders' Agreement entered into with the Pollen Street Partners, PSCPL and CC Hive in connection with the acquisition by the Pollen Street Partners, PSCPL and CC Hive of certain shares in Pollen Street.

¹⁶ Over average AUM excluding legacy co-invest AUM of £414 million.

The Shareholders' Agreement sets out certain agreements amongst the Pollen Street Partners, PSCPL and CC Hive pertaining to the regulation and management of the Pollen Street Group, the relationship of the Pollen Street Shareholders and PSCPL with each other and certain aspects of the affairs of, and the shareholders' dealings with, the Pollen Street Group.

The Shareholders Agreement is governed by the laws of England and Wales.

Pursuant to the Share Purchase Agreement, the Shareholders' Agreement will be terminated prior to Completion.

- (B) PSC Service Company Limited is party to two leases in respect of the premises of the Pollen Street Group in London, United Kingdom (the "**UK Leases**"), with 11-12 Hanover Square Nominee 1 Limited and 11-12 Hanover Square Nominee 2 Limited as landlord. Each UK Lease is for a term from and including 13 July 2018 to and including 12 July 2028, and PSC Service Company Limited's obligations under the UK Leases are guaranteed by Pollen Street.

Under the terms of each UK Lease, the landlord is entitled to a yearly rent of £650,000 plus VAT, which is payable quarterly in advance (subject to a two year rent free period at the beginning of the term of each UK Lease). The rent under each UK Lease will be increased from the fifth anniversary of the beginning of the term in line with the "all items" retail prices index, subject to a cap of 5 per cent. per annum and a collar of 2.5 per cent. per annum.

Each UK Lease contains certain market standard provisions relating to PSC Service Company Limited's obligations to keep the premises in good repair and condition and not to carry out structural alterations subject to specific agreed exceptions. PSC Service Company Limited is also subject to various restrictions in relation to assignment, underletting or shared occupation of the premises.

PSC Service Company Limited has also entered into a rent deposit deed in connection with each UK Lease for an amount of £295,000 plus VAT. The landlord is permitted to make withdrawals from the deposits if PSC Service Company Limited fails to comply with its obligations under the relevant lease, subject to prior notice having been given to PSC Service Company Limited. If an amount is withdrawn from a rent deposit, PSC Service Company Limited will be required to top up the deposit back to the original level.

Each UK Lease is governed by the laws of England and Wales.

- (C) Pollen Street Capital (US) LLC is party to a lease in respect of the premises of the Pollen Street Group in New York, United States (the "**US Lease**"), with Sage Realty Corporation as agent for the owner of the premises ("**Sage**"). The US Lease is for a term from 20 April 2018 to 31 July 2023.

Under the terms of the US Lease, Sage is currently entitled to rental payments for the remainder of the term in the sum of \$315,498.04 per annum. The principal rent is payable monthly in advance on the first of each month. In the event that real estate tax payable by Sage for any tax year exceeds the current amount of such real estate taxes, Pollen Street Capital (US) LLC will pay an amount equal to 0.95 per cent. of the excess. Pollen Street Capital (US) LLC is also required to pay any occupancy tax or rent tax now in effect or enacted in the future, if payable by Sage.

The US Lease contains certain market standard provisions relating to Pollen Street Capital (US) LLC's obligations to take good care of the premises and make all repairs as and when needed to preserve the premises in good working order and condition (subject to structural repairs) and not to make alterations, decorations, installations, additions or improvements subject to agreed exceptions. Pollen Street Capital (US) LLC is also subject to various restrictions in relation to assignment or subletting of the premises.

The US Lease contains a provision which would be triggered by certain changes of control of Pollen Street Capital (US) LLC. While consent to the Combination is not required from Sage, the terms of the US Lease require Pollen Street Capital (US) LLC to notify Sage of the change of control and provide proof of Honeycomb's net worth, as evidenced by a statement from a certified public accounting firm reasonably acceptable to Sage. The Board expects that Sage will be notified of the change of control of Pollen Street Capital (US) LLC or for the breach to be remedied retrospectively (i.e. Honeycomb may be required to provide a guarantee in respect of Pollen Street Capital (US) LLC's obligations under the US Lease).

Pollen Street Capital (US) LLC also entered into certain security arrangements with Sage in connection with the US Lease for an amount of \$146,209.38. Sage is permitted to draw on this amount in the event of any default by Pollen Street Capital (US) LLC under the US Lease, and in certain cases, Pollen Street Capital (US) LLC may be required to top up the amount subject to such security arrangements back to the original level following any drawing by Sage.

The US Lease is governed by the laws of the state of New York.

3. Organisational Structure

Pollen Street is the holding company of the Pollen Street Group. A list of Pollen Street subsidiaries is set out below, each of which is directly or indirectly wholly-owned by Pollen Street.

Subsidiary name	Jurisdiction
AvantCredit of UK, LLC*	United States
Honeycomb Finance Limited*	England and Wales
Pollen Street Capital Limited*	England and Wales
Pollen Street Capital (US) Holdings LLC	United States
Pollen Street Capital (US) LLC	United States
PollenUp Limited	England and Wales
PSC3 Funding Limited	England and Wales
PSC III Carry GP Limited	Scotland
PSC III G GP Limited	Guernsey
PSC III GP Limited	England and Wales
PSC IV GP Limited	Guernsey
PSC IV GP S.à r.l.	Luxembourg
PSC Accelerator GP Limited	Guernsey
PSC Credit Holdings LLP*	England and Wales
PSC Credit Limited	Cayman Islands
PSC Credit III GP S.à r.l.	Luxembourg
PSC Credit (P) GP S.à r.l.	Luxembourg
PSC Credit (T) GP S.à r.l.	Luxembourg
PSC Digital Limited	England and Wales
PSC Income Fund I GP LLC	United States
PSC Investments (Q) GP Limited	England and Wales
PSC Marlin GP Limited	Guernsey
PSC Nominee 1 Limited	England and Wales
PSC Nominee 3 Limited	England and Wales
PSC Nominee 4 Limited	Guernsey
PSC Plane GP (Guernsey) Limited	Guernsey
PSC Saturn G GP Limited	Guernsey
PSC Service Company Limited	England and Wales
PSC SPV I GP LLC	United States
PSC US Credit GP MM LLC	United States
Saturn GP Limited	England and Wales
SOF Annex Nominees Limited	England and Wales
SOF General Partner (Guernsey) Limited	Guernsey
SOF General Partner (Scotland) II Limited	Scotland
SOF General Partner (UK) Limited	England and Wales
Special Opportunities Fund General Partner (Cayman) Limited	Cayman Islands

* AvantCredit of UK, LLC (FRN: 727347), Honeycomb Finance Limited (FRN: 630704), Pollen Street Capital Limited (FRN: 611337) and PSC Credit Holdings LLP (FRN: 650207) are each authorised and regulated by the FCA. This list does not include any FCA and/or PRA authorised firms, or firms which are authorised by an overseas regulator, which are portfolio companies of any one or more Pollen Street Fund.

As at 31 December 2021, the Pollen Street Group had a global headcount of 75 employees of which seven employees were based in New York, United States and the remaining were based in London, United Kingdom.

4. Incentive Plans

James Scott sold the beneficial interest in a portion of his shares in Pollen Street (the “**MIP Pollen Street Shares**”) to each Pollen Street Senior Manager pursuant to a management incentive plan (the “**Management Incentive Plan**”). As completion of the Combination will qualify as an ‘exit event’ under the terms of the Management Incentive Plan, James Scott and the Pollen Street Senior Managers have agreed that at Completion, a portion of Consideration Shares that would otherwise be issued to James Scott (being an aggregate of 737,596 Consideration Shares) shall instead be issued to the Pollen Street Senior Managers on a non *pro rata* basis. Following such issuance, the Pollen Street Senior Managers will have no further rights under the terms of the Management Incentive Plan to acquire shares in Pollen Street or Honeycomb.

James Scott also sold the legal interest and beneficial interest in a portion of his shares in Pollen Street to Ian Gascoigne, with deferred consideration to be paid by Ian Gascoigne to James Scott on the occurrence of a qualifying exit event (up to an agreed exit valuation hurdle). As completion of the Combination will qualify as an ‘exit event’ under the terms of this arrangement, James Scott and Ian Gascoigne have agreed that a specified portion of the net proceeds received by Ian Gascoigne in connection with the sale of Consideration Shares that are not subject to a Lock-up Agreement by him shall be payable to James Scott. Following such payment, James Scott will have no further rights under the terms of this arrangement to acquire shares in Pollen Street or Honeycomb.

PART VI

FINANCIAL INFORMATION

SECTION A: SELECTED HISTORICAL FINANCIAL INFORMATION FOR THE HONEYCOMB GROUP

The following tables present selected historical financial information of the Honeycomb Group. The following selected financial data was derived from Honeycomb Audited Consolidated Financial Information. This information is only a summary and should be read together with the Honeycomb Audited Consolidated Financial Information, which has been incorporated by reference into this Circular (see the Section entitled “*Incorporation of Information by Reference*” on page 6 of this Circular).

Summary Profit and Loss Statement and Balance Sheet Information

	Year ending 31 December 2021 £'000	Year ending 31 December 2020 £'000	Year ending 31 December 2019 £'000
Profit After Tax	30,318	20,420	31,276
Earnings per Share	86.0p	55.7p	79.3p

Summary Balance Sheet Information

	Year ending 31 December 2021 £'000	Year ending 31 December 2020 £'000	Year ending 31 December 2019 £'000
Net Asset Value	359,342	357,232	400,361

SECTION B: HISTORICAL FINANCIAL INFORMATION FOR POLLEN STREET

The following tables present selected historical financial information of the Pollen Street Group. The following selected financial data was derived from Pollen Street Audited Restated Consolidated Financial Statements. This information is only a summary and should be read together with the Pollen Street Audited Restated Consolidated Financial Statements set out in full in Part 1 (*Historical Financial Information*) of this Section B (*Historical Financial Information for Pollen Street*).

Summary Profit and Loss Statement Information

	Year ending 31 December 2021 £'000	Year ending 31 December 2020 £'000
Revenue from contracts with customers ⁽¹⁾	33,925	27,893
<i>Of which management fees</i>	30,556	25,593
<i>Of which performance fee</i>	3,369	2,300
Fund Management Administration Costs	(26,964)	(26,889)
Fund Management Adjusted EBITDA	6,961	1,094

Summary Balance Sheet Information

	As at 31 December 2021 £'000	As at 31 December 2020 £'000
Total Assets	32,543	33,270
Total Equity	4,263	9,113

(1) Revenue from contracts with customers includes management fee and performance fee income however it does not include income from carried interest that will be transferred into the group as part of the transactions (on which see Section 4 (*Financial impact of the Combination*) in Part I (*Letter from the Chairman of Honeycomb*) of this Circular).

PART 1: HISTORICAL FINANCIAL INFORMATION

Consolidated statement of profit or loss and other comprehensive income

		For the year ended 31 December		
	Note	2021 £'000	2020 £'000	2019 £'000
Revenue from contracts with customer	5	33,925	27,893	30,053
Other income	2.6	—	90	—
Administrative expenses	6	(29,238)	(25,026)	(31,854)
Operating profit / (loss)		4,687	2,957	(1,801)
Finance costs	14	(330)	(373)	(376)
Interest income	9	123	45	2
Revaluation gain		90	—	—
Profit / (loss) before taxation		4,570	2,629	(2,175)
Tax on (loss) / profit	10	(3,549)	(159)	746
Profit / (loss) for the financial year		1,021	2,470	(1,429)
Other comprehensive income				
<i>Items that may be reclassified to profit or loss:</i>				
Foreign currency translation reserve – net of tax	2.4 (ii)	(13)	(52)	165
Total other comprehensive (loss) / income for the year		(13)	(52)	165
Total comprehensive (loss) / income for the year		1,008	2,418	(1,264)
Profit/(loss) attributable to:				
Owners of the Parent Company		1,021	2,470	(1,434)
Non-controlling interests		—	—	5
		1,021	2,470	(1,429)
Total comprehensive (loss) / income for the year attributable to:				
Owners of the Parent Company		1,008	2,418	(1,269)
Non-controlling interests		—	—	5
		1,008	2,418	(1,264)
Earnings per share (basic and diluted) (£)	24	38.29	93.33	(54.10)

Consolidated statement of financial position

		As at 31 December			As at
		2021	2020	2019	1 January
	Note	£'000	£'000	£'000	£'000
Non-current assets					
Investments	11	1,394	500	—	—
Property, plant and equipment	13	1,375	1,665	1,890	2,046
Right-of-use assets	14	5,840	6,879	7,931	8,984
Goodwill	15	1,203	1,804	1,804	1,804
Deferred tax asset	10	955	659	797	—
Total non-current assets		10,767	11,507	12,422	12,834
Current assets					
Receivables	16	17,519	13,466	16,776	15,278
Cash and cash equivalents	17	4,257	8,297	6,126	9,902
Total current assets		21,776	21,763	22,902	25,180
Total assets		32,543	33,270	35,324	38,014
Current liabilities					
Payables: amounts falling due within one year	18	(14,752)	(13,373)	(17,289)	(17,833)
Current income tax payable	10	(3,109)	(3)	—	—
Total current liabilities		(17,861)	(13,376)	(17,289)	(17,833)
Net current assets		3,915	8,387	5,613	7,347
Non-current liabilities					
Payables: amounts falling due after more than one year	19	(10,323)	(10,689)	(11,553)	(10,160)
Deferred tax liability	10	—	—	—	(12)
Provisions	20	(96)	(92)	(88)	(85)
Onerous lease provision	14	—	—	—	(562)
Total non-current liabilities		(10,419)	(10,781)	(11,641)	(10,819)
Total liabilities		(28,280)	(24,157)	(28,930)	(28,652)
Net assets		4,263	9,113	6,394	9,362
Equity					
Called up share capital	22	—	—	—	—
Share premium		1,143	1,143	842	1,030
Capital contribution	21	1,075	1,075	1,075	1,075
Retained earnings		2,047	6,884	4,414	7,875
Foreign currency translation reserve		(2)	11	63	(102)
Equity attributable to owners of Pollen Street		4,263	9,113	6,394	9,878
Non-controlling interests		—	—	—	(516)
Total equity		4,263	9,113	6,394	9,362

Consolidated statement of changes in equity

		Attributable to the owners of Pollen Street						
Note		Share capital £'000	Share premium £'000	Capital contribution £'000	Retained earnings £'000	Foreign currency translation reserve – net of tax £'000	Non-controlling interests £'000	Total equity £'000
	At 31 December 2018	—	1,030	1,075	7,875	(102)	(516)	9,362
	Comprehensive income/(loss) for the year:							
	Profit / (loss) for the year	—	—	—	(1,434)	—	5	(1,429)
	Other comprehensive income	—	—	—	—	165	—	165
	Total comprehensive income/(loss) for the year	—	—	—	(1,434)	165	5	(1,264)
	Contributions by and distributions to owners:							
	Issue of share capital	—	—	—	—	—	—	—
22	Repurchase of shares	—	(188)	—	—	—	—	(188)
	Capital contribution	—	—	—	—	—	—	—
23	Dividends	—	—	—	(1,168)	—	—	(1,168)
32	Acquisition of non-controlling interest	—	—	—	(859)	—	511	(348)
	Total contributions by and distributions to owners	—	(188)	—	(2,027)	—	511	(1,704)
	At 31 December 2019	—	842	1,075	4,414	63	—	6,394
	Comprehensive income/(loss) for the year:							
	Profit / (loss) for the year	—	—	—	2,470	—	—	2,470
	Other comprehensive income	—	—	—	—	(52)	—	(52)
	Total comprehensive income/(loss) for the year	—	—	—	2,470	(52)	—	2,418
	Contributions by and distributions to owners:							
	Issue of share capital	—	—	—	—	—	—	—
22	Sale of shares	—	301	—	—	—	—	301
	Capital contribution	—	—	—	—	—	—	—
23	Dividends	—	—	—	—	—	—	—
	Total contributions by and distributions to owners	—	301	—	—	—	—	301
	At 31 December 2020	—	1,143	1,075	6,884	11	—	9,113

Attributable to the owners of Pollen Street

	Share capital £'000	Share premium £'000	Capital contribution £'000	Retained earnings £'000	Foreign currency translation reserve – net of tax £'000	Total £'000	Non- controlling interests £'000	Total equity £'000
At 31 December 2020								
	—	1,143	1,075	6,884	11	9,113	—	9,113
Comprehensive income/(loss) for the year:								
Profit / (loss) for the year	—	—	—	1,021	—	1,021	—	1,021
Other comprehensive income	—	—	—	—	(13)	(13)	—	(13)
Total comprehensive income/(loss) for the year	—	—	—	1,021	(13)	1,008	—	1,008
Contributions by and distributions to owners:								
Issue of share capital	—	—	—	—	—	—	—	—
Sale of shares	—	—	—	—	—	—	—	—
Capital contribution	—	—	—	—	—	—	—	—
Dividends	—	—	—	(5,858)	—	(5,858)	—	(5,858)
Total contributions by and distributions to owners	—	—	—	(5,858)	—	(5,858)	—	(5,858)
At 31 December 2021	—	1,143	1,075	2,047	(2)	4,263	—	4,263

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Total contributions by and distributions to owners

Consolidated statement of cash flows

		For the year ended 31 December		
	Note	2021 £'000	2020 £'000	2019 £'000
Cash flows from operating activities				
Profit / (loss) for the year		1,021	2,470	(1,429)
Adjustments for:				
Depreciation of property, plant and equipment		363	388	381
Right-of-use assets depreciation		1,038	1,052	1,053
Impairment of goodwill		601	—	51
Revaluation gain		(90)	—	—
Finance costs		330	373	376
Interest received		(123)	(45)	(2)
Decrease/(increase) in receivables		(4,053)	3,310	(1,498)
(Decrease)/increase in payables		2,248	(3,984)	717
(Decrease)/ in provisions		—	—	(562)
Taxation charge		2,810	143	(687)
Net cash flows from operating activities		4,145	3,707	(1,600)
Cash flows from investing activities				
Purchase of investments	11	(804)	(500)	—
Purchase of property, plant and equipment	13	(72)	(163)	(225)
Interest received	9	123	45	2
Net cash used in investing activities		(753)	(618)	(223)
Cash flows from financing activities				
Repayment of principal portion of lease liabilities		(1,235)	(796)	(206)
Interest paid on lease liabilities		(326)	(370)	(35)
Payments to non-controlling interests	32	—	—	(348)
Repurchase of own shares	22	—	—	(188)
Proceeds from sale of shares	22	—	300	—
Dividends paid	23	(5,858)	—	(1,168)
Net cash used in financing activities		(7,419)	(866)	(1,945)
Net increase / (decrease) in cash and cash equivalents		(4,027)	2,223	(3,768)
Cash and cash equivalents at beginning of year	17	8,297	6,126	9,902
Foreign exchange gains and losses		(13)	(52)	(8)
Cash and cash equivalents at the end of year	17	4,257	8,297	6,126

1. General information

This consolidated financial information comprises the financial information of Pollen Street and the Pollen Street Group for the three years ended 31 December 2021.

Pollen Street was established in Guernsey as a company limited by shares pursuant to The Companies (Guernsey) Law, 2008, with company number 58102. The registered office of Pollen Street is: PO Box 255, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3QL. The principal place of business is: 11-12 Hanover Square, London, W1S 1JJ.

Pollen Street is an independent asset manager with £3.0 billion of AUM under both Investment Strategies. The Pollen Street Group was formed in 2013 and possesses a strong and consistent track record within the financial and business services sectors.

2021 has been a successful year for the Pollen Street Group. Despite the continued backdrop of the global pandemic, the Pollen Street Group has successfully managed to raise new funds and has continued to deliver strong performance to underlying investors. The Pollen Street Group is well positioned to grow AUM and consequently fee income over 2022.

The Private Equity Strategy has £1.8 billion (2020: £1.3 billion) of AUM. It targets buy-outs of lower-middle-market companies headquartered in Europe in the financial and business services sectors. The Pollen Street Group believes that its sector specialism provides superior access to deals at attractive entry prices, as well as the ability to drive growth and value creation. Value growth is revenue-led and driven by a combination of structural market growth drivers and active management. In 2021, building on the long-term performance track record, the Pollen Street Group successfully completed the raising of the latest flagship Private Equity fund, PSC IV, reaching the hard cap of £700 million. In addition, the Pollen Street Group raised £174 million for the PSC Accelerator Fund and £147 million in co-investment capital. Building on this success, the Pollen Street Group believes that it is well positioned to continue to grow AUM within the Private Equity Strategy in 2022 and beyond.

The Credit Strategy has a total AUM of £1.2 billion (2020: £0.7 billion) and provides capital to the growing specialty finance market, which the Pollen Street Group believes is underserved by the banking industry, capital markets and more generalist credit funds. The strategy is supported by changes in the focus of mainstream lenders together with the implementation of new models that utilise data, analytics and technology more effectively. It provides an opportunity to deliver better products to borrowers while generating attractive returns for investors, which has been realised in the performance of the strategy since its inception in 2015. In 2021, the Pollen Street Group successfully raised £290m for the flagship Credit Fund III, £101 million for a new SMA investing in senior European credit, as well as an additional £80 million for an existing SMA. Pollen Street also raised SMAs totally \$100 million investing in US Credit Strategies. The Pollen Street Group believes that it is well positioned to continue to grow AUM within these Credit Strategies in 2022 and beyond, as well as to launch new Pollen Street Funds focused on other areas of the capital structure.

2. Accounting policies

2.1 Basis of preparation of financial information

The consolidated financial information of the Pollen Street Group has been prepared in accordance with the UK-adopted International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (the “IASB”).

For all periods up to and including the year ended 31 December 2020, the Pollen Street Group prepared its financial statements in accordance with UK generally accepted accounting principles (“UK GAAP”). The financial information for the year ended 31 December 2021 is the first the Pollen Street Group has prepared in accordance with IFRS. Shareholders should refer to Note 2.17 for information on how the Pollen Street Group adopted IFRS.

The financial information has been prepared on a going concern basis and under the historical cost convention unless otherwise specified within these accounting policies. The Pollen Street Directors believe that the Pollen Street Group is well placed to manage its business risks successfully. The Pollen Street Directors have a reasonable expectation that the Pollen Street Group has adequate

resources to continue in operational existence for the foreseeable future, being a period of at least twelve months from the date that this financial information will be approved. Thus, they continue to adopt the going concern basis of accounting in preparing the financial information.

The Pollen Street Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Pollen Street Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The preparation of financial information in compliance with IFRS requires the use of certain critical accounting estimates. It also requires Pollen Street Group management to exercise judgment in applying the Pollen Street Group's accounting policies (see Note 3).

The following principal accounting policies have been applied since 1 January 2019 (the date of IFRS first-time adoption).

2.2 Basis of consolidation

The consolidated financial information incorporates the results of Pollen Street and the Pollen Street Group as if they form a single entity. Intercompany transactions and balances between Pollen Street Group companies are therefore eliminated in full.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Pollen Street Group obtains control and continue to be consolidated until the date that such control ceases, i.e. assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial information from the date the Pollen Street Group gains control until the date the Pollen Street Group ceases to control the subsidiary.

The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passed respectively.

Control is achieved when the Pollen Street Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Pollen Street Group controls an investee if, and only if, the Pollen Street Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; or
- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Pollen Street Group has less than a majority of the voting or similar

rights of an investee, the Pollen Street Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement(s) with the other vote holders of the investee;
- rights arising from other contractual arrangements; or
- the Pollen Street Group's voting rights and potential voting rights

The Pollen Street Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

The Pollen Street Group has interests in a number of entities who act as general partner to a number of funds structured as limited partnerships. The limited partnerships are not treated as subsidiary undertakings or associates of the Pollen Street Group because the rights of the general partners are exercised on behalf of other investors in the limited partnerships and, being fiduciary in nature, are not considered to result in power or significant influence over the relevant activities of the limited partnerships. The Pollen Street Group is considered an agent for those limited partnerships. Refer to Note 12.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Pollen Street Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial information of subsidiaries to bring their accounting policies in line with the Pollen Street Group's accounting policies.

All entities within the Pollen Street Group have co-terminus reporting dates.

2.3 Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Pollen Street Group measures the non-controlling interests in the acquiree at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Pollen Street Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Pollen Street Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

2.4 Foreign currency translation

The financial information is presented in British Pounds (GBP), which is Pollen Street Capital Holdings Limited's functional and presentation currency. All values are rounded to the nearest British Pound, except when otherwise indicated.

(A) Transactions and balances

Transactions in foreign currencies are initially recorded by the Pollen Street Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Profit or Loss and Other Comprehensive Income within '*Administrative expenses*'. All other foreign exchange gains and losses are presented within '*Other income*'.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Pollen Street Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Pollen Street Group determines the transaction date for each payment or receipt of advance consideration.

(B) Pollen Street Group companies

On consolidation, the assets and liabilities of foreign operations are translated into GBP at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

2.5 Revenue

The Pollen Street Group's primary source of revenue is management fees and performance fees. Management fees are charged for investment management or advisory services and are normally based on an agreed percentage of AUM. Performance fees may be earned from some Pollen Street Funds when agreed performance conditions are met.

Management fees and performance fees are both forms of variable consideration that do not require significant estimation or judgement. The transaction price is determined at the end of each measurement period and is normally equal to the relevant measure of AUM adjusted by a factor set out in the investment management agreement. Performance fees crystallise at the end of performance period, which is one year and are not subject to clawback. The Pollen Street Group continues to update the estimate of variable consideration and the amount constrained. The Pollen Street Group considers the following factors:

- the Pollen Street Fund's investments are in less volatile financial instruments such as debt instruments;
- the current gross return earned on the Pollen Street Funds' investments exceeds the contractual hurdle rate; and
- the performance period is nearing its end which is this point it is highly probable that a significant reversal will not occur.

The Pollen Street Group continuously evaluates whether there are additional factors that might have an impact on the recognition of performance fees.

The management fees are determined and billed to the funds / limited partnerships as per contractual arrangements. Such fees generally crystallise at the start or end of end of each quarter and are not subject to clawback.

All components of the Pollen Street Group's revenue are performance obligations satisfied over time, and are generally not subject to returns or refunds. The Pollen Street Group uses the output method to recognise revenue, applying the practical expedient that allows an entity to recognise revenue in the amount to which the entity has a right to invoice if that consideration corresponds directly with the value to the customer of the entity's performance completed to date. This is appropriate because investment management services are generally satisfied over time with either the customer simultaneously receiving and consuming the benefits provided by the fund manager as

the fund manager performs the service, or with the fund manager's performance enhancing the assets that the fund controls.

Revenue comprises the fair value of the consideration received or receivable for the provision of investment fund management and advisory services and performance fees. Revenue is shown net of any value added tax, rebates and discounts. The Pollen Street Group's revenue components are accounted for as follows:

- management fee calculations based on committed capital or invested capital are mechanical in nature and therefore do not require the use of significant estimates or judgments. Management fee calculations based on net asset value or total assets depend on the value of the underlying investments within the Pollen Street Funds. Estimates and assumptions are made when determining the value of the underlying investments within the Pollen Street Funds and could vary depending on the valuation methodology that is used as well as economic conditions. Management fees are earned over a period of time, and revenue is recognised on an accrual basis in the same period in which the service is performed. Management fees are generally calculated at the end of each measurement period as a percentage of fund assets managed in accordance with investment management agreements or limited partnership agreements.
- performance fees crystallise at the end of performance period, which is one year and are not subject to clawback.

Fees paid to placement agents are primarily incurred once the Pollen Street Group raises commitments within a Pollen Street Fund. Such fees generate or enhance the resources of the Pollen Street Group that will be used to satisfy performance obligation (i.e. raising the capital commitment for the Pollen Street Fund) under the investment management contract and are expected to be recovered by way of earning management fees from the Pollen Street Fund. Such fees are costs for fulfilling a contract and are recognised as an asset as the Pollen Street Group expect to recover them. Any capitalised contract costs are amortised, with the expense recognised as the Pollen Street Group transfers related goods or services to the customer.

2.6 Other income

Other income, which is stated net of value added tax, represents R&D expenditure credits ("RDEC") claimed by the Pollen Street Group in relation to qualifying research and development expenditure. RDEC income is recognised once the Pollen Street Group obtains confirmation from HMRC that its R&D claim has been successful.

2.7 Pensions

The Pollen Street Group makes contributions into employee personal pension schemes. Once the contributions have been paid, the Pollen Street Group has no further payment obligations.

The contributions are recognised as an expense in the profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position.

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity, respectively.

Current and deferred income tax charges are calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where Pollen Street operates and generates income.

(A) Current income tax

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

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

(B) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Pollen Street Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(C) *Sales tax*

Expenses and assets are recognised net of the amount of sales tax, except:

- when the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; or
- when receivables and payables are stated with the amount of sales tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

2.9 Leases

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

Group as a lessee

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

(A) *Right-of-use assets*

The Pollen Street Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, an estimate of costs to be incurred in restoring the underlying asset to the condition required by the terms and conditions of the lease and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Pollen Street Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(B) *Lease liabilities*

At the commencement date of the lease, the Pollen Street Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable and amounts expected to be paid under residual value guarantees. The lease payments also include payments of penalties for terminating the lease, if the lease term reflects the Pollen Street Group exercising the option to terminate.

In calculating the present value of lease payments, the Pollen Street Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Pollen Street Group presents the payment of interest on the lease liabilities as a cash flow from financing activities in the statement of cash flows.

(C) *Short-term leases and leases of low-value assets*

The Pollen Street Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-

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

2.10 Goodwill

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Pollen Street Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit (“CGU”) is less than its carrying amount. Any impairment loss recognised on the goodwill are not reversed subsequently. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Pollen Street Group’s CGUs or group of CGUs that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. A CGU represents the lowest level at which goodwill is monitored for internal management purposes.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2.11 Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation is provided on the following basis:

- fixtures and fittings: 3 years;
- computer equipment: 3 years; and
- leasehold improvements: 10 years.

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.12 Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The Pollen Street Group recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition.

(A) *Financial assets*

(i) Subsequent measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (“OCI”), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Pollen Street Group’s business model for managing them.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are ‘solely payments of principal and interest (“SPPI”)’ on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Pollen Street Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

For purposes of subsequent measurement, financial assets are classified in two categories:

- financial assets at amortised cost (debt instruments); or
- financial assets at fair value through profit or loss (“FVTPL”).

(ii) Financial assets at amortised cost

The Pollen Street Group’s financial assets at amortised cost include cash and cash equivalents, receivables (trade and other receivables balances, loans given).

Financial assets at amortised cost are subsequently measured using the effective interest (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

(iii) Financial assets at FVTPL

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss within “*Gains less losses on financial instruments at FVTPL*”.

The Pollen Street Group has certain investments in limited partnerships which the Pollen Street Group had not irrevocably elected to classify at fair value through OCI. Such equity investments are not being held for trading purpose and are subsequently measured at FVTPL. Income distributions on those investments are recognised as “*Other income*” in the statement of profit or loss when the right of payment has been established.

(iv) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e., removed from the Pollen Street Group’s consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Pollen Street Group has transferred the financial asset and the transfer qualifies for derecognition under IFRS 9.

(v) Impairment

The Pollen Street Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Pollen Street Group expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For receivables the Pollen Street Group applies a simplified approach in calculating ECLs. Therefore, the Pollen Street Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Pollen Street Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Pollen Street Group may also consider a financial asset to be in default when internal or external information indicates that the Pollen Street Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Pollen Street Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(B) *Financial liabilities*

(i) Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified as financial liabilities at amortised cost.

(ii) Financial liabilities at amortised cost

The Pollen Street Group’s payables are recognised as financial liabilities at amortised cost. The Pollen Street Group didn’t have interest-bearing financial liabilities (i.e. interest-bearing loans and borrowings) as at the reporting dates.

For interest-bearing financial liabilities the following accounting policy would have been applied: after initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

(iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

(C) *Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.13 Cash and cash equivalents

Cash and cash equivalents include deposits held at banks on call and highly liquid deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.14 Trade payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

2.15 Treasury shares

Treasury shares have no entitlements to vote and are held directly by Pollen Street.

2.16 Dividends

Dividend distributions to Pollen Street Shareholders are recognised in the accounting period in which the dividends are authorised.

2.17 First-time adoption of IFRS

This financial information, for the year ended 31 December 2021, is the first the Pollen Street Group has prepared in accordance with IFRS as adopted by the UK. For periods up to and including the year ended 31 December 2020, the Pollen Street Group prepared its financial statements in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102").

Accordingly, the Pollen Street Group has prepared financial information that complies with IFRS applicable as at 31 December 2021, together with the comparative period data for the years ended 31 December 2020 and 2019. In preparing the financial information, the Pollen Street Group's opening statement of financial position in accordance with IFRS was prepared as at 1 January 2019 (the Pollen Street Group's date of transition to IFRS). This note explains the principal adjustments made by the Pollen Street Group in restating its UK GAAP financial statements, including the statement of financial position as at 1 January 2019 and the financial statements as of, and for, the years ended 31 December 2020 and 31 December 2019.

Exemptions / exceptions from retrospective application

The Pollen Street Group has opted to apply the following optional exemptions / practical expedients:

- (A) **Past business combination:** The Pollen Street Group has applied the exemption as provided in IFRS 1 on non-application of IFRS 3, Business Combinations to business combinations consummated prior to 1 January 2019 (transition date), pursuant to which goodwill arising from business combinations has been stated at the carrying amount prior to the transition date under UK GAAP in the IFRS financial information. Further, related deferred tax assets which were subsumed in goodwill were not recognised separately in the opening consolidated statement of financial position as at 1 January 2019 as those did not qualify for recognition in the separate statement of financial position of the acquiree.
- (B) **Leases – Practical expedient:** The following is the summary of practical expedients elected on the first-time application of IFRS 16 in restating the opening consolidated statement of financial position at the transition date:
 - (i) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
 - (ii) Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of transition.
 - (iii) Excluded the initial direct costs from the measurement of the right-of-use asset at the transition date.
 - (iv) Applied the practical expedient to grandfather the assessment of which transactions are leases before the transition date. Accordingly, IFRS 16 is applied only to contracts that were previously identified as leases under UK GAAP.
- (C) As prohibited by IFRS 1 the Pollen Street Group evaluated the following exceptions from retrospective application of IFRS:

- (i) ***Derecognition of financial assets and liabilities exception*** – Financial assets and liabilities derecognised before 1 January 2019 are not re-recognised under IFRS. Pollen Street has chosen not to apply the IFRS 9 derecognition criteria to an earlier date. No arrangements were identified that had to be assessed under this exception.
 - (ii) ***Hedge accounting exception*** – The Pollen Street Group has not identified any hedging relationships at the transition date and hence this exception is not applicable.
 - (iii) ***Estimates exception*** – Upon an assessment of the estimates made under UK GAAP, the Pollen Street Group concluded that there was no necessity to revise the estimates under IFRS except where new/additional estimates were required by IFRS and not required by UK GAAP.
- (D) Group reconciliation of equity as at 1 January 2019, 31 December 2019 and 31 December 2020:

Note	As at 31 December 2020		As at 31 December 2019		As at 1 January 2019	
	UK GAAP	Adjustments* £'000	IFRS	UK GAAP	Adjustments* £'000	IFRS
Non-current assets						
Investments	500	—	500	—	—	—
Property, plant and equipment	1,665	—	1,665	1,890	—	2,046
Right-of-use assets	—	6,879	6,879	—	8,984	8,984
Goodwill	1,354	450	1,804	1,566	1,804	1,804
Deferred tax asset	—	659	659	—	797	—
Total non-current assets	3,519	7,988	11,507	3,456	8,966	12,834
Current assets						
Receivables	12,682	784	13,466	16,347	429	15,278
Cash and cash equivalents	8,297	—	8,297	6,126	—	9,902
Total current assets	20,979	784	21,763	22,473	429	25,180
Total assets	24,498	8,772	33,270	25,929	9,395	38,014
Current liabilities						
Payables: amounts falling due within one year	(11,720)	(1,653)	(13,373)	(15,123)	(2,166)	(17,833)
Current tax payable	—	(3)	(3)	—	—	—
Total current liabilities	(11,720)	(1,656)	(13,376)	(15,123)	(2,166)	(17,833)
Net current assets	9,259	(872)	8,387	7,350	(1,737)	7,347
Non-current liabilities						
Payables: amounts falling due after more than one year	(4,080)	(6,609)	(10,689)	(4,716)	(6,837)	(10,160)
Deferred tax liability	—	(92)	(92)	—	(88)	(12)
Provisions	—	—	—	—	—	(85)
Onerous lease provision	—	—	—	—	—	(562)
Total non-current liabilities	(4,080)	(6,701)	(10,781)	(4,716)	(6,925)	(10,819)
Total liabilities	(15,800)	(8,357)	(24,157)	(19,839)	(9,091)	(28,652)
Net assets	8,698	415	9,113	6,090	304	9,362
Equity						
Called up share capital	—	—	—	—	—	—
Share premium	1,143	—	1,143	842	—	1,030
Capital contribution	1,075	—	1,075	1,075	—	1,075
Retained earnings	6,480	404	6,884	4,173	241	7,875
Foreign currency translation reserve	—	11	11	—	63	(102)
Equity attributable to owners of Pollen Street	8,698	415	9,113	6,090	304	9,878
Non-controlling interests	—	—	—	—	—	(516)
Total equity	8,698	415	9,113	6,090	304	9,362

*Adjustments refer to remeasurement and reclassification adjustments as a result of conversion from UK GAAP to IFRS.

- (E) Group reconciliation of profit or loss and other comprehensive income for the year ended 31 December 2019 and year ended 31 December 2020:

	Note	For the year ended 31 December 2020			For the year ended 31 December 2019		
		UK GAAP £'000	Remeasure ment/ Reclassification £'000	IFRS £'000	UK GAAP £'000	Remeasure ment/ reclassification £'000	IFRS £'000
Revenue from contracts with customer		27,893	—	27,893	30,053	—	30,053
Other income		90	—	90	—	—	—
Administrative expenses	e, c	(25,461)	435	(25,026)	(32,308)	454	(31,854)
Operating profit / (loss)		2,522	435	2,957	(2,255)	454	(1,801)
Finance costs	e	—	(373)	(373)	—	(376)	(376)
Interest income		45	—	45	2	—	2
Profit / (loss) before taxation		2,567	62	2,629	(2,253)	78	(2,175)
Tax on (loss) / profit	d	(208)	49	(159)	520	226	746
Profit / (loss) for the financial year		2,359	111	2,470	(1,733)	304	(1,429)
Other comprehensive income							
<i>Items that may be reclassified to profit or loss:</i>							
Currency translation differences – net of tax		(52)	—	(52)	165	—	165
Total other comprehensive income / (loss) for the year		(52)	—	(52)	165	—	165
Total comprehensive income / (loss) for the year		2,307	111	2,418	(1,568)	304	(1,264)

- (F) Exemptions for first-time adopters

IFRS 1 “First-time adoption of IFRS” allows first-time adopters certain exemptions from retrospective application of certain IFRS. The Pollen Street Group chose not to apply IFRS 3 Business Combinations to acquisitions of subsidiaries that occurred before 1 January 2019.

- (G) Notes to the reconciliation of Group’s equity as at 1 January 2019, 31 December 2019 and 31 December 2020 and total comprehensive income for the years ended 31 December 2019 and 31 December 2020:

- (i) Investments

Under UK GAAP, the Pollen Street Group accounted for investments in limited partnerships as financial instruments measured at cost. Under IFRS such investments in unlisted entities are required to be classified as FVTPL and accordingly they are fair valued at each reporting period with subsequent changes in its fair value recognised in the Statement of Profit or Loss. At the date of transition to IFRS the Pollen Street Group did not have any investments. The Pollen Street Group acquired those assets during the year ended 31 December 2020. As at 31 December 2020 the fair value of these assets was £500,000, which equalled their cost. Therefore, no related gain or loss was recognised in 2020. As at 31 December 2021 the Pollen Street Group has revalued this investment at £590,000. Accordingly, the Pollen Street Group recognised £90,000 of revaluation gain in 2021 year under IFRS. This gain is included within “Revaluation gain”. Refer to Notes 3 and 27 for the disclosure of valuation techniques used and Managements’ significant judgements related to valuation of unquoted investments. The Pollen Street Group acquired additional investment amounting to £804,000 bring the value of the revalued investment and additional investment to £1,394,000.

- (ii) Trade and other receivables

The adoption of IFRS has changed the Pollen Street Group’s accounting for impairment losses for financial assets by replacing incurred loss approach under UK GAAP with a forward-looking ECL approach. IFRS requires the Pollen Street Group to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets. At the date of transition to IFRS, the Pollen Street Group did not recognise any additional impairment on its receivables given its assessment of ECL

under IFRS 9. Refer to Note 3 for the disclosure of the Managements' significant judgements in ECL assessment for its financial instruments. At the date of transition, an error was identified in respect of a cost which was erroneously disclosed as a commitment under UK GAAP. This resulted in an increase in prepayments and accruals of £168,000 (31 December 2019: £1,000,000; 31 December 2020: £1,168,000). This cost has been capitalised under IFRS 15 as a cost to fulfil the revenue contract.

(iii) Goodwill

Under UK GAAP, the Pollen Street Group considered Goodwill to have a finite useful life and was amortised on a straight-line basis over its life. Under IFRS Goodwill is not amortised but tested for impairment annually. At the date of transition, the carrying amount of goodwill of £1,804,000 under UK GAAP was assessed for impairment testing. At the date of transition, the recoverable amount for the Goodwill was higher than the carrying amount, providing a significant headroom in favour of goodwill, and therefore no impairment provision was recognised. The subsequent amortisation of goodwill previously recognised under UK was reversed as part of the IFRS adjustment. The goodwill amortisation reversed were £610,000 (31 December 2020: £212,000, 31 December 2019: £238,000). These adjustments were recognised in the equity for the relevant period.

(iv) Deferred tax

The various transitional adjustments resulted in various temporary differences. According to the accounting policies in Note 2.8, the Pollen Street Group has to recognise the tax effects of such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

(v) Leases

Under UK GAAP, a lease is classified as a finance lease or an operating lease. Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term. Under IFRS, as explained in Note 2.9, a lessee applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets and recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At the date of transition to IFRS, the Pollen Street Group applied the transitional provision and measured lease liabilities at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of transition to IFRS. Right-of-use assets were measured at the amount equal to the lease liabilities adjusted by the amount of any prepaid or accrued lease payments. As a result, the Pollen Street Group recognised an increase of 7,538,000 (31 December 2020: £8,773,000, 31 December 2019: £9,569,000) of lease liabilities included under Payables and £5,841,000 (31 December 2020: £6,879,000, 31 December 2019: £7,931,000) of right-of-use assets. The provision for restoration cost on the lease agreement is presented in a separate line on the Statement of Financial Position.

The lease rental expense recognised under UK GAAP was reversed while a new ROU asset depreciation was recognised. This resulted into a cumulative impact of £215,000 (31 December 2020: £223,000, 31 December 2019: £216,000) in the equity. While a finance cost of £330,000 (31 December 2020: £373,000, 31 December 2019: £376,000) was also recognised in equity in respect of the lease liability and interest accretion on the restoration cost provision.

(vi) Statement of cash flows

Cash flows arising from payments of the principal portions of lease liabilities are classified as financing activities. Therefore, cash outflows from operating activities decreased by £215,000 and cash outflows from financing activities increased by the same amount for the year ended 31 December 2019 and by £792,000 for the year ended 31 December 2020 and £1,196,000 for the year ended 31 December 2021.

3. Critical accounting judgements, estimates and assumptions

The preparation of the financial information requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial information. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

(A) Judgements are considered to include:

- (i) consolidation scope assessment and control & significant influence assessment; and
- (ii) leases – short-term exemption on onerous lease.

(B) Estimates and assumptions are considered to include

- (i) ECL on receivables;
- (ii) ECL on cash and cash equivalents;
- (iii) fair value of investments;
- (iv) bonus provision;
- (v) impairment assessment for goodwill; and
- (vi) leases – estimating the incremental borrowing rate.

(C) Consolidation

The Pollen Street Group acts as general partner to a number of limited partnerships or funds. The general partners are consolidated in this financial information. In addition to acting as general partner, the Pollen Street Group also invests in some limited partnerships through a mix of capital and loans. The Pollen Street Group assesses such relationships on an ongoing basis to determine whether each limited partnership is controlled by the Pollen Street Group and therefore is required to be consolidated by the Pollen Street Group. This assessment is based on the Pollen Street Group's total exposure. This incorporates direct holdings in the form of capital and loans, income earned from management and performance fees and the assessed strength of third-party removal rights.

Such interests in limited partnerships provide the Pollen Street Group with rights to participate in the governance framework of the relevant activities which limited partnerships are engaged in. The Pollen Street Group has power over the funds that it manages through its investment management and other agreements with them. Additionally, the Pollen Street Group must determine whether it is acting primarily as a principal or as an agent (that is, on behalf of the other investors) in exercising its power over the funds. In assessing whether it is agent or principal, the Pollen Street Group considers a number of factors, including the scope of its decision-making over the funds' relevant activities, rights held by investors and others, remuneration that it earns from the funds, and the Pollen Street Group's exposure to variable returns from all sources (including fees and investments / loans held) for each fund. The Pollen Street Group has exposure to variable returns usually determined by the earnings of the management fees, performance fees and the percentage of investment which is generally in the range of 0% to 1% of the fund, which is commensurate with the market and industry practice. The Pollen Street Group concludes that it acts as an agent when the power it has over an entity is deemed to be exercised for the benefit of third-party investors. Such limited partnerships are neither consolidated nor treated as associates as the Pollen Street Group is acting as agent for the benefits of others and the Pollen Street Group holds less than 20% of the total value of the limited partnership. Refer to Note 12 for more detailed information.

(D) ECL on Receivables

Receivables consist of trade and other receivables balances and prepayments and accrued income. Trade receivables balances are represented by fees receivable for investment fund management and advisory services provided during the year to the Pollen Street Group's

customers. Other receivables balances consist of a loan to a parent and other receivables where the counterparty is known to the Pollen Street Group and the balance are expected to be settled in full in the short term. The Pollen Street Group's customers are funds that the Pollen Street Group manages or advises as such the Pollen Street Group has detailed and up to date information on the financial position and outlook of its counterparties, which are all considered to be strong. Trade balances are generally collected on a monthly or quarterly basis and are therefore short-term in nature. The Pollen Street Group applies a simplified approach in calculating ECLs and recognises a loss allowance based on lifetime ECLs at each reporting date. Given the historic rate of recoverability is 100% and the absence of reasons to believe the recoverability pattern will change, Management's assessment is that no ECL provision was required under IFRS 9 as at the end of the current and previous reporting periods. Further information as to how the Pollen Street Group manages its credit risk on trade and other receivables is disclosed in Note 28. Management will continue to assess the recoverability at each reporting date for changes in the circumstances surrounding the recoverability of the trade and other receivables and recognise an expected credit loss allowance when appropriate.

(E) ECL on Cash and cash equivalents

Balances with banks are short-term in nature, are held in reputable institutions (refer to Note 17), and are considered to have a very low risk of credit losses, therefore the ECL was estimated as immaterial and was not booked.

(F) Fair value of investments

The valuation of unquoted investments is a key area of estimation and may cause material adjustment to their carrying value. The unquoted investments are valued on a periodic basis in accordance with the International Private Equity and Venture Capital valuation guidelines ("IPEV") effective from 1 January 2019 and updated in March 2020 as recommended by the British Private Equity and Venture Capital Association. In order to determine the fair value of its unquoted investments the Pollen Street Group uses various modelling approaches including discounted cash flows models and the value of recent transactions. The valuations often reflect a synthesis of a number of different approaches in determining the final fair value estimate. The individual approach for each investment varies depending on relevant factors that a market participant would consider in pricing the asset. The valuation requires management to make certain assumptions (see Note 27), including model inputs, probabilities of scenarios and other key assumptions.

(G) Bonus provisions

The bonus accrual included in the financial information has been based on an expectation of the final performance of the company and employees during the year and thus may vary from the actual amounts paid out after the year end. The awards are currently under review by the Pollen Street Group's remuneration committee.

(H) Impairment assessment for Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit ("CGU") is less than its carrying amount. For the impairment test, goodwill is allocated to the CGU or groups of CGUs which benefit from the synergies of the acquisition and which represent the lowest level at which goodwill is monitored for internal management purposes.

The recoverable amount of CGUs is determined based on higher of value-in-use and fair value less cost to sell. Key assumptions in the cash flow projections are prepared based on current economic conditions and comprises estimated long-term growth rates, weighted average cost of capital and estimated operating margins. Key assumptions in the cash flow projections are prepared based on current economic conditions and comprises the current outlook for the business and the weighted average cost of capital and estimated operating margins.

For PSCCL, Management estimated the value in use, using its annual budget and forecasted cash flows for 4 years. The cash flows projections assume asset under management will increase to £1.2 billion during that period and were discounted using a pre-tax weighted average cost of capital of 10% per annum. The recoverable amount exceeds the carrying amount of the CGU by £7m.

For Avant, Management does not expect any further cash inflows and has therefore impaired the residual goodwill balance of £601,000.

(I) *Leases – Estimating the incremental borrowing rate*

The Pollen Street Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (“IBR”) to measure lease liabilities. The IBR is the rate of interest that the Pollen Street Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Pollen Street Group ‘would have to pay’, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary’s functional currency).

(J) *Leases – Short term exemption on onerous lease*

The Pollen Street Group had a lease that was considered onerous as of 31 December 2018. An onerous lease provision was recognised for the remaining lease rental payment up until October 2019. This was recognised in the statement of financial position as at 31/12/2018. Using the benefit of hindsight permitted as one of the practical expedients under IFRS 1 (IFRS 1.D9D), the Pollen Street Group considered the lease term on these leases to be less than 12 months. Accordingly, the Pollen Street Group did not recognise ROU assets and lease liability on the date of transition for these leases. The provision was derecognised in 2019 when the payment was settled.

4. Accounting standards issued but not yet effective

- (A) *Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37.* In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual reporting periods beginning on or after 1 January 2022.

The Pollen Street Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

- (B) *Definition of Accounting Estimates – Amendments to IAS 8.* In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of ‘accounting estimates’. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed. The Pollen Street Group is currently assessing the impact of the amendments to determine the impact they will have on the Pollen Street Group’s consolidated financial statements.
- (C) *Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2.* In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their

'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary. The Pollen Street Group is currently assessing the impact of the amendments to determine the impact they will have on the Pollen Street Group's accounting policy disclosures.

5. Revenue from contracts with customer

The Pollen Street Group's primary source of revenue is management fees. Management fees are charged for investment fund management and advisory services provided during the year and arising from continuing activities in the UK. These are normally based on an agreed percentage of the assets under management. Performance fees and agency fees may be earned from some funds when agreed performance conditions are met.

An analysis of revenue by class of business is as follows:

	For the year ended 31 December		
	2021 £'000	2020 £'000	2019 £'000
Management fees	30,556	25,593	20,044
Performance fees	3,369	2,300	10,009
	33,925	27,893	30,053

Analysis by origin of revenue:

	For the year ended 31 December		
	2021 £'000	2020 £'000	2019 £'000
Europe	33,875	24,847	25,543
Rest of the world	50	3,046	4,510
	33,925	27,893	30,053

The Pollen Street Group has recognised a contract asset in relation to placement agent fees

	For the year ended 31 December			As at 1 January
	2021 £000	2020 £000	2019 £000	2018 £000
Amounts included in contract assets	1,567	1,168	1,000	168
Performance obligations satisfied in previous years	442	2,427	1,573	2,621

6. Administrative expenses

Administrative expenses comprise:

For the year ended 31 December			
	2021 £'000	2020 £'000	2019 £'000
General expenses	(26,966)	(22,295)	(30,481)
Depreciation and impairment	(1,944)	(1,383)	(1,373)
One-off exceptional costs	(328)	(1,348)	—
Total administrative expenses	(29,238)	(25,026)	(31,854)

The breakdown of general administrative expenses is provided below:

For the year ended 31 December			
	2021 £'000	2020 £'000	2019 £'000
Staff costs (Note 8)	21,558	17,423	22,986
Property costs	607	636	443
Other costs*	4,801	4,236	7,052
Total general expenses	26,966	22,295	30,481

Other costs include £1,380,286 (2020: £441,914, 2019: nil) representing the amortisation of the asset recognised with regards to exclusive placement agent and financial adviser fees, as described in accounting policy 2.5 Revenue.

Significant Other costs include legal and professional fees, irrecoverable VAT and recruitment and training costs.

One-off exceptional costs in 2020 represent legal and due diligence costs associated with a transaction to restructure share ownership.

7. Auditors' remuneration

For the year ended 31 December			
	2021 £'000	2020 £'000	2019 £'000
Fees payable to the Pollen Street Group's auditor for the audit of the Pollen Street Group's annual accounts	91	100	102
Non-audit fees	24	28	17
Taxation services	25	21	21

8. Employees

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

	For the year ended 31 December		
	2021 No.	2020 No.	2019 No.
Directors	5	5	6
Professional staff	68	70	71
	73	75	77

Staff costs were as follows:

	For the year ended 31 December		
	2021 £'000	2020 £'000	2019 £'000
Wages and salaries	18,584	14,983	19,764
Social security costs	2,863	2,334	3,118
Defined contribution pension cost	112	106	104
	21,559	17,423	22,986

9. Interest income

	For the year ended 31 December		
	2021 £'000	2020 £'000	2019 £'000
Interest income	123	45	2

10. Taxation

	For the year ended 31 December		
	2021 £'000	2020 £'000	2019 £'000
Domestic income tax charge / (credit):			
Current tax on (loss) / profit for the year	3,845	18	—
Prior period adjustment	—	3	138
Foreign tax charge:			
Foreign tax on income for the year	—	—	—
Prior period adjustment	—	—	(75)
Deferred tax charge:			
(Recovered)/charged to the profit or loss	(350)	138	(809)
Tax on profit or loss reported in the statement of profit or loss	3,495	159	(746)

(A) *Factors affecting tax charge for the year*

The tax assessed for the year is higher (2020: lower, 2019: higher) than the standard rate of corporation tax in the UK of 19% (2020: 19%, 2019: 19%). The differences are explained below:

	For the year ended 31 December		
	2021 £'000	2020 £'000	2019 £'000
Profit / (loss) before tax	4,570	2,629	(2,175)
Profit / (loss) activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%, 2019: 19%)	(868)	(500)	413
Effects of:			
Expenses not deductible for tax purposes	(1)	(269)	(103)
Prior period adjustments	21	(3)	(184)
Profit from LLP not subject to corporation tax	(27)	—	(21)
Profits / losses subject to tax in different jurisdictions	(301)	—	(71)
Utilisation of tax losses	—	410	—
Tax arising on priority profit share from the disposal of an investment	(2,370)	—	—
Tax on RDEC	—	17	—
Adjustment to deferred tax on transition to IFRS	(3)	186	725
Other permanent differences	—	—	(13)
Total tax charge for the year	(3,549)	(159)	746

(B) *Deferred taxation*

Components of deferred tax	As at 31 December 2021 £'000	Charged to profit or loss £'000	Charged to OCI £'000	As at 31 December 2020 £'000	Charged to profit or loss £'000	Charged to OCI £'000	As at 31 December 2019 £'000	Charged to profit or loss £'000	Charged to OCI £'000	As at 31 December 2018 £'000
Deferred bonuses	734	350	—	384	(187)	—	571	583	—	(12)
Investments at FVTPL	(17)	(17)	—	—	—	—	—	—	—	—
Right-of-use assets	(1,110)	197	—	(1,307)	200	—	(1,507)	200	—	(1,707)
Lease liability	1,330	(235)	—	1,565	(151)	—	1,716	25	—	1,691
Restoration provision	18	1	—	17	—	—	17	1	—	16
Deferred tax asset / (liability)	955			659			797			(12)

11. Investments

Group

	Unlisted investments £'000
Valuation	
At 31 December 2019	—
Additions	500
Fair value adjustments	—
At 31 December 2020	500
Additions	804
Fair value adjustments	90
At 31 December 2021	1,394
Net book value	
At 31 December 2021	1,394
<i>At 31 December 2020</i>	<i>500</i>
<i>At 31 December 2019</i>	<i>—</i>

As at 31 December 2021 the Pollen Street Group had £1,394k (31 December 2020: £500k) of investments, comprising of three assets (2020: one asset, 2019: none).

In August 2020, the Pollen Street Group subscribed to a £500k commitment into PSC Plane (Guernsey) LP, a fund managed by the Pollen Street Group. This commitment was drawn fully during 2020. The fair value as at 31 December 2021 was assessed to be £590k based on a third party valuation of the assets within the fund commissioned in the latter half of 2021.

In May 2021, the Pollen Street Group subscribed to a £1m commitment into PSC Credit (T) SCSp, a fund managed by the Pollen Street Group. This commitment has been drawn periodically over 2021, with £604k of drawn balances as at 31 December 2021. The fair value as at 31 December 2021 was assessed to be the value of the amounts drawn given the short passage of time between the commitment and the end of the period.

In September 2021, the Pollen Street Group subscribed for £200k of capital in S64, which is a digital Private Markets Ecosystem for Private Banks and Wealth Managers. Given the investment occurred so recently fair value is approximated by original price of the investment.

12. Investments in subsidiaries

The consolidated financial information of the Pollen Street Group includes the following direct and indirect subsidiaries:

Name	% of ownership as at 31 December				Country of incorporation	Principal activity
	2021	2020	2019	2018		
Pollen Street Capital (US) Holdings LLC	Indirect 100%	Indirect 100%	Indirect 100%	Indirect 100%	US	Holding company Investment
Pollen Street Capital (US) LLC	Indirect 100%	Indirect 100%	Indirect 100%	Indirect 100%	US	management services
Avant Credit of UK, LLC	100%	100%	100%	100%	UK*	Lending company
Honeycomb Finance Limited	100%	100%	Indirect 100%	Indirect 100%	UK	Lending company Investment
Pollen Street Capital Limited	100%	100%	100%	100%	UK	management services
PollenUp Limited	100%	100%	100%	100%	UK*	Dormant Investment
PSC Credit Holdings LLP	Indirect 100%	Indirect 100%	Indirect 100%	Indirect 90%	UK	Management services
PSC Credit Limited	100%	100%	100%	100%	Cayman	Holding company
PSC III Carry GP Limited	100%	100%	100%	100%	UK	General partner
PSC III G GP Limited	100%	100%	100%	100%	Guernsey	General partner
PSC III GP Limited	100%	100%	100%	100%	UK	General partner
PSC Income Fund I GP LLC	Indirect 100%	Indirect 100%	Indirect 100%	Indirect 100%	US	General partner
PSC IV GP Limited	100%	100%	100%	100%	Guernsey	General partner
PSC IV GP S.a.r.l	100%	100%	100%	100%	Luxembourg	General partner
PSC Marlin GP Limited	100%	100%	100%	100%	Guernsey	General partner
PSC Nominee 1 Limited	100%	100%	100%	100%	UK*	Nominee company
PSC Nominee 3 Limited	100%	100%	100%	100%	UK*	Nominee company
PSC Service Company Limited	100%	100%	100%	100%	UK	Service company
PSC SPV I GP LLC	Indirect 100%	Indirect 100%	Indirect 100%	Indirect 100%	Guernsey	General partner
SOF Annex Nominees Limited	100%	100%	100%	100%	UK*	Nominee company
SOF General Partner (Guernsey) Limited	100%	100%	100%	100%	Guernsey	General partner
SOF General Partner (Scotland) II Limited	100%	100%	100%	100%	UK	General partner
SOF General Partner (UK) Limited	100%	100%	100%	100%	UK	General partner
SOF General Partner (Cayman) Ltd	100%	100%	100%	100%	Cayman	General partner
PSC Accelerator GP Limited	100%	100%	100%	100%	Guernsey	General partner
PSC Plane GP (Guernsey) Limited	100%	100%	100%	100%	Guernsey	General partner
PSC Digital Limited	100%	100%	100%	100%	UK*	Holding company
PSC Credit (P) GP S.à r.l.	100%	100%	100%	100%	Luxembourg	General partner
PSC Credit (T) GP S.à r.l.	100%	100%	100%	100%	Luxembourg	General partner
PSC Credit III GP S.à r.l.	100%	100%	100%	100%	Luxembourg	General partner
PSC Accelerator Nominee Limited	100%	100%	100%	100%	Guernsey	Nominee company
PSC Nominee 4 Limited	100%	100%	100%	100%	Guernsey	Nominee company
PSC3 Funding Limited	Indirect 100%	Indirect 100%	Indirect 100%	Indirect 100%	UK*	Dormant
PSC US Credit GP MM LLC	Indirect 100%	Indirect 100%	Indirect 100%	Indirect 100%	US	General partner

* Subsidiaries exempt from audit in accordance with the Act.

All shares held in the Pollen Street Group's subsidiaries represent ordinary shares.

(A) Investments in unconsolidated structured entities

The Pollen Street Group invests in a number of limited partnerships through a mix of capital and loans. These limited partnerships are managed by general partners. Such interests in limited partnerships provide the Pollen Street Group with rights to participate in the governance framework of the relevant activities which limited partnerships are engaged in. Such limited partnerships are neither consolidated nor treated as associates as the Pollen Street Group is acting as agent for the

benefits of others and the Pollen Street Group holds less than 20% of the total value of the limited partnership.

The list of such limited partnerships is provided below:

Name	Partnership interest held	Country of registration	Investment strategy	Interest held in total net assets
PSC Accelerator LP	None	Guernsey	Private Equity	—
PSC Accelerator Carry LP	None	Guernsey	Private Equity	—
PSC Investments (C) LP	None	Guernsey	Private Equity	—
	£500k			
PSC Plane (Guernsey) LP	commitment	Guernsey	Private Equity	1%
PSC Plane Carry LP	None	Guernsey	Private Equity	—
PSC IV LP	None	Guernsey	Private Equity	—
PSC IV (B) LP	None	Guernsey	Private Equity	—
PSC IV (C) SCSp	None	Luxembourg	Private Equity	—
PSC IV Carry LP	None	Guernsey	Private Equity	—
PSC Venus LP	None	Guernsey	Private Equity	—
PSC Glebe LP	None	Guernsey	Private Equity	—
PSC Neptune LP	None	Guernsey	Private Equity	—
PSC III G LP	None	Guernsey	Private Equity	—
PSC III LP	None	UK	Private Equity	—
PSC III Carry LP	None	UK	Private Equity	—
PSC Investment LP	None	UK	Private Equity	—
PSC Investment B LP	None	UK	Private Equity	—
PSC III Pooling LP	None	Ontario	Private Equity	—
PSC Marlin LP	None	Guernsey	Private Equity	—
PSCM Carry LP	None	Guernsey	Private Equity	—
PSCM Pooling LP	None	Guernsey	Private Equity	—
Special Opportunities Fund (Guernsey) LP	None	Guernsey	Private Equity	—
Special Opportunities Fund A LP	None	UK	Private Equity	—
Special Opportunities Fund B LP	None	UK	Private Equity	—
Special Opportunities Fund C LP	None	UK	Private Equity	—
Special Opportunities Fund D LP	None	UK	Private Equity	—
Special Opportunities Fund F LP	None	UK	Private Equity	—
Special Opportunities Fund G LP	None	UK	Private Equity	—
Special Opportunities Fund J LP	None	UK	Private Equity	—
Special Opportunities Fund Employee LP	None	UK	Private Equity	—
Special Opportunities Fund S1 LP	None	UK	Private Equity	—
Special Opportunities Fund S2 LP	None	UK	Private Equity	—
PSC US Badger LLC	None	Delaware	Credit	—
PSC US Wolverine LLC	None	Delaware	Credit	—
PSC Credit (P) SCSp	None	Luxembourg	Credit	—
PSC Credit (T) SCSp	£1m commitment	Luxembourg	Credit	1%
PSC Credit (T) Carry SCSp	None	Luxembourg	Credit	—
PSC Credit III (A) SCSp	None	Luxembourg	Credit	—
PSC Credit III (B) SCSp	None	Luxembourg	Credit	—
PSC Credit III Carry SCSp	None	Luxembourg	Credit	—

(B) Investments in unconsolidated structured entities

The maximum exposure to loss for investments in unconsolidated limited partnerships, in which the Pollen Street Group holds an interest in the net assets through the general partners is the carrying amount of the investments in those limited partnerships (£590k for PSC Plane (Guernsey) LP (2020: £500k) and £604k for PSC Credit (T) SCSp) (refer to Note 11) and loss of future fees.

For those participations in unconsolidated limited partnerships, where the Pollen Street Group doesn't hold interest in net assets, the maximum exposure to loss is the loss of future fees.

13. Property, plant and equipment

Group

	Computer equipment £'000	Leasehold improvements £'000	Fixtures and fittings £'000	Total £'000
Cost				
At 1 January 2019	226	196	2,320	2,742
Additions	54	—	171	225
At 31 December 2019	280	196	2,491	2,967
Additions	147	—	16	163
At 31 December 2020	427	196	2,507	3,130
Additions	51	—	22	73
At 31 December 2021	478	196	2,529	3,203
Depreciation				
At 1 January 2019	98	5	593	696
Charge for the year	72	20	289	381
At 31 December 2019	170	25	882	1,077
Charge for the year	87	20	281	388
At 31 December 2020	257	45	1,163	1,465
Charge for the year	95	20	248	363
At 31 December 2021	352	65	1,411	1,828
Net book value				
At 31 December 2021	126	131	1,118	1,375
At 31 December 2020	170	151	1,344	1,665
At 31 December 2019	110	171	1,609	1,890
At 1 January 2019	128	191	1,727	2,046

14. Leases

The Pollen Street Group leases a number of properties for its operation with fixed periodic rental payment over the fixed lease term ranging from 5 to 10 years.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period.

Group

	Right-of-use assets £'000
Cost	
At 1 January 2019	8,984
Additions	—
Depreciation expense	(1,053)
At 31 December 2019	7,931
Additions	—
Depreciation expense	(1,052)
At 31 December 2020	6,879
Additions	—
Depreciation expense	(1,039)
At 31 December 2021	5,840

Set out below are the carrying amounts of lease liabilities and the movements during the period.

Group

	Lease liabilities £'000
At 1 January 2019	9,437
Accretion of interest	373
Payments	(241)
At 31 December 2019	9,569
Additions	—
Accretion of interest	370
Payments	(1,166)
At 31 December 2020	8,773
Additions	—
Accretion of interest	326
Payments	(1,561)
At 31 December 2021	7,538

	As at 31 December			As at 1 January
	2021 £'000	2020 £'000	2019 £'000	2019 £'000
Current (Note 18)	1,527	1,561	1,166	241
Non-current (Note 19)	6,011	7,212	8,403	9,196
Total	7,538	8,773	9,569	9,437

The following are the amounts recognised in profit or loss:

	For the year ended 31 December		
	2021 £'000	2020 £'000	2019 £'000
Depreciation expense of right-of-use assets	1,038	1,052	1,053
Finance costs	330	373	376
Total amount recognised in profit or loss	1,368	1,425	1,429

	For the year ended 31 December		
	2021 £'000	2020 £'000	2019 £'000
Finance costs			
Lease liability interest	326	370	373
Unwinding of discount (on restoration provision)	4	3	3
	330	373	376

The table below summarises the maturity profile of the lease liabilities:

	As at 31 December			As at 1 January
	2021 £'000	2020 £'000	2019 £'000	2019 £'000
Due within 3 months	402	401	75	73
Due within 12 months	1,125	1,160	1,091	168
Due > 12 months	6,011	7,212	8,403	9,196
Total	7,538	8,773	9,569	9,437

The total cash outflow for the leases were £1,561,000 (31 December 2020: £1,166,000, 31 December 2019: £241,000).

The Pollen Street Group had a lease that was considered onerous as of 31 December 2018. An onerous lease provision was recognised for the remaining lease rental payment up until October 2019. This was recognised in the statement of financial position as at 31/12/2018. Using the benefit of hindsight permitted as one of the practical expedients under IFRS 1, the Pollen Street Group considered the lease term on these leases to be less than 12 months. Accordingly, the Pollen Street Group did not recognise ROU assets and lease liability on the date of transition for these leases. The provision was derecognised in 2019 when the payment was settled.

15. Goodwill

Goodwill relates to the acquisition of PSC Credit Limited ("PSCCL") and AvantCredit of UK, LLC ("Avant") in 2017 and 2018 respectively.

Group

	Goodwill £'000
Cost or valuation	
At 1 January 2019	1,804
Additions / (disposals)	—
At 31 December 2019	1,804
Additions / (disposals)	—
At 31 December 2020	1,804
Additions / (disposals)	—
Impairment charge	(601)
At 31 December 2021	1,203

Impairment

During the year £601,000 goodwill relating to Avant was impaired. There were no goodwill impairment charges during the year ended 31 December 2019 and 31 December 2020.

For impairment testing, goodwill acquired through business combinations are allocated to the PSCCL and Avant Cash Generating Units ("CGUs"). The carrying amount of goodwill allocated to each CGUs are as follows:

	PSCCL				Avant			
	As at 31 December			As at 1 January	As at 31 December			As at 1 January
	2021 (£'000)	2020 (£'000)	2019 (£'000)	2019 (£'000)	2021 (£'000)	2020 (£'000)	2019 (£'000)	2019 (£'000)
Goodwill	1,203	1,203	1,203	1,203	—	601	601	601

16. Receivables

	As at 31 December			As at 1 January
	2021 £'000	2020 £'000	2019 £'000	2019 £'000
Trade receivables	7,211	5,226	13,866	12,325
Other receivables	4,782	6,085	2,464	2,012
Prepayments and accrued income	5,526	2,155	446	941
	17,519	13,466	16,776	15,278

Included within prepayments and accrued income is an amount of £1,567,153 (2020: £1,167,721, 2019: £1,000,000, 2018: £167,610) recognised with regards to exclusive placement agent and financial adviser fees, as described in accounting policy 2.5 Revenue.

Included in trade and other receivables is an amount of £816,473 (2020: £815,120, 2019: £818,731, 2018: £1,246,873) which is due after more than one year. Included in prepayments and accrued income is an amount of £1,428,314 (2020: £935,550, 2019: £27,000, 2018: £1,246,873) which is due after more than one year.

Apart from the amounts mentioned in the paragraph above all other receivables are expected to be collected mostly on a monthly or quarterly basis.

17. Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and in hand.

	As at 31 December			As at 1 January
	2021 £'000	2020 £'000	2019 £'000	2019 £'000
Cash at banks:				
Royal Bank of Scotland (Fitch rating A+)	209	5,634	28	6,921
Coutts & Co. (part of NatWest Group (Fitch rating A))	3,813	2,466	5,971	2,935
MB Financial Bank (part of MB Financial Inc. (Fitch rating A-))	110	110	20	19
Total cash in Banks	4,132	8,210	6,019	9,875
Cash in hand	125	87	107	27
Total cash and cash equivalents	4,257	8,297	6,126	9,902

There is no restricted cash and cash equivalents as at 31 December 2021 (2020: nil, 2019: nil, 2018: nil).

Short-term deposits are generally held in call accounts with funds available on a same day basis and earn interest at the respective short-term deposit rates.

The Pollen Street Group holds £4,082,728 (2020: £5,113,291, 2019: £883,246) cash on trust for Honeycomb Investment Trust plc. The Pollen Street Group does not hold the cash on trust for its own purposes and has therefore excluded these amounts from the statement of financial position.

18. Payables: amounts falling due within one year

	As at 31 December			As at 1 January
	2021 £'000	2020 £'000	2019 £'000	2019 £'000
Trade payables	664	2,329	1,410	364
Other payables	—	704	376	1,132
Other taxation and social security	433	448	394	1,764
Accruals and deferred income	12,128	8,331	13,943	14,332
Lease liabilities (Note 14#)	1,527	1,561	1,166	241
	14,752	13,373	17,289	17,833

19. Payables: amounts falling due after more than one year

	As at 31 December			As at 1 January
	2021 £'000	2020 £'000	2019 £'000	2019 £'000
Lease liabilities (Note 14#)	6,011	7,212	8,403	9,196
Accruals and deferred income	4,312	3,477	3,150	964
	10,323	10,689	11,553	10,160

20. Provisions

A provision for restoration costs on lease contracts has been recognised as part of the right-of-use assets on transition.

	As at 31 December			As at 1 January
	2021 £'000	2020 £'000	2019 £'000	2019 £'000
At the beginning of the year	92	88	85	—
Arising during the year	—	—	—	85
Unwinding of discount	4	4	3	—
At the end of the year	96	92	88	85

21. Reserves

(A) Profit and loss account

This reserve represents all accumulated profits and losses.

(B) Share premium account

This reserve represents amounts received in respect of shares over and above their nominal value.

(C) Capital redemption reserve

This reserve was created when some shareholders contributed capital following a purchase of shares from another shareholder in June 2014. It was £160 as at 31 December 2021 (£160 as at 31 December 2020; £160 as at 31 December 2019) and is rounded to nil in the statement of financial position.

(D) Capital contribution reserve

This reserve represents additional paid in capital by one of the shareholders that occurred during 2017. It arose due to an irrevocable gift from former shareholders of Pollen Street relating to its acquisition of shares in Pollen Street in 2017.

22. Share capital

Shares A and B rank equally for voting, dividends and distribution of assets on winding up. Shares C has equal voting rights as compared to A and B and double rights for dividends and assets distribution, shares D has equal voting rights to shares A, B and C and no rights for dividends and assets distribution on winding up.

The figures below are stated in £ units.

	As at 31 December			As at 1 January
	2021 £'000	2020 £'000	2019 £'000	2019 £'000
Shares classified as equity				
21,467 (2020: 21,467, 2019: 16,267) ordinary A shares of £0.01 each	215	215	160	163
Nil (2020: Nil, 2019: 10,400) ordinary B shares of £0.01 each	—	—	104	104
2,600 (2020: 2,600, 2019: nil) ordinary C shares of £0.01 each	26	26	—	—
2,600 (2020: 2,600, 2019: nil) ordinary D shares of £0.01 each	26	26	—	—
Allotted, called up and fully paid	267	267	264	267
Treasury shares (2019: 267 ordinary A shares of £0.01 each)	—	—	3	—

On 9 April 2020, 5,200 ordinary B shares were redesignated at par value as 2,600 ordinary C shares and 2,600 ordinary D shares. On 4 November 2020, 5,200 ordinary B shares were redesignated at par value as 5,200 ordinary A shares.

On 6 June 2019, the Pollen Street Group bought back 267 shares from an out-going shareholder for £188,000 and sold them to a third party entity on 10 October 2020 for £300,000.

23. Dividends paid

	For the year ended 31 December		
	2021 £'000	2020 £'000	2019 £'000
Ordinary dividends:			
Full year dividends paid (2021: £219.67 per share, 2020: £0 per share, 2019: £43.80)	5,858	—	1,168
Total dividends attributable to ordinary shareholders	5,858	—	1,168

24. Earnings per share

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. The Pollen Street Group doesn't have any dilutive instruments.

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	For the year ended 31 December		
	2021	2020	2019
Profit attributable to ordinary equity holders of the parent (£'000)	1,021	2,470	(1,434)
Weighted average number of ordinary shares for basic EPS/Weighted average number of ordinary shares adjusted for dilution (units)	26,667	26,467	26,511
Basic and diluted EPS (£)	38.29	93.32	(54.10)

25. Segmental Reporting

All financial, business and strategic decisions of the Pollen Street Group are made centrally by the Board of Directors. Information is reported to the chief operating decision maker, the Board, on a single-segment basis. While the Pollen Street Group has the ability to analyse its underlying information in different ways, for example by product type, this information is only used to allocate resources and assess performance for the Pollen Street Group as a whole. On this basis, the Pollen Street Group considers itself to be a single-segment asset management business.

Historically, the Board has monitored operating profit calculated based on UK GAAP principles for the purpose of making decisions about resource allocation and performance assessment. The reconciliation of profit and loss and assets and liabilities of the Pollen Street Group under UK GAAP (as reviewed by the Board) and IFRS is provided in the Note 2.17.

Non-current assets of the Pollen Street Group (excluding financial instruments and deferred tax assets) are domiciled mainly in the UK. There are 3 customers who individually account for more than 10% of Group revenues.

Information on geographical split of revenue is provided in Note 5.

26. Categories of financial instruments

Financial assets at FVTPL comprise equity investments.

Financial assets measured at amortised cost comprise cash and cash equivalents and receivables set out in Notes 16 and 17 excluding prepayments and accrued income.

Financial liabilities measured at amortised cost comprise payables due within one year and greater than one year as set out in notes 18 and 19 excluding corporation tax, other taxation and social security and deferred income.

	As at 31 December			As at 1 January
	2021 £'000	2020 £'000	2019 £'000	2019 £'000
Financial assets				
Financial assets at FVTPL	1,394	500	—	—
Financial assets measured at amortised cost	13,849	18,206	20,965	24,239
	<u>15,243</u>	<u>18,706</u>	<u>20,965</u>	<u>24,239</u>
Financial liabilities				
Financial liabilities measured at amortised cost	16,139	15,314	19,069	15,546
Lease liabilities (Note 14)	7,538	8,773	9,569	9,437
	<u>23,677</u>	<u>24,087</u>	<u>28,638</u>	<u>24,983</u>

27. Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

IFRS 13 requires Pollen Street to classify its financial instruments held at fair value using a hierarchy that reflects the significance of the inputs used in the valuation methodologies. These are as follows:

- Level 1 – quoted prices in active markets for identical investments;
- Level 2 – other significant observable inputs (including quoted prices for similar investments, interest rates, prepayments, credit risk, etc.); and
- Level 3 – significant unobservable inputs (including Pollen Street's own assumptions in determining the fair value of investments).

An investment is always categorised as Level 1, 2 or 3 in its entirety. In certain cases, the fair value measurement for an investment may use a number of different inputs that fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement requires judgement and is specific to the investment.

(A) financial instruments that are not measured at fair value on recurring basis

The management has determined that the carrying value of Group's financial assets and liabilities measured at amortised costs approximates their fair value.

(B) financial instruments that are measured at fair value on recurring basis

The Pollen Street Group's only assets or liabilities held at fair value are "Investments", which are investments in limited partnerships. Those instruments do not, therefore, have an active market and are classified into Level 3 of the fair value hierarchy. There were no transfers from/into the Level 3 category due to changes in the valuation methodology. For the changes in carrying value of investments during the reporting periods refer to Note 11.

The valuation method has been described in Note 3.

Quantitative information regarding the unobservable inputs for the Pollen Street Group and Company's Level 3 assets as at 31 December 2021 is as following:

- Two of the assets were originated recently during 2021. Both were negotiated on arm's length terms and as such the fair value of these positions have been estimated to be £804k, which is the price of the original investment. If that price increases by 10% then the fair value of both assets would increase by £80k to £884k. If the price reduced by 10% then the fair value would decrease by £80k to £724k.
- The third asset has been valued by a third-party at £590k, which is consistent with the net asset value of the underlying investment. If this valuation increased by 10% then the fair value would increase by £59k to £649k. If the net asset value falls by 10% then the fair value would decrease by £59k to £531k.

28. Risk management

The Pollen Street Group's business is exposed to a variety of financial risks. The financial risks are categorised as credit risk, operational risk, business risk, liquidity risk and market risk. The Pollen Street Group has established a risk management framework to manage its exposure to these risks. The objective of the framework is to identify and assess the risks facing the Pollen Street Group and to minimise the potential adverse effects of these risks on the Pollen Street Group's financial performance. Financial risk management is overseen by the Board of Directors.

(A) Credit risk

Credit risk is the risk of suffering financial loss should the Pollen Street Group's customers, clients or counterparties fail to fulfil their contractual obligations to the Pollen Street Group.

The Pollen Street Group does not own the beneficial interest in loans. Its credit risk therefore arises from non-payment by trade receivables or default by banking counterparties.

The Pollen Street Group's policy is to place cash deposits only with financial institutions which satisfy minimum ratings and other criteria set by the Pollen Street Group. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and thereby mitigate the possibility of financial loss through counterparty failure.

Trade and other receivables are represented by the counterparties that are known to the Pollen Street Group and are normally expected to be settled in full in the short term. The Pollen Street Group's customers are funds that the Pollen Street Group manages or advises as such the Pollen Street Group has detailed and up to date information on the financial position and outlook of its counterparties, which are all considered to be strong.

There is no history of non-payments by the Pollen Street Group's receivables and there are no past due receivables as at the reporting dates.

(B) Operational risk

Operational risk is the risk that the firm suffers a loss as a result of the failure of internal systems, processes or procedures caused by either external or internal factors. The Pollen Street Group has undertaken a detailed risk assessment process by business area and risk area, identified the potential impact, potential mitigation and residual risk impact, along with any future actions that can improve the overall risk position. Operational risk is mitigated because the Pollen Street Group is the beneficiary of insurance policies to protect them from a number of these risk events such as civil liability insurance.

(C) Business risk

Business risk is the risk that the firm may not be able to carry out its business plan or strategy. The Pollen Street Group operates a relatively simple business model where much of the income and expenditure is stable. The risk is mitigated by monitoring its income and controlling its expenditure.

(D) Market risk

Market risk is the risk that the firm suffers a loss as a result of fluctuations in the values of, or income from, assets (price risk) or in interest (interest rate risk) or exchange rates (foreign currency risk). The Pollen Street Group's functional currency is Pound Sterling and therefore it can be exposed to the effect of fluctuations in currencies other than Pound Sterling. The Pollen Street Group is not subject to material market risk, other than the risk of change of fair value of its investments (Note 11). The risk associated with these investments is described in Note 27.

(E) Liquidity risk

Liquidity risk is the risk that the Pollen Street Group will have insufficient liquid resources available to meet its financial obligations as they fall due. The Pollen Street Group manages liquidity by maintaining sufficient cash with banks to meet its on-going commitments.

(F) Maturity analysis

	As at 31 December			As at 1 January
	2021 £'000	2020 £'000	2019 £'000	2019 £'000
Financial assets				
Due within 3 months	9,080	12,312	18,943	22,356
Due within 12 months	4,341	5,409	2,716	1,486
Due > 12 months	4,233	2,388	819	1,068
	17,654	20,109	22,478	24,910
Financial liabilities				
Due within 3 months	865	6,400	14,052	12,808
Due within 12 months	13,532	6,725	2,980	2,933
Due > 12 months	11,691	12,365	13,119	9,914
	26,088	25,490	30,151	25,655
Net financial assets / (liabilities)				
Due within 3 months	8,215	5,912	4,891	9,548
Due within 12 months	(9,191)	(1,316)	(264)	(1,447)
Due > 12 months	(7,459)	(9,977)	(12,300)	(8,846)
	(8,435)	(5,381)	(7,673)	(745)

(G) *Changes in liabilities arising from financing activities:*

Group

	Total £'000
At 1 January 2019	9,437
Payment of lease liabilities	(244)
Finance cost	376
At 31 December 2019	9,569
At 1 January 2020	9,569
Payment of lease liabilities	(1,169)
Finance cost	373
At 31 December 2020	8,773
At 1 January 2021	8,773
Payment of lease liabilities	(1,565)
Finance cost	330
At 31 December 2021	7,538

29. Capital risk management

The capital structure of the Pollen Street Group consists of equity attributable to equity holders of the Pollen Street Group, comprising issued capital and reserves.

	As at 31 December			As at 1 January
	2021 £'000	2020 £'000	2019 £'000	2019 £'000
Capital				
Share capital	—	—	—	—
Share premium	1,143	1,143	842	1,030
Capital redemption reserve	—	—	—	—
Capital contribution	1,075	1,075	1,075	1,075
Retained earnings	2,047	6,884	4,414	7,875
Foreign currency translation reserve	(2)	11	63	(102)
	4,263	9,113	6,394	9,878

The Pollen Street Group's objective when managing capital is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the Pollen Street Group's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The Pollen Street Group manages capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets and strategic plans. In order to maintain the capital structure, the Pollen Street Group may adjust the amount of dividends paid to the shareholder, repurchase shares issued, issue new shares.

Certain entities within the Pollen Street Group are subject to minimum regulatory capital requirements. These are monitored carefully by management to ensure they are complied with at all times. These requirements were met during the reporting periods.

30. Related party transactions

All funds that the Pollen Street Group manages or advises are considered to be related parties of the Pollen Street Group. The Pollen Street Group had the following transactions with these entities:

Name	Management, Advisory and Performance Fees	Receivables
Special Opportunities Fund	£nil (2020: £nil, 2019: £7,000)	£16,296 (2020: £16,296, 2019: £29,940)
Special Opportunities Fund (Guernsey)	£nil (2020: £nil, 2019: £265,089)	£nil (2020: £nil, 2019: £nil)
PSC Fund III	£5,142,602 (2020: £4,746,183, 2019: £5,947,900)	£40,615 (2020: £8,656, 2019: £2,862)
PSC Investments B	£nil (2020: £nil, 2019: £56,718)	£nil (2020: £nil, 2019: £nil)
PSC Marlin	£211,378 (2020: £548,363, 2019: £548,363)	£nil (2020: £nil, 2019: £nil)
PSC IV	£17,077,000 (2020: £5,746,020, 2019: £nil)	£1,645,498 (2020: £nil, 2019: £nil)
PSC Credit (P)	£788,266 (2020: £137,364, 2019: £nil)	£692,426 (2020: £102,565, 2019: £nil)
PSC Plane	£nil (2020: £100, 2019: £nil)	£nil (2020: £100, 2019: £nil)
Honeycomb Investment Trust	£6,347,530 (2020: £8,205,741, 2019: £9,523,553)	£3,379,979 (2020: £3,339,941, 2019: £3,978,964)
PSC Credit III	£540,612 (2020: £nil, 2019: £nil)	£247,788 (2020: £nil, 2019: £nil)
Pollen Street Secured Lending	£nil (2020: £8,300,839, 2019: £13,808,023)	£nil (2020: £nil, 2019: £7,734,568)

Pollen Street Capital Partners Limited is considered to be a related party as its directors collectively exercise control over the Pollen Street Group. The Pollen Street Group had the following transactions with this entity:

Name	Promissory Note and Interest	Receivables
Pollen Street Capital Partners	£530,206 (2020: £4,244,097, 2019: £nil)	£530,206 (2020: £4,244,097, 2019: £nil)

The Pollen Street Group has been involved in a series of transaction with own equity shares, details of which are disclosed in Note 22.

Key management compensation

The Pollen Street Directors are considered to be the Pollen Street Group's key management. Transactions with key management personnel also constitute related party transactions. The aggregate paid or payable to key management for employee services is shown below:

	For the year ended 31 December		
	2021 £'000	2020 £'000	2019 £'000
Short-term employee benefits (Directors' salaries)	3,058	1,750	4,698
Post-employment benefits (Directors' pension contributions)	4	4	4
Total	3,062	1,754	4,702

The highest paid Pollen Street Director received £951,316 (2020: £951,316, 2019: £1,400,000).

31. Acquisition of non-controlling interest

In 2019 the Pollen Street Group acquired the stake held by non-controlling interest. Cash consideration of £348,000 was paid to the non-controlling shareholders. The following is a schedule of additional interest acquired:

	For the year ended 31 December 2019 £'000
The fair value of the consideration paid to the non-controlling shareholders	348
The amount by which the non-controlling interests are adjusted	511
Difference recognised in equity	859

32. Controlling party

The Pollen Street Directors believe there was no ultimate controlling party of the Pollen Street Group during the year ended 31 December 2021 (2020: no ultimate controlling party, 2019: no ultimate controlling party).

33. Events after the reporting period

The Pollen Street Directors are not aware of any material event which occurred after the reporting date and up to the date of this financial information that require a change or disclosure in this financial information.

PART 2: ACCOUNTANT'S REPORT IN RESPECT OF THE HISTORICAL FINANCIAL INFORMATION OF THE POLLEN STREET GROUP



BDO LLP
55 Baker
Street
London
W1U 7EU

The Directors
Honeycomb Investment Trust PLC
6th Floor
65 Gresham Street
London
EC2V 7NQ

10 May 2022

Cenkos Securities plc
6.7.8 Tokenhouse Yard
London
EC2H 7AS

Dear Sir or Madam

Pollen Street Capital Holdings Limited ("PSCHL")

Introduction

We report on the financial information of PSCHL and its subsidiaries (together, the **"PSC Group"**) set out in Section B of Part VI (*Financial Information*) of the circular of Honeycomb Investment Trust plc (the **"Company"**) dated 10 May 2022 (the **"Circular"**).

Opinion on financial information

In our opinion, the financial information gives, for the purposes of the Circular, a true and fair view of the state of affairs of the PSC Group as at 31 December 2019, 2020 and 2021 and of the PSC Group's results, cash flows and changes in equity for the years then ended in accordance with International Accounting Standards as adopted by the United Kingdom and has been prepared in a form that is consistent with the accounting policies adopted in the Company's latest annual accounts.

Responsibilities

The directors of the Company are responsible for preparing the financial information in accordance with International Accounting Standards as adopted by the United Kingdom.

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

To the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 13.4.1R(6) of the listing rules made by the Financial Conduct Authority for purposes of Part VI of the Financial Services and Markets Act 2000 (the "Listing Rules") consenting to its inclusion in the Circular.

Basis of preparation

This financial information has been prepared for inclusion in the Circular on the basis of the accounting policies set out in note 2 to the financial information. This report is required by Listing Rule 13.5.22R and is given for the purpose of complying with that item and for no other purpose.

Basis of opinion

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

Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

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

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

Conclusions relating to going concern

We have not identified any material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the ability of PSCHL or the PSC Group to continue as a going concern for a period of at least twelve months from the date of the Circular. Accordingly the use by the directors of the Company of the going concern basis of accounting in the preparation of the financial information is appropriate.

Yours faithfully

BDO LLP

Chartered Accountants

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

SECTION C: UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE COMBINED GROUP

The unaudited *pro forma* income statement for the year to 31 December 2021 and statement of net assets as at 31 December 2021 of the Combined Group set out below have been prepared to illustrate the effect of the Combination on the income statement of Honeycomb as if the Combination had taken place on 1 January 2021, and on the net assets of Honeycomb as if the Combination had taken place on 31 December 2021.

The *pro forma* financial information does not include income and assets associated with the Combined Group's acquisition of carried interest rights in recent and future Pollen Street Funds that is part of the Combination, on the basis that no such carried interest amounts became payable by the relevant Pollen Street Funds during the financial periods reported on, and neither Pollen Street nor Honeycomb were therefore entitled to such amounts.

Each of the adjustments in the unaudited *pro forma* income statement are expected to have a continuing impact on the Combined Group.

The information has been produced for illustrative purposes only and by its nature addresses a hypothetical situation and, therefore, does not purport to represent what the Combined Group's financial position or results of operations actually would have been if the Combination had been completed on the date indicated, nor does it purport to represent the results of operations for any future period or financial position at any future date. The unaudited *pro forma* financial information is compiled on the basis set out in the notes below and in accordance with the accounting policies of Honeycomb for the year ended 31 December 2021. 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 Circular and not rely solely on the unaudited financial information in this Section C *Unaudited pro forma* financial information of the Combined Group) of Part VI (*Financial Information*). Deloitte's report on the unaudited *pro forma* financial information is set out in Section D (*Accountants' report on the unaudited pro forma* financial information) of this Part VI (*Financial Information*).

1. Unaudited consolidated pro forma income statement of the Combined Group

Statement of Comprehensive Income (£000's) Year to 31 December 2021	Honeycomb Investment Trust plc ⁽¹⁾	Pollen Street Capital Holdings Limited ⁽²⁾	Consolidation Adjustments ⁽³⁾	Pro forma income statement for the Combined Group
Management Fee Income		30,556	(6,349)	24,207
Performance Fee and Carried Interest Income		3,369	(3,369)	
Fund Management Income		33,925	(9,718)	24,207
Investment Income	57,021	213		57,234
Impairment Reversal/ (Charge)	844			844
Third Party Servicing	(2,810)			(2,810)
Finance Costs	(12,859)	(330)		(13,189)
Fund Management Expenses	(2,160)			(2,160)
Management and Performance Fee Expenses	(9,718)		9,718	
Net Investment Income	30,318	33,808	—	64,126
Fund Management Administration Expenses		(29,238)		(29,238)
Profit Before Taxation	30,318	4,570	—	34,888
Tax Expense		(3,549)		(3,549)
Profit After Taxation	30,318	1,021	—	31,339

(1) The Honeycomb income statement has been extracted without material adjustment from the audited group income statement within Honeycomb's 2021 Annual Report and Financial Statements.

(2) The Pollen Street income statement has been extracted without material adjustment from the consolidated income statement within Section B *Pollen Street Historical Financial Information*) of Part VI (*Financial Information*) of this Circular. There were no accounting policy adjustments to align to policies adopted by Honeycomb.

- (3) There are management and performance fee arrangements between Honeycomb and Pollen Street. Consolidation adjustments eliminate income and expenses associated with the fee arrangements between the two entities. In addition, interest income and gains from Pollen Street Capital Holdings Limited's credit and equity assets have been reclassified as revenue in the Combined Group.
- (4) No additional depreciation and amortisation charge has been applied for the IFRS 3 Business Combinations fair values of intangible assets and property, plant and equipment, as the fair value adjustments are considered impractical to do at this date.

2. Unaudited consolidated pro forma statement of net assets of the Combined Group

Statement of Financial Position (£ 000's) Year to 31 December 2021	Honeycomb Investment Trust plc ⁽¹⁾	Pollen Street Capital Holdings Limited ⁽²⁾	Consolidation Adjustments ⁽³⁾	Goodwill & Transaction Costs ⁽⁴⁾	Pro forma statement of net assets of the Combined Group
Non-current Assets:					
Assets Held at Fair Value					
Through Profit or Loss	48,770	790			49,560
Credit Assets Held at Amortised Cost	565,994	604			566,598
Property, Plant and Equipment		1,375			1,375
Right-of-use Assets		5,840			5,840
Goodwill		1,203		265,412	266,615
Deferred Tax Asset		955			955
Non-Current Assets	614,764	10,767	0	265,412	890,943
Current Assets:					
Cash and Cash Equivalents	12,948	4,257		(11,800)	5,405
Debtors	6,554	17,519	(4,468)		19,605
Current Assets	19,502	21,776	(4,468)	(11,800)	25,010
Total assets	634,266	32,543	(4,468)	253,612	915,953
Current Liabilities:					
Management and Performance Fee Payable	(4,468)		4,468		0
Creditors	(2,691)	(14,752)			(17,443)
Derivative Liability Held at Fair Value Through Profit or Loss	(108)				(108)
Current Tax Payable		(3,109)			(3,109)
Interest Bearing Borrowings	(49,339)				(49,339)
Current Liabilities	(56,606)	(17,861)	4,468	0	(69,999)
Non-current Liabilities:					
Interest Bearing Borrowings	(218,318)				(218,318)
Creditors		(10,323)			(10,323)
Provisions		(96)			(96)
Non-current liabilities	(218,318)	(10,419)	0	0	(228,737)
Net Assets	359,342	4,263	0	253,612	617,217

(1) The Honeycomb balance sheet and statement of financial position has been extracted without material adjustment from the audited group income statement within Honeycomb's 2021 Annual Report and Financial Statements.

(2) The Pollen Street balance sheet and statement of financial position has been extracted without material adjustment from the consolidated income statement within Section B (*Pollen Street Historical Financial Information*) of Part VI (*Financial Information*) of this Circular. There were no accounting policy adjustments to align to policies adopted by Honeycomb.

(3) The consolidation adjustments eliminate debtor balances and creditors balances associated with the management fee and performance fee arrangements between Honeycomb Investment Trust plc and Pollen Street Capital Holdings Limited.

(4) Goodwill has been assessed as the difference between the value of the Consideration Shares using the 5 May 2022 share price and the net assets of the Pollen Street Capital Holdings Limited. The unaudited *pro forma* statement of net assets has been prepared on the basis that the acquisition will be treated in accordance with IFRS 3 Business Combinations. The *pro forma* statement of net assets does not reflect the fair value adjustments to the acquired assets and liabilities as the fair value measurement of these items will only be performed subsequent to completion of the Combination. For the purposes of the *pro forma* statement of net assets, the excess purchase consideration over the carrying amount of the net assets acquired has been attributed to goodwill and no *pro forma* impairment charge has been applied to the goodwill balance in the period presented. When finalised following the completion of the Combination, the fair value adjustments may be material. The preliminary goodwill arising has been calculated as follows:

The product of the number of Consideration Shares to be issued to Pollen Street as part of the Combination, being 29,472,663, and the share price on the Latest Practicable Date, being £9.15, less the net asset value of Pollen Street Capital Holdings Limited.

The calculation is made on the basis that there are 35,118,434 Honeycomb Shares in issue as at the Latest Practicable Date. For the purposes of the unaudited *pro forma* statement of net assets, transaction costs of £11,800,000 in relation to the Combination have been accounted for as if they had been paid prior to 31 December 2021.

No adjustment has been made to reflect the financial results of either Honeycomb or Pollen Street since 31 December 2021.

SECTION D: ACCOUNTANTS' REPORT ON THE UNAUDITED *PRO FORMA* FINANCIAL INFORMATION OF THE COMBINED GROUP



**One New Street Square
London
EC4A 3HQ**

The Board of Directors
on behalf of Honeycomb Investment Trust PLC
6th Floor Gresham Street
London
EC2V 7NQ

Cenkos Securities PLC
6.7.8 Tokenhouse Yard
London
EC2R 7AS

10 May 2022

Dear Sirs/Mesdames,

Honeycomb Investment Trust PLC (the “Company”)

We report on the *pro forma* financial information (the “*Pro forma* financial information”) set out in Section C (*Unaudited Pro Forma Financial Information of the Combined Group*) of Part VI (*Financial Information*) of the Class 1 Circular dated 10 May 2022 (the “Circular”). This report is required by Annex 20, section 3 of the UK version of the Commission delegated regulation (EU) 2019/980 (the “Prospectus Delegated Regulation”) as applied by Listing Rule 13.3.3R and is given for the purpose of complying with that regulation and for no other purpose.

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.

Responsibilities

It is the responsibility of the directors of the Company (the “Directors”) to prepare the *Pro forma* financial information in accordance with Annex 20 sections 1 and 2 of the Prospectus Delegated Regulation as applied by Listing Rule 13.3.3R.

It is our responsibility to form an opinion, as to the proper compilation of the *Pro forma* financial information and to report that opinion to you in accordance with Annex 20 section 3 of the Prospectus Delegated Regulation as applied by Listing Rule 13.3.3R.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have as a result of the inclusion of this report in the Circular, 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 Listing Rule 13.4.1R (6), consenting to its inclusion in the Circular.

No reports or opinions have been made by us on any financial information used in the compilation of the *Pro forma* financial information. In providing this opinion we are not providing any assurance

on any source financial information on which the *Pro forma* financial information is based beyond the above opinion.

Basis of preparation

The *pro forma* financial information has been prepared on the basis described in the accompanying notes, for illustrative purposes only, to provide information about how the transaction might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing the financial statements for the period ended 31 December 2021.

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom. We are independent of Honeycomb Investment Trust PLC and Pollen Street Capital Holdings Limited in accordance with the Financial Reporting Council's Ethical Standard as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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.

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.

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

Yours faithfully

Deloitte LLP

Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 1 New Street Square, London EC4A 3HQ, United Kingdom. Deloitte LLP is the United Kingdom affiliate of Deloitte NSE LLP, a member firm of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"). DTTL and each of its member firms are legally separate and independent entities. DTTL and Deloitte NSE LLP do not provide services to clients.

PART VII

ADDITIONAL INFORMATION

1. Directors' Responsibility Statement

1.1 Directors of Honeycomb

Honeycomb and the Honeycomb Directors, whose names are set out on page 11, accept responsibility for the information contained in this Circular (including expressions of opinion). To the best of the knowledge and belief of Honeycomb and the Honeycomb Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

1.2 Concert Parties

For the purposes of Rule 19.2 of the Takeover Code only, each Pollen Street Partner and Pollen Street Senior Manager, whose names appear on page 31 of this Circular, accepts responsibility for the information contained in this Circular relating to: (a) themselves; and (b) their close relatives and/or related trusts, each in their capacity as a member of the Concert Party. To the best of the knowledge of each Pollen Street Partner and Pollen Street Senior Manager, the information contained in this Circular for which they are responsible is in accordance with the facts and the information contained in this Circular relating to themselves, their close relatives and/or related trusts as members of the Concert Party makes no omission likely to affect its import.

2. Honeycomb's company information

Honeycomb was incorporated and registered in England and Wales on 2 December 2015 as a public limited company with company number 09899024. Honeycomb's registered office is at 6th Floor, 65 Gresham Street, London EC2V 7NQ, United Kingdom and the telephone number of Honeycomb is +44 (0)20 7954 9796. The principal legislation under which Honeycomb operates is the Act.

3. Information about the Honeycomb Shares and the Consideration Shares

The Honeycomb Shares and the Consideration Shares will, on Admission, rank *pari passu* in all respects, save in respect of the Pollen Street Dividend Waiver which is applicable to certain of the Consideration Shares issued to the Pollen Street Shareholders. As a result of the Pollen Street Dividend Waiver, it is anticipated that the dividend per share paid on all Participating Shares shall be 63 pence and 64 pence in 2022 and 2023 respectively, with a 6.5 per cent. and 6.6 per cent. dividend yield on the Participating Shares in such years, based on the Honeycomb Share price of 967.5 pence on 14 February 2022 (being the last business day prior to the Announcement Date). Shareholders should refer to Section 7 (*Dividends and dividend policy*) of Part I (*Letter from the Chairman of Honeycomb*) for further information.

The Honeycomb Shares have, and the Consideration Shares upon Admission will have, a nominal value of 1 (one) pence each. As at the Latest Practicable Date, the total issued share capital of Honeycomb was £351,184.34, comprised of 35,118,434 ordinary shares of 1 (one) pence each. The Consideration Shares will be in registered form and capable of being held in uncertificated form.

Other than in connection with the Combination, the Board has no present intention of issuing any new Honeycomb Shares.

4. Directors and Proposed Directors

The Honeycomb Directors and their respective functions are as follows:

Name	Position	Year of appointment
Robert Sharpe	Chairman	2015
Jim Coyle	Chairman, Nomination Committee	2015
Richard Rowney	Senior Independent Director	2019
Joanne Lake	Chairman, Audit Committee	2021
	Non-Executive Director	
	Chairman, Risk Committee	
	Non-Executive Director	
	Chairman, Remuneration Committee	

Following completion of the Combination, it is expected that each of the Honeycomb Directors will continue in their roles in respect of the Combined Group. Further, it is expected that each of the Proposed Directors below will be appointed to the Board:

Name	Position
Lindsey McMurray	Chief Executive Officer
Julian Dale	Chief Financial Officer

The business experience and principal business activities outside the Combined Group of Lindsey McMurray and Julian Dale (being the two proposed Executive Directors) are set out below.

Lindsey McMurray (aged 51)

Lindsey joined Pollen Street in 2005 and is Managing Partner and co-founder of Pollen Street Capital. Lindsey has led the business for over ten years. She has been a credit and private equity investor for more than 25 years with a focus on the financial and business services sector. Lindsey serves as non-executive director of several of Pollen Street Capital's portfolio companies including Shawbrook Bank and Freedom Finance (service provider to lenders). Lindsey chairs the Pollen Street Capital Credit and Private Equity investment committees.

Prior to founding Pollen Street Capital in 2013, Lindsey led the Equity Finance business for RBS. Lindsey successfully structured and executed several credit investments on behalf of the bank's balance sheet, including a £200 million infrastructure financing transaction in 2006. From 2007, Lindsey led the launch of the Special Opportunities Fund within RBS, raising approximately £1 billion from external institutional investors. The fund's investments included acquiring and growing several specialty finance businesses including the Italian bank Banca Sistema, the non-performing loan purchaser Arrow Global Group and the specialist lending bank Shawbrook, as well as significant successful investments in US and European leveraged loans.

Prior to RBS, Lindsey spent six years as a Partner of Cabot Square Capital, focusing on operating investments in real estate and other asset backed investments, together with investments in the financial services sector. Lindsey started her career as a derivatives trader at Kleinwort Benson.

Julian Dale (aged 41)

Julian is the Chief Financial Officer of Pollen Street. He is responsible for all finance activities across the Pollen Street Group. He has spent all of his professional career in financial services focused on finance and risk topics in specialist lending, retail banking, investment banking and strategy consultancy for financial institutions across the UK, Europe, the Middle East and South Africa. Prior to this, Julian was Chief Financial Officer of Castle Trust, which he helped to grow over a period of seven years from a start-up into a multi-niche specialist lender. He started his career at Oliver Wyman strategy consultants where he spent seven years focusing on finance and risk matters across the financial services industry.

5. Honeycomb Directors' and Proposed Directors' interests

Certain of the Honeycomb Directors and Proposed Directors have or immediately following Completion, will have, an interest in Honeycomb. Their respective shareholdings are set out below:

Director / Proposed Director	Number of Honeycomb Shares as at the Latest Practicable Date	Number of Honeycomb Shares immediately following Completion	Percentage shareholding in the Combined Group immediately following Completion (assuming Existing Buyback Authority is not exercised in full)
Joanne Lake	2,713	2,713	0.004
Lindsey McMurray	612,294	11,805,871	18.28
Julian Dale	N/A	221,279	0.34

6. Service contracts

6.1 Executive Directors

Each of the Executive Directors will enter into a new service agreement with Honeycomb which will come into effect on Completion.

The key terms of their appointments will be as follows:

Name	Position	Notice period
Lindsey McMurray	Chief Executive Officer	12 months
Julian Dale	Chief Financial Officer	12 months

The Executive Directors will each have a remuneration package comprising annual basic salary, participation in discretionary performance-related annual bonus and long-term incentives under such bonus, share and incentive scheme(s) as the Combined Group operates from time to time, the option of pension contributions or a cash allowance in lieu of pension contributions, and participation in the Combined Group's benefit plans, including membership of any private health insurance or medical scheme operated by the Combined Group (including eligibility for the Executive Director's spouse or civil partner and dependent children), permanent health insurance, life assurance and directors' and officers' liability insurance. Further details are set out in Appendix 2 (*Directors' Remuneration Policy*) to this Circular.

In addition to normal public holidays, the Executive Directors will be entitled to 30 working days of paid holiday in each complete holiday year.

Lindsey McMurray will also continue to be separately employed by PSC Service Company Limited in respect of the fund management services she provides to members of the Pollen Street Group (and, post-Completion, the Combined Group). She will not be entitled to any additional salary, benefits or other remuneration under this separate employment agreement.

There are no existing or proposed service agreements between any of the Executive Directors and any Honeycomb or Pollen Street Group company which provide for benefits upon termination.

6.2 Non-Executive Directors Letters of Appointment

Honeycomb will, post-Completion, continue to have 4 Non-Executive Directors: the Chairman and 3 independent Non-Executive Directors. Further Non-Executive Directors may be appointed in accordance with the Articles of Association. Each of the Non-Executive Directors will enter into a new letter of appointment with Honeycomb which will come into effect on and from Completion. The key responsibilities of these appointments will be as follows:

Name	Position
Robert Sharpe	Chairman Chairman, Nomination Committee
Jim Coyle	Senior Independent Director Chairman, Audit Committee
Richard Rowney	Non-Executive Director Chairman, Risk Committee
Joanne Lake	Non-Executive Director Chairman, Remuneration Committee

The Chairman will be entitled to receive an annual fee of £170,000, inclusive of any additional responsibilities on Board Committees. The base annual fee for each other Non-Executive Director will be £65,000 and additional fees will be payable as follows: £10,000 per annum for acting as the Senior Independent Director, £10,000 per annum for chairing the Audit Committee, £10,000 per annum for chairing the Risk Committee, £10,000 per annum for chairing the Remuneration Committee, and £10,000 per annum for chairing the Nomination Committee. In addition, each Non-Executive Director (including the Chairman) will be entitled to be reimbursed for reasonable expenses necessarily incurred arising from the performance of their duties. They will not be eligible to participate in any pension or share scheme operated by Honeycomb and are not eligible for any bonus.

There are no existing or proposed letters of appointment between any of the Non-Executive Directors and any Honeycomb Group company which provide for benefits upon termination.

6.3 Directors' Remuneration

The aggregate value of the remuneration paid and all benefits in kind granted to the Honeycomb Directors by the Honeycomb Group for services in all capacities for the year ended 31 December 2021 was £208,000, all of which comprised Directors' fees.

Details of remuneration paid to the Honeycomb Directors for the year ended 31 December 2021 are set out below:

Name	Salary and fees (GBP)	Retirement benefits or cash in lieu of pension	Annual variable remuneration	Taxable benefits	Share-based payments	Total (GBP)
Robert Sharpe	58,000	—	—	—	—	58,000
Jim Coyle	53,333	—	—	—	—	53,333
Richard Rowney	48,333	—	—	—	—	48,333
Joanne Lake	48,334	—	—	—	—	48,334
Total	208,000					208,000

7. Irrevocable undertakings and letters of intent

Honeycomb has obtained irrevocable undertakings from Quilter, CC Beekeeper, Phoenix, Insurance Caledonian, Adam Knight (together with his children, related trusts and companies owned/and or controlled by Adam Knight) and Elizabeth Knight, to vote in favour of the Resolutions and implement the Combination. These irrevocable undertakings represent approximately 49.86 per cent. of Honeycomb's issued share capital as at the Latest Practicable Date.

Shareholder	Honeycomb Shares
Quilter	9,988,000
CC Beekeeper	4,012,006
Phoenix	2,498,722
Adam Knight	519,076
Elizabeth Knight	278,525
Caledonian	215,000
Total	17,511,329

The Quilter, CC Beekeeper, Phoenix, Caledonian, Adam Knight and Elizabeth Knight irrevocable undertakings will remain binding if a competing proposal is made to Honeycomb, but will cease to be binding (i) if Honeycomb announces that it does not intend to proceed with the Combination and (ii) on Completion. The Quilter, CC Beekeeper and Caledonian irrevocable undertakings will also cease to be binding if the Combination has not completed by close of business on 31 July 2022. The Adam Knight and Elizabeth Knight irrevocable undertakings will cease to be binding if the Combination has not completed by close of business on 31 August 2022.

The irrevocable undertakings include flexibility for Honeycomb to pursue an equity raise of up to £100,000,000 as part of, or in connection with, the Combination. As at the date of this Circular, Honeycomb has no intention of pursuing such an equity raise. Honeycomb will, however, continue to monitor market conditions and its funding requirements to determine whether the pursuit of such an equity raise may, in future, be desirable (whether in the context of the Combination or in the pursuit of its investment policy more generally).

Irrevocable undertakings have also been obtained from various of the Pollen Street Partners, and certain persons closely associated with the Pollen Street Partners, in respect of the Honeycomb Shares that each of them currently own, and each Honeycomb Director who holds Honeycomb Shares, to vote in favour of the Resolutions and implement the Combination. Together with the irrevocable undertakings given by Quilter, CC Beekeeper, Phoenix, Caledonian, Adam Knight and Elizabeth Knight, these irrevocable undertakings represent approximately 52.91 per cent. of Honeycomb's issued share capital as at the Latest Practicable Date:

Shareholder	Honeycomb Shares
Lindsey McMurray	612,294
Matthew Potter	132,058
James Scott	113,235
Michael England*	72,941
Ian Gascoigne	68,529
Howard Garland	50,000
Peter England	11,764
Helen Potter	7,500
Joanne Lake	2,713
Total	1,071,034

* Irrevocable undertakings have been received by Honeycomb from Michael England, in respect of the 52,941 Honeycomb Shares held directly and Lawshares Nominees Limited, which holds 10,000 Honeycomb Shares on trust for Theodore England (as sole beneficiary of the bare trust of Theodore William Eastman England) and 10,000 Honeycomb Shares on trust for Cecily England (as sole beneficiary of the bare trust of Cecily Rose Eastman England).

These irrevocable undertakings will also remain binding if a competing proposal is made to Honeycomb, but will cease to be binding if Honeycomb announces that it does not intend to proceed with the Combination, on Completion, or if the Combination has not completed by close of business on 31 October 2022.

M&G has provided a letter of intent to vote in favour of the resolutions required to approve and implement the Combination in respect of its 2,106,141 Honeycomb Shares, for which it is able to exercise all rights, representing, in aggregate, approximately 6.00 per cent. of Honeycomb's issued share capital as at the Latest Practicable Date.¹⁷

Honeycomb has therefore received irrevocable undertakings and a letter of intent in respect of a total of 20,688,504 Honeycomb Shares, representing approximately 58.91 per cent. of Honeycomb's issued share capital on the Latest Practicable Date.

The Pollen Street Partners will not vote at the General Meeting on either: (a) the Related Party Resolution, which relates to their status as related parties of Honeycomb, as described above; or (b) the Rule 9 Waiver Resolution, as they are each Concert Parties to which the waiver relates. CC Beekeeper will similarly not vote on: (a) the Related Party Resolution, as it relates to its status as a related party of Honeycomb by virtue of its being a substantial Shareholder of Honeycomb and the fact that it is affiliated with CC Hive (a Pollen Street Shareholder) which will receive Consideration Shares on Completion; or (b) the Rule 9 Waiver Resolution at the General Meeting, due to its affiliate, CC Hive, holding shares in Pollen Street.

Adjusted for the above, Honeycomb has received support from Shareholders holding 15,608,177 Honeycomb Shares with respect to the Related Party Resolution and the Rule 9 Waiver Resolution, representing 44.44 per cent. of Honeycomb's issued share capital on the Latest Practicable Date.

8. Major shareholders

As at the Latest Practicable Date, the following persons are, directly or indirectly, interested in 3 per cent. or more of the voting rights of Honeycomb (being the threshold for notification of voting rights pursuant to Chapter 5 of the Disclosure Guidance and Transparency Rules):

	Number of Honeycomb Shares	Percentage interest of issued ordinary share capital
Quilter	9,988,000	28.44
CC Beekeeper	4,012,006	11.42
Close Asset Management Ltd	2,811,937	8.01
Phoenix	2,501,222	7.12
The Thameside 1979 Settlement	2,467,000	7.02
M&G	2,106,141	6.03
Aberdeen Asset Managers Ltd (UK)	1,404,100	4.00

Immediately following Completion and the issuance of the Consideration Shares, the following Pollen Street Shareholders will be, directly or indirectly, interested in 3 per cent. or more of the voting rights of Honeycomb (being the threshold for notification of voting rights pursuant to Chapter 5 of the Disclosure Guidance and Transparency Rules):

	Number of Honeycomb Shares	Percentage interest of issued ordinary share capital
Lindsey McMurray	11,805,871	18.28
CC Hive	5,747,097	8.88
Matthew Potter	3,786,991	5.87
Michael England	3,696,110	5.77
Ian Gascoigne	2,754,192	4.26

¹⁷ M&G signed a letter of intent on 14 February 2022 in respect of the 2,121,577 Honeycomb Shares it owned. The Announcement on 15 February 2022 referred to this figure as opposed to the 2,106,141 Honeycomb Shares M&G owned as at the Latest Practicable Date.

Save as disclosed in this Section 8, Honeycomb is not aware of any person who, as at the Latest Practicable Date, will have, immediately following Completion, directly or indirectly, a holding in Honeycomb which is notifiable under the Disclosure Guidance and Transparency Rules.

Honeycomb is not aware of any persons who, as the Latest Practicable Date will, immediately following Completion, directly or indirectly, jointly or severally, exercise or could exercise control over Honeycomb nor is it aware of any arrangements the operation of which may at a subsequent date result in a change of control of Honeycomb.

None of the Shareholders referred to in this Section 8 has different voting rights from any other holder of Honeycomb Shares in respect of any Honeycomb Shares held by them.

9. B Shares

The Honeycomb Directors intend to put forward a proposal to Shareholders for approval at the first annual general meeting of Honeycomb following Completion (or such earlier date as Honeycomb may, in its sole and absolute discretion, determine) to (i) amend the Articles of Association to establish a new class of unlisted preference shares in the capital of Honeycomb (the “**B Shares**”) and (ii) establish the basis on which then-current Shareholders may elect to convert some or all of their Honeycomb Shares into B Shares (the “**B Share Option**”).

The Honeycomb Directors expect that, subject to approval by Shareholders and certain other third party and/or regulatory approvals (including, without limitation, the approval of Honeycomb’s financing providers), the B Share Option will be established and the B Shares will be issued on substantially the terms described in this section.

Entitlement to income / dividends

The B Shares will take the form of 8 per cent. cumulative preference shares with a nominal amount of £0.01 each, and will be entitled to participate, in each case only as to their fixed liquidation preference and dividend preference, in the capital and income of the B Share Asset Portfolio (as described below). The B Shares will have no recourse or entitlement to capital or income deriving from assets of Honeycomb that do not form part of the B Share Asset Portfolio. Conversely, the remaining Honeycomb Shares’ entitlement to capital or income deriving from the B Share Asset Portfolio will be subordinated to the payment of preferred dividends and/or return of value to the holders of the B Shares (“**B Shareholders**”) (up to a cap at the lower of (i) the net asset value of the B Share Asset Portfolio as at the conversion date and (ii) the aggregate paid-up amount of the Honeycomb Shares from which the B Shares were converted (the “**B Shares Capital Amount**”).

B Share Asset Portfolio

A portfolio of Credit Assets, comprising a fair and reasonable representative selection of the assets of Honeycomb (excluding shares in and assets of the Pollen Street Group) will be selected by the Investment Manager in its sole and absolute discretion (the “**B Share Asset Portfolio**”). The B Share Asset Portfolio will have a similar risk and return profile to Honeycomb’s wider portfolio, and will be segregated from Honeycomb’s wider portfolio. The B Share Asset Portfolio will have a net asset value of up to £50 million.

New Investment Trust

In the event that the Combined Group launches a new listed investment trust with an investment policy substantially similar to that of Honeycomb (a “**New Investment Trust**”), the Combined Group will procure that the New Investment Trust makes an offer to acquire the B Share Asset Portfolio at its then-current net asset value. Subject to satisfaction of such conditions as the Combined Group may, in its sole and absolute discretion, determine, B Shareholders will have an option to exchange their B Shares for shares in the New Investment Trust, or to receive a cash amount from the net proceeds of sale (following which outstanding B Shares shall be acquired by Honeycomb for nil consideration and cancelled). Any award of New Investment Trust shares and/or cash to B Shareholders shall be capped, in aggregate, at the B Shares Capital Amount. Any remaining proceeds of disposal shall be for Honeycomb’s account and revert to Honeycomb’s wider portfolio.

Continuation vote

Honeycomb may propose to extend the B Shares arrangement for a period of up to 12 months if (i) no New Investment Trust is announced within 12 months of issue of the B Shares or

(ii) Honeycomb concludes (acting reasonably and in good faith) that there is no reasonable prospect of a New Investment Trust being launched prior to such date. No more than two extensions (of up to 12 months each) may be proposed. If no draft prospectus for a New Investment Trust has been submitted to the FCA (or such other appropriate listing authority as the Issuer may, in its sole and absolute discretion, determine) within eight months of issue of the B Shares, a minimum of 25 per cent. of B Shareholders may require the Issuer to hold a continuation vote.

Any extension or continuation vote will require the approval of 75 per cent. of the B Shareholders. If an extension is not proposed, or if an extension or continuation vote is proposed but the requisite B Shareholder approval is not obtained, the B Share Asset Portfolio will be placed into run-off. Proceeds will be distributed to B Shareholders (capped at, in aggregate, the B Shares Capital Amount), following which the outstanding B Shares shall be acquired by Honeycomb for nil consideration and cancelled.

Voting rights

B Shareholders' voting rights shall be limited to matters (i) relating to the B Share Portfolio, (ii) solely relating to or affecting the B Shares or (iii) affecting all shareholders (including, for example, the election and appointment of directors and/or auditors of Honeycomb).

Participation in the B Share Option

The B Share Option will be available to all Shareholders, and may be of interest to Shareholders that do not want to (or cannot) continue to hold shares in Honeycomb following its acquisition of Pollen Street. The aggregate number of Honeycomb Shares which may be converted to B Shares will be limited to a cap (the "**Conversion Cap**"), *pro rata* to the net asset value of the B Share Asset Portfolio as a proportion of the net asset value of Honeycomb (excluding assets or liabilities in the Pollen Street Group) as at the conversion date. Conversion elections in excess of the Conversion Cap will be scaled back *pro rata* to each electing Shareholder's respective holding of Honeycomb Shares.

10. Further disclosure regarding the Concert Parties

10.1 Definitions

For the purposes of Section 10 of this Part VII (*Additional Information*):

- (A) "**acting in concert**" with a party means any such person acting or deemed to be acting in concert with that party for the purposes of the Takeover Code and/or the Combination;
- (B) an "**arrangement**" includes any indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing;
- (C) "**connected person**" means in relation to any person a person whose interest in shares is one in which the first mentioned person is also taken to be interested in pursuant to Part 22 of the Companies Act 2006;
- (D) "**control**" means an interest, or interests, in shares carrying in aggregate 30 per cent. or more of the voting rights attributable to the share capital of a company, which are exercisable at a general meeting irrespective of whether such interest or interests give *de facto* control;
- (E) "**dealing**" or "**dealt**" includes:
 - (i) acquiring or disposing of relevant securities, the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights allocated to relevant securities or general control of relevant securities;
 - (ii) taking, granting, acquiring, disposing of, entering into, closing out, terminating, exercising (be either party) or varying an option (including a traded option contract) in respect of any relevant securities;
 - (iii) subscribing or agreeing to subscribe for relevant securities (whether in respect of new or existing securities);
 - (iv) exercising or converting any relevant securities carrying conversion or subscription rights;

- (v) acquiring, disposing of, entering into, closing out, exercising (by either party) of any rights under, or varying of, a derivative referenced directly or indirectly, to relevant securities;
 - (vi) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities;
 - (vii) the redemption or purchase of, or taking or exercising an option over, any of its own relevant securities by the offeree company or an offeror; and
 - (viii) any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position;
- (F) “**derivative**” includes any financial product whose value in whole or in part is determined, directly or indirectly, by reference to the price of an underlying security;
- (G) “**disclosure period**” means the period of 12 months ending on the Latest Practicable Date;
- (H) being “**interested**” in relevant securities includes where a person (otherwise than through a short position):
- (i) owns relevant securities;
 - (ii) has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attached to the relevant securities or has general control over them;
 - (iii) by virtue of an agreement to purchase, option or derivative, has the right or option to acquire the relevant securities or call for delivery of them, or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or
 - (iv) is party to any derivative whose value is determined by reference to their price and which results, or may result, in having a long term position in them;
- (I) “**relevant securities**” means securities which comprise equity share capital (or derivatives referenced thereto) and securities convertible into rights to subscribe for and options (including traded options) in respect of any such securities; and
- (J) “**short position**” means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, arrangement to sell or any delivery obligation or right to require another person to purchase or take delivery.

10.2 Interests of the Concert Parties in Honeycomb and additional disclosures required by the Takeover Code

At the close of business on the Latest Practicable Date, save as disclosed in this Circular:

- (A) other than as disclosed in sub-section 14.3 of Part I (*Letter from the Chairman of Honeycomb*), none of the Concert Parties (including any of their respective close relatives, related trusts or connected persons), had an interest in or a right to subscribe for, or had any short position in any relevant securities of Honeycomb, nor had any person dealt in such securities during the disclosure period;
- (B) no person acting in concert with any Concert Party, nor any person with whom any Concert Party has an arrangement, had any interest in or a right to subscribe for, or had any short position in relation to, any relevant securities of Honeycomb, nor had any such person dealt in any such securities during the disclosure period;
- (C) none of the Concert Parties nor any person acting in concert with them had borrowed or lent any relevant securities of Honeycomb, save for any borrowed shares which have either been on-lend or sold;

- (D) none of Honeycomb or the Honeycomb Directors (including any members of such Honeycomb Directors' respective close relatives, related trusts or connected persons) had any interest in or right to subscribe for, or had any short position in relation to, any relevant securities of Pollen Street or any member of the Pollen Street Group;
- (E) no person acting in concert with Honeycomb, nor any person with whom any Honeycomb has an arrangement, had any interest in, or right to subscribe for, or had any short position in relation to any relevant securities of Honeycomb;
- (F) other than as set out in sub-section 7 of Section A (*Information on the Honeycomb Group*) of Part V (*Information on the Honeycomb Group and Pollen Street*) of this Circular, neither Honeycomb nor any of the Honeycomb Directors (including any members of such Honeycomb Directors' respective immediate families, related trusts or connected persons) had any interest in or right to subscribe for, or had any short position in relation to any relevant securities of Honeycomb, nor has any such person dealt in any such securities during the disclosure period;
- (G) there were no arrangements which existed between Honeycomb or any person acting in concert with Honeycomb or any other person;
- (H) neither Honeycomb nor any person acting in concert with Honeycomb had borrowed or lent any relevant securities of Honeycomb, save for any borrowed shares which have either been on-lent or sold;
- (I) no Concert Party nor any person acting in concert with them has entered into an agreement, arrangement or understanding (including any compensation arrangement) with any of the Honeycomb Directors, recent directors, Shareholders, recent Shareholders or any other person interested or recently interested in Honeycomb Shares which are connected with or dependent upon the outcome of the Combination; and
- (J) no Concert Party has entered into agreement, arrangement or understanding to transfer any interest acquired in Honeycomb, pursuant to the Combination.

11. Significant change

- 11.1 There has been no significant change in the financial position or financial performance of Honeycomb since 31 December 2021, being the date for which Honeycomb's latest audited consolidated financial information was published.
- 11.2 There has been no significant change in the financial position or financial performance of Pollen Street since 31 December 2021, being the date for which Pollen Street's latest audited consolidated financial information was published.

12. Legal and arbitration proceedings

- 12.1 There are no governmental, legal or arbitration proceedings (including any such proceedings pending or threatened of which Honeycomb is aware) during the year preceding the date of this Circular, which may have, or have had in the recent past, significant effects on the financial position or profitability of Honeycomb and/or the Honeycomb Group's financial position or profitability.
- 12.2 There are no governmental, legal or arbitration proceedings (including any such proceedings pending or threatened of which Honeycomb is aware) during the year preceding the date of this Circular, which may have, or have had in the recent past, significant effects on the financial position or profitability of Pollen Street and/or the Pollen Street Group's financial position or profitability.

13. U.S. Investment Advisers Act of 1940

- 13.1 Pollen Street Capital (US) LLC ("**PSCUS**"), a sub-manager to Honeycomb that is an affiliate of the Investment Manager and is indirectly principally owned by Pollen Street, is registered with the U.S. Securities and Exchange Commission as an investment adviser under the U.S. Investment Advisers Act of 1940 (the "**Advisers Act**").

- 13.2 The Advisers Act requires investment advisers that are registered under that Act to include in their investment management agreements a provision that requires the consent of the client (i.e. Honeycomb) in the event of its assignment. Generally, an “assignment” for these purposes includes any direct or indirect transfer of a controlling block of an investment adviser’s outstanding voting securities. Since the Advisers Act does not include a definition of a “controlling block”, or a clear definition of the term “control”, for the avoidance of doubt, PSCUS is assuming for these purposes that the Combination will constitute a change of control, and hence, an “assignment” of its sub-manager agreement with Honeycomb (the **“PSCUS Sub-manager Agreement”**). As part of Resolution 1, which will be put to Shareholders at the General Meeting, Shareholders will be asked to consider and, if thought fit, approve the consent to the assignment as disinterested persons under applicable U.S. legislation.
- 13.3 The change in ownership occasioned by the Combination would only be an indirect change in control. Except for the indirect change of control, there are no expected changes to the terms and conditions of the PSCUS Sub-manager Agreement between PSCUS and Honeycomb or the way in which PSCUS provides services to Honeycomb under the PSCUS Sub-manager Agreement.

14. Consents

14.1 Sponsor, Financial Adviser and Joint Broker

Cenkos Securities plc whose address is on page 11 of this Circular has given and has not withdrawn its written consent to the inclusion in this Circular of references to its name, in each case, in the form and context in which they appear.

14.2 Financial Adviser

BofA Securities, whose address is on page 11 of this Circular, has given and has not withdrawn its written consent to the inclusion in this Circular of references to its name, in each case, in the form and context in which they appear.

14.3 Auditors and accountants

The auditors and reporting accountants of Honeycomb are, respectively:

- (A) PricewaterhouseCoopers LLP, whose address is 1 Embankment Place, London WC2N 6RH, United Kingdom; and
- (B) Deloitte LLP, whose address is One New Street Square, London EC4A 3HQ, United Kingdom. Deloitte LLP has given and has not withdrawn its written consent to the inclusion in this Circular of its accountant’s report set out in full at Section D of Part VI (*Financial Information*) of this Circular.

PricewaterhouseCoopers LLP and Deloitte LLP are both members of the Institute of Chartered Accountants in England and Wales.

BDO LLP are the auditors of Pollen Street, and BDO LLP, whose address is at 55 Baker Street, London W1U 7EU, United Kingdom, has given and has not withdrawn its written consent to the inclusion in this Circular of its accountant’s report reproduced in full in Section B, Part 2 of Part VI (*Financial Information*) of this Circular. BDO LLP is a member of the Institute of Chartered Accountants in England and Wales.

15. Documents available for inspection

Copies of the following documents will be available for inspection during normal business hours at the registered office of Honeycomb at 6th Floor 65 Gresham Street London E2V 7NQ United Kingdom on any Business Day from the date of this Circular until the conclusion of the General Meeting, and will be available from the date of this Circular on Honeycomb’s website (at <https://spring.honeycombplc.com/>) for 12 months following publication of this Circular:

- (A) the memorandum and articles of association of Honeycomb;
- (B) the Honeycomb Audited Consolidated Financial Statements;

- (C) the Share Purchase Agreement;
- (D) the irrevocable undertakings referred to in paragraph 12 of Part I (*Letter from the Chairman of Honeycomb*);
- (E) the report by Deloitte LLP reproduced in full at Part VI (*Financial Information*) of this Circular;
- (F) the report by BDO LLP reproduced in full at Part VI (*Financial Information*) of this Circular;
- (G) the consent letters referred to in paragraphs 14.1 to 14.3 above; and
- (H) this Circular.

PART VIII

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Honeycomb Investment Trust plc ("**Honeycomb**" or the "**Company**") will be held at Slaughter and May, One Bunhill Row, London EC1Y 8YY, United Kingdom on 1 June 2022 at 10.00 a.m. (London time) for the purpose of considering and, if thought fit, passing the following Resolutions.

Each of the Resolutions shall be proposed as ordinary resolutions. Resolution 5 is to be taken on a poll on which only Independent Shareholders can vote.

Capitalised terms used in this notice but not otherwise defined shall have the meaning given to such terms in the circular to the shareholders of the Company dated 10 May 2022 (the "**Circular**").

RESOLUTIONS

1. THAT:

- (A) subject to the passing of Resolutions 2, 3, 4, 5 and 6, the proposed Combination of Honeycomb and Pollen Street Capital Holdings Limited, substantially on the terms and subject to the conditions set out in the Share Purchase Agreement and the associated and ancillary arrangements described in the Share Purchase Agreement and this Circular (including consent to the assignment of the PSCUS Sub-manager Agreement as required under the Advisers Act), be and are hereby approved; and
 - (B) the directors of Honeycomb (the "**Honeycomb Directors**") (or any duly constituted committee thereof) be and are hereby authorised to take all necessary or appropriate steps and to do all necessary or appropriate things to implement, complete or to procure the implementation or completion of the Combination and give effect thereto with such modifications, variations, revisions, waivers or amendments (not being modifications, variations, revisions, waivers or amendments of a material nature) that the Honeycomb Directors (or any duly authorised committee thereof) may deem necessary, expedient or appropriate in connection with the Combination (including any reduction in the consideration payable under the Share Purchase Agreement that may be agreed with the Pollen Street Shareholders from time to time and that the Honeycomb Directors (or any duly authorised committee thereof) may deem necessary, expedient or appropriate to deal with fractional entitlements, legal or practical problems arising in any overseas territory or any other matter whatsoever).
2. **THAT**, the Honeycomb Directors be generally and unconditionally authorised, in addition to all subsisting authorities, to exercise all the powers of the Company to allot ordinary shares of £0.01 each in the capital of the Company ("**Ordinary Shares**"), and to grant rights to subscribe for or to convert any security into Ordinary Shares up to an aggregate nominal amount of £294,726.63 in connection with the Combination, such power to apply until 31 December 2022 unless previously renewed, varied or revoked by the Company in a general meeting, but in each case, during this period, the Company may make offers, and enter into agreements which would, or might, require Ordinary Shares to be allotted or rights to subscribe for or convert securities into Ordinary Shares to be granted after the authority ends and the Honeycomb Directors may allot Ordinary Shares or grant rights to subscribe for or convert securities into Ordinary Shares under any such offer or agreement as if the authority had not ended.

3. THAT:

- (A) the investment policy set out in Part 1 (*Combined Group Investment Policy*) of Appendix 1 (*Investment Policies*) to the Circular, a copy of which has been produced to the meeting and signed by the Chairman for the purposes of identification, be and is hereby adopted as the investment policy of the Company to the exclusion of all previous investment policies of the Company;
- (B) the directors' remuneration policy as set out in Appendix 2 (*Directors Remuneration Policy*) to the Circular, be and is hereby adopted as the directors' remuneration policy of the Company;

- (C) the rules of the Honeycomb Long-Term Incentive Plan 2022 (the “**LTIP**”), produced in draft to the General Meeting (the principal terms of which are summarised in Appendix 3 (*Honeycomb Share Plan Summaries*) to the Circular), be and are hereby approved, and that the Honeycomb Directors be authorised to:
- (i) make such modifications to the LTIP they may consider appropriate to take account of the requirements of best practice and for the implementation of the LTIP and to adopt the LTIP as so modified and to do all such other acts and things as they may consider appropriate to implement the LTIP;
 - (ii) establish further plans based on the LTIP but modified to take account of local tax, exchange control or securities laws in any jurisdiction, including the implementation of an HMRC approved company share option plan in which all employees can participate, provided that any shares made available under such further plans are treated as counting against the limits on individual or overall participation in the LTIP; and
- (D) the rules of the Honeycomb Deferred Bonus Plan 2022 (the “**DBP**”), produced in draft to the General Meeting (the principal terms of which are summarised in Appendix 3 (*Honeycomb Share Plan Summaries*) to the Circular), be and are hereby approved, and that the Honeycomb Directors be authorised to:
- (i) make such modifications to the DBP they may consider appropriate to take account of the requirements of best practice and for the implementation of the DBP and to adopt the DBP as so modified and to do all such other acts and things as they may consider appropriate to implement the DBP; and
 - (ii) establish further plans based on the DBP but modified to take account of local tax, exchange control or securities laws in any jurisdiction, provided that any shares made available under such further plans are treated as counting against the limits on individual or overall participation in the DBP.
4. **THAT** the aggregate cap on Director’s fees of £250,000 per annum, as set out in Article 97 of the Articles of Association, be hereby increased to an amount equal to £750,000 per annum.

Independent Shareholders:

5. **THAT** the waiver granted by The Panel on Takeovers and Mergers of any obligation which may otherwise arise pursuant to Rule 9 of The Takeover Code on Takeovers and Mergers for any of the members of the Concert Party, both individually and collectively, to make a general offer to the other shareholders for all the issued ordinary shares in the capital of the Combined Group as a result of:
- (A) the Combination and the issue of the Consideration Shares to the members of the Concert Party; and/or
 - (B) the exercise of any share buyback by Honeycomb pursuant to the Existing Buyback Authority,
- be and is hereby approved.

Shareholders other than related parties of Honeycomb and their associates (each as defined in chapter 11 of the Listing Rules):

6. **THAT** each of the Related Party Transactions between the Company and, respectively, CC Hive LP, Lindsey McMurray, Matthew Potter, Michael England, Ian Gascoigne, Howard Garland and Julian Dale pursuant to the Share Purchase Agreement and Management Incentive Plan (each as defined in the Circular) be and are hereby approved, with any changes as are permitted in accordance with Resolution 1(B) above.

By order of the Board of Directors of Honeycomb.

Link Company Matters Limited

Company Secretary

10 May 2022

Honeycomb Investment Trust plc

6th Floor

65 Gresham Street

London E2V 7NQ

United Kingdom

Registered in England and Wales, company number 09899024

IMPORTANT NOTES TO THE NOTICE OF GENERAL MEETING

The following notes explain your general rights as a Shareholder and your right to vote at this General Meeting or to appoint someone else to vote on your behalf:

1. To be entitled to vote at the General Meeting (and for the purpose of the determination by Honeycomb of the number of votes they may cast), Shareholders must be registered in the register of members of Honeycomb at 6.30 p.m. on 30 May 2022 (or, in the event of any adjournment, 48 hours before the time fixed for the adjourned meeting). Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to vote at the meeting. Each of the Resolutions to be put to the General Meeting will be voted on by way of a poll. Only the Independent Shareholders are eligible to vote on Resolution 5 and related parties of Honeycomb have agreed not to vote on Resolution 6 and to take all reasonable steps to ensure that their respective associates do not do so.
2. Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the General Meeting. A Shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different Honeycomb Share or Honeycomb Shares held by that Shareholder. A proxy need not be a Shareholder of Honeycomb. A Form of Proxy is enclosed with this Notice of General Meeting for use at the General Meeting. If you do not have a Form Of Proxy and believe that you should have one, or if you require additional forms, please contact our Registrar, Computershare, on +44 (0)370 707 4023. Lines are open from 8.30 a.m. to 5.30 p.m., Monday to Friday.
3. In the case of joint registered holders, the signature of one holder will be accepted and the vote of the senior holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority will be determined by the order in which the names stand on the register of Shareholders in respect of the relevant joint holding (the first named being the most senior).
4. Any person to whom this Notice of General Meeting is sent who is a person nominated under section 146 of the Act to enjoy information rights (a **"Nominated Person"**) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right 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, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
5. The statement of the rights of Shareholders in relation to the appointment of proxies in notes 2 and 3 do not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of Honeycomb.
6. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the General Meeting.
7. To be valid, any Form of Proxy or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at the Company's Registrar, at the address shown on the Form of Proxy or in the case of Honeycomb Shares held through CREST, via the CREST system, (see note 9 below). As an alternative to completing your hard-copy proxy form, you can appoint a proxy electronically at www.investorcentre.co.uk/eproxy using the Control Number, SRN and PIN provided on the Form of Proxy. In each case, for proxy appointments to be valid, they must be received by no later than 10.00 a.m. on 30 May 2022. If you return more than one proxy appointment, either by paper or electronic communication, that received last by the Registrar before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all Shareholders and those who use them will not be disadvantaged.

8. 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 of the General Meeting) by using the procedures described in the CREST Manual (available from www.euroclear.com). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a 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.
9. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear UK & International Limited’s specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by Computershare (ID 3RA50) by 10.00 a.m. on 30 May 2022. For this purpose, the time of receipt will be taken to the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuers agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
10. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular message. 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 time. In this respect, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
11. 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 no more than one corporate representative exercises powers in relation to the same shares.
12. As at 5 May 2022 (being the last practicable date prior to the publication of this Circular) Honeycomb’s issued share capital (including treasury shares) consists of 39,449,919 ordinary shares of 1p each, carrying one vote each. 4,331,485 ordinary shares are held in treasury, representing approximately 10.98 per cent. of Honeycomb’s issued share capital. Therefore, the total voting rights in Honeycomb as at 5 May 2022 are 35,118,434.
13. The following documents are available for inspection during normal business hours at the registered office of Honeycomb on any Business Day from 10 May 2022 until the time of the General Meeting and may also be inspected at the General Meeting venue at Slaughter and May, One Bunhill Row, London EC1Y 8YY, United Kingdom on the day of the meeting until the conclusion of the meeting:
 - copies of the Honeycomb Directors’ letters of appointment;
 - copies of the LTIP and DBP;
 - a copy of the Memorandum and Articles of Association of Honeycomb; and
 - the Annual Report and Accounts for the year ended 31 December 2021.
14. In accordance with section 311A of the Act, the contents of this Notice of General Meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the General Meeting and, if applicable, any members’ statements, members’ resolutions or members’ matters of business received by Honeycomb after the date of this notice are available to view and to download on Honeycomb’s website at www.honeycombplc.com.

15. The results of the voting at the General Meeting will be announced through a Regulatory Information Service and will appear on Honeycomb's website at: www.honeycombplc.com.
16. Save as provided above, any communication with Honeycomb in relation to the General Meeting, including in relation to proxies, should be sent to Honeycomb's registrar, Computershare, at The Pavilions, Bridgwater Road, Bristol, BS13 8AE. No other means of communication will be accepted. In particular, you may not use any electronic address provided either in this Notice of General Meeting or in any related documents to communicate with Honeycomb for any purposes other than those expressly stated.

PART IX

DEFINITIONS

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

“Accelerator Fund”	means PSC Accelerator LP;
“Act”	means the Companies Act 2006;
“Administration Agreement”	means the accounting and administration services agreement between Honeycomb and the Administrator, a summary of which is set out in Section 4 of Part V (<i>Information on the Honeycomb Group and Pollen Street</i>);
“Administrator”	means Apex Fund Services (UK) Limited, a company incorporated under the laws of England and Wales with company number 07429775 and with its registered address at 6th Floor 140, London Wall, London, EC2Y 5DN, United Kingdom;
“Admission”	means the proposed admission of the Consideration Shares to the premium listed segment of the Official List of the FCA and the admission to trading on the LSE’s main market for listed securities;
“Advisers Act”	has the meaning given in Section 13.1 of Part VII (<i>Additional information</i>);
“AIFM”	means an Alternative Investment Fund Manager, as defined in the AIFM UK Directive;
“AIFM Directive”	means Directive 2011/61/EU on Alternative Investment Fund Managers;
“AIFM UK Directive”	means the AIFM Directive as implemented in the UK;
“Alternative Credit Investments Limited”	means Alternative Credit Investments Limited, a company incorporated under the laws of England and Wales with company number 08805459 and having its registered office at 6th Floor 65 Gresham Street, London, England, EC2V 7NQ;
“Announcement”	means the announcement released by Honeycomb on the Announcement Date relating to its intention to pursue the Combination with Pollen Street;
“Announcement Date”	means 15 February 2022;
“Articles of Association”	means the articles of association of Honeycomb;
“Avant”	means Avant Credit of UK, LLC, a limited liability company incorporated in Delaware, having its registered office at 1209 Orange Street, Wilmington 19801, United States of America;
“BofA Securities”	Merrill Lynch International, a subsidiary of Bank of America Corporation, which is authorised by the PRA and regulated by the FCA and the PRA in the United Kingdom;
“Bumblebee”	means Bumblebee Loans Limited, a company incorporated in England and Wales under registration number 01908651 and having its registered office at 11-12 Hanover Square, London, England, W1S 1JJ;
“Business Day”	a day (excluding Saturdays, Sundays and public holidays in England and Wales) on which banks generally are open for business in London for the transaction of normal banking business;
“C Shares”	has the meaning given to that term in the Articles of Association;
“CAGR”	means compound annual growth rate;

“Carried Interest Participants”	means any person who is entitled to receive carried interest payable in respect of a Pollen Street Fund;
“CC Beekeeper”	means CC Beekeeper L.P., an exempted limited partnership having its registered office at Clarendon House, 2 Church Street, Hamilton, HM11 Bermuda;
“CC Hive”	means CC Hive L.P., an exempted limited partnership having its registered office at Clarendon House, 2 Church Street, Hamilton, HM11 Bermuda;
“Class 1 Resolution”	means the ordinary resolution numbered 1 in the Notice of General Meeting, which will be proposed at the General Meeting;
“Class 1 Transaction”	means a class 1 transaction pursuant to Chapter 10 of the Listing Rules;
“Combination”	means the combination of Honeycomb and Pollen Street, as described in Part I (<i>Letter from the Chairman of Honeycomb</i>) of this Circular;
“Combined Group”	means the group which will, following completion of the Combination, comprise of Honeycomb, Pollen Street and each of their respective Subsidiaries;
“Combined Group Board”	means the board of directors of the Combined Group post-Completion which is currently anticipated to be, as at the date of this Circular, each of the Proposed Directors;
“Combined Group Investment Policy”	means the investment policy of the Combined Group, as set out at Part 1 (<i>Combined Group Investment Policy</i>) of Appendix 1 (<i>Investment Policies</i>) to this Circular;
“Company Secretarial Services Agreement”	means the company secretarial services agreement between Honeycomb and the Honeycomb Company Secretary, a summary of which is set out in Paragraph 4 of Section A (<i>Information on the Honeycomb Group</i>) of Part V (<i>Information on the Honeycomb Group and Pollen Street</i>);
“Completion”	means completion of the Combination pursuant to the Share Purchase Agreement;
“Computershare”	means Computershare Investor Services PLC, a company incorporated in England and Wales under registration number 03498808 and having its registered office at The Pavilions, Bridgwater Road, Bristol, BS13 8AE;
“Concert Parties”	means the Pollen Street Partners and the Pollen Street Senior Managers (including their related trusts and close relatives (each as defined in the Takeover Code)) from time to time and “Concert Party” shall be construed accordingly;
“Consideration Shares”	means up to 29,472,663 new Honeycomb Shares to be issued to the Pollen Street Shareholders on Completion;
“Credit Assets”	means any investment by Honeycomb, the Honeycomb Group or, post-Completion, the Combined Group in loans;
“Credit Strategy”	means Pollen Street’s credit investment strategy, and “Credit” shall be construed accordingly;
“CREST”	means the relevant system (as defined in the CREST Regulations in respect of which Euroclear UK & International Limited is the Operator (as defined in the CREST Regulations) in accordance with which securities may be held and transferred in uncertificated form;

“CREST Applications Host”	means the system that is operated to receive, manage and control the processing of messages by CREST;
“CREST Manual”	means the rules governing the operation of CREST as published by Euroclear UK & International Limited;
“CREST Regulations”	means the Uncertificated Securities Regulations 2001 (SI 2001 / 3755), as amended;
“DBP”	means the deferred bonus plan of the Combined Group, the principal terms of which are summarised in Appendix 3 (<i>Honeycomb Share Plan Summaries</i>) to this Circular;
“Deko”	is the trading name for Pay4Later Limited, a company incorporated in England and Wales under registration number 06447333 and having its registered office at 100 Liverpool Street, London, United Kingdom, EC2M 2AT;
“Depository”	means Indos Financial Limited, a company incorporated under the laws of England and Wales with company number 08255973 and with its registered address at 54 Fenchurch Street, London, EC3M 3JY, United Kingdom;
“Depository Agreement”	means the depository agreement between Honeycomb and the Depository, a summary of which is set out in Paragraph 4 of Section A (<i>Information on the Honeycomb Group</i>) of Part V (<i>Information on the Honeycomb Group and Pollen Street</i>);
“Enlarged Share Capital”	means the entire issued share capital of the Combined Group immediately following Completion;
“Entity”	means a person that is not a natural person;
“EPS”	means earnings-per-share;
“Equity Assets”	means any equity investment of Honeycomb, the Honeycomb Group or, post-Completion, the Combined Group;
“ESG”	means environmental, social and governance;
“EUWA”	means the European Union (Withdrawal) Act 2018 (as amended);
“Executive Directors”	means the proposed executive directors of the Combined Group immediately after Completion, being each of Lindsey McMurray and Julian Dale respectively;
“FCA”	means the United Kingdom Financial Conduct Authority;
“FCA’s Investment Funds Handbook”	means the FCA Investment Funds sourcebook;
“Freedom Finance”	means Freedom Finance Limited, a company incorporated in England and Wales under the registration number 06297533 and having its registered office at Atlantic House, Atlas Business Park, Simonsway, Manchester, M22 5PR;
“FSMA”	means the Financial Services and Markets Act 2000;
“General Meeting”	means the general meeting (including any adjournment thereof) of the Shareholders to be convened in connection with the Combination, to consider and, if thought fit, pass the Resolutions;
“Gross Assets”	means the aggregate value of the total assets of the Honeycomb Group or, where applicable, the Combined Group (and “Gross Asset Value” shall be construed accordingly);
“Historical Honeycomb Group Financial Information”	has the meaning given in Section A of Part VI (<i>Financial Information</i>);

“Historical Pollen Street Group Financial Information”	has the meaning given in Section B of Part VI (<i>Financial Information</i>);
“HMRC”	means Her Majesty’s Revenue & Customs;
“Honeycomb Audited Consolidated Financial Statements”	means the audited consolidated financial statements of Honeycomb for each of the years ended 31 December 2019, 31 December 2020 and 31 December 2021, as incorporated into this Circular by reference;
“Honeycomb Board” or “Board”	means the board of directors of Honeycomb;
“Honeycomb Company Secretary”	means the company secretary for Honeycomb, being Link Company Matters Limited, a company incorporated under the laws of England and Wales with company number 05306796 and with its registered address at The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, United Kingdom;
“Honeycomb Directors”	means each director on the Honeycomb Board, the names of which are set out on page 11 of this Circular;
“Honeycomb Finance”	means Honeycomb Finance Limited, a company incorporated under the laws of England and Wales with company number 08849931 and with its registered office at 11-12 Hanover Square, London, W1S 1JJ, United Kingdom;
“Honeycomb Group”	means Honeycomb and each of its Subsidiaries;
“Honeycomb Shares”	means the ordinary shares of £0.01 each in the issued share capital of Honeycomb;
“Honeycomb Term and Revolving Credit Facility”	means the senior facilities agreement in respect of the £170,000,000 term and £80,000,000 revolving facilities entered into between Honeycomb and the Finance Parties (as defined therein) originally dated 4 September 2020 and as amended and restated on 30 July 2021 and 8 December 2021 respectively;
“IFRS”	means the International Financial Reporting Standards;
“Independent Shareholders”	means the Shareholders other than the Concert Parties and CC Beekeeper;
“Investment Management Agreement”	means the investment management agreement between Honeycomb and the Investment Manager, a summary of which is set out in sub-section 4 of Section A (<i>Information on the Honeycomb Group</i>) of Part V (<i>Information on the Honeycomb Group and Pollen Street</i>);
“Investment Manager”	means the investment manager of Honeycomb, being Pollen Street Capital;
“Investment Strategies”	means Pollen Street’s Credit and Private Equity Strategies;
“IRR”	means internal rate of return;
“KPI”	means key performance indicator;
“Latest Practicable Date”	means 5 May 2022, being the latest practicable date prior to the publication of this Circular;
“Listing Rules”	means the Listing Rules of the FCA;
“Long Stop Date”	means the latest possible date for Completion to occur under the Share Purchase Agreement, being 31 October 2022;
“LSE”	means the London Stock Exchange;
“LTIP”	means the long-term incentive plan of the Combined Group, a summary of which is set out at Appendix 3 (<i>Honeycomb Share Plan Summaries</i>) to this Circular;

“Management Incentive Plan”	means the management incentive plan pursuant to which each Pollen Street Senior Manager is entitled to receive a portion of the Consideration Shares that would otherwise have been allocated to James Scott, as described more fully in paragraph 4 of Section B (<i>Information on Pollen Street</i>) of Part V (<i>Information on the Honeycomb Group and Pollen Street</i>) of this Circular;
“MOIC”	means gross multiple on invested capital;
“Net Asset Value” or “NAV”	means the net asset value of the Honeycomb Group calculated in accordance with the valuation policies of the Honeycomb Group from time to time as appropriate;
“Net Investment Assets”	means: (a) the carrying balance of all Credit Assets at amortised cost net of any provision balance; and (b) Credit Assets and Equity Assets held at fair value through profit or loss;
“New Honeycomb”	means Harry Newco Limited, whose registered office is at PO Box 656, East Wing Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3PP;
“New Remuneration Policy”	means the remuneration policy of the Combined Group, as set out at Appendix 2 (<i>Directors Remuneration Policy</i>) to this Circular;
“Notice of General Meeting”	means the notice of the General Meeting included at Part VIII (<i>Notice of General Meeting</i>) of this Circular;
“NPL”	means non-performing loans, and “NPLs” shall be construed accordingly;
“OECD”	means the organisation for economic co-operation and development;
“Official List”	means the official list of the FCA;
“Origination Partners”	means Honeycomb Finance, Avant and other entities categorised as Origination Partners by Honeycomb, which provide Honeycomb with opportunities to acquire Credit Assets originated or acquired by them which meet specified underwriting criteria;
“Panel”	means the Panel on Takeovers and Mergers;
“Participating Shares”	means all Honeycomb Shares that are not subject to the Pollen Street Dividend Waiver;
“Pollen Street”	means Pollen Street Capital Holdings Limited, a non-cellular company incorporated in Guernsey under registered number 58102 whose registered office is at PO Box 255 Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3QL;
“Pollen Street Audited Restated Consolidated Financial Statements”	means the audited restated consolidated financial statements of Pollen Street for each of the years ended 31 December 2019, 31 December 2020 and 31 December 2021, as set out in full at Section B (<i>Historical Financial Information for Pollen Street</i>) of Part VI (<i>Financial Information</i>) of this Circular;
“Pollen Street Capital”	means Pollen Street Capital Limited, a company incorporated in England and Wales under registration number 08741640 whose registered office is at 11-12 Hanover Square, London, W1S 1JJ, United Kingdom;
“Pollen Street Directors”	means the board of directors of Pollen Street;
“Pollen Street Dividend Waiver”	means the waiver of a dividend on certain of the Consideration Shares that will be issued to the Pollen Street Shareholders and Pollen Street Senior Managers upon Completion, as more fully

	described in paragraph 7 (<i>Dividends and dividend policy</i>) of Part I (<i>Letter from the Chairman of Honeycomb</i>) of this Circular;
"Pollen Street Founding Partners"	means each of Lindsey McMurray, James Scott, Michael England, Matthew Potter and Ian Gascoigne;
"Pollen Street Fund Document"	means the operational documents for each Pollen Street Fund;
"Pollen Street Funds"	means any fund that is managed by Pollen Street Capital or another member of the Pollen Street Group and "Pollen Street Fund" shall be construed accordingly;
"Pollen Street Group"	means Pollen Street and each of its Subsidiaries, but excluding any Entity which is a portfolio company of any one or more Pollen Street Fund;
"Pollen Street Partners"	means each of Lindsey McMurray, James Scott, Michael England, Matthew Potter, Howard Garland and Ian Gascoigne;
"Pollen Street Related Parties"	means each of CC Hive, the Pollen Street Partners and Julian Dale;
"Pollen Street Senior Managers"	means each of Julian Dale, Christopher Palmer, Michael Katramados and David Dawson;
"Pollen Street Shareholders"	means CC Hive and the Pollen Street Partners;
"PRA"	means the Prudential Regulation Authority;
"Private Equity Strategy"	means Pollen Street's private equity strategy, and "Private Equity" shall be construed accordingly;
"Proposed Directors"	means each Honeycomb Director, Lindsey McMurray and Julian Dale (and "Proposed Director" shall be construed accordingly);
"Prospectus"	means the prospectus to be issued by Honeycomb in connection with the Admission;
"PSC I"	means collectively the parallel limited partnerships comprising the Special Opportunities Fund, each of which is managed or advised by Pollen Street;
"PSC II"	means Special Opportunities Fund (Guernsey) LP, a Guernsey limited partnership managed or advised by Pollen Street;
"PSC III"	means PSC III G, LP, a Guernsey limited partnership, PSC III, LP and PSC Investments LP, each English limited partnerships managed or advised by Pollen Street;
"PSC IV"	means each of: (a) PSC IV, LP; (b) PSC IV (B), LP; and (c) PSC IV (C), SCSp;
"PSC V"	means the new flagship Pollen Street Fund focusing on Private Equity strategies;
"PSC Credit III"	means PSC Credit III (A) SCSp and PSC Credit III (B) SCS, each a Luxembourg <i>société en commandite spéciale</i> managed or advised by Pollen Street;
"PSC Credit IV"	means the subsequent flagship Pollen Street Fund focusing on Credit strategies;
"PSC Service Company Limited"	means PSC Service Company Limited, a company incorporated under the laws of England and Wales with registration number 10049736 and having its registered office at 11-12 Hanover Square, London, England, W1S 1JJ;
"PSCPL"	means Pollen Street Capital Partners Limited, a company incorporated in England and Wales with registered number

	12543099 and having its registered office at 11-12 Hanover Square, London, United Kingdom, W1S 1JJ;
"PSCUS"	has the meaning given in Section 13.1 of Part VII (<i>Additional information</i>);
"PSCUS Sub-manager Agreement"	has the meaning given in Section 13.2 of Part VII (<i>Additional information</i>);
"Registrar Agreement"	means the registrar agreement between Honeycomb and the Registrar, a summary of which is set out in Paragraph 4 of Section A (<i>Information on the Honeycomb Group</i>) of Part V (<i>Information on the Honeycomb Group and Pollen Street</i>);
"Related Party Resolution"	means the ordinary resolution numbered 6 in the Notice of General Meeting, which will be proposed at the General Meeting;
"Related Party Transaction"	means a related party transaction pursuant to Chapter 11 of the Listing Rules;
"Remuneration Committee"	means Honeycomb's remuneration committee;
"Resolutions"	means the resolutions to be proposed by Honeycomb at the General Meeting, as set out in the Notice of General Meeting;
"Restricted Jurisdiction"	means any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Combination is sent or made available to Shareholders in that jurisdiction;
"Rule 9 Waiver Resolution"	means the ordinary resolution numbered 5 in the Notice of General Meeting, which will be proposed at the General Meeting;
"Separately Managed Accounts"	means any separately managed account that is managed by Pollen Street Capital or another member of the Pollen Street Group (and "SMA" shall be construed accordingly);
"Share Purchase Agreement"	means the share purchase agreement entered into between the Pollen Street Shareholders, New Honeycomb and Honeycomb on 14 February 2022 in respect of the sale and purchase of the entire issued share capital of Pollen Street and PSCPL;
"Shareholder"	means a holder of Honeycomb Shares (and "Shareholders" shall be construed accordingly);
"Shareholder Helpline"	means the helpline available to Shareholders in connection with this Circular and the General Meeting, details of which are set out on page 9 of this Circular;
"Shareholders' Agreement"	means the shareholders' agreement relating to the shares in Pollen Street, as originally entered into on 9 April 2020 between CC Hive, the Pollen Street Partners, PSCPL and Pollen Street;
"Shawbrook"	means Shawbrook Group PLC and its Subsidiaries;
"SMEs"	means small and medium sized enterprises, and "SME" shall be construed accordingly;
"SOFR"	means the secured financing rate;
"SONIA"	means the sterling overnight index average;
"SPV"	means special purpose vehicle;
"Subsidiary"	means, with respect to any person, any corporation, limited liability company, partnership, joint venture, or other legal Entity of which such person (either alone or through or together with any other Subsidiary) owns, directly or indirectly, more than 50 per cent. of the stock or other equity interests the holders of which are

	generally entitled to vote for the election of the board of directors or other governing body of such corporation or other legal Entity;
“Takeover Code”	means the City Code on Takeovers and Mergers as from time to time amended and interpreted by the Panel;
“UK”	means the United Kingdom of Great Britain and Northern Ireland;
“UK Leases”	means the lease agreements between PSC Service Company Limited, 11-12 Hanover Square Nominee 1 Limited and 11-12 Hanover Square Nominee 2 Limited, a summary of which is set out in Paragraph 5 of Section B (<i>Information on Pollen Street</i>) of Part V (<i>Information on the Honeycomb Group and Pollen Street</i>);
“UK Prospectus Regulation”	means Regulation (EU) 2017/1129, as it forms part of domestic law in the United Kingdom pursuant to the EUWA;
“US Lease”	means the lease agreement between Pollen Street Capital (US) LLC and Sage Realty Corporation, a summary of which is set out in Paragraph 5 of Section B (<i>Information on Pollen Street</i>) of Part V (<i>Information on the Honeycomb Group and Pollen Street</i>); and
“Voting Record Time”	means 6.30 p.m. on 30 May 2022 (or, in the event that the General Meeting is adjourned, 6.30 p.m. on the date which is two Business Days prior to the date fixed for the adjourned meeting).

APPENDIX 1

INVESTMENT POLICIES

PART 1 COMBINED GROUP INVESTMENT POLICY

1. Investment Objective

The Honeycomb Group comprises Honeycomb Investment Trust plc (the “**Company**”) and its subsidiaries, which includes Pollen Street Capital Holdings Limited and its subsidiaries (the “**PSC Group**”). Pollen Street Capital Limited, a member of the PSC Group, acts as the Honeycomb Group’s investment manager.

The Honeycomb Group’s investment objective is to provide shareholders with an attractive level of dividend income and capital preservation primarily through asset based lending (any investment in the form of loan(s) being “**Credit Assets**”), and growth through selected equity investments that are aligned with the Company’s strategy (“**Equity Assets**”). The Honeycomb Group may invest in Credit Assets or Equity Assets directly or via investments in PSC Group managed or advised funds (the “**PSC Funds**”). Notwithstanding other restrictions herein, investments made by the PSC Funds will be subject to the applicable investment strategy for the relevant fund.

1.1 Credit Assets

The Honeycomb Group invests in Credit Assets originated across various sectors and across credit risk bands to ensure diversification and to seek to mitigate concentration risks.

Credit Assets invested in by the Honeycomb Group consist of asset based lending, within a range of sub-sectors selected based on their risk/return characteristics. These sub-categories may include, but are not limited to, personal loans, real estate finance, point of sale financing, home improvement loans and loans to small businesses.

The Honeycomb Group’s investment in Credit Assets encompasses the following investment models:

- **Structured Loans:** the Honeycomb Group identifies top performing non-bank lenders and other counterparties that provide finance, assets or services to a tightly defined target audience. Financing is typically secured over portfolios of financial and/or hard assets; and
- **Direct Portfolios:** these portfolios of directly owned loans are typically sourced from established relationships and are typically secured on underlying assets.

The Honeycomb Group may undertake such investments directly, or via subsidiaries or special purpose vehicles (“**SPVs**”), or indirectly through making an investment in a PSC Fund. It is also possible that the Honeycomb Group may seek to use alternative investment structures which achieve comparable commercial results to the investments described above (such as, without limitation, sub-participations in loans, credit-linked securities or fund structures), but which offer enhanced returns for the Honeycomb Group or other efficiencies (such as, without limitation, efficiencies as to origination, funding, servicing or administration of the relevant Credit Assets).

1.2 Equity Assets

The Honeycomb Group also invests in Equity Assets. The Honeycomb Group may invest in Equity Assets directly or indirectly through making an investment in a PSC Fund.

2. Investment Policy

The Honeycomb Group’s investment policy is to invest in (i) Credit Assets and (ii) Equity Assets, in each case either directly or via investments in PSC Funds.

The following investment limits and restrictions apply to the Honeycomb Group to ensure that the diversification of the portfolio is maintained, that concentration risk is limited and that limits are placed on risk associated with borrowings.

2.1 Investment Restrictions

Credit Assets

The Honeycomb Group will not invest more than 20 per cent. of the aggregate value of the total assets of the Honeycomb Group ("**Gross Assets**"), at the time of investment, in any single investment fund that invest in Credit Assets.

The following restrictions apply to any investment by the Honeycomb Group in Credit Assets, in each case at the time of such investment:

- no single Credit Asset comprising a consumer credit asset shall exceed 0.15 per cent. of Gross Assets;
- no single unsecured SME or corporate loan, or trade receivable, shall exceed 5.0 per cent. of Gross Assets; and
- no single facility, security or other interest backed by a portfolio of loans, assets or receivables (excluding any borrowing ring-fenced within any SPV which would be without recourse to the Company) shall exceed 20 per cent. of Gross Assets. For the avoidance of doubt, this restriction shall not prevent the Honeycomb Group from directly acquiring portfolios of Credit Assets which comply with the other investment restrictions described in this section.

Equity Assets

The Honeycomb Group will in aggregate commit no more than 10 per cent. of Gross Assets at the time of commitment to investments in Equity Assets (including in PSC Funds investing in Equity Assets). This restriction shall not apply to any consideration paid by the Honeycomb Group for the issue to it of any Equity Assets that are convertible securities. However, it will apply to any consideration payable by the Honeycomb Group at the time of exercise of any such convertible securities or any warrants issued.

Cash Equivalent Investments

The Honeycomb Group may invest in cash or money market instruments, money market funds, bonds, commercial paper or other debt obligations with banks or other counterparties having single-A (or equivalent) or higher credit rating as determined by an internationally recognised agency or systemically important bank, or any "governmental and public securities" (as defined for the purposes of the FCA's Handbook of rules and guidance) ("**Cash Equivalent Investments**") for cash management purposes and with a view to enhancing returns to shareholders or mitigating risk.

2.2 Other restrictions

Without prejudice to investments permitted under the heading '*Credit Assets*' in paragraph 2.1 above, the Honeycomb Group will not invest in Collateralised Loan Obligations ("**CLO**") or Collateralised Debt Obligations ("**CDO**"). CLOs are a form of securitisation whereby payments from multiple loans are pooled together and passed on to different classes of owners in various tranches. CDOs are pooled debt obligations where pooled assets serve as collateral.

2.3 Borrowing policy

The Honeycomb Group may incur debt at the level of the Company or other Honeycomb Group entities, through bank or other facilities on an unsecured or secured basis. The Honeycomb Group may incur debt (net of any cash or Cash Equivalent Investments held by members of the Honeycomb Group) up to a maximum of 100 per cent. of the tangible net asset value of the Honeycomb Group, calculated in accordance with the valuation policies of the Honeycomb Group from time to time, in aggregate (calculated at the time of draw down under any facility that the Honeycomb Group has entered into). The maximum borrowing limit will take into account investments made by the Honeycomb Group on a subordinated basis.

PART 2 EXISTING HONEYCOMB INVESTMENT POLICY

Prior to Completion, the following investment limits and restrictions apply to the Honeycomb Group to ensure that the diversification of the portfolio is maintained, that concentration risk is limited and that limits are placed on risk associated with borrowings.

1. Credit Assets

The Honeycomb Group will not invest, in aggregate, more than 10 per cent. of Gross Assets, at the time of investment, in other investment funds that invest in Credit Assets.

The Honeycomb Group will not invest, in aggregate, more than 50 per cent. of Gross Assets, at the time of investment, in Credit Assets comprising investments in loans alongside or in conjunction with Shawbrook or referred to the Origination Partners by Shawbrook.

The following restrictions apply, in each case at the time of the investment by the Honeycomb Group:

- no single Credit Asset comprising a consumer credit asset shall exceed 0.15 per cent. of Gross Assets;
- no single SME or corporate loan, or trade receivable, shall exceed 5.0 per cent. of Gross Assets; and
- no single facility, security or other interest backed by a portfolio of loans, assets or receivables (excluding any borrowing ring-fenced within any SPV which would be without recourse to the Honeycomb Group) shall exceed 20 per cent. of Gross Assets. For the avoidance of doubt, this restriction shall not prevent the Honeycomb Group from directly acquiring portfolios of Credit Assets which comply with the other investment restrictions described in this section.

2. Equity Assets

The Honeycomb Group will not invest in Equity Assets to the extent that such investment would, at the time of investment, result in the Honeycomb Group controlling more than 35 per cent. of the issued and voting share capital of the issuer of such Equity Assets.

3. Other restrictions

Prior to Completion, the Honeycomb Group may invest in cash, cash equivalents, money market instruments, money market funds, bonds, commercial paper or other debt obligations with banks or other counterparties having single-A (or equivalent) or higher credit rating as determined by an internationally recognised agency or systemically important bank, or any “governmental and public securities” (as defined for the purposes of the FCA’s Handbook of rules and guidance) for cash management purposes and with a view to enhancing returns to shareholders or mitigating credit exposure.

The Honeycomb Group will not invest in Collateralised Loan Obligations (“CLO”) or Collateralised Debt Obligations (“CDO”). CLOs are a form of securitisation whereby payments from multiple loans are pooled together and passed on to different classes of owners in various tranches. CDOs are pooled debt obligations where pooled assets serve as collateral.

4. Borrowing policy

The Honeycomb Group may borrow (at the level of Honeycomb Group entities and/or investee entities), through bank or other facilities on an unsecured or secured basis, up to a maximum of 100 per cent. of Net Asset Value in aggregate (calculated at the time of draw down under any facility that the Honeycomb Group has entered into). The maximum borrowing limit will take into account investments made by the Honeycomb Group on a subordinated basis. The Honeycomb Group targets borrowings in the range of 50 per cent. to 75 per cent. of Net Asset Value.

APPENDIX 2

DIRECTORS REMUNERATION POLICY

This Appendix sets out Honeycomb's revised Directors' Remuneration Policy (the "**Policy**") which has been prepared in accordance with section 439A of the Companies Act 2006 and regulations set out in the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended). The Policy is being submitted to Shareholders for approval as part of the Combination and, subject to Shareholder approval, it is intended to apply for the next three years, however if substantive changes are to be made, an amended version will be put back to Shareholders for approval.

For the purposes of this Appendix 2 only, the "**Board**" shall mean the Combined Group Board, the "**Company**" shall mean Honeycomb, the "**Directors**" shall mean the Proposed Directors, the "**Group**" shall mean the Combined Group and "**Shares**" shall refer to Honeycomb Shares.

Following the General Meeting, payments to Directors of the Company can only be made if they are consistent with the Policy or an amendment to the Policy. The Policy is designed to take into account market best practice, industry specific considerations, applicable remuneration codes in the FCA Handbook of Rules and Guidance, the AIFM UK Directive and guidelines from UK institutional shareholders and advisory bodies. Consistent with the Company's overall remuneration strategy, the Executive Directors' remuneration arrangements have been set at levels that are considered by the Remuneration Committee (having taken independent advice) to be appropriate for the size and nature of the business.

The Policy is designed to promote the delivery of sustainable long-term performance and growth through the long-term nature of the incentive plans (annual bonuses, bonus deferral and LTIP), the variety of performance measures used (aligning with the business strategy and supporting a rounded assessment of performance), and the balanced approach to target setting and performance assessment.

The 2018 UK Corporate Governance Code sets out principles against which the Remuneration Committee should determine the Policy for executives. A summary of the principles and how the Policy addresses these is set out below:

Principle	Committee approach
Clarity – remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce.	• <i>The Company will comply with the UK disclosure and voting requirements.</i> • <i>The Company will seek to provide full transparency to Shareholders on the operation of the Policy.</i> • <i>The Policy is as clear as possible and full details are described in straightforward concise terms to Shareholders and the workforce.</i>
Simplicity – remuneration structures should avoid complexity and their rationale and operation should be easy to understand.	• <i>The Company will have a simple Policy offering pension at the same rate as employees, an annual bonus plan consistent with most employees and performance-based share incentives for longer term performance. There will be more complexity for Executive Director remuneration packages to ensure a robust link to performance and avoid reward for failure and to comply with investor and the UK Corporate Governance Code requirements.</i>

Principle	Committee approach
	• <i>The Company will operate a market-standard remuneration structure consisting of fixed pay, an annual bonus and a single long term incentive.</i> • <i>Remuneration structures are as simple as possible and aligned to the private equity and alternative investments sector, whilst at the same time incorporating the necessary structural features appropriate for a listed company to ensure a strong alignment to performance and strategy and minimising the risk of rewarding failure.</i>
Risk – remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated.	• <i>The Company will mitigate these risks through careful plan design, including long term performance measurement, deferral and shareholding requirements (including post cessation of employment), discretion to override formulaic outcomes, and malus and clawback provisions.</i> • <i>Each year, incentive targets will be set which the Remuneration Committee believes are stretching and achievable within the risk appetite set by the Board. The Remuneration Committee retains discretion to override formulaic incentive outcomes in the event that this would produce a result inconsistent with the Company's remuneration principles.</i> • <i>All variable incentive arrangements will incorporate recovery provisions (malus and clawback) that allow the Remuneration Committee to reduce the outcomes, potentially down to zero, in specified cases. The Remuneration Committee will adopt triggers that are appropriately wide-ranging and will work to ensure they are enforceable.</i> • <i>The Policy has been shaped to discourage inappropriate risk taking through a weighting of incentive pay towards long term incentives, the balance between financial and non-financial measures in the relevant employee share plans and in-employment and post-employment shareholding requirements.</i> • <i>The Policy will also take account of relevant Alternative Investment Fund Managers Directive regulations.</i>

Principle	Committee approach
Predictability – the range of possible values of rewards to individual directors and any other limits or discretions should be identified and explained at the time of approving the policy.	• <i>The Remuneration Committee will maintain clear caps on incentive opportunities and will use its available discretion if necessary.</i> • <i>Elements of the Policy are subject to caps and dilution limits. The Remuneration Committee may exercise its discretion to adjust the Directors' remuneration if a formula-driven incentive pay-out is inappropriate in the circumstances.</i>
Proportionality – the link between individual awards, the delivery of strategy and the long-term performance of the company should be clear. Outcomes should not reward poor performance.	• <i>Incentive plans will be determined based on a proportion of base salary so there is a sensible balance between fixed pay and performance-linked elements. There will be provisions to override the formula driven outcome of incentive plans, deferral and clawbacks to ensure that poor performance is not rewarded.</i> • <i>The Remuneration Committee will ensure performance metrics are clearly aligned with the Company's strategy each year, maintaining an appropriate balance between fixed pay, short and long term incentive opportunities. Targets will be set to be stretching but achievable, within the Board's risk appetite.</i> • <i>There is a sensible industry-appropriate balance between fixed pay and variable pay, and incentive pay is weighted to sustainable long-term performance. Incentive plans will be subject to performance targets that consider both financial and non-financial performance linked to strategy, and outcomes will not reward poor performance.</i>
Alignment to culture – Incentive schemes should drive behaviours consistent with company purpose, values and strategy.	• <i>The annual bonus plan will operate throughout the Group and is approved by the Remuneration Committee to ensure consistency with the Company's purpose, values and strategy.</i> • <i>All permanent employees will be eligible to participate in the annual bonus. All permanent employees will share the same corporate goals to ensure cultural alignment across the business, while specific performance metrics will be tailored according to seniority. We believe that aligning remuneration across the business is a key element of aligning our culture, fulfilling our values and a strong driver of business performance.</i>

Principle	Committee approach
	The Remuneration Committee will consider Company culture and wider workforce policies when shaping and developing Executive Director remuneration policies to ensure that there is coherence across the organisation. There will be a strong emphasis on the fairness of remuneration outcomes across the workforce.

1. Executive Directors

Remuneration to Executive Directors under the Policy will be a mix of fixed and variable remuneration.

1.1 Fixed remuneration will include:

Base salary

Element and purpose	To provide a fixed element of pay at a sufficient level to recruit and retain individuals of the necessary calibre to execute the Company's business strategy. Base salaries are to reflect market value of the role and an individual's experience, performance and contribution.
How it operates	Salaries are normally reviewed annually by the Remuneration Committee in February, and any changes will usually take effect from this date. Salaries for Executive Directors are as follows from completion of the Combination until the next review: CEO: £550,000 CFO: £350,000 Salaries are normally paid monthly. The salary review will consider several factors, including but not limited to: - responsibilities, abilities, experience and performance of an individual; - the Company's salary and pay structures and general workforce increases; and - market data for similar roles and comparable companies. Salaries will be benchmarked periodically.
Maximum opportunity	There will be no prescribed maximum annual base salary or salary increase. The Remuneration Committee will be guided by the general increase for the broader employee population but may decide to award a lower increase for Executive Directors or exceed this to recognise, for example, an increase in the scale, scope or responsibility of the role, or take account relevant market movements and/or if the initial salary was set at a below market level on appointment.
Performance-related framework	Executive Directors' experience and performance will be considered when determining any base salary increases.

Pension

Element and purpose	To provide market-competitive retirement benefits.
How it operates	The Company may provide a cash allowance in lieu of a contribution to a pension scheme, contribute an amount to a money purchase pension scheme or provide for a combination of the two depending on the circumstances of the individual. Pension contributions will be aligned with the wider workforce in the country where the individual is based.
Maximum opportunity	The Company may contribute to a pension scheme or provide a cash allowance up to the higher of 3 per cent. of salary or such contribution required by legislation, or higher if necessary to align with the wider workforce.
Performance-related framework	Not applicable.

Other benefits

Element and purpose	To provide market competitive benefits and to support the health and well-being of Executive Directors.
How it operates	The benefits available to the Company's Executive Directors will include private family medical insurance, life insurance and permanent health insurance. Executive Directors may receive other benefits where the Remuneration Committee considers it appropriate including but not limited to relocation assistance. Where additional benefits are introduced for the wider workforce Executive Directors may participate on broadly similar terms. There are plans to introduce an electric car scheme which, if introduced, Executive Directors may participate in. Business travel and any reasonable business-related expenses (including tax thereon) may be reimbursed.
Maximum opportunity	There is no maximum level of benefits to be provided to an Executive Director.
Performance-related framework	Not applicable.

1.2 Variable remuneration will include:

Annual bonus

Element and purpose	To support the strategy and business plan. Rewards the achievement of objectives that support the Company's corporate goals and delivery of the business strategy in the short term and to align the interests of Executive Directors with Shareholders through the partial deferral of payment into Shares.
How it operates	Bonus payments will normally be awarded in cash and are not pensionable. All bonus measures, targets and stretch targets are agreed by the Remuneration Committee at the start of each financial year. Bonuses will be determined by the Remuneration Committee after year-end based upon the actual performance against these measures.

	The Remuneration Committee has discretion to adjust the annual bonus outcomes to ensure the outcome is a fair reflection of the overall performance of the Company and the individual, taking account of any factors it considers relevant. This will help ensure that pay-outs reflect overall Company performance during the period. Annual bonuses will be paid in part upfront in cash following the end of the performance period. 35 per cent. of any bonus will be deferred into share-based awards granted under the Deferred Bonus Plan (“DBP”) which will vest after three years, subject to the opportunity for co-investment described below. Notwithstanding the previous paragraph, either: (i) up to 100 per cent. of the amount intended to be deferred into share-based awards may be paid in cash up-front if the Executive Director elects to apply the after-tax amount to co-invest into a fund which has a contractual duration of longer than three years; or (ii) up to 100 per cent. of the deferred share awards, once granted, may vest early if the Executive Director elects to apply the after-tax proceeds from those shares to co-invest into a fund which has a contractual duration of longer than three years, provided in each case that if the Executive Director has not met the applicable share ownership guidelines under the Policy at the beginning of the financial year in which the payment date of the relevant annual bonus falls, references above to 100 per cent. are instead to be read as 50 per cent. Any dividend equivalents that accrue in respect of Shares subject to DBP awards during the vesting period may be paid in Shares at the time of vesting where permitted by legislation and regulation (where it is not possible to pay dividend equivalents in Shares for regulatory purposes and/or if prohibited under law, such dividend equivalents may be satisfied in cash). Malus and clawback provisions will apply. The Remuneration Committee may reduce a participant’s bonus (including to zero) to reflect adverse events, e.g. significant risk events, or poor individual performance.
Maximum opportunity	Maximum bonus opportunity of 200 per cent. of salary. Target bonus is set at 50 per cent. of the maximum with target bonus of 100 per cent. of salary.
Performance-related framework	Performance measures will be determined by the Committee each year and may vary to ensure that they promote the Company’s business strategy and shareholder value. Measures will be based on a range of financial, personal and qualitative (e.g. defined strategic, ESG measures) performance objectives relevant for the particular performance year. At least 60 per cent. of performance measures will be financial. Bonus measures will be reviewed annually, and the Remuneration Committee will have the discretion, subject to the paragraph above, to vary the range of measures or to introduce new measures, based on the strategic focus of the Company at that time. Details of the annual performance targets (and performance against them) will be shown within the Annual Report on Remuneration.

1.3 Long-term incentive plan

Element and purpose	The Long Term Incentive Plan (“LTIP”) is designed to incentivise the successful execution of business strategy over the longer term, to provide long-term retention, and to align the interests of Executive Directors with Shareholders. The LTIP facilitates Share ownership to provide further alignment with Shareholders.
How it operates	The Remuneration Committee may grant Executive Directors awards over Shares in the form of nominal (or nil) cost options or conditional awards under the LTIP. The Remuneration Committee will select the most appropriate form of LTIP award at the time of grant. Awards usually vest on the third anniversary of grant (or, if later, when the Remuneration Committee determines that the performance conditions have been satisfied). To the extent that awards vest, Executive Directors are required to retain any Honeycomb Shares vesting under an LTIP award (net of tax) for a further two years post-vesting, save where permitted under the rules of the LTIP. The awards are subject to the achievement of performance targets. All performance targets, along with relative weightings, are reviewed and set by the Remuneration Committee prior to awards being made. Any dividend equivalents that accrue in respect of Shares subject to LTIP awards during the vesting period (or, if applicable, the holding period) may be paid in Shares at the time of vesting where permitted by legislation and regulation (where it is not possible to pay dividend equivalents in Shares for regulatory purposes and/or if prohibited under law, such dividend equivalents may be satisfied in cash). Malus and clawback provisions will apply. The Remuneration Committee has discretion to adjust the formulaic LTIP outcomes to ensure the outcome is a fair reflection of the overall performance of the Company and the individual, taking account of any factors it considers relevant. The Company has the ability to impose any additional conditions on vesting, where it considers it is appropriate to do so.
Maximum opportunity	The maximum opportunity will be 200 per cent. of salary per annum. For the CEO there is a maximum of 200 per cent. of salary per annum, and 175 per cent. of salary per annum for the CFO. The Company will not make any LTIP awards to Lindsey McMurray or Julian Dale for a period of two years following Completion of the Combination. Threshold LTIP vesting will be set at 25 per cent. of the maximum award with straight line vesting to the maximum vesting of 100 per cent. of the award.
Performance-related framework	Awards will be subject to the achievement of performance targets linked to the long-term success of the Company. Forward-looking performance measures are expected to be based on Relative TSR against the FTSE250 Index (40 per cent.); financial including fund metrics aligned to long-term corporate strategy (40 per cent.) and Risk and ESG measures (20 per cent.). These performance measures will be set in advance of each grant. The Remuneration Committee has discretion to change the measures and weightings but TSR and financial including fund measures will be at least 80 per cent. of the total opportunity. Service conditions will also apply.

1.4 Share ownership guidelines

Element and purpose	To promote Executive Director share ownership and to align Executive Directors to the interests of Shareholders both during employment and the period following.
How it operates	The Executive Directors will be required to build over a five-year period from appointment as an Executive Director and maintain a shareholding in the Company equivalent to 200 per cent. of salary and will be expected to retain all Shares vesting under the DBP (excluding any Shares which are sold to fund co-investment) and LTIP (in each case, net of tax) until such time as the guideline shareholding has been achieved. The Remuneration Committee will require that any Executive Director leaving the Group maintains the level of shareholding required while an Executive Director, or, if lower, their actual level of shareholding on departure, for a period of two years. Shares purchased by the Executive Directors are not included in the post-employment shareholding requirement. The post-employment shareholding requirement ceases to apply in cases of death. In exceptional circumstances, the Remuneration Committee has discretion as to how the post-employment shareholding requirement will be implemented.
Maximum opportunity	Not applicable.
Performance-related framework	Not applicable.

1.5 All employee share plans

Element and purpose	To increase alignment between employees and Shareholders in a tax efficient manner and to promote Share ownership.
How it operates	The Company does not currently intend to operate all employee share plans but the Remuneration Committee retains the discretion to introduce a schedule to the LTIP rules to provide for the implementation of an HMRC approved Company Share Option Plan in which all employees can participate, including Executive Directors. Otherwise, the Company may seek Shareholder approval to introduce such plans during the term of the Policy. Executive Directors will be eligible to participate in any all-employee share plan operated by the Company on the same terms as other eligible employees.
Maximum opportunity	Consistent with prevailing tax limits at the time.
Performance-related framework	Not applicable.

2. Non-Executive Directors

Remuneration to Non- Executive Directors under the Policy will only consist of fixed remuneration.

2.1 Fees and benefits

Element and purpose	To provide fees reflecting time commitments and responsibilities of each role. To enable the recruitment of high-calibre Non-Executive Directors with the appropriate skills and experience to support the long-term success of the business.
How it operates	The Chairman's fee will be determined and recommended to the Board by the Remuneration Committee. Fees are normally reviewed annually, and any increase will usually take effect from February. Remuneration for Non-Executive Directors, other than the Chairman, will comprise of a basic annual fee for acting as Non-Executive Director of the Company and additional fees for the Senior Independent Director, and Chair of the Audit, Risk, Remuneration and Nomination Committees. Additional fees may be payable in relation to extra responsibilities undertaken such as chairing a Board Committee and/or a Senior Independent Director or other designated role. In addition, Non-Executive Directors are entitled to such fees as the Board or any Board Committee authorised by the Board may determine in respect of any extra or special services performed by them, having been called upon to do so. Such fees would only be incurred in exceptional circumstances. An example of such a circumstance would be if the Company was to undertake a corporate action, which would require the Non-Executive Directors to dedicate additional time to review associated documents and to attend additional meetings. Such fees would be determined at the absolute discretion of the Board or any Board Committee authorised by the Board and would be set at a similar rate to other comparable investment companies who have undertaken equivalent activities. The fees would be set with the Company's long-term success in mind and the interests of the Company's members as a whole would be considered prior to the setting of such fees. In the event of a change of control, the Company may pay the Non-Executive Directors a cash sum in lieu of notice equal to their fees during what would otherwise have been the notice period. The Non-Executive Directors will not participate in any of the Company's incentive arrangements. The Chairman and the Non-Executive Directors will be entitled to reimbursement of reasonable expenses (and any tax payable thereon).
Maximum opportunity	The scope and complexity of the Non-Executive Director roles at the Company will change following the Combination with greater regulatory scrutiny, accountability and investor focus to the roles together with an increased time commitment. The maximum aggregate fee level is set out in the Articles of Association. Non-Executive Director fee levels with effect from the completion of the Combination are set out below. Basic Board fee: £65,000; Committee Chair supplemental fee: £10,000; Senior Independent Director supplemental fee: £10,000; and

	Chair of Board (inclusive of Basic Board fee and any Committee Chair supplemental work): £170,000. Fee levels will be reviewed on a periodic basis and may be increased taking into account factors such as the scope and time commitment of the role and market levels in companies of comparable size and complexity and other broadly comparable companies. Additional fees may be paid as appropriate. There will be no prescribed maximum annual fee or fee increase. The Board will be guided by the general increase for the broader employee population but may decide to award a lower or higher fee increase to recognise, for example, an increase in the scale, scope or responsibility of the role and/or take account relevant market movements.
Performance-related framework	Not applicable.

3. Notes to the policy table

3.1 Choice of performance measures for Executive Directors' awards

Annual bonus performance metrics

The Remuneration Committee will select the performance targets used for determining the annual bonus as they align directly with the short-term strategy of the business. These conditions are set annually by the Remuneration Committee at levels that take into account the business plan. The size of the overall bonus is assessed by the Remuneration Committee taking into account performance against a scorecard of corporate metrics which reflect the growth of the business. The choice of metrics may change for future award cycles, but for 2022 will be a mix of financial and non-financial measures (with financial measures accounting for at least 60 per cent.), taking into account both corporate performance, and personal performance and will be disclosed in more detail in the Annual Report on Remuneration.

LTIP metrics

The Remuneration Committee will select the performance targets used for determining LTIP awards as they align directly with the long-term strategy of the business. These conditions are set annually by the Remuneration Committee at levels that take into account the business plan. Awards under the LTIP vest subject to delivering against metrics which are aligned to long-term shareholder value creation. At least 80 per cent. of total opportunity will be subject to TSR and financial including fund measures. Details of the LTIP metrics will be included in the Annual Report on Remuneration.

Incentive plan operation

The Remuneration Committee operates the Company's incentive plans in accordance with their respective rules, the Policy, the Listing Rules, applicable remuneration codes in the FCA Handbook of Rules and Guidance, the AIFM UK Directive, guidelines from UK institutional shareholders and advisory bodies, and HMRC rules where relevant.

A summary of some of the key discretions available to the Remuneration Committee in the operation of the Company's incentive plans is set out under '*Remuneration Committee discretions*' below.

Malus and clawback

In line with the UK Corporate Governance Code, applicable remuneration codes in the FCA Handbook of Rules and Guidance, the AIFM UK Directive, and guidelines from UK institutional shareholders and advisory bodies, LTIP and DBP awards made during the year to Executive Directors are subject to malus and clawback provisions. The Remuneration Committee may decide, on such basis as it considers in its absolute discretion to be fair, reasonable and proportionate, at any time within three years of an award being granted in the case of a DBP award, or at any time within six years of an award being granted in the case of an LTIP award, or, in each case, such other period as determined by the Remuneration Committee and as specified in the award

certificate, that a participant's award will be subject to malus (or, if the award has vested, clawback) in certain circumstances. Such circumstances include where:

- there has been a material misstatement in the Company's financial results or a member of the Group's;
- there has been an error in, or in connection with, determining the amount of the annual bonus or the number of shares subject to a LTIP award or DBP award, or in assessing any applicable performance condition;
- the determination of the annual bonus or the number of shares subject to a LTIP award or DBP award or the assessment of any applicable performance condition is based on inaccurate or misleading information;
- there has been gross misconduct on the part of the participant;
- the participant is subject to disciplinary action or regulatory censure, or the Remuneration Committee considers that the participant's conduct, capability or performance has been in breach of their employment contract, any applicable laws, rules or codes of conduct, or the standards reasonably expected of them;
- the Remuneration Committee determines, as a result of an appropriate review of accountability, that the participant has caused, contributed to or failed to prevent, wholly or in part, a material loss for the Group as a result of reckless, negligent or wilful actions or omissions or inappropriate values or behaviour;
- a company or business unit in which the participant works, or for which the participant is responsible, has (i) suffered a material downturn in its financial performance; (ii) suffered a material failure of risk management or (iii) made a material financial loss as a result of circumstances that could reasonably have been risk-managed and which leads to or is likely to create reputational damage to the Group;
- a Group member has been in breach of any applicable laws, rules or codes of conduct, or the standards reasonably expected of it;
- a Group member is censured by a regulatory body (including following a regulatory investigation) or suffers a significant detrimental impact on its reputation, where the Remuneration Committee determines, following an appropriate review of accountability, that the participant was responsible for, or had management oversight over, the actions, omissions or behaviour that gave rise to that censure or detrimental impact; and/or
- the Company or entities representing a material proportion of the Group becomes insolvent or otherwise suffers a corporate failure so that ordinary shares in the Company cease to have material value, provided that the Remuneration Committee determines, following an appropriate review of accountability, that the participant should be held responsible for that insolvency or failure.

Clawback may be satisfied by requiring the return of any Shares which have vested, and/or by way of a reduction in the vesting of any subsisting options/awards and/or the number of Shares under any vested but unexercised option granted under a share option plan, and/or a requirement to make a cash payment. For the avoidance of doubt, the malus and clawback provisions will not apply in respect of Shares acquired by a participant outside of the LTIP, DBP or any other discretionary share plan adopted by the Company from time to time. There will be no malus or clawback in respect of Shares held by a Director prior to, or as consideration for, the Combination.

Vesting of awards may be delayed, and the period for the application of malus and/or clawback extended, where there is an ongoing investigation that may conclude that a malus/clawback trigger applies.

3.2 Statement of consideration of Shareholder views

The Remuneration Committee values the views of the Company's shareholders and guidance from shareholder representative bodies. Shareholder feedback received in relation to the AGM, as well as any additional feedback received during the year, is considered as part of the Company's annual remuneration review.

3.3 Remuneration Committee discretions

The Remuneration Committee retains discretion over a number of areas relating to the operation of the Policy. Any exercise of a discretion by the Remuneration Committee will be in accordance with any applicable plan rules. The key discretions include (but are not limited to) the following:

- the timing of award grants or payments;
- the size of awards (within the limits set out in the Policy table);
- the choice, within the limits expressed in the Policy, of weighting and assessment of performance metrics, targets, weightings and measures for the annual bonus and LTIP schemes;
- in exceptional circumstances, determining that a share-based award shall be settled (in whole or in part) in cash;
- ability to adjust the number of Shares over awards under DBP and LTIP or other share-based awards in exceptional circumstances such as a rights issue, corporate restructuring, a variation in the share capital or special dividends;
- determination of the treatment of leavers' awards in accordance with any applicable plan rules;
- treatment of awards on a change of control, restructuring or other corporate events;
- amendments to performance conditions either in accordance with the terms of the performance condition or if events occur which cause the Remuneration Committee to consider it appropriate, provided that the amended performance condition will not be materially less or more challenging to satisfy than the original condition;
- discretionary override to formulaic vesting outcomes to ensure the outcome is a fair reflection of the overall performance of the Company and the individual, taking account of any factors it considers relevant;
- application of malus and clawback provisions;
- introduction of further sub-plans to the LTIP and/or DBP rules to allow the grant of awards to participants in overseas jurisdictions in order to comply with local requirements; and
- introduction of a schedule to the LTIP rules to provide for the implementation of an HMRC approved company share option plan in which all employees can participate, including Executive Directors.

The Remuneration Committee does not have discretion in relation to carried interest schemes in which the Executive Directors participate.

Where discretion has been applied this will be disclosed within the Company's Annual Report on Remuneration. The Remuneration Committee also has the discretion to amend the Policy with regard to minor or administrative matters where it would be, in the opinion of the Remuneration Committee, in the best interests of the Company, and disproportionate to seek or await Shareholder approval.

3.4 Statement of consideration of employment conditions elsewhere in the Company – Remuneration policy for other employees

A consistent approach to remuneration is applied across the Company – with the same overarching principle that reward should be sufficient to attract and retain high calibre talent and that reward should support the delivery of the business strategy.

The same approach to salary reviews is applied to all employees and the Executive Directors participate in the same overall bonus structure as other employees. However, only the most senior employees are subject to deferral arrangements and some other employees may have a higher weighting on individual performance. Other senior employees also participate in the same LTIP as the Executive Directors.

There are some differences in the structure of the Policy for the Executive Directors compared to other Company employees, which the Remuneration Committee believes are necessary to reflect the different levels of responsibility. The two main differences are the increased emphasis on performance-related pay for Executive Directors (through a higher variable pay opportunity) and a

greater focus on long-term alignment (through bonus deferral, additional holding periods for LTIP awards and minimum shareholding guidelines).

The Remuneration Committee did not formally consult with employees in respect of the design of the Policy.

3.5 Co-investment and carried interest plans

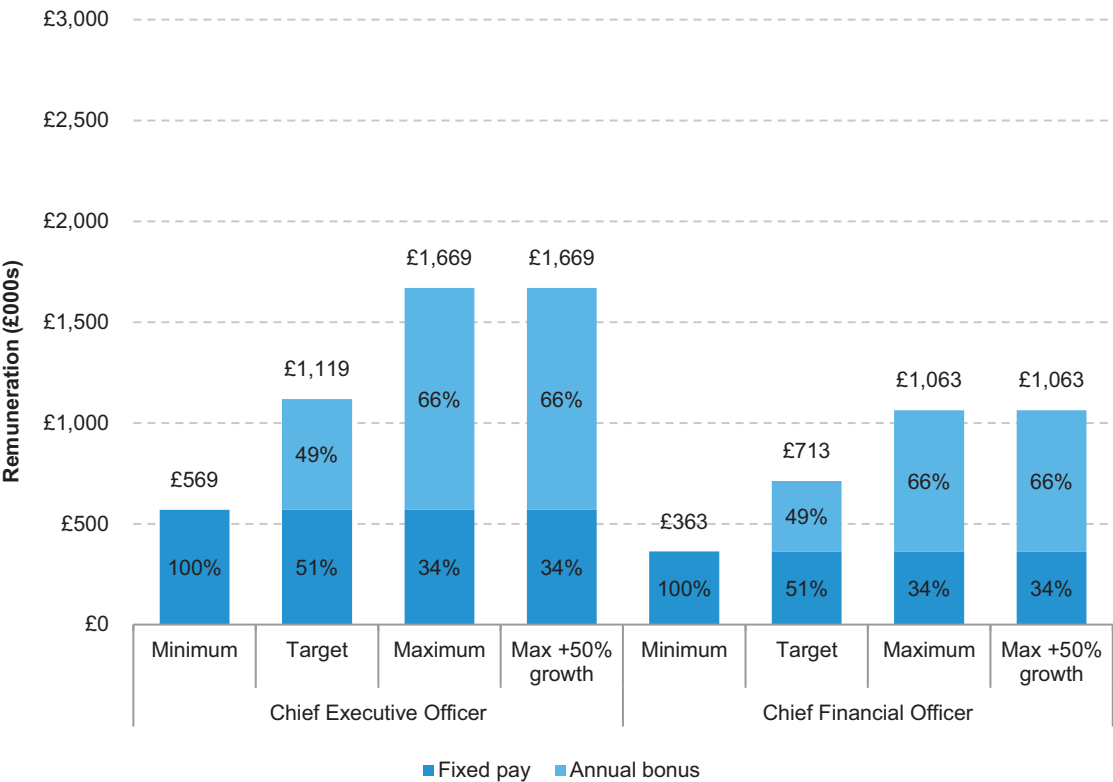
Executive Directors are permitted to participate in carried interest schemes and similar arrangements which may be linked to the co-investments they make in funds on materially the same terms as other fund investors, which are not regarded as remuneration for the purposes of this Policy. The carried interest represents a separate relationship between the fund investors and the Executive Directors, and is an investment requiring the individuals to put their own capital at risk. Continued rights to returns from the co-investments or carried interest are not dictated by continuation of employment.

3.6 Legacy arrangements

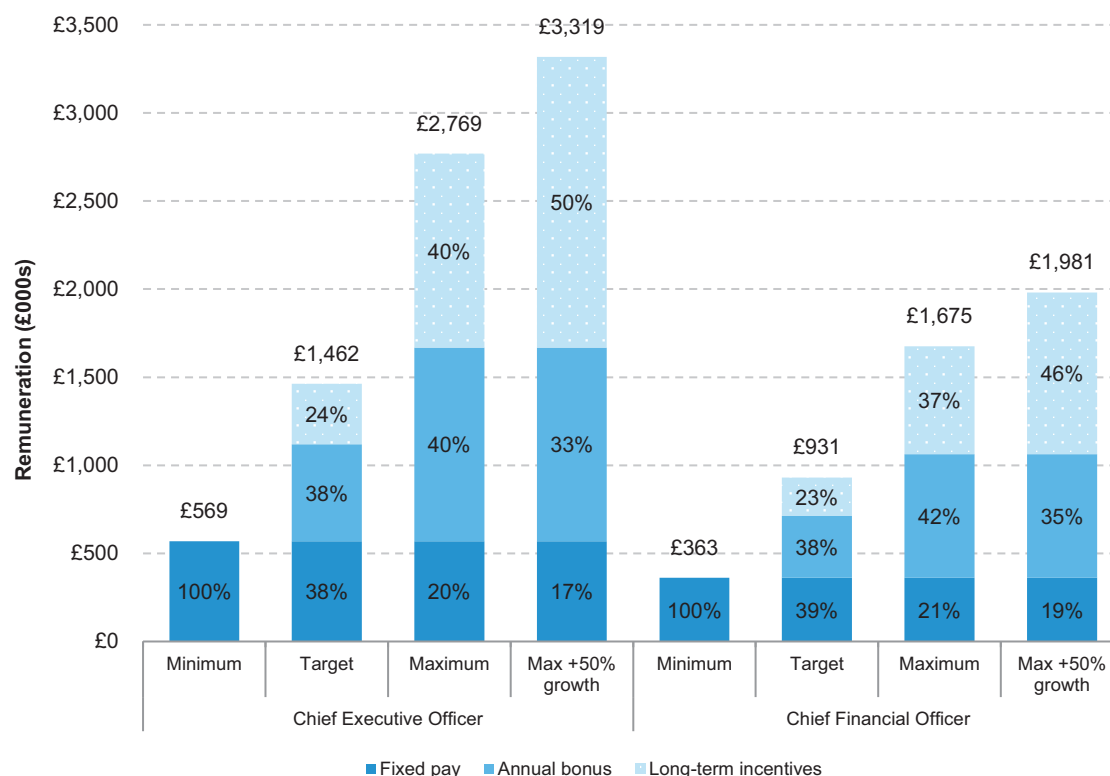
For the avoidance of doubt, in approving the new Policy, authority is given to the Directors to honour any commitments previously entered into with current or former Directors prior to (and not in contemplation of) their joining the Board.

3.7 Illustrations of application of remuneration policy

The Company will not make any LTIP awards to the CEO and CFO for a period of two years following Completion. The following chart illustrates the remuneration during the two years following Completion:



The following chart illustrates the remuneration thereafter under the new Policy:



Notes:

1. The Company will not make any LTIP awards to Lindsey McMurray or Julian Dale for a period of two years following completion of the Combination.
2. Salary, benefits and pension taken as a total of £550,000 for the CEO and £350,000 for the CFO.
3. Minimum – fixed pay with no vesting under any incentive plans.
4. Fixed pay comprises base salary, benefits (at £2,000 per Executive Director) and pension at 3% Company contribution or cash allowance.
5. Maximum bonus opportunity of 200% of salary. Target bonus is set at 50% of the maximum with target bonus of 100% of salary.
6. The maximum LTIP is taken to be 200% of salary for the CEO and 175% for the CFO. There will be straight line vesting with 25% of the maximum vesting at threshold such that 62.5% of the maximum vests at target.
7. The maximum value of the any LTIP is taken to be the face value of the award at grant with no allowance for share price growth.
8. The Max + 50% growth scenario reflects the maximum pay-out plus 50% growth in the share price which applies to the LTIP.

3.8 Current service agreements and letters of appointment

The Group's policy is for Executive Directors to have ongoing contracts which are deemed appropriate for the nature of the Group's business. Executive Directors will be employed under rolling service agreements with a notice period of 12 months from either party. Executive Directors retire from their position upon the first AGM following the AGM at which they were elected or last re-elected. They are eligible for re-election at the AGM at which they retire.

Lindsey McMurray will also continue to be separately employed by PSC Service Company Limited in respect of the fund management services she provides to members of the Group. She will not be

entitled to any additional salary, benefits or other remuneration under this separate employment agreement.

The Non-Executive Directors do not have service agreements but are appointed by letters of appointment. Each Non-Executive Director's term of office runs for a one-year period with a three month notice period. Non-Executive Directors are subject to annual retirement at AGMs and may offer themselves for re-election.

Service agreements and letters of appointment are held, and are available for inspection, at the Company's registered office.

3.9 Termination and loss of office payments

Honeycomb is entitled, at its discretion, to terminate the Executive Directors' employment with Honeycomb by payment of a cash sum in lieu of notice equal to salary and the cost to Honeycomb of providing contractual benefits (including pension but excluding bonus) during what would otherwise have been the notice period. Any such payment in lieu of notice will be paid in equal monthly instalments over the notice period, unless exceptional circumstances apply, in which case Honeycomb has discretion to make a lump sum payment in lieu. There is a mitigation mechanism in the CEO and CFO service agreements to reduce the instalments where the Executive Director commences an alternative paid role during the notice period.

Honeycomb may also terminate the Executive Directors' employment with Honeycomb with immediate effect and with no liability to make any payment in lieu of notice or by way of compensation for loss of office in certain prescribed circumstances (e.g. in the case of a serious or persistent breach of the Executive Directors' obligations).

Outplacement services and reimbursement of reasonable legal costs may also be provided.

The Remuneration Committee may make additional payments where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation) or by way of settlement or compromise of any claim arising in connection with or in the context of a termination of office or employment, where considered to be in the best interest of the Company. The Remuneration Committee may agree that the Group will pay appropriate consideration for any agreement to introduce contractual terms protecting the Company's rights following termination.

In the event of an Executive Director's departure, any potential entitlement to annual bonus and any outstanding share awards will be treated in accordance with the relevant incentive plan rules. The table below sets out the usual position in respect of unvested incentive arrangements for departing Executive Directors. In accordance with the terms of the relevant incentive plan rules, and based on the circumstances of any departure, the Remuneration Committee has discretion in certain cases to determine how an Executive Director should be categorised for each element and determine the relevant vesting levels:

Plan	Treatment on cessation of employment
Annual Bonus	Good leaver reason* or death Where an Executive Director is considered a good leaver, or in the case of death, a performance-related bonus may be paid. This will usually be based on the proportion of the bonus year for which the individual has been in active service. If the Executive Director's employment has ceased by the payment date, the bonus may be paid wholly in cash. Other reason An Executive Director who leaves for any other reason will have no entitlement to an annual bonus in respect of the financial year in which they cease to be in active service.
DBP	Good leaver reason* An unvested DBP award will normally vest in full on the normal vesting date, unless the Remuneration Committee, in its discretion, decides to accelerate vesting. If the Executive Director is a good leaver by reason of their employment being transferred out of the Group, the Committee may determine that an unvested award will not vest but will be automatically exchanged for an equivalent award over shares in another company. Death If a participant dies, an unvested DBP award will normally vest on the date of death, unless the Remuneration Committee, in its discretion, determines that it will vest on the normal vesting date. Other reason Unvested DBP awards will normally lapse on cessation of employment.
LTIP	Good leaver reason* An unvested LTIP award will normally vest on the normal vesting date, subject to time pro-rating and performance, as determined by the Remuneration Committee. The Remuneration Committee may, in its discretion, (i) accelerate vesting with performance tested at an earlier time and/or (ii) disapply time pro-rating. The award will remain subject to any post-vesting holding period, unless the Remuneration Committee, in its discretion, determines otherwise. Death If a participant dies, unvested LTIP awards will normally vest on the date of death, subject to time pro-rating and performance, as determined by the Remuneration Committee. The Remuneration Committee may, in its discretion, determine that (i) unvested LTIP awards will vest on the normal vesting date and/or (ii) disapply time pro-rating. Awards will not be subject to a holding period unless the Remuneration Committee, in its discretion, determines otherwise. Other reason Unvested LTIP awards will normally lapse on cessation of employment.

- * A good leaver is defined in the LTIP rules as a participant who ceases to be employed by a member of the Group because of: ill-health, injury or disability, in each case evidenced to the satisfaction of the Remuneration Committee; the participant's employing company ceasing to be under the control of the Company; a transfer of the undertaking, or part of the undertaking, in which the participant works to a person who is neither under the control of the Company nor a Group member; and any other reason, at the discretion of the Remuneration Committee. In the DBP rules, in addition to the good leaver triggers applicable under the LTIP, a good leaver includes a participant who ceases to be employed by a member of the Group because of: redundancy; resignation, conditional upon the participant complying with any applicable post-termination non-compete restrictions; and termination of employment by the participant's employing company, where such termination is not in circumstances where the employing company has the right to summarily dismiss the participant under the terms of their employment contract.

Any outstanding awards under an all-employee share plan or separate buy-out arrangements entered into on the recruitment of an Executive Director will be treated in accordance with the terms of the relevant plan/award and will be subject to any discretions available to the Remuneration Committee under such plan/award.

Corporate events

In the event of a change of control or voluntary winding-up, unvested LTIP awards may vest early, subject to assessment of performance conditions and a time-based pro-rata reduction (although the Remuneration Committee may determine that the pro-rata reduction should not apply at all or should apply to a lesser extent if it considers that the circumstances justify such a treatment). In these circumstances, the Remuneration Committee will have discretion to determine the extent to which any performance conditions have been satisfied either (i) up to the date of the relevant corporate event, measured against the most recent information available or information to become shortly available to the Remuneration Committee at that time, as determined by the Remuneration Committee or (ii) having regard to actual or projected performance over the full performance period, or in each case on such basis as the Remuneration Committee considers appropriate having regard to all of the circumstances. Unvested DBP awards may vest early and in full. Alternatively, the Remuneration Committee may require LTIP and DBP awards to be exchanged for equivalent awards over shares in another company.

If there is a variation in the capital of the Company, demerger, special dividend or distribution, or other similar event which, in the opinion of the Remuneration Committee, will materially affect the price of the Company's shares, the Remuneration Committee may decide that unvested LTIP and DBP awards will vest on the same basis as described above or that such awards should be adjusted in such manner as the Remuneration Committee may determine in accordance with the rules of the relevant plan.

4. Approach to recruitment and promotions

Where it is necessary to appoint or replace an Executive Director, the Committee's approach when considering the overall remuneration arrangement in the recruitment or promotion of a new Executive Director is to take account of the calibre, expertise and responsibilities of the individual, their remuneration package in their prior role, the geography in which the role competes or is recruited from, and the prevailing market rate for similar roles. Remuneration will be in line with the Company's Policy and the Remuneration Committee will not pay more than it considers necessary for a successful recruitment.

The remuneration package for a new Executive Director will be set in accordance with the terms of the Company's approved remuneration policy in force at the time of appointment. Further details are provided below:

Salary	The Remuneration Committee will set a base salary appropriate to the calibre, experience and responsibilities of the new appointee. In arriving at a salary, the Remuneration Committee may take into account, amongst other things, the market rate for the role and internal relativities. The Remuneration Committee has the flexibility to set the salary of a new Executive Director at a lower level initially, with a series of planned increases implemented over the following few years to bring the salary to the desired positioning, subject to individual performance. In exceptional circumstances, the Remuneration Committee has the ability to set the salary of a new Executive Director at a rate higher than the market level to reflect the criticality of the role and the experience and performance of the individual.
Benefits	Benefits will be consistent with the principles set out in the policy table provided. Should it be appropriate to recruit an Executive Director from outside of the UK, flexibility is retained to provide benefits that take account of those typically provided in their country of residence (e.g., it may be appropriate and is permitted to provide benefits that are tailored to the unique circumstances of such an appointment).
Relocation	If an Executive Director needs to relocate in order to take up the role, the Company may pay to cover the costs of relocation and related costs, including (but not limited to) actual relocation costs, temporary accommodation, travel expenses, reasonable legal fees incurred by the Executive Director in connection with advice on the UK legal regime governing the service agreement and remuneration package, financial and tax advice relating to the relocation, and in each case tax thereon.
Pension	Pension contributions or a cash supplement up to the maximum level indicated in the policy table may be provided, although the Remuneration Committee retains discretion to structure any arrangements as necessary to comply with the relevant legislation and market practice if an overseas Executive Director is appointed. For an internal appointment, his or her existing pension arrangements may continue to operate.
Annual bonus	In the year of appointment, the annual bonus opportunity will be the subject to the same performance conditions as offered to existing Executive Directors, pro-rated for the period of service. The Committee retains the discretion to set different performance measures, taking into account the responsibilities of the individual, and the point in the financial year that they joined the Company. For internal appointments, annual bonuses awarded in respect of the prior role will be allowed to pay out according to their existing terms. In addition, any other contractual remuneration obligations existing prior to appointment may continue.

Long Term Incentive Plan	New Executive Directors are eligible for LTIP awards in line with the Policy outlined for existing Executive Directors. An award may be made shortly following an appointment. The Remuneration Committee maintains discretion over the type and terms of equity awards granted to new Executive Directors, as well as the timing of grant. For internal appointments, existing equity awards will continue on their original terms.
Replacement awards	In addition to the above, the Remuneration Committee may (where considered appropriate) offer additional cash and/or share-based elements in order to 'buy-out' remuneration that will be forfeited on leaving a former employer. To the extent possible, having regard to all relevant circumstances, including any applicable regulatory requirements, any such buyout award or payment will be made on a like-for-like basis. The award will be structured having regard to (but not being bound to replicate) the performance conditions attached to the vesting of the forfeited incentives, the timing of vesting, the likelihood of vesting, the expected value and the nature of the awards (cash or equity). Shareholders will be informed of any buy-out arrangements at the time of the Executive Director's appointment.
Notice periods	New Executive Directors can be employed under service agreements with a notice period of no more than 12 months from either party.

Depending on the timing and responsibilities of the appointment, it may be necessary to set different annual bonus/LTIP performance measures and targets as applicable to other Executive Directors.

The terms of appointment for a Non-Executive Director would be in accordance with the remuneration policy for Non-Executive Directors as set out in the table above.

5. Policy on external appointments

The Board believes that it may be beneficial to the Company for Executive Directors to hold non-executive directorships outside the Company. Any such appointments are subject to approval by the Board and the Executive Director may retain any fees received at the discretion of the Board.

APPENDIX 3

HONEYCOMB SHARE PLAN SUMMARIES

1. SHARE-BASED INCENTIVE PLANS

Following the Combination, Honeycomb intends to operate two discretionary share-based incentive plans: a long-term incentive plan (the “**LTIP**”) and a deferred bonus plan (the “**DBP**”) (the LTIP and DBP together, the “**Plans**”). The main features of each of the Plans are set out in sections 1.1 and 1.2 below, with the common terms of the Plans set out in section 1.3.

1.1 LTIP

The LTIP is a discretionary share plan, under which the Remuneration Committee may grant awards (“**LTIP Awards**”) over Honeycomb Shares to incentivise and retain key employees of Honeycomb and its subsidiaries (the “**Group**”), including Honeycomb’s executive directors (“**Executive Directors**”). The LTIP will be administered by the Remuneration Committee or by any sub-committee or person duly authorised by it.

(A) Individual limit

LTIP Awards will not normally be granted to a participant over Honeycomb Shares with a market value (as determined by the Remuneration Committee at the time an LTIP Award is granted) in excess of 200 per cent of salary in respect of any financial year of Honeycomb. Awards may be granted in excess of this limit to an eligible employee in connection with their recruitment by way of compensating them for any awards forfeited as a result of leaving their former employer (a “**Recruitment Award**”).

(B) Performance conditions

The vesting of LTIP Awards may (and, in the case of an LTIP Award to an Executive Director other than a Recruitment Award will, to the extent required by the shareholder-approved directors’ remuneration policy (the “**Remuneration Policy**”)) be subject to the satisfaction of performance conditions. The Remuneration Committee will determine the period over which any performance conditions are assessed. Any performance condition may be amended in accordance with its terms or if anything happens which causes the Remuneration Committee reasonably to consider it appropriate to amend the performance conditions, provided that the Remuneration Committee considers that any amended performance condition would not be materially less or more challenging to satisfy.

(C) Vesting and release of LTIP Awards

LTIP Awards which are subject to performance conditions will normally have those conditions assessed as soon as reasonably practicable after the end of the relevant performance period. The Remuneration Committee will determine the extent to which the LTIP Awards will vest, taking into account the extent that any relevant performance conditions have been satisfied, the underlying performance of Honeycomb and the participant, and such other factors as the Remuneration Committee considers, in its absolute discretion, relevant. To the extent that they vest, LTIP Awards will normally vest on the vesting date set by the Remuneration Committee at grant. This date will normally be the third anniversary of grant.

The Remuneration Committee may also determine at grant that an LTIP Award is subject to an additional holding period following vesting, during which Honeycomb Shares subject to the LTIP Award will not be delivered to participants and at the end of which the LTIP Award will be “released”. The holding period will be set at the time of grant and will not normally exceed three years from vesting.

1.2 DBP

The DBP is a discretionary share plan implemented so that a portion of a participant’s annual bonus can be deferred into an award of Honeycomb Shares (a “**DBP Award**”). The DBP will be administered by the Remuneration Committee or by any sub-committee or person duly authorised by it.

DBP Awards may also be granted to facilitate the recruitment of an eligible employee by way of compensating them for any awards forfeited as a result of leaving their former employer.

DBP Awards will normally vest on the third anniversary of the date of grant or such other date as the Remuneration Committee determines.

1.3 Terms common to the Plans

(A) Eligibility

All employees (including the Executive Directors) of the Group (and, in the case of the DBP, former employees where it is determined that the former employee should be eligible to receive a bonus for a period prior to their termination of office or employment (a **"Former Employee"**)) are eligible for selection to participate in the Plans at the discretion of the Remuneration Committee.

(B) Timing of awards

LTIP and DBP Awards (together, the **"Executive Awards"**) can only be granted (i) during the 42 days beginning on: (a) the date on which the Plan is approved by Honeycomb's shareholders; (b) the first business day after the announcement of Honeycomb's results for any period; (c) the day on which the Remuneration Policy (or amendment to it) is approved by Honeycomb's shareholders; or (d) to the extent that share dealing restrictions apply in any of the preceding three periods, the first dealing day on which such dealing restrictions are lifted, or (ii) on any other day on which the Remuneration Committee determines that exceptional circumstances exist which justify the making of an Executive Award at that time.

(C) Form of awards

The Remuneration Committee may grant Executive Awards as conditional awards of Honeycomb Shares, or nil or nominal-cost options over Honeycomb Shares. No payment is required for the grant of an Executive Award. Executive Awards structured as nil or nominal-cost options will normally be exercisable from the point of vesting (or, where an LTIP Award is subject to a holding period, release) until the tenth anniversary of the grant date. Where a DBP Award structured as an option is granted to a Former Employee, it will normally be exercisable for a period of 12 months from the vesting date set at grant.

(D) Dividend equivalents

Unless the Remuneration Committee determines otherwise, participants will receive an amount (in cash, unless the Remuneration Committee decides it will be paid (in full or in part) in additional Honeycomb Shares) equal to the value of any dividends which would have been paid on the number of Honeycomb Shares subject to an Executive Award which vests by reference to record dates during the period beginning on the grant date and ending on the date on which the Executive Award vests or, if there is a holding period applicable to an LTIP Award, is released. This amount may assume the reinvestment of dividends and exclude or include special dividends.

(E) Sourcing of shares and overall limits

The Plans may operate over new issue Honeycomb Shares, treasury Honeycomb Shares or Honeycomb Shares purchased in the market. In any ten-year rolling period, the number of Honeycomb Shares which may be issued under the Plans and any other employee share plan adopted by Honeycomb may not exceed 10 per cent of the issued ordinary share capital of Honeycomb from time to time. In addition, in any ten-year period, the number of Honeycomb Shares which may be issued under the Plans and any other discretionary employee share plan adopted by Honeycomb may not exceed 5 per cent of the issued ordinary share capital of Honeycomb from time to time.

Honeycomb Shares transferred out of treasury will count towards these limits for so long as this is required under institutional shareholder guidelines. However, awards which are relinquished or lapse will be disregarded for the purposes of these limits.

(F) Malus and clawback

In certain circumstances, the Remuneration Committee may at any time prior to the sixth anniversary of the date of grant of an LTIP Award or the third anniversary of the date of grant of a DBP Award (or, if an investigation into the conduct or actions of any participant or any member of the Group has started, such later date as the Remuneration Committee may determine in order to allow the investigation to be completed) to: (a) reduce an Executive Award (to zero if appropriate); (b) impose additional conditions on an Executive Award; and/or (c) require that the participant either

returns some or all of the Honeycomb Shares acquired under the Executive Award or makes a cash payment to Honeycomb in respect of the Honeycomb Shares delivered.

The Remuneration Committee may invoke these malus and clawback provisions in the following circumstances:

- (i) where there has been a material misstatement in the published results of Honeycomb or Group or a member of the Group;
- (ii) where there has been an error in, or in connection with, determining the amount of the annual bonus or the number of Honeycomb Shares subject to an Executive Award, or in assessing any performance conditions (as applicable);
- (iii) where the determination of the number of Honeycomb Shares subject to an Executive Award, any annual bonus, or the assessment of any performance conditions is based on inaccurate or misleading information;
- (iv) where there has been gross misconduct on the part of the relevant participant;
- (v) if the participant is subject to disciplinary action or regulatory censure, or where the Remuneration Committee determines that the participant's conduct, capability or performance has been in breach of their employment contract, any applicable law, rules, codes of conduct, applicable fitness or propriety standards or the standards reasonably expected of the relevant participant;
- (vi) where the Remuneration Committee determines, as a result of an appropriate review of accountability, that the participant has caused, contributed to or failed to prevent, wholly or in part, a material loss for the Group as a result of reckless, negligent or wilful actions or omissions or inappropriate values or behaviour;
- (vii) where a member of the Group or the business in which the participant works, or for which the participant is responsible has (i) suffered a material downturn in its financial performance; (ii) suffered a material failure of risk management; or (iii) made a material financial loss as a result of circumstances that could reasonably have been risk-managed and which leads to or is likely to create reputational damage to the Group;
- (viii) where a member of the Group has been in breach of any applicable laws, rules, codes of conduct or the standards reasonably expected of it;
- (ix) if a member of the Group is censured by a regulatory body (including following a regulatory investigation) or suffers a significant detrimental impact on its reputation, where the Remuneration Committee determines, following an appropriate review of accountability, that the participant was responsible for, or had management oversight over, the actions, omissions or behaviour that gave rise to that censure or detrimental impact; or
- (x) Honeycomb or a material proportion of the Group becomes insolvent or otherwise suffers a corporate failure so that Honeycomb Shares cease to have material value, for which the Remuneration Committee determines, following an appropriate review of accountability, that the participant should be held responsible (in whole or in part).

(G) Leavers

Classification of "good leavers"

An unvested Executive Award will usually lapse when a participant ceases to be an employee of the Group.

If, however, a participant ceases to be an employee of the Group because of their ill-health, injury, disability, the sale of the participant's employing company or business out of the Group or in other circumstances at the discretion of the Remuneration Committee (i.e. they leave as a "good leaver"), their Executive Award will normally continue to vest (and, if the Executive Award is subject to a holding period, be released) on the date when it would have vested (and, if the Executive Award is subject to a holding period, been released) if they had not ceased to be an employee of the Group. In addition, a participant will be a "good leaver" under the DBP if they cease to be an employee of the Group because of redundancy, resignation (provided the participant complies with any applicable post-termination non-compete restrictions) or termination of employment by their employing company

where such termination is not in circumstances where the employing company has the right to summarily dismiss the participant under the terms of their employment contract.

If the participant ceases to be an employee of the Group as a result of their employing company or business being sold out of the Group, the Remuneration Committee may require that the Executive Award is exchanged for an equivalent award over shares in another company.

Death

If a participant dies, their Executive Award will vest (and, in the case of an LTIP Award subject to a holding period, be released) on the date of their death on the basis set out for other “good leavers” above. Alternatively, the Remuneration Committee may decide that unvested Executive Awards will vest on the date they would have vested if the participant had not died and on the basis set out for other “good leavers” above.

Extent and timing of vesting – LTIP awards

The extent to which LTIP Awards vest in these circumstances will be determined by the Remuneration Committee, taking into account the satisfaction of any performance conditions applicable to LTIP Awards measured over the original performance period, the underlying performance of Honeycomb and of the participant, and such other factors the Remuneration Committee considers, in its opinion, relevant. The Remuneration Committee retains discretion, however, to allow the LTIP Award to vest (and, if the LTIP Award is subject to a holding period, be released) on or following the individual’s cessation of office or employment, taking into account any applicable performance conditions measured up to that point or, where the participant is a “good leaver” as a result of their employing company or business being sold out of the Group, to require that the LTIP Award is exchanged for an equivalent award over shares in another company.

Unless the Remuneration Committee decides otherwise, the extent to which an LTIP Award vests will also take into account the proportion of the performance period (or, in the case of an LTIP Award not subject to performance conditions, the vesting period) which has elapsed on the cessation of the participant’s office or employment with the Group. The period over which a Recruitment Award will normally be time pro-rated will be determined at the time of grant and will normally replicate the approach to time pro-rating applied to the award in respect of which the Recruitment Award was granted.

LTIP holding periods

If a participant ceases to be an officer or employee of the Group during a holding period in respect of an LTIP Award for any reason other than summary dismissal, their LTIP Award will normally be released at the end of the holding period, unless the Remuneration Committee determines that it should be released on the cessation of their office or employment. If a participant dies during the holding period, their LTIP Award will be released on the date of death (unless the Remuneration Committee decides they will be released at the end of the normal holding period).

If a participant is summarily dismissed, any outstanding LTIP Awards they hold will immediately lapse. Executive Awards structured as nil or nominal-cost options which do not lapse may normally be exercised to the extent vested for a period of 12 months after vesting (or, where LTIP Awards are subject to a holding period, release).

Extent and timing of vesting – DBP awards

In the “good leaver” circumstances referred to above, a DBP Award will vest in full on the date when it would have vested as if the participant had not ceased to be a Group employee. The Remuneration Committee retains discretion, however, to allow the DBP Award to vest in full on or following the individual’s cessation of office or employment. Where a Former Employee has been granted a DBP Award, the “good leaver” provisions set out above will not apply.

However, if the Remuneration Committee determines that a participant has breached any applicable restrictive covenants after ceasing to be in employment with the Group, all their DBP Awards (whether vested or not) will lapse, unless the Remuneration Committee determines otherwise.

Awards structured as nil or nominal-cost options

Where nil or nominal-cost options have already vested (and, where relevant, been released) on the date of cessation of office or employment, those options may normally be exercised for a period of

12 months from the date of cessation, unless the participant is summarily dismissed, in which case their options will lapse. If a participant dies, a vested (and, where relevant, released) option may normally be exercised until the first anniversary of their death.

(H) Corporate events

If there is a takeover of Honeycomb, Executive Awards may vest (and be released) early. DBP Awards will vest in full. The proportion of any unvested LTIP Awards which vest will be determined by the Remuneration Committee, taking into account the extent to which any performance conditions applicable to LTIP Awards have been satisfied at that time, the underlying performance of Honeycomb and of the participant and such other factors the Remuneration Committee considers, in its absolute discretion, relevant, and, unless the Remuneration Committee determines otherwise, the proportion of the performance period, or in the case of LTIP Awards not subject to performance conditions, the vesting period, which has elapsed. The period over which a Recruitment Award will normally be time pro-rated will be determined at the time of grant and will normally replicate the approach to time pro-rating applied to the award in respect of which the Recruitment Award was granted. Executive Awards structured as nil or nominal-cost options may then normally be exercised for a period of one month, after which they lapse.

Alternatively, the Remuneration Committee may require that Executive Awards are exchanged for equivalent awards over shares in another company (subject to the acquiring company's consent).

If Honeycomb is wound up or other corporate events occur such as a variation of the share capital of Honeycomb, a demerger, special dividend or other transaction which, in the Remuneration Committee's opinion, would materially affect the value of Honeycomb Shares, the Remuneration Committee may determine that Executive Awards will vest (and be released) on the same basis as for a change of control.

(I) Adjustment

If there is a variation of Honeycomb's share capital or in the event of a demerger, special dividend or other transaction which, in the Remuneration Committee's opinion, would materially affect the value of Honeycomb Shares, the Remuneration Committee may make such adjustments to the number or class of Honeycomb Shares subject to Executive Awards, or the exercise price of those Executive Awards, as the Remuneration Committee considers appropriate.

(J) Settlement

The Remuneration Committee may, in its discretion, decide to satisfy an Executive Award made as a conditional award or option with a cash payment equal to the market value of the Honeycomb Shares (less any exercise price payable in the case of an option) that the participant would have received had the Executive Award been satisfied with Honeycomb Shares.

(K) Rights attaching to Honeycomb Shares

Honeycomb Shares delivered under the Plans will not confer rights on the participant until that participant has received the underlying Honeycomb Shares. Any Honeycomb Shares issued will rank equally with Honeycomb Shares then in issue (except for rights arising by reference to a record date prior to their issue).

(L) Amendments

The Remuneration Committee may, at any time, amend the Plans in any respect. However, the prior approval of shareholders must be obtained in the case of any amendment which is made to the advantage of present or future participants and relates to the provisions relating to eligibility, individual or overall limits, the basis for determining the entitlement to, and the terms of, cash or Honeycomb Shares provided under the Plans, the adjustments that may be made in the event of any variation of Honeycomb's share capital and/or the rule requiring such prior approval. There are, however, exceptions to this requirement to obtain shareholder approval for any minor amendments to benefit the administration of the Plans, to take account of the provisions of any legislation, or to obtain or maintain favourable tax, exchange control or regulatory treatment for any participant or member of the Group.

(M) Non-transferability

Awards are not transferable except to the participant's personal representatives if the participant dies.

(N) Benefits not pensionable

Benefits received under the Plans are not pensionable.

(O) Termination

No awards may be granted under the Plans more than ten years after the date on which the Plan is approved by Honeycomb's Shareholders.

1.4 Interaction with the Rule 9 waiver

Honeycomb has consulted with the Panel regarding the possibility that awards under the LTIP and/or DBP may be granted to one or more members of the Concert Party following Completion and that the issue of Honeycomb Shares to members of the Concert Party pursuant to vested LTIP and/or DBP awards could give rise to a mandatory offer obligation under Rule 9 of the Takeover Code. Honeycomb has concluded that future grants of LTIP and/or DBP awards, however, will not be approved as part of the Rule 9 Waiver Resolution being voted on by Shareholders at the General Meeting since it is not possible to ascertain as at the date of this Circular which members of the Concert Party (if any) will be granted awards and what the quantum of those potential awards will be.

Honeycomb and the Panel have agreed that, in order to disapply a mandatory offer obligation under Rule 9 of the Takeover Code upon the issue of Honeycomb Shares pursuant to vested LTIP and/or DBP awards, Honeycomb would, to the extent the Concert Party are still deemed to be acting in concert, be required to propose a resolution to Shareholders at the first annual general meeting of Honeycomb post-Completion approving a further waiver under Rule 9 of the Takeover Code in respect of any LTIP and/or DBP awards made to members of the Concert Party in the period between Completion and the first annual general meeting of Honeycomb following Completion. Further details will be included in the relevant notice of annual general meeting in due course.